



**City and Borough of Wrangell
Borough Assembly Meeting
AGENDA**

April 14, 2015 – 7:00 p.m.

Location: Assembly Chambers, City Hall

1. CALL TO ORDER

- a. PLEDGE OF ALLEGIANCE led by Assembly Member David Powell
- b. INVOCATION to be given by Nettie Covalt with the Presbyterian Church
- c. CEREMONIAL MATTERS – *Community Presentations, Proclamations, Certificates of Service, Guest Introductions*
 - i. *Proclamation – National Library Week, April 12-18, 2015*
 - ii. *Proclamation – Lemonade Day, May 9, 2015*

2. ROLL CALL

3. AMENDMENTS TO THE AGENDA

4. CONFLICT OF INTEREST

5. CONSENT AGENDA

- a. Items (*) 6a

6. APPROVAL OF MINUTES

- *a. Minutes of the Public Hearing and Regular Assembly meetings held March 24, 2015

7. COMMUNICATIONS

- *a. None

8. BOROUGH MANAGER'S REPORT

9. BOROUGH CLERK'S FILE

10. MAYOR/ASSEMBLY REPORTS AND APPOINTMENTS

- a. Reports by Assembly Members
- b. Appointment to fill the Vacancy on the Planning & Zoning Commission
- c. Appointment to fill the Vacancy on the Nolan Museum/Civic Center Board
- d. Appointment to fill the Vacancy of the Alternate Board Member on the Southeast Alaska Solid Waste Authority Board

11. PERSONS TO BE HEARD

12. UNFINISHED BUSINESS

- a. PROPOSED ORDINANCE No. 893 (am): AN ORDINANCE OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AMENDING TITLE 10, PUBLIC PEACE, MORALS, AND WELFARE, OF THE WRANGELL MUNICIPAL CODE TO ADD A NEW CHAPTER 10.18 ON ABUSE OF 911 SYSTEM, AND TO AMEND CERTAIN SECTIONS OF CHAPTERS 10.32 AND 10.36 RELATING TO WEAPONS AND DISCHARGE OF FIREARMS
(second reading, as amended)

- b. PROPOSED ORDINANCE No. 894: AN ORDINANCE OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AMENDING THE MINOR OFFENSE FINE SCHEDULE IN CHAPTER 1.20, GENERAL PENALTY, OF THE WRANGELL MUNICIPAL CODE *(second reading – postponed from the February 10, 2015 Regular Assembly meeting because of its connection to Proposed Ordinance No. 893)*

13. NEW BUSINESS

- a. PROPOSED ORDINANCE No. 898: AN ORDINANCE OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AMENDING SECTION 14.11.005, FEE SCHEDULE, OF THE WRANGELL MUNICIPAL CODE RELATING TO FEES FOR USE OF HARBORS AND PORT FACILITIES, TO ADD A FEE FOR LONG-TERM STORAGE RESERVATION AT THE MARINE SERVICE CENTER AND FEES FOR MEYER'S CHUCK MOORAGE *(first reading)*
- b. Approval to proceed with the sale of City Tidelands as requested by Bill and Cheryl Goodale, owner of Southeast Properties
- c. PROPOSED ORDINANCE No. 899: AN ORDINANCE OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AMENDING SECTION 5.22.030, ENHANCED 911 SURCHARGE ON LOCAL EXCHANGE ACCESS LINES AND WIRELESS TELEPHONE NUMBERS, OF THE WRANGELL MUNICIPAL CODE TO INCREASE THE MONTHLY SURCHARGE WITHIN THE ENHANCED 911 SERVICE AREA *(first reading)*
- d. PROPOSED ORDINANCE No. 900: AN ORDINANCE OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, PROPOSING AN AMENDMENT TO THE HOME RULE CHARTER, REPEALING SECTION 11-2, THOMAS BAY POWER AUTHORITY *(first reading)*
- e. Approval of a Letter of Support for AICS
- f. Approval to dispose of City Surplus Property
- g. Approval of a change order for Western Dock and Bridge, LLC for the Wrangell City Dock Fender Pile Replacement project
- h. Approval of the Quote received from Richards Pipe & Steel, Inc. for the purchase of Camel Logs
- i. Approval of the Shoemaker Bay Harbor Engineering Design Services, Task 2 fee proposal
- j. Approval of a letter of support for the Senate Bill to revise Title 4 of the Alaska Statutes regulating alcoholic beverages

14. ATTORNEY'S FILE

15. EXECUTIVE SESSION

16. ADJOURNMENT

Agenda Items 1 - 6

CITY & BOROUGH OF WRANGELL

BOROUGH ASSEMBLY

AGENDA ITEM

April 14, 2015

ITEM NO. 1 CALL TO ORDER:

INFORMATION: *The Mayor, by code, is required to call the meeting to order at 7:00 p.m. in the Borough Assembly Chambers. Special meetings or continued meetings may be called for at differing times but at the same location. Notice of such will be required by the Borough Clerk. The Mayor will call the meeting to order according to such special or continued meeting notice. At all meetings of the assembly, four assembly members or three members and the mayor shall constitute a quorum for the transaction of business, but a smaller number less than a quorum may adjourn a meeting to a later date.*

RECOMMENDED ACTION:

The Mayor, as presiding officer, is to call the meeting of the Borough Assembly to order, with the following actions to follow:

- a. Pledge of Allegiance to be given by Assembly Member David Powell
- b. Invocation to be given by Nettie Covalt with the Presbyterian Church
- c. Ceremonial Matters – *Community Presentations, Proclamations, Certificates of Service, Guest Introduction*
 - i. **Proclamation – National Library Week, April 12-18, 2015**
 - ii. **Proclamation – Lemonade Day, May 9, 2015**

ITEM NO. 2 ROLL CALL – BOROUGH CLERK:

INFORMATION: *The Borough Clerk shall conduct a roll call of each elected and duly qualified Assembly Member. Such call shall result in an entry of those present or absent from the meeting. The roll call is primarily utilized in determining if sufficient member(s) are present to conduct a meeting. The Borough Clerk may randomly change the conduct of the roll to be fair to the members of the governing body unless the council determined an adopted procedure for roll call which is different than currently in use.*

RECOMMENDED ACTION:

Borough Clerk to conduct a roll call by voice vote. Each member to signify by saying here, present (or equal) to give evidence of attendance.

ITEM NO. 3 AMENDMENTS TO THE AGENDA:

INFORMATION: *The assembly may amend the agenda at the beginning of its meeting. The outline of the agenda shall be as from time to time prescribed and amended by resolution of the assembly. (WMC 3.04.100)*

RECOMMENDED ACTION:

The Mayor should request of the members if there are any amendments to the posted agenda. ***THE MAYOR MAY RULE ON ANY REQUEST OR THE ASSEMBLY MEMBERS MAY VOTE ON EACH AMENDMENT.***

ITEM NO. 4 CONFLICT OF INTEREST:

INFORMATION: *The purpose of this agenda item is to set reasonable standards of conduct for elected and appointed public officials and for city employees, so that the public may be assured that its trust in such persons is well placed and that the officials and employees themselves are aware of the high standards of conduct demanded of persons in like office and position.*

An elected city official may not participate in any official action in which he/she or a member of his/her household has a substantial financial interest.

ITEM NO. 5 CONSENT AGENDA:

INFORMATION: *Items listed on the Consent Agenda or marked with an asterisk (*) are considered part of the Consent Agenda and will be passed in one motion unless the item has been removed by an Assembly Member or the Mayor and placed on the regular agenda under Unfinished Business.*

RECOMMENDED ACTION:

Move to approve those Agenda items listed under the Consent Agenda and those marked with an asterisk (*) Items:

****6a***

ITEM NO. 6 APPROVAL OF MINUTES:

INFORMATION:

6a *Minutes of the Public Hearing and Regular Assembly meetings held March 24, 2015*

PROCLAMATION
"National Library Week"
April 12-18, 2015

WHEREAS, our nation's school, academic, public and special libraries make a difference in the lives of millions of Americans; and

WHEREAS, libraries are places of opportunity providing programs that teach all forms of literacy, promoting continuing education and encouraging lifelong learning; and

WHEREAS, in times of economic hardship, Americans turn to – and depend on – their libraries and librarians; and

WHEREAS, librarians are trained, tech-savvy professionals, providing technology training and access to downloadable content like eBooks; and

WHEREAS, libraries play a vital role in supporting the quality of life in their communities; and

WHEREAS, libraries continuously grow and evolve in how they provide for the needs of every member of their communities; and

WHEREAS, libraries help people of all ages discover a world of knowledge, both in person and online, as well as provide personal service and assistance in finding needed information; and

WHEREAS, libraries are narrowing the "digit divide", by providing no-fee public computer and internet access to accommodate the growing need for access to digital and online information; and

WHEREAS, libraries, librarians, library workers, and supporters across America are celebrating National Library Week.

NOW, THEREFORE, be it resolved that I, David Jack, Mayor of the City & Borough of Wrangell, Alaska, do hereby proclaim April 12-18th, 2015:

National Library Week

and encourage all residents to visit the library that week to take advantage of the wonderful library resources available at your library. Lives change at your library.

David L. Jack, Mayor

Attest: _____
Kim Lane, CMC, Borough Clerk



PROCLAMATION

WHEREAS: Lemonade Day is a free, community-wide educational event providing children with the opportunity to learn and apply entrepreneurial thinking and create a foundation for success in the global economy; and

WHEREAS: Lemonade Day exists to infuse today's youth with the spirit of enterprise, teaching the basic business and entrepreneurial skills necessary to become successful, contributing members of their communities; and

WHEREAS: Lemonade Day has a core philosophy of Spend, Save, and Share that is implemented by teaching children how to start, own and operate a business, learn goal-setting, develop a business plan, establish a budget, seek investors, provide customer service and give back to the community; and

WHEREAS: Lemonade Day offers opportunities for families, businesses, schools, youth organizations, faith-based communities, neighborhoods, institutes of higher learning, and government agencies to unite for a common purpose – to train the next generation of entrepreneurs; and

WHEREAS: Lemonade Day is an event that demonstrates to young people of Wrangell that they are important and citizens care about their future; and

The City and Borough of Wrangell salutes and commends organizers, volunteers and participants of Lemonade Day, a program that advances life skills, character, and entrepreneurship, and extend best wishes for a successful and rewarding observance.

NOW, THEREFORE, I, David L. Jack, Mayor of the City and Borough of Wrangell, Alaska, do hereby proclaim Saturday, May 9, 2015, as

“LEMONADE DAY”

AND encourage all residents of the City and Borough of Wrangell to participate and have a role: either selling or buying Lemonade, on Saturday, May 9th, 2015.

Attest: _____
Kim Lane, CMC, Borough Clerk

David L. Jack, Mayor

**Minutes of Public Hearing
Held March 24, 2015**

Mayor David L. Jack called the Public Hearing to order at 6:30 p.m., March 24, 2015, in the Borough Assembly Chambers. Assembly Members Mitchell, Blake, Prysunka, and Rooney were present. Assembly Member Decker was absent. Borough Manager Jeff Jabusch and Clerk Kim Lane were also in attendance.

Public Hearing Items:

- a. PROPOSED ORDINANCE No. 895: AN ORDINANCE OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AMENDING SECTION 3.30.090 OF THE WRANGELL MUNICIPAL CODE RELATING TO THE BOARD OF DIRECTORS OF THE SOUTHEAST SOLID WASTE AUTHORITY TO ADD PROVISIONS FOR AN ALTERNATE DIRECTOR (*second reading*)
- b. PROPOSED ORDINANCE No. 896: AN ORDINANCE OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AMENDING TITLE 10, PUBLIC PEACE, MORALS, AND WELFARE, OF THE WRANGELL MUNICIPAL CODE TO ADD A NEW CHAPTER 10.46 TO PROHIBIT THE CONSUMPTION OF MARIJUANA IN A PUBLIC PLACE, AND ESTABLISHING A PENALTY FOR VIOLATION (*second reading*)
- c. PROPOSED ORDINANCE No. 897: AN ORDINANCE OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AMENDING SECTION 8.02.010 OF CHAPTER 8.02 OF THE WRANGELL MUNICIPAL CODE TO CHANGE THE ADMISSION RATES FOR THE MUSEUM/CIVIC CENTER (*second reading*)

WRITTEN TESTIMONY – None

ORAL TESTIMONY – None

Recessed at: 6:32 p.m.

Reconvened at: 6:55 p.m.

WRITTEN TESTIMONY – None

ORAL TESTIMONY – None

Public Hearing Adjourned at 6:56 p.m.

David L. Jack, Mayor

ATTEST: _____
Kim Lane, CMC, Borough Clerk

**Minutes of Regular Assembly Meeting
Held on March 24, 2015**

Mayor David L. Jack called the Regular Assembly meeting to order at 7:00 p.m., March 24, 2015, in the Borough Assembly Chambers. Assembly Members Mitchell, Prysunka, Rooney, and Blake were present. Assembly Member Decker was absent. Borough Manager Jeff Jabusch and Clerk Kim Lane were also in attendance.

Pledge of Allegiance was led by Assembly Member Becky Rooney.

Invocation was given by Renee Roberts, ambassador of the Baha'i Faith.

CEREMONIAL MATTERS – *Community Presentations, Proclamations, Certificates of Service, Guest Introductions*

Mayor Jack presented a certificate of service to Beth Comstock for her service on the Nolan Museum/Civic Center Board.

AMENDMENTS TO THE AGENDA – None

CONFLICT OF INTEREST - None

CONSENT AGENDA

M/S: Blake/Rooney, to approve Consent Agenda Items marked with an (*) asterisk; 6a, 7a, 7b, & 13b & 13c. Motion approved unanimously by polled vote.

APPROVAL OF MINUTES

The minutes of the Regular Assembly meeting held March 10, 2015 was approved, as presented.

COMMUNICATIONS

- *a. Minutes of the Parks & Recreation Board held January 7, 2015
- *b. School Board Action from the Regular meeting held March 16, 2015

*13b Final approval of the McCloskey/Rooney Wrangell Island West Subdivision Replat Map

*13c Final approval of the Torgramsen/Prunella Subdivision Plat Map

BOROUGH MANAGER'S REPORT

Marla Sanger, Wrangell Medical Center CEO gave a financial report of the Medical Center.

Manager Jabusch provided a verbal report.

Manager Jabusch requested direction on the letter that community member George Woodbury had sent to him with regards to sending a letter to our State legislators and administrators on the State Forest Program. By a show of hands, the Assembly was not in favor of sending the letter.

BOROUGH CLERK'S FILE

The Borough Clerk's Report was provided.

MAYOR/ASSEMBLY REPORTS AND APPOINTMENTS

10a Assembly Member reported that the Boys basketball team represented Wrangell very well. He also thanked Coach Ray Stokes and Assistant Coach Jason Clark.

10b Appointment to fill the Vacancy on the Planning & Zoning Commission

As there were no letters of interest received for this vacancy, the Mayor directed the Borough Clerk to continue advertising.

10c Appointment to fill the Vacancy on the Nolan Museum/Civic Center Board

As there were no letters of interest received for this vacancy, the Mayor directed the Borough Clerk to continue advertising.

10d Appointment of one (1) Assembly Members to the Code Review Committee

There was no interest from any other Assembly Members to join this Committee.

PERSONS TO BE HEARD – None

UNFINISHED BUSINESS

12a PROPOSED ORDINANCE No. 893 (am): AN ORDINANCE OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AMENDING TITLE 10, PUBLIC PEACE, MORALS, AND WELFARE, OF THE WRANGELL MUNICIPAL CODE TO ADD A NEW CHAPTER 10.18 ON ABUSE OF 911 SYSTEM, AND TO AMEND CERTAIN SECTIONS OF CHAPTERS 10.32 AND 10.36 RELATING TO WEAPONS AND DISCHARGE OF FIREARMS (*first reading, reintroduced, as amended - postponed from the February 10, 2015 Regular Assembly meeting*)

M/S: Blake/Powell, to approve Ordinance 893 (am) as amended by the Code Review Committee, in first reading and move to a second with a Public Hearing to be held on April 14, 2015. Motion approved unanimously by polled vote.

12b PROPOSED ORDINANCE No. 895: AN ORDINANCE OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AMENDING SECTION 3.30.090 OF THE WRANGELL MUNICIPAL CODE RELATING TO THE BOARD OF DIRECTORS OF THE SOUTHEAST SOLID WASTE AUTHORITY TO ADD PROVISIONS FOR AN ALTERNATE DIRECTOR (*second reading*)

M/S: Prysunka/Rooney, to approve Ordinance No. 895. Motion approved unanimously by polled vote.

12c PROPOSED ORDINANCE No. 896: AN ORDINANCE OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AMENDING TITLE 10, PUBLIC PEACE, MORALS, AND WELFARE, OF THE WRANGELL MUNICIPAL CODE TO ADD A NEW CHAPTER 10.46 TO PROHIBIT THE CONSUMPTION OF MARIJUANA IN A PUBLIC PLACE, AND ESTABLISHING A PENALTY FOR VIOLATION (*second reading*)

M/S: Prysunka/Blake, to approve Ordinance No. 896, as amended.

Assembly Member stated that he believed that there was a need for a Committee that would hear input from the community.

Mayor Jack stated that at this time, it would be a good idea to wait to see what the State did to regulate marijuana before forming a Committee. There was no objection from the Assembly.

Motion approved unanimously by polled vote.

12d PROPOSED ORDINANCE No. 897: AN ORDINANCE OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AMENDING SECTION 8.02.010 OF CHAPTER 8.02 OF THE WRANGELL MUNICIPAL CODE TO CHANGE THE ADMISSION RATES FOR THE MUSEUM/CIVIC CENTER (*second reading*)

M/S: Rooney/Mitchell, to approve Ordinance No. 897. Motion approved unanimously by polled vote.

NEW BUSINESS

13a PROPOSED RESOLUTION No. 03-15-1314: A RESOLUTION OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, PROVIDING FOR THE NEW JOB DESCRIPTION FOR THE PERMANENT PART-TIME COLLECTIONS CLERK

M/S: Blake/Rooney, to adopt Resolution No. 03-15-14 that creates a new permanent part-time position in the Finance Department. Motion approved unanimously by polled vote.

***13b** Final approval of the McCloskey/Rooney Wrangell Island West Subdivision Replat

~Approved under the Consent Agenda.

***13c** Final approval of the Torgramsen/Prunella Subdivision Plat

~Approved under the Consent Agenda.

13d PROPOSED RESOLUTION No. 03-15-1315: A RESOLUTION OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, PROVIDING FOR THE DELEGATION OF AUTHORITY TO ITS CITY MANAGER TO EXECUTE AGREEMENTS RELATED TO THE SOUTHEAST ALASKA POWER AGENCY ELECTRIC REVENUE IMPROVEMENT AND REFUNDING BONDS, SERIES 2015 THAT ARE IN THE FORM SUBSTANTIALLY SIMILAR TO THOSE DESCRIBED IN THIS RESOLUTION

M/S: Prysunka/Blake, to adopt Resolution No. 03-15-1315, relating to the SEAPA Series 2015 Bonds and City Delegation. Motion approved unanimously by polled vote.

13e PROPOSED RESOLUTION No. 03-15-1316: A RESOLUTION OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, REPEALING RESOLUTION NO. 10-14-1306 AND REINSTATING THE PRIOR JOB DESCRIPTION FOR THE CUSTODIAN-LIGHT MAINTENANCE POSITION

M/S: Blake/Powell, to adopt Resolution No. 03-15-1316, that repeals previously adopted Resolution No. 10-14-1306, updating the Custodian-Light Maintenance position. Motion approved unanimously by polled vote.

ATTORNEY'S FILE – Summary Report was provided to the Assembly.

EXECUTIVE SESSION

15a To discuss the Swan Lake Expansion Project Funding

M/S: Prysunka/Powell, to go into executive session to discuss the Swan Lake Expansion Project funding, which the immediate knowledge could clearly have an adverse effect upon the finances of the Borough.

Mayor Jack stated that he would like to invite Clay Hammer into the Executive Session since he is a SEAPA Board Member. There were no objections from the Assembly.

Motion approved unanimously by polled vote.

Recessed at: 8:00 p.m.

Reconvened at: 8:32 p.m.

As there was no other business to conduct, Mayor Jack declared the meeting adjourned at 8:33 p.m.

David L. Jack, Mayor

ATTEST: _____
Kim Lane, Borough Clerk

Agenda Item 7

CITY & BOROUGH OF WRANGELL

BOROUGH ASSEMBLY AGENDA ITEM April 14, 2015

COMMUNICATIONS:

INFORMATION: The Assembly may receive items for Communications, reasons only which do not require separate action. This is an avenue to keep the Assembly informed, for the public to enter items on the record, if necessary. The Assembly also receives agenda communications directly by their constituents, Borough Manager, other agencies' Officers and Department Directors.

A MAIL BOX IS ALSO AVAILABLE IN THE BOROUGH CLERK'S OFFICE FOR EACH MEMBER OF THE ASSEMBLY AND SHOULD BE CHECKED ON A ROUTINE SCHEDULE.

All items appearing under Communications on the Agenda have been approved under the Consent Agenda unless removed by an Assembly Member or the Mayor and placed on the regular agenda under Unfinished Business.

There was no correspondence.

MEMORANDUM

**TO: HONORABLE MAYOR AND MEMBERS OF THE ASSEMBLY
CITY AND BOROUGH OF WRANGELL**

**FROM: JEFF JABUSCH
BOROUGH MANAGER**

SUBJECT: Manager's Report

DATE: April 10, 2015

Legislature:

We still have about 10 days to go in the legislature and we are still hopeful that ferries and public radio survive. Also, community jails has survived so far at the 2011 levels which for us is a reduction of \$352,000. Revenue Sharing for next year will show a drop of about \$20,000 because it was forward funded and so not affected by it not being funded during this legislative session. After next year, it will drop about \$190,000 a year so that in our 2019 Fiscal Year we will receive nothing from State Revenue Sharing.

Community Contractors Program:

This is still close but not complete. Most of our time in the last month has been working on the budget and following the ups and downs of the legislature. This is not forgotten and is important, just other things that have deadlines seem to keep pushing this back. The final step is to complete the review of the standard agreement that they will need to sign. We have started with another agreement and then have been working on the modifications. It is now being reviewed and tweaked by staff to be sure it is written to work for doing jobs all year, not just one job as the agreement starts out.

Stikine River Birding Festival:

Stikine River Birding Festival is coming up on April 30-May 2. The Festival Committee put together and published a new Birding Guide for the Stikine River and Wrangell Island. They also have a promotional poster available.

Projects being worked on:

- Asbestos Removal in the Community Center Gym (downstairs) - This is scheduled to go out to bid in the next 30 days and it's expected to be completed by the end of the summer. This project is on schedule.
- Shoemaker Bay Float Design- The design on this project continues to move forward. We are working with the Corps of Engineers as there may be some funding available from them.
- Wood Street- This is the street that goes up past Alpine Mini-Market and would access both AICS and the new hospital site. This is a grant with a 5 year life and it is something that we need to do either this year or next so that we do not lose the funding. We are debating on if we should wait and do it next year when the paving company for Evergreen is in town.
- The City Dock Fender Pile replacement project is complete. The company that did the job was fast, efficient, and all went as planned. The following are additional items on the

dock we have the money to do, and we will begin the process of getting them done in a timely manner.

- New camel logs on the front of the dock. This item is being presented to you for consideration at the April 14th meeting. The harbor department will install them.
- Add an aluminum railing for tie up lines to slide over when dragging the lines along the dock when ships come in. Now the large ropes hang up on various things on the dock which makes it difficult to move the rope.
- New electrical and lights which are planned to be similar to the Front Street lights.
- Railing on the South side approach to the dock that is now on the North side.
- Possible new float on the South side of the approach so that there are two separate summer floats to access.
- Vendor Shelter- This is something new that we are considering to help resolve the loss of the vendor shelter if the assembly approves the proposal from the Stikine Inn to expand the hotel. We would add some rock on the South side of the dock approach and could create a flat spot and build a covered area there. We would have our engineer do a simple design and we would piece meal this in-house for the rock work and then bid out the structure. Just an idea at this time, but we think we will have grant money remaining get this done.
- Evergreen- Evergreen is a little behind according to the State, but still easily on track for construction in the spring of 2016. We plan to have a weekly contact with them so that everything stays on task. Nothing new to report on this. We do know that the public works department needs to do some work before the contractor starts. We have to replace at least one section of sewer line down near the ferry terminal as you first start on Evergreen and then to replace some valves and water lines in one section in the road just past the Petroglyphs.
- City Etolin Street Lots- The preliminary survey work is completed which we need to do so that all the lots had corner markers and that it included all of the easements needed for water, sewer and electric. The electrical department will begin to put up power poles within the next 60 days. We will begin to advertise these lots also within the next 60 days.

Investment of Swimming Pool Funds:

We are working on the new ordinance for investment of the swimming pool reserve funds. Staff has made the changes recommended by Morgan Stanley and have sent a draft ordinance to our attorney. They will make the necessary modifications to the ordinance and get it back to us. We are anticipating introducing this to the Assembly at the April 28th meeting.

Swimming Pool Reopening:

Following is a notice from Kate Thomas, our Parks and Recreation Director:

Attention Community of Wrangell and Users of the Pool Facility.

We are working diligently to ensure that all aspects of the pool repair project are completed with integrity. As you know, there was a leak in the lower pool deck, which had to be investigated and repaired. Along with the leak, other issues arose such as the heat exchanger and the hot water tank. This has been a prime opportunity for the department to evaluate all necessary repairs, small and large. A crew of dedicated and skilled folks has been working on independent projects both above the pool deck and below. We were coming to close on all aspects of this project and

preparing for fill. Unfortunately during the tile installation on 4-9-15, an area was discovered that needed further excavation of materials and repair. This process takes an estimated timeline of two weeks, as materials require a certain timeline to set and stabilize. Once the pool floor is prepped and set, the tile and grout will get finished. We will set an exact date once we are ready to fill the pool with water.

The Parks and Recreation department understands the need for diverse exercise opportunities for the community. We look forward to celebrating the Re-Opening of the pool with you. Again, we thank you for your patience on this issue. Please feel free to contact the Pool Office to ask questions 907-874-2444.

City's Budget:

The City Budget was planned to be handed out at the April 14th meeting, but we have some more inquiries and are not quite ready. It will be available and given to the assembly before the next meeting and we will have a summary attached to highlight what we are doing to either cut costs or increase revenues to deal with the declining state revenues. I think the good news is that the process is going pretty good and next year will not be too bad for us as maybe was expected. We are also looking at the year after next and options for when the big chunks from revenue sharing are going to hit. I think we have some ideas that will help soften that blow as well.

Report from our Washington DC Lobbyist:

1. Federal Priority Submissions: We have filed the following Federal Priorities on behalf of the Wrangell Borough: (1) funding for PILT and Secure Rural Schools; (2) advocating for additional federal revenue sources for community priorities (pool reconstruction; marine repair yard paving; downtown road improvements; hospital project; water infrastructure improvements; waterfront redevelopment); (3) advocacy for an environmental review of the impact of British Columbia mining operations on trans-boundary rivers; and (4) support for a breakwater extension in Shoemaker Harbor.

Both Representative Young and Senator Murkowski sought community requests this year through online submissions. Senator Sullivan was still organizing his office, hiring staff and setting up his web site by the time of the submission deadline.

2. Payment-in-lieu-of-Taxes ("PILT") and Secure Rural Schools ("SRS"): While communities will receive their PILT checks this year, the PILT program will need to be extended again for there to be payments in 2016. A bipartisan group of over 50 House Members (including Rep. Young) has written the House leadership calling for additional extension or reauthorization of the program this year.

There are positive developments to report regarding the SRS Program. H.R. 2 passed the House on March 30. It would provide two years of SRS funding, with a retroactive payment for this year and another payment in January of 2016. It awaits Senate consideration after the Easter recess, and is expected to pass promptly and be signed by the President. The Bill's provisions stipulate that this year's payment to communities must be made within 45 days of enactment. There will be cuts in payments, with the additional cuts in the second year. We will not know the exact amount of the projected SRS payments until H.R. 2 is enacted and the Forest Service runs its calculations. We will keep the community closely informed as the legislation progresses.

3. Shoemaker Harbor: We are continuing our discussions with both Army Corps Headquarters staff and Alaska District staff about the possible use of the Section 107 Small Navigation Projects Continuing Authorities program for a breakwater extension in Shoemaker Harbor. Senator Murkowski has used her position in the Senate Appropriations Committee to press the Army Corps for a commitment to utilize Section 107. The Corps informed her that there is currently a carry-over of roughly \$7 million in unspent Section 107 funding. Section 107 represents the quickest way to move forward with the project should the Borough decide to move forward.

4. British Columbia Mining: In February, Senator Murkowski spoke directly with Secretary of State Kerry about the need for greater transparency and involvement of local communities in the British Columbia permitting process for mines planned in Southeast Alaska watershed. Thus far neither Canada nor our State Department has formally asked the U.S.-Canada International Joint Commission to undertake a review and the reports from the Commission staff indicate that Canada would block such an effort. One option is for the U.S. and Canada to directly bypass the IJC and enter into bi-lateral discussions with a focus on allowing U.S. environmental officials greater access to the BC mine permitting process, including the conduct of water quality assessments and other environmental reviews. Senator Murkowski is also interested in having the EPA undertake some baseline water quality studies. Senator Sullivan has informally raised the issue with former colleagues at the State Department where he served during the Bush Administration and plans to raise the issue directly with the Canadians.

5. Essential Air Service (EAS): The FY 2016 House Budget Resolution includes a non-binding recommendation to terminate EAS. EAS continues to receive support from the Administration and House and Senate Appropriations Committees. We have reiterated with the Alaska Delegation the strong support of Southeast Alaska for continuation of the EAS Program.

6. Community Roads: The House Transportation & Infrastructure Committee and Senate Environment & Public Works Committee are working on multi-year highway bills to be introduced later this spring. The extension of existing Federal transportation programs expires on May 31. The financing of a reauthorization is the most significant issue. Its major source of revenue, the Federal excise tax on motor fuel, has not been raised since 1993. Growth in vehicle miles traveled has slowed while use of more energy-efficient vehicles has increased. At the same time demand for increased transportation spending – both on new projects as well as operations and maintenance – has grown. This has resulted in a deficit between transportation revenues and spending. A bipartisan group of Senators has proposed increasing the federal gas tax by 12 cents per gallon on a phased in basis. Other proposals would tax repatriated U.S. Multi-national corporate profits that have remained overseas due to the U.S.’s relatively high corporate tax rate of 35 percent. The Federal Government estimates as much as \$2 trillion in overseas profits have not been repatriated due to the high U.S. corporate rate. Under these proposals, the corporate tax rate would be cut in half for a period of time to incentivize companies to bring their profits “home” to the U.S., with the additional Federal revenue collected as a result being used to fund the Highway Bill. Restoration of the Highway bill revenue stream would mean for funding for local community road projects.

7. Fisheries and Oceans:

- **Magnuson-Stevens Act (“MSA”):** The new Chairman of House Natural Resources Committee, Rep. Rob Bishop (R-UT), has designated Rep. Young as the lead House

Member for development of a MSA Reauthorization Bill. Congressman Young introduced H.R. 1335, "Strengthening Fishing Communities and Increasing Flexibility in Fisheries Management Act." Its major features include: improved data collection and stock assessments; emphasis on development and deployment of electronic monitoring technology; permitting a fishery to be labeled "depleted" (rather than "overfished") if its low population is caused by environmental or other factors unrelated to fishing; and allowing greater flexibility in the rebuilding of overfished stocks. Hearings have been held and the Committee is expected to act upon the legislation this spring. The Senate Oceans, Atmosphere, Fisheries, and Coast Guard Subcommittee Chairman, Senator Marco Rubio (R-FL), intends to introduce a counterpart bill in the near future.

- **NPDES Incidental Discharge Moratorium:** The new moratorium for commercial fishing vessels and small passenger vessels will be in effect for an additional three years. No permit will be required until December 19, 2017. In the interim, two bills in the Senate have been introduced that would make the moratorium permanent. Senators Murkowski is the author of one measure (S. 371), with Senator Sullivan as a cosponsor.
- **Presidential Task Force on Illegal, Unregulated and Unreported Fishing and Seafood Fraud:** The Task Force has issued its final recommendations along with an implementing Action Plan. The full plan can be found at the following link -- http://www.nmfs.noaa.gov/ia/iuu/noaa_taskforce_report_final.pdf. There is a big emphasis on traceability and use of new technologies to prevent illegal seafood imports. This has been an issue the North Pacific crab fisheries have faced with Russia.
- **Genetically-Modified Salmon:** Senator Murkowski has announced that she will reintroduce her bill to require compulsory labeling of genetically-modified salmon as well as an Environmental Impact Study assessing the potential risks and threats prior to its entry into the marketplace.
- **Alaska Seafood at Walmart:** Walmart has announced it will carry of a line of Alaska seafood products, including wild salmon, at its Alaska and Washington stores. Senator Murkowski has been pushing the major food retailers to sell more Alaska seafood.

Aleutian Islands Marine Sanctuary: NOAA has rejected a nomination by the Public Employees for Environmental Responsibility (PEER) to establish the Aleutian Islands National Marine Sanctuary. One of the reasons NOAA cited

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- U.S. Fish and Wildlife Service; and a prohibition on National Park Service restrictions on transportation of bows and crossbows that remain in the vehicle while in a National Park. Hearings have been held but Senate Floor consideration has not yet been scheduled.
- **Community Health Center (CHC) Funding** – Funding for the CHC Program will expire in September 2015. This program provides funding for many rural health clinics. In Alaska, 27 awards totaling \$5.3 million were made in FY 2014 to community health clinics for primary care services. Having recently passed the House, H.R. 2 will provide two additional years of this funding through fiscal year 2017. It awaits Senate consideration after the Easter recess. It is expected to pass promptly and be signed by the President.
- **Sullivan Staff Hires:** Senator Sullivan has made a number of key staff hires. They include Erik Elam and Jason Suslavich, formerly of Rep. Young's office. Erik will handle fisheries, environmental and natural resources issues while Jason will be responsible for defense issues and programs. Delynn Henry has been hired as scheduler (formerly with Senator Stevens). Pete Henry is the new legislative director and Kate Wolgemuth, formerly of the Alaska Governor's Washington, DC office, has been brought to handle education, healthcare and Native American issues. Back in the State, the Senator has opened offices in Mat-Su, Anchorage and Kenai.

Senate Arctic Caucus Forms: Senator Murkowski and Senator Angus King (I-ME) announced the formation of a Senate Arctic Caucus to discuss the nation's future in the region as the United States prepares to accede to the Chair of the Arctic Council. Topics the Caucus will focus on include defense, science, commerce, trade, environment and maritime


Agenda Item 9

CITY & BOROUGH OF WRANGELL

BOROUGH ASSEMBLY AGENDA ITEM

CLERK'S REPORT April 14, 2015

Mark Your Calendar:

- 4/15 Hospital Board Meeting scheduled for 5:30 pm at the Nolan Center
- 4/28 Regular Assembly mtg. scheduled for 7pm in the Assembly Chambers
- 4/30 - 5/3 Stikine River Birding Festival
- 5/2 Tax Free Day!!
- 5/9 Lemonade Day! 
- 5/9 - 6/7 Annual King Salmon Derby

June 10, 2015 SEAPA Board Meeting to be held in Ketchikan

Information about Executive Sessions (AS 44.62.310(c))

What is an executive session?

An executive session is a portion of a public meeting that is conducted in private with only members of the governing body and any person(s) invited in by the governing body present. AS 44.62.310(b) authorizes a public body to meet in executive session to discuss only those items that fall into one of the categories listed in the law. This is not an exception to the Open Meetings Act, but rather an authorization to conduct a step in the decision-making process in an appropriate way.

What subjects may be addressed in executive session?

An executive session may only be called if the subject under consideration falls into one of the categories listed in state law, AS 44.62.310(c). The allowable subjects are:

- (1) matters, the immediate knowledge of which would clearly have an adverse effect upon the finances of the public entity;
- (2) subjects that tend to prejudice the reputation and character of any person, provided the person may request a public discussion;
- (3) matters which by law, municipal charter, or ordinance are required to be confidential;
- (4) matters involving consideration of government records that by law are not subject to public disclosure.

There must be a real and legitimate need for the executive session, and the reason must be spelled out in the motion called to go into executive session. The motion must state specifically the nature of what will be discussed and must be approved by a majority vote. The motion must contain enough detail that the public (and, if necessary, a court) will be informed of exactly why the executive session is appropriate, without defeating the purpose of going into executive session. Only the item(s) identified in the motion may be discussed in the executive session.

Following is a list of a few examples of situations that would likely be appropriate to discuss in executive session:

contract negotiations;
legal strategy for a pending lawsuit;
discussion of a matter that could affect an individual's reputation;
matters involving a juvenile;
certain crime victim information; and
issues involving violation of a reasonable expectation of privacy.

What is the process for conducting business in executive session?

All executive sessions must first be convened as a legal public meeting and a motion must pass that clearly describes the subject to be discussed before the governing body may go into executive session. No action may be taken in the meeting, except the action authorized in the Open Meetings Act (give direction to an attorney or labor negotiator). Any member may make a motion to meet in executive session. The motion must be seconded and must pass by a majority vote. Once the motion has passed, the governing body may move the meeting to another location away from the public or may ask members of the public to leave the area until the executive session ends.

Kim Lane, Borough Clerk

If the executive session is being called to discuss a matter that may prejudice the reputation and character of a person, the individual that is the subject of the discussion must be provided notice of the meeting and provided the opportunity to request that the discussion take place during the public meeting, rather than in executive session.

After the executive session ends, the public meeting is reconvened. No action may be taken in executive session, except to give direction to an attorney on a specific legal matter or a labor negotiator on a pending labor negotiation. Action on matters discussed in executive session can be presented and acted on once the public meeting has reconvened.

What action may be taken in executive session?

Only the items identified in the motion calling for the executive session may be discussed. The motion should contain enough detail that any interested party knows the details and justification for the session, without defeating the purpose for going into executive session. The motion and items that are auxiliary to the motion may be discussed. No action may be taken in the meeting, except the actions authorized in the Open Meetings Act. These are to give direction to an attorney or labor negotiator regarding the handling of a specific legal matter or pending litigation or labor negotiation. Any other action by the governing body must be taken after the public meeting is reconvened (see AS 44.62.310(b)).

All of the legal requirements for conducting a public meeting must occur before, during, and after the executive session. There must be proper notice, there must be a public record of that part of the meeting that is open to the public (some organizations create a record of the executive session also), and there must be reasonable opportunity for the public to be heard.

Who enforces the Open Meetings Act?

It is the responsibility of the administration and governing body to assure that the provisions of the Open Meetings Act are enforced. Any individual may contest an action that they think was done in violation of the Open Meetings Act administratively through local channels and ultimately may, within 180 days, file a court action if the issue isn't remedied locally (see AS 44.62.310(f)).

There are several court cases that have ruled in favor of the Open Meetings Act. When deciding these cases, the court doesn't just consider whether a violation has occurred, but also considers whether the action has interfered with the public process that the act was intended to protect.

Agenda Items 10 a - d

CITY & BOROUGH OF WRANGELL

BOROUGH ASSEMBLY
AGENDA ITEM
April 14, 2015

MAYOR/ASSEMBLY REPORTS AND APPOINTMENTS:

INFORMATION: This agenda item is reserved for the Mayor and Assembly Member's special reports. Such information items as municipal league activities, reports from committees on which members sit, conference attendance, etc., are examples of items included here.

- **Item 10a** Reports by Assembly Members

- **Item 10b** Appointment to fill the vacancy on the Planning & Zoning Commission

There were no letters of interest received for this vacancy.

Appointment to be made by the Mayor, with the consensus of the Borough Assembly.

If there is not a consensus from the Assembly, an Assembly Member can make a motion to appoint..... :

Move to appoint _____ to fill the vacancy on the Planning & Zoning Commission for the unexpired term ending October 2016.

➤ **Item 10c** Appointment to fill the vacancy on the Nolan Museum/Civic Center Board

There was one (1) letter of interest received for this vacancy from:

- ***Dan Roope***

Appointment to be made by the Mayor, with the consensus of the Borough Assembly.

If there is not a consensus from the Assembly, an Assembly Member can make a motion to appoint..... :

Move to appoint _____ to fill the vacancy on the Nolan Museum/Civic Center Board for the unexpired term ending October 2017.

➤ **Item 10d** Appointment to fill the vacancy of the Alternate Board Member on the Southeast Alaska Solid Waste Authority Board

There was one (1) letter of interest received for this vacancy from:

- ***Amber Al-Haddad***

Appointment to be made by the Mayor, with the consensus of the Borough Assembly.

Agenda Item 12a

CITY & BOROUGH OF WRANGELL

BOROUGH ASSEMBLY AGENDA ITEM April 14, 2015

INFORMATION:

PROPOSED ORDINANCE No. 893 (am): AN ORDINANCE OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AMENDING TITLE 10, PUBLIC PEACE, MORALS, AND WELFARE, OF THE WRANGELL MUNICIPAL CODE TO ADD A NEW CHAPTER 10.18 ON ABUSE OF 911 SYSTEM, AND TO AMEND CERTAIN SECTIONS OF CHAPTERS 10.32 AND 10.36 RELATING TO WEAPONS AND DISCHARGE OF FIREARMS *(second reading, as amended)*

Background

The proposed Ordinance is a result of the Code Review Committee's suggested changes. Chief McCloskey participated in the meetings where these changes were recommended.

At the Regular Assembly meeting on January 27th, the Assembly approved a change to Section 10.36.020 Exceptions. The suggested change was approved by Barbara Ritchie, Borough Attorney's office.

At the Public Hearing and Regular meetings held February 10th, the Assembly heard testimony on the proposed ordinance. The Assembly approved postponing this item and directed the Code Review Committee to look at incorporating some changes to the proposed ordinance.

Attachments:

1. Proposed Ordinance No. 893 (am)
2. Map of the Service Area
3. email correspondence from Susan Wise-Eagle, dated 2-26-15

RECOMMENDED ACTION:

Move to adopt Ordinance 893 (am) as amended.

CITY AND BOROUGH OF WRANGELL, ALASKA

ORDINANCE NO. 893 (am)

AN ORDINANCE OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AMENDING TITLE 10, PUBLIC PEACE, MORALS, AND WELFARE, OF THE WRANGELL MUNICIPAL CODE TO ADD A NEW CHAPTER 10.18 ON ABUSE OF 911 SYSTEM, AND TO AMEND CERTAIN SECTIONS OF CHAPTERS 10.32 AND 10.36 RELATING TO WEAPONS AND DISCHARGE OF FIREARMS

BE IT ORDAINED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA:

[The changes to the existing code are shown as follows: the words that are underlined are to be added and the words that are **[bolded and in brackets are to be deleted]**.]

SEC. 1. Action. The purpose of this ordinance is to amend the Title 10, Public Peace, Morals, and Welfare, of the Wrangell Municipal Code to add a new chapter on abuse of 911 system, and to make amendments to sections in Chapters 10.32 and 10.36 relating to weapons and firearms.

SEC. 2. Amendment. Title 10 of the Wrangell Municipal Code is amended to add a new Chapter 10.18 to the list of chapters to read:

Title 10
PUBLIC PEACE, MORALS, AND WELFARE

Chapters:

- 10.04 False Fire Alarms
- 10.08 Interference with Officers
- 10.12 Repealed
- 10.16 Trespass on Public Floats
- 10.18 Abuse of 911 system
- 10.20 Repealed
- 10.24 Repealed
- 10.28 Curfew for Minors
- 10.32 Misconduct Involving Weapons **[Carrying Weapons]**
- 10.36 Discharge of Firearms and Other Weapons
- 10.40 Abandoned Personal Property

10.44 Possession, Control, or Consumption of Alcoholic Beverages

10.48 Possession of Tobacco by a Minor

SEC. 3. New Chapter. A new Chapter 10.18 is added to Title 10 of the Wrangell Municipal Code to read:

Chapter 10.18
ABUSE OF 911 SYSTEM

Sections:

10.18.010 Abuse of 911 system.

10.18.010 Abuse of 911 system.

(a) Any person who, after being warned that their use of the 911 telephone system is improper, uses the 911 telephone system for any reason other than because of an emergency is guilty of an infraction.

(b) For purposes of this section "emergency" means any condition in which a reasonable person would believe emergency services will result in the saving of a life, a reduction in the destruction of property, quicker apprehension of a criminal, assistance with potentially life-threatening medical problems, a fire, a need for rescue, an imminent potential crime, or a similar situation in which immediate assistance is required. "Emergency" also includes calls to 911 the purpose of which is to prevent an emergency response from being initiated when no such response is needed.

(c) A violation of this section shall be fined as provided in WMC 1.20.050.

SEC. 4. Amendment. Chapter 10.32 of the Wrangell Municipal Code is amended to read:

Chapter 10.32
MISCONDUCT INVOLVING WEAPONS [CARRYING WEAPONS]

Sections:

10.32.010 Misconduct involving weapons [Carrying concealed weapons prohibited].

[10.32.020 Carrying loaded firearms.

10.32.030 Dangerous weapons in certain premises.

10.32.040 State law.]

10.32.010 Misconduct involving weapons [Carrying concealed weapons prohibited].

For misconduct involving weapons, the City and Borough of Wrangell shall follow the provisions of Alaska Statutes, AS 11.61.190 through AS 11.61.220. [It is unlawful for any person to carry any firearm or any deadly weapon of any kind in a concealed manner within the corporate limits of the borough.

10.32.020 Carrying loaded firearms.

It is unlawful for any person, except authorized police personnel, to carry any firearm, air rifle, air pistol, B-B gun or other projectile-propelling device which contains any cartridge, pellet, B-B, dart or other ammunition within the chamber or magazine thereof, within the corporate limits of the borough.

10.32.030 Dangerous weapons in certain premises.

A. It is unlawful to possess or carry in any manner whatever any dangerous weapon upon or within any premises licensed as a beverage dispensatory, a restaurant, cafe, or beer parlor where intoxicating liquors of any kind whatsoever are sold, dispensed, or kept for sale or to be consumed on the premises.

B. For the purposes of this section, the term “dangerous weapon” shall mean and include any instrument which by its capabilities of use is liable to produce death or great bodily harm.

C. The following are dangerous per se: blackjack, billy, sandclub, sandbag, bludgeon, slingshot, slungshot, pistol, revolver, rifle, shotgun; any instrument which impels a missile by compressed air, spring, or other means; any weapon upon which loaded or blank cartridges are used; any tear gas device; cross-knuckles; knuckles of any metal; bowie knife, dirk knife, dirk dagger, switchblade knife, straight-edge razor or any knife having a blade of three inches or longer.

D. This section shall not apply to law enforcement officers.

10.32.040 State law.

The provisions of this chapter are not applicable to the carrying of a concealed weapon pursuant to, and in compliance with, state law.]

SEC. 5. Amendment. Chapter 10.36 of the Wrangell Municipal Code is amended to read:

Chapter 10.36
DISCHARGE OF FIREARMS AND OTHER WEAPONS

Sections:

10.36.010 Prohibited within certain areas.

10.36.020 Exceptions.

10.36.010 Prohibited within certain areas.

It is unlawful for any person excepting a peace officer on duty to discharge any bows, crossbows, long bows, carriage bows or similar devices, pistol, gun, rifle or any other type of firearm:

A. In the service area described in WMC 1.06.040 within one-half mile of any public street, road or highway up to and including mile 7 on Zimovia Highway; or [and]

B. In the service area described in WMC 1.06.040 within one-quarter mile of any public street, road or highway beyond mile 7 on Zimovia Highway; or

C. In the service area described in WMC 1.06.040 within one-half mile along the Airport Loop Road, Evergreen Avenue, and Ishyama Drive; or

[B]D. In the borough in violation of state law or in a manner so as to create a hazard or danger to any person, property or livestock.

E. A violation of this section shall be fined as provided in WMC 1.20.050.

10.36.020 Exceptions.

A. It is not unlawful to discharge a firearm at a rifle range, target-shooting range, trap-shooting range or other area which is posted for such purpose during daylight hours; providing, that the chief of police shall have approved the area as being safe for such purpose. **[; and providing, that such shooting is adequately supervised and safely conducted].** Any minor under the age of 18 shall be supervised by an adult who is 18 or older.

B. It is not unlawful to discharge a bow, crossbow, long bow, carriage bow or other similar device on private property; provided, that the discharge is solely for target practice or enjoyment or improving skills; and provided, that the area is safe for such purpose and safely conducted.

SEC. 6. Classification. This ordinance is of a permanent nature and shall be codified in the Wrangell Municipal Code.

SEC. 7. Severability. If any portion of this ordinance or any application thereof to any person or circumstance is held invalid, the remainder of this ordinance and the application to other persons or circumstances shall not be affected thereby.

SEC. 8. Effective Date. This ordinance shall be effective upon adoption.

PASSED IN FIRST READING: January 27, 2015.

PUBLIC HEARING & SECOND READING: February 10, 2015.

REINTRODUCED & PASSED IN FIRST READING: March 24, 2015

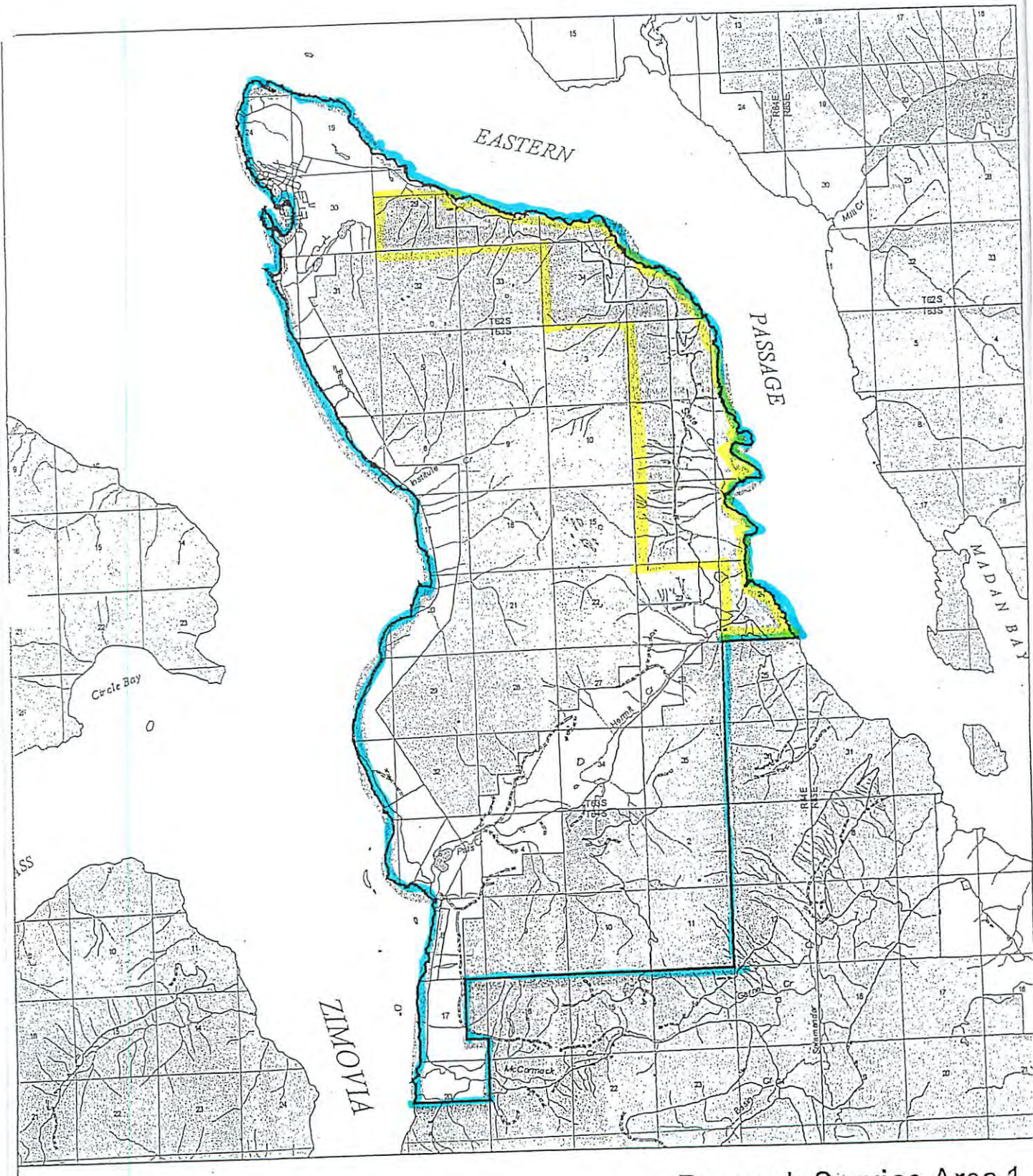
PASSED IN SECOND READING: _____, 2015

David L. Jack, Mayor



ATTEST:





Kim Lane, Borough Clerk

MAP SHOWING THE BOUNDARIES OF EACH SERVICE AREA



Borough Service Area 1

-  National Forest Lands
-  State and Private Lands
-  Lakes

-  Existing Drivable Roads
-  Decommissioned or Unmaintained Roads
-  Planned Roads
-  Service Area 1

0 0.5 1 2 Miles

Kim Lane

From: Susan Wise-Eagle
Sent: Thursday, February 26, 2015 11:41 AM
To: clerk@wrangell.com
Subject: proposed firearm ordinance change

Since the Wrangell service area encompasses so much area that doesn't need nor shouldn't be prohibited from discharge of firearms, I propose the following wording for 10.36.010 A:

Within one-quarter mile of any paved public street, road or highway except along Airport Loop Road, Evergreen Avenue and Ishyama Drive west of the rifle range it shall be one-half mile.

This might have to be cleaned up to make it legal, but I think you can get the gist of it. The latter part would protect the golf course and the muskeg areas west of there and inside the Airport loop (which actually consists of 5 different roads). Volunteer Park trail would actually be protected by the 1/4 mile buffer. A would be good to make map showing these buffers for the code review committee as well as the assembly and the public.

Susan Wise-Eagle
Wrangell, Alaska

Agenda Item 12b

CITY & BOROUGH OF WRANGELL

BOROUGH ASSEMBLY AGENDA ITEM April 14, 2015

INFORMATION:

PROPOSED ORDINANCE No. 894: AN ORDINANCE OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AMENDING THE MINOR OFFENSE FINE SCHEDULE IN CHAPTER 1.20, GENERAL PENALTY, OF THE WRANGELL MUNICIPAL CODE
(*second reading*)

Background

The proposed Ordinance is a result of the proposed changes to Title's 9 & 10 of the WMC.

Attachments:

1. Proposed Ordinance No. 894

RECOMMENDED ACTION:

Move to adopt Ordinance No. 894.

CITY AND BOROUGH OF WRANGELL, ALASKA

ORDINANCE NO. 894

AN ORDINANCE OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AMENDING THE MINOR OFFENSE FINE SCHEDULE IN CHAPTER 1.20, GENERAL PENALTY, OF THE WRANGELL MUNICIPAL CODE

BE IT ORDAINED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA:

[The changes to the existing code are shown as follows: the words that are underlined are to be added and the words that are **[bolded and in brackets are to be deleted]**.]

SEC. 1. Action. The purpose of this ordinance is to amend the Minor Offense Fine Schedule in Section 1.20.050 of Chapter 1.20, General Penalty, of the Wrangell Municipal Code to add to the fine schedule offenses relating to fireworks, abuse of 911 system, and discharge of firearms and other weapons.

SEC. 2. Amendment. Section 1.20.050 of the Wrangell Municipal Code is amended to read:

1.20.050 Minor Offense Fine Schedule.

In accordance with AS 29.25.070(a), citations for the following offenses may be disposed of as provided in AS 12.25.195-.230, without a court appearance, upon payment of the fine amounts listed below plus the state surcharge required by AS 12.55.039 and AS 29.25.074. Fines must be paid to the police department. If an offense is not listed on a fine schedule, the defendant must appear in court to answer the charges. The Alaska Court System's Rules of Minor Offense Procedure apply to all offenses listed below. Citations charging these offenses must meet the requirements of Minor Offense Rule 3. If a person charged with one of these offenses appears in court and is found guilty, the penalty imposed for the offense may not exceed the fine amount for that offense listed below.

Section	Offense	Penalty/Fine
7.04.010	Cruelty – Abandonment	\$200
7.04.020	Animals at large prohibited	First offense - \$15, second offense - \$50, third offense - \$100. Fourth and subsequent offenses are mandatory court appearance offenses with a minimum fine of \$200 and a maximum fine of \$500.00.
7.08.010	Licensing	\$25.00 fine for each offense.

7.08.020	Dog Vaccination required	\$50.00 fine for each offense.
7.08.030	At large – Prohibited – Nuisance declared	First offense - \$15, second offense - \$50, third offense - \$100. Fourth and subsequent offenses are mandatory court appearance offenses with a minimum fine of \$200 and a maximum fine of \$500.00.
7.08.035	Objectionable animals	First offense - \$15, second offense - \$50, third offense - \$100. Fourth and subsequent offenses are mandatory court appearance offenses with a minimum fine of \$200 and a maximum fine of \$500.00.
7.08.040	Restraint requirements	First offense - \$15, second offense - \$50, third offense - \$100. Fourth and subsequent offenses are mandatory court appearance offenses with a minimum fine of \$200 and a maximum fine of \$500.00.
7.08.045 & 7.08.050	Off-leash areas & Off –leash area rules	First offense - \$15, second offense - \$50, third offense - \$100. Fourth and subsequent offenses are mandatory court appearance offenses with a minimum fine of \$200 and a maximum fine of \$500.00.
7.08.115	Potentially dangerous and dangerous dogs: violation of restrictions, confinement requirements, and sign requirements	First offense - \$200. Second and subsequent offenses are mandatory court appearance offenses with a minimum fine of \$300 and a maximum fine of \$500.00.
7.08.120	Biting dog – Confinement	First offense - \$200. Second and subsequent offenses are mandatory court appearance offenses with a minimum fine of \$300 and a maximum fine of \$500.00.
7.08.140	Proclamation to confine all dogs during epidemic	First offense - \$200 Second and subsequent offenses are mandatory court appearance offenses with a minimum fine of \$300 and a maximum fine of \$500.00.
7.08.150	Interference with animal enforcement agents	First offense - \$200 Second and subsequent offenses are mandatory court appearance offenses with a minimum fine of \$300 and a maximum fine of \$500.00.
9.12.020, 9.12.030,	Fireworks where prohibited;	First offense - \$200. Second and

<u>& 9.12.040</u>	<u>sale where prohibited; display violations</u>	<u>subsequent offenses are mandatory court appearance offenses with a minimum fine of \$300 and a maximum fine of \$500.00.</u>
<u>10.18.010</u>	<u>Abuse of 911 system</u>	<u>First offense - \$200. Second and subsequent offenses are mandatory court appearance offenses with a minimum fine of \$300 and a maximum fine of \$500.00.</u>
<u>10.36.010</u>	<u>Discharge of firearms and other weapons prohibited within certain areas</u>	<u>First offense - \$200. Second and subsequent offenses are mandatory court appearance offenses with a minimum fine of \$300 and a maximum fine of \$500.00.</u>

SEC. 3. Classification. This ordinance is of a permanent nature and shall be codified in the Wrangell Municipal Code.

SEC. 4. Severability. If any portion of this ordinance or any application thereof to any person or circumstance is held invalid, the remainder of this ordinance and the application to other persons or circumstances shall not be affected thereby.

SEC. 5. Effective Date. This ordinance shall be effective upon adoption.

PASSED IN FIRST READING: January 27, 2015.

PASSED IN SECOND READING: _____, 2015.

David L. Jack, Mayor

ATTEST:

Kim Lane, Borough Clerk

Agenda Item 13a

CITY & BOROUGH OF WRANGELL

BOROUGH ASSEMBLY AGENDA ITEM April 14, 2015

INFORMATION:

PROPOSED ORDINANCE No. 898: AN ORDINANCE OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AMENDING SECTION 14.11.005, FEE SCHEDULE, OF THE WRANGELL MUNICIPAL CODE RELATING TO FEES FOR USE OF HARBORS AND PORT FACILITIES, TO ADD A FEE FOR LONG-TERM STORAGE RESERVATION AT THE MARINE SERVICE CENTER AND FEES FOR MEYER'S CHUCK MOORAGE
(*first reading*)

Additional Information:

At their meeting that was held on April 2, 2015, the Port Commission approved the proposed ordinance, as presented and requested that the Borough Assembly move forward with their approval.

Attachments:

1. Memo from Harbormaster, Greg Meissner
2. Proposed Ordinance No. 898

RECOMMENDED ACTION:

Move to approve first reading and move to a second with a Public Hearing to be held on April 28, 2015.

MEMORANDUM

**TO: THE HONORABLE MAYOR AND ASSEMBLY
CITY AND BOROUGH OF WRANGELL**

**CC: GREG MEISSNER
WRANGELL HARBORMASTER**

SUBJECT: Ordinance No. 898

DATE: April 9, 2015

BACKGROUND:

The Port Commission held many Workshops and meetings with regards to the proposed ordinance. These Workshops and meetings included the Harbor Department and residents of Meyers Chuck. With a lot of input from the residents of Meyers Chuck and the Harbor Department, the Port Commission is proposing the rates for Meyers Chuck as shown in Ordinance No. 898.

During the Workshops and meetings, the Port Commission also agreed to instate a fee structure for individuals wishing to “reserve” a space for their vessel in the Marine Service Center storage area. The purpose is ensure that those individuals commit to holding a space and to avoid last minute cancelations that may lead to potentially losing other costumers.

RECOMMENDED MOTION:

Move to approve first reading and move to a second with a Public Hearing to be held on April 28, 2015.

CITY AND BOROUGH OF WRANGELL, ALASKA

ORDINANCE NO. 898

AN ORDINANCE OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AMENDING SECTION 14.11.005, FEE SCHEDULE, OF THE WRANGELL MUNICIPAL CODE RELATING TO FEES FOR USE OF HARBORS AND PORT FACILITIES, TO ADD A FEE FOR LONG-TERM STORAGE RESERVATION AT THE MARINE SERVICE CENTER AND FEES FOR MEYER'S CHUCK MOORAGE

BE IT ORDAINED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA:

[The changes to the existing code are shown as follows: the words that are underlined are to be added and the words that are **[bolded and in brackets are to be deleted]**.]

SEC. 1. Action. The purpose of this ordinance is to amend Section 14.11.005 of the Wrangell Municipal Code relating to fees for use of harbor and port facilities, to add a fee for long-term storage reservation at the Marine Service Center and fees for Meyer's Chuck moorage.

SEC. 2. Amendment of Subsection. Subsection 14.11.005AA of the Wrangell Municipal Code is amended by the addition of a fee for long-term storage reservation to read:

Section 14.11.005 Fee schedule.

The following fees shall be charged for the uses indicated:

...

AA. Marine Service Center Fees.

Round trip lift fees

0 – 40 feet	\$11.00/foot
41 – 58 feet	\$12.00/foot
59 – 75 feet	\$13.00/foot
76 – 90 feet	\$15.00/foot
91 – 120 feet	\$17.00/foot
121 – 140 feet	\$19.00/foot
141 feet and up	\$21.00/foot

Boat lift minimum	
150-ton	\$300.00/hour
300-ton	\$500.00/hour
Work area storage	\$0.50/sq. ft./month
Long-term storage	\$0.30/sq. ft./month
	After 12 consecutive months, rate doubles
Cancellation	\$300.00
Inspection hoist	
Up to 2 hours of hoist time	60% of round trip
After first 2 hours of hoist time	150-ton \$75.00/15 minutes
	300-ton \$125.00/15 minutes
Pressure washer	\$1.00/foot
Electrical	Refer to subsection (D) of this section.
Environmental fee	\$15.00 per haulout or per month
Hydraulic trailer fees	
Round trip	\$8.25 per foot
One-way	Half of round trip
Minimum fee	\$225.00
Off-site transport fee	Round trip or one-way fee plus travel time at \$235.00 per hour with a one-hour minimum
<u>Long-term storage reservation fee</u>	<u>\$100.00</u>

SEC. 3. New Subsection. Section 14.11.005 of the Wrangell Municipal Code is amended by the addition of a new Subsection CC to read:

CC. Meyer's Chuck Moorage

1. Transient Moorage – WMC 14.05.010

<u>Daily – Prepaid</u>	<u>\$0.20/foot</u>
<u>Daily – Invoiced</u>	<u>2 times the daily prepaid rate</u>

Monthly \$1.75/foot

2. Reserved Moorage – WMC 14.05.015

Annual \$12.00/foot

SEC. 4. Classification. This ordinance is of a permanent nature and shall be codified in the Wrangell Municipal Code.

SEC. 5. Severability. If any portion of this ordinance or any application thereof to any person or circumstance is held invalid, the remainder of this ordinance and the application to other persons or circumstances shall not be affected thereby.

SEC. 6. Effective Date. This ordinance shall be effective upon adoption.

PASSED IN FIRST READING: _____, 2015.

PASSED IN SECOND READING: _____, 2015.

David L. Jack, Mayor

ATTEST:

Kim Lane, Borough Clerk

Agenda Item 13b

CITY & BOROUGH OF WRANGELL

BOROUGH ASSEMBLY AGENDA ITEM April 14, 2015

INFORMATION:

Approval to proceed with the sale of City Tidelands as requested by Bill and Cheryl Goodale, owner of Southeast Properties

Attachments:

1. Request from Mr. Goodale to purchase City owned Tidelands.
2. Memos from the Port Commission and Planning & Zoning Commission approving the purchase
3. Wrangell Code Section 16.12.030 – 16.12.075 (Sale of Tidelands)
4. Maps of proposed area
5. Opposition correspondence from Marjy Wood of Tyee Travel (revised 4-8-15)

RECOMMENDED ACTION:

Move to proceed with the Sale of City Tidelands, adjacent to the Stikine Inn, a portion of Lot 3A-1, Block 2a, ATS 83 and a portion of unsubdivided Tidelands ATS 83, as requested by Bill and Cheryl Goodale, Southeast Properties, and to waive the public auction and bid provisions as stated in 16.12.040 B & C, which is allowed under WMC 16.12.075.

CITY CLERK

MAR 09 2015

RECEIVED

To Port Commission and Planning and Zoning

We are coming before you to express our interest in purchasing an additional 27,450 square feet of tidelands in front of and along side of the existing Stikine Inn property (Lot 6A-1). The purpose of which is to allow for future expansion of the building adding more hotel rooms and retail space. We are starting the process at this time because we are assuming it will take 3-4 years to fully implement our plan. We want to be ready to move forward as the economy of Wrangell continues to improve and grow.

A portion of our request includes the covered area along the new entrance to the cruise ship dock which we would remove during the construction of the new building, but in the interim period we intend to clean up the area and perform some maintenance and repairs to the structure. After which time we will offer the area to the public for use as a place to sell locally made wares to the visitors that come off the ships, etc. One example of this would be the local youngsters selling garnets. All of it would come with some guidelines, but would be free of charge for the space.

Once the new building is built we will have small, individual spaces on the first floor for rent to facilitate the same agenda. At this time we are entertaining ways to accommodate the youth so they may continue to sell their garnets.

We are also looking to fill in the area as to accommodate the continuation of the Heritage Walk that is being discussed in the Master Waterfront Plan. We would provide an easement to the city to have it continue in front of the hotel and connect on to Stikine Avenue for a route to say The Petroglyph Beach.

There is considerable cost we are bearing up front on this endeavor so we are requesting that some of the requirements to purchase city land be waived. We fully understand the need for an appraisal to establish guidelines for a sale price and that it is our responsibility to pay for that and the survey along with document filing costs. What we would like waived (which we understand is an Assembly Action) is the Public Auction and Bid Process. We don't want to go through the process, spend the money and then have to bid on what we developed. Especially since we are the adjoining property owner.

To put the project in prospective we are anticipating there will be four local contractors involved in the project creating fifteen construction jobs and then ten full time positions in the hotel after completion along with some new retail businesses that will also employ local residents. We are anticipating an increase of 60% in sales and bed tax revenue over the amount we contribute now. There also will be an increase in property tax revenue.

Cheryl and I would like to apologize to you for not attending tonights meeting, but we unexpectedly were called away on some business that couldn't be postponed. In our absence our manager, Jake Harris will try to answer any questions you may have or he can refer them to us so we can answer them.

We thank you for your time and consideration on our request. We look forward to working with you on this project.

Sincerely,

Bill and Cheryl Goodale, Owners

Southeast Properties

Goodale Properties

Stikine Inn

Wrangell Port Commission

Memo

To: The Mayor & Borough Assembly

From: Sherri Cowan, Recording Secretary

Date: 04-02-15

Re: Request from Southeast Properties to purchase City Tidelands

The Port Commission made a motion on 4-02-15 to recommend the Borough Assembly move forward the Sale of City Tidelands as requested by Bill Goodale of Southeast Properties.
Approved Unanimous

Memo

CITY CLERK
MAR 13 2015
RECEIVED

To: Kim Lane, City Clerk
From: Lavonne Klinke, Planning & Zoning Secretary
CC: Assembly Members
Date: 3/18/2015
RE: Request to purchase City Tidelands adjacent to the Stikine Inn, portion of Lot 3A-1, Block 2A, ATS 83 and a portion of unsubdivided tidelands ATS 83

The Planning and Zoning Commission at their regular meeting of March 12, 2015 unanimously recommend to the Assembly to allow request to purchase City Tidelands adjacent to the Stikine Inn, portion of Lot 3A-1, Block 2A, ATS 83 and a portion of unsubdivided tidelands ATS 83.

16.12.030 Sale of tidelands.

A. The policy of outright disposal by sale of tide and submerged lands is not favored; the orderly development of the borough with due consideration toward ocean resource harvesting, municipal revenue and public recreation would indicate a strong preference toward tidelands leasing. However, when it is in the public interest, the assembly may, by resolution, authorize the sale of tracts of tide and submerged lands in the manner provided for the sale of other real property owned by the borough. Tidelands, which may be sold pursuant to this section, as that term is used herein, refers only to those tide and submerged lands conveyed by the state of Alaska to the then-City of Wrangell pursuant to AS 38.05.820.

B. All sales of tide and submerged lands shall be public sales and shall be governed by the provisions of this chapter, insofar as applicable. [Ord. 833 § 42, 2009; Ord. 677 § 4, 2000; Ord. 645 § 5, 1998; Ord. 618 § 4, 1996; Ord. 588 § 6, 1993; Ord. 410 § 7, 1981; Ord. 275 § 5, 1971; prior code § 45.20.030.]

16.12.040 Value assessment – Notice of terms.

A. When an application is filed for the sale, lease or other disposition of real property, tidelands or any interest therein, the borough clerk shall cause an appraisal of the interest to be disposed of to be made by the assessor, who shall submit a report to the assembly, which will include his estimate of the market value of the interest. The assembly shall then submit the application and, upon approval of a majority of those voting on the question, the assembly shall approve the sale on such terms and conditions as provided herein, or set by the assembly. The costs of appraisal fees, survey fees and fees necessary for the preparation of documents, and all other costs associated with the application shall be borne by the applicant.

B. Following approval by the assembly, if the subject interest has a value of \$1,000,000 or less, the borough clerk shall thereafter give notice of the sale, lease or other disposition by publication of notice in a newspaper of general circulation in the borough at least 30 days before the date of the sale, lease, or other disposition, and the notice shall be 30 days before the date of the sale, lease, or other disposition, and the notice shall be posted within that time in at least three public places in the borough.

C. The notice shall contain a description of the property and the interest therein which is being disposed; the estimated value of the interest; declare that the disposition shall be effected through sealed bids, the forms for which may be obtained in advance at the borough clerk's office at City Hall; shall specify the address to which the sealed bids shall be addressed or delivered by the bidders; state the date and hour upon which bids shall be opened in public, and that sealed bids may be submitted at any time prior to the opening; that the property may be sold, leased, or disposed to the highest responsible bidder for cash, or terms as provided in WMC 16.12.015; that the borough reserves the right to reject any and all bids.

D. Terms. Certified or cashier's check or cash equal to 25 percent of the bid must accompany the bid. Personal checks will not be accepted. Purchasers may choose to pay balance by cash or execute an installment purchase agreement with the City and Borough of Wrangell. Term of installment purchase agreement shall not exceed 15 years. Interest rate on unpaid balance will accrue at prime plus two points at time of closing. The unpaid balance shall be evidenced by a promissory note secured by a deed of trust on the property.

E. Fund Disposition. All funds received from tidelands sales shall be deposited into the City and Borough of Wrangell's permanent fund. [Ord. 750 § 4, 2004; Ord. 746 § 4, 2004; Ord. 692 § 4, 2000; Ord. 677 § 4, 2000; Ord. 312 § 5, 1974; prior code § 45.20.040.]

16.12.070 Preference rights of upland owners and tidelands lessees.

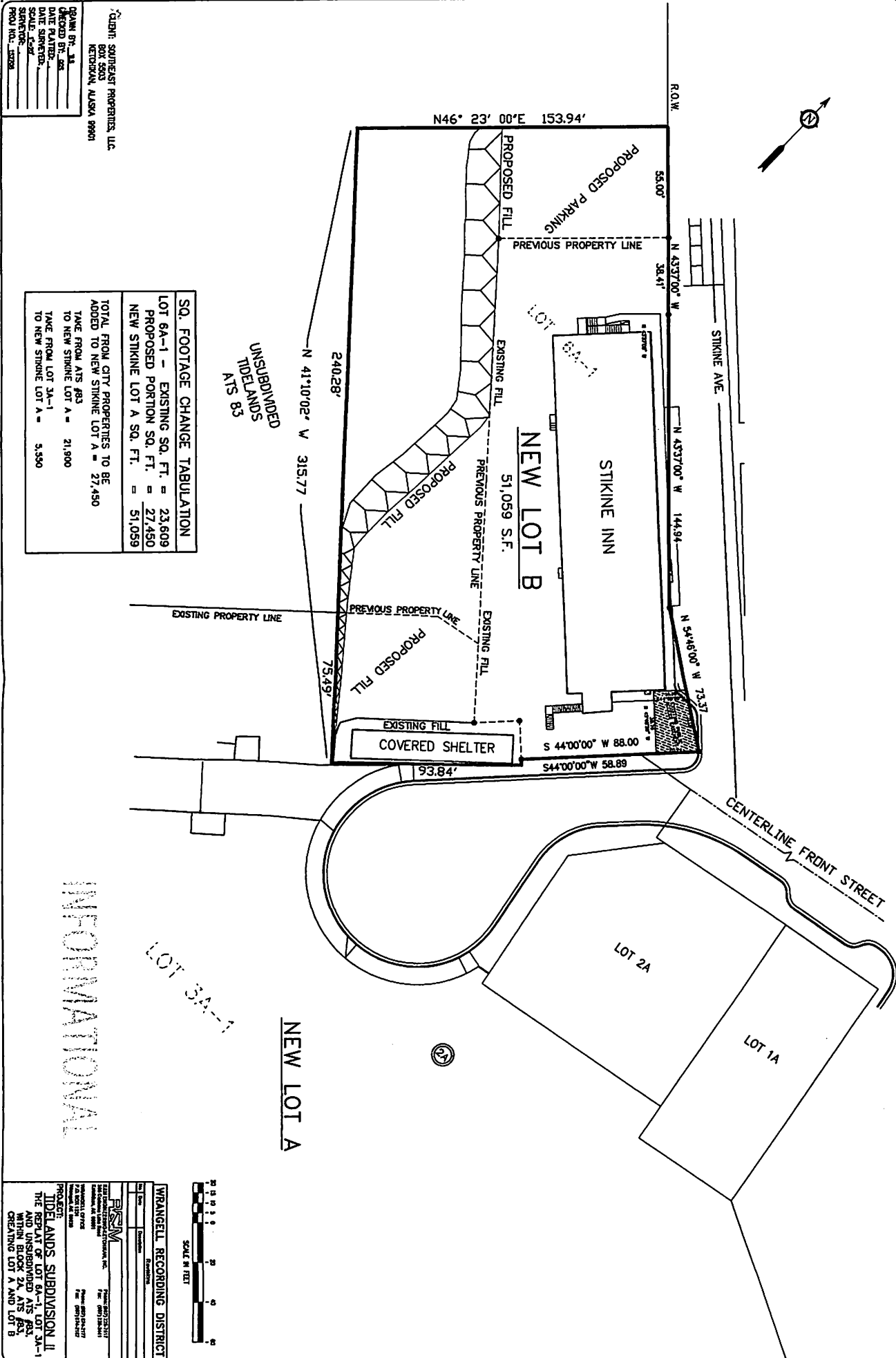
A. Uplands owner abutting tide and submerged lands for which a sale application is submitted, whether submitted by the uplands owner or a third party, shall be entitled to a preference right in the form of the right to meet or exceed the highest bid or offer tendered by another person for the purchase of abutting tide or submerged lands. No additional notice other than that already required by this title shall be required of the applicant. Furthermore, failure to exercise this preference right at or before the time of sale shall result in the forfeiture of said preference right.

B. The lessees of an existing and current tidelands lease shall be entitled to a preference right in the form of the right to meet or exceed the highest bid or offer tendered by another person for the purchase of the tidelands leased by said lessee. The tidelands lessees' preference shall be superior to that preference granted to uplands owners in subsection (A) of this section. No additional notice, other than that already required by this title, shall be required of the

applicant. Furthermore, failure to exercise this preference at or before the time of sale shall result in the forfeiture of said preference right. [Ord. 677 § 4, 2000.]

16.12.075 Additional requirements.

The borough assembly may provide such additional and necessary requirements as they find necessary to carry out the specific and unique terms of each such sale and as may from time to time be necessary and not inconsistent with this chapter. [Ord. 677 § 4, 2000.]



INFORMATIONAL

April 8, 2015

Dear Mayor Jack, Assembly Members and members of Port Commission, CVB, Planning and Zoning and Economic Development,

I apologize for the late input on the issue of Tidelands sale for the current Vendor Shelter location area requested by Bill Goodale, but when I first heard of the potential issue I did ask to be notified of any discussions in any City committee or board but I found out quite by accident that the process has gotten this far.

I understand the need for and fully support more rooms added to the Stikine Inn to further increase the overnight visitor capacity, the vision for artist rental spaces and the extension of the Heritage Walkway. This project would truly enhance the waterfront area. This will be a most welcome improvement to the capacity of the overnight visitor industry. I want to be clear I support this sale, but do have concerns.

Selling this public asset without another comparable and guaranteed public use area has a huge impact to the other segment of the Wrangell visitor industry; the cruise ship visitor industry. By virtue of the Vendor Shelter location at the end of the cruise ship pier, it serves the public which are visitors and locals alike. Putting it in private hands could potentially eliminate use of that area and the proposed replacement area.

In Mr. Goodales proposed plan the area for Wrangell tour operators to organize these visitors into tours after getting off the ship would be in front of the Stikine, which would be private property. While this area he would create would truly be ideal, there are some potential liability issues when dealing with multiple tour operators, which are private businesses, using another privately owned area to stage visitors taking tours.

Once that property is privately owned the property owner should be free to use it how they see fit for their business. Currently the idea is to allow use of the proposed fill area for cruise ship staging but Mr. Goodale as property owner would be and should be able to use it in whatever manner suits his business and in the future, that could mean a different use for that area.

Because of that potential, the City needs to guarantee that at least part of the waterfront is developed in the interim; there needs to be another public staging area available for tour operators doing business with the cruise visitors that is City owned and available for tour operator use.

Currently, when a larger ship is in port at the face of the dock, the Vendor Shelter area is used as a staging area to coordinate efforts to direct and congregate our visitors for their Wrangell tour experiences. We are talking thousands of Wrangell visitors every summer that take local tours.

And, while I trust the current intentions of the proposed plan, what if Mr. Goodales plans for the area change or the property is later sold and that proposed area is no longer available? If that were to happen, tour operators are left with no staging area. To corral sometimes 200-300 people at a time, on the pier itself is not an option, there just isn't room to do so. Plus, with current Homeland Security requiring the TWIC identification, which can only be obtained by going in person to one of the TWIC Juneau or

Ketchikan offices, it's incredibly difficult and cost prohibitive to get all summer hires outfitted with a TWIC card that entitles them to be on the pier. If we were to use the full pier without those badges, Wrangell could possibly be out of compliance with Homeland Security regulations.

If there were a firm, guaranteed and funded waterfront plan to either move the barge southward or fill in between the current parking area and the dock, allotting a public space for cruise ship visitor staging, I would have no concerns. However, the available port area at the cruise ship dock is seriously limited by the barge yard adjacent to it. It would be shortsighted to further reduce the available port area before the City has a solid, funded port expansion plan that includes a City owned area for visitor staging and organizing.

Could there be a temporary compromise? For example the port keeps the half of the Vendor Shelter facing the dock, to be used and available visitor staging, and the other half conveyed privately. Then when a full waterfront plan is implemented and replacement space created, the City and Borough could convey the other half of the area. Or perhaps the better option would be if the City could implement a small part of the waterfront plan, simultaneously applying for a Core of Engineers permit with the Goodale plan and expand the south end of the port fill to accommodate visitor staging area in conjunction with the proposed second summer float.

I invite all Assembly and appropriate committee members to personally witness the congestion we currently have in the area when our larger cruise ships are in port BEFORE you make any decision on this issue. Our first of the larger ships is May 8 at 1pm however the better example is the larger, ship that comes more regularly, the Oceania Regatta and its first stop is on May 12 at noon. These are early season cruises and typically fewer visitors go ashore so the June 5 ship stop would give you the best example, but May 12 would still give you an idea of the congestion. All City and Borough Assembly members should look at the area when in use prior to making a decision.

In conclusion I would urge the Assembly members to really think about the long term ramifications, specifically the limitations that would ensue if the sale of this parcel were to proceed in its present form without additional port expansion or guarantee of public use space. Though I do appreciate and applaud the vision and support the transition into private property, there must be expansion for public property staging area to replace what will be lost.

Sincerely,
Marjy Wood

Agenda Item 13c

CITY & BOROUGH OF WRANGELL

BOROUGH ASSEMBLY
***Revised* - AGENDA ITEM**
April 14, 2015

INFORMATION:

PROPOSED ORDINANCE No. 899: AN ORDINANCE OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AMENDING SECTION 5.22.030, ENHANCED 911 SURCHARGE ON LOCAL EXCHANGE ACCESS LINES AND WIRELESS TELEPHONE NUMBERS, OF THE WRANGELL MUNICIPAL CODE TO INCREASE THE MONTHLY SURCHARGE WITHIN THE ENHANCED 911 SERVICE AREA *(first reading)*

Attachments:

1. Memo from Manager Jabusch
2. Proposed Ordinance No. 899

REVISED RECOMMENDED ACTION:

Move to approve first reading and move to a second with a Public Hearing to be held on April 28, 2015 **and for the distribution of revenues to be as follows: 40 percent would go to the repair and maintenance of the 911 equipment and the balance to go towards the operations of the system.**

MEMORANDUM

**TO: HONORABLE MAYOR AND MEMBERS OF THE ASSEMBLY
CITY AND BOROUGH OF WRANGELL**

**FROM: JEFF JABUSCH
BOROUGH MANAGER**

SUBJECT: 911 Surcharge Increase

DATE: April 8, 2015

BACKGROUND:

The monthly charge for 911 support on each phone in Wrangell has not changed since January 1st, 2005, or ten years. As you probably know, the State is in a financial crisis and continues to make cuts that affect municipalities and others. One of those cuts that has happened is the 60% cut to our community jail. That cut is \$352,000. The dispatchers funded for the jail also handle the 911 dispatch. Without this funding, it is not only hard to keep the jail open, but also will be hard to fund the 911 dispatch service provided.

Currently, the monthly phone charge for 911 services is \$0.75 per phone per month. This raises about \$13,500 annually. We are proposing to raise this amount to \$2.00 per phone per month. This would add about \$22,500 of new revenue to help offset at least some of the costs. \$2.00 is the maximum amount that can be charged per state statutes without a vote of the people in the community providing the 911 services. Obviously, this is not going to bridge the gap of what is lost in state revenue for the jail, but this and other things we are doing together will resolve this for at least one more year as we look at possibly other options to resolve this as continued cuts happen in future years. If approved, this ordinance would become effective on July 1, 2015.

Again, we will be looking at every user based thing we do to up the user fees so that property taxes can stay stable. Public safety and the 911 system is important and I think the increase is a small amount annually to each phone user to help keep this service.

Recommended Action:

Move to approve first reading and move to a second with a Public Hearing to be held on April 28, 2015.

CITY AND BOROUGH OF WRANGELL, ALASKA

ORDINANCE NO. 899

AN ORDINANCE OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AMENDING SECTION 5.22.030, ENHANCED 911 SURCHARGE ON LOCAL EXCHANGE ACCESS LINES AND WIRELESS TELEPHONE NUMBERS, OF THE WRANGELL MUNICIPAL CODE TO INCREASE THE MONTHLY SURCHARGE WITHIN THE ENHANCED 911 SERVICE AREA

WHEREAS, the City and Borough of Wrangell provides an enhanced 911 system within the enhanced 911 service area of the Borough; and

WHEREAS, the system promotes a more efficient public safety response by helping to identify the location of emergencies following a 911 call from within the service area; and

WHEREAS, under Alaska law, AS 29.35.131, a municipality providing an enhanced 911 system may impose an enhanced 911 surcharge of up to \$2.00 per month within the 911 service area for each wireless telephone number and each local exchange access number in order to support and fund the system; and

WHEREAS, the current monthly surcharge of \$.75 was put in place effective January 1, 2005 and has not been increased since that time; and

WHEREAS, under WMC 5.22.060, the Assembly is required to review the surcharge annually to determine whether the amount is adequate, excessive or insufficient to meet anticipated enhanced 911 system needs; and

WHEREAS, the Assembly has reviewed the current surcharge and has determined that it is not sufficient to meet the anticipated needs of the system and therefore should be increased as provided in this ordinance. NOW, THEREFORE, BE IT ORDAINED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA:

[The changes to the existing code are shown as follows: the words that are underlined are to be added and the words that are **[bolded and in brackets are to be deleted]**.]

SEC. 1. Action. The purpose of this ordinance is to amend Section 5.22.030 of the Wrangell Municipal Code to increase the monthly enhanced 911 surcharge on local exchange access lines and wireless telephone numbers.

SEC. 2. Amendment. Section 5.22.030 of the Wrangell Municipal Code is amended to read:

5.22.030 Enhanced 911 surcharge on local exchange access lines and wireless telephone numbers.

Beginning with the first billing for any telephone services rendered on **[January 1, 2005]** July 1, 2015, and each month thereafter, there is imposed a surcharge of \$~~[0.75]~~2.00 per month for each local exchange access line for wireline telephones and for each wireless telephone number within the enhanced 911 service area. The surcharge shall apply to all such wireline and wireless telephones, even those serving government agencies and nonprofit organizations. The amount of the surcharge imposed is subject to review and determination by the assembly pursuant to WMC 5.22.060.

SEC. 3. Classification. This ordinance is of a permanent nature and shall be codified in the Wrangell Municipal Code.

SEC. 4. Severability. If any portion of this ordinance or any application thereof to any person or circumstance is held invalid, the remainder of this ordinance and the application to other persons or circumstances shall not be affected thereby.

SEC. 5. Effective Date. This ordinance shall be effective on July 1, 2015.

PASSED IN FIRST READING: _____, 2015.

PASSED IN SECOND READING: _____, 2015.

David L. Jack, Mayor

ATTEST:

Kim Lane, Borough Clerk

Agenda Item 13d

CITY & BOROUGH OF WRANGELL

BOROUGH ASSEMBLY AGENDA ITEM April 14, 2015

INFORMATION:

PROPOSED ORDINANCE No. 900: AN ORDINANCE OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, PROPOSING AN AMENDMENT TO THE HOME RULE CHARTER, REPEALING SECTION 11-2, THOMAS BAY POWER AUTHORITY
(first reading)

Information:

As required by the Charter, Section 12-1 (2), the assembly by resolution or ordinance may propose, and submit or provide for the submission of, charter amendments to the qualified voters of the borough.

Attachments:

1. Proposed Ordinance No. 900

RECOMMENDED ACTION:

Move to approve first reading and move to a second with a Public Hearing to be held on April 28, 2015.

CITY AND BOROUGH OF WRANGELL, ALASKA

ORDINANCE NO. 900

AN ORDINANCE OF THE ASSEMBLY OF THE CITY AND
BOROUGH OF WRANGELL, ALASKA, PROPOSING AN
AMENDMENT TO THE HOME RULE CHARTER,
REPEALING SECTION 11-2, THOMAS BAY POWER
AUTHORITY

WHEREAS, on December 10, 2013, the Wrangell Borough Assembly adopted Resolution No. 12-13-1290 recommending that the Operations and Maintenance of the Tyee Hydroelectric Project be transferred from the Thomas Bay Power Authority (TBPA) to the Southeast Alaska Power Agency (SEAPA); and

WHEREAS, on July 24, 2014, the Assignment and Assumption Agreement was executed by SEAPA, the City and Borough of Petersburg, and the City and Borough of Wrangell, transferring the Operations and Maintenance of the Tyee Hydroelectric Project from the TBPA to the SEAPA; and

WHEREAS, on January 27, 2015, the Wrangell Borough Assembly adopted Ordinance No. 890 amending Chapter 3.40 of the Wrangell Municipal Code, to rename the Thomas Bay Power Commission to be the Thomas Bay Power Advisory Committee, and establish the purpose and duties of the Advisory Committee; and

WHEREAS, as a result of the transfer of the operations and maintenance of the Tyee Hydroelectric Project to the SEAPA and the establishment of the Thomas Bay Power Advisory Committee, the TBPC is no longer required or needed, and therefore the Assembly is proposing this Charter amendment to repeal Section 11-2, Thomas Bay Power Authority;

NOW, THEREFORE, BE IT ORDAINED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA:

[The changes to the existing Home Rule Charter are shown as follows: the words that are underlined are to be added and the words that are **[bolded and in brackets are to be deleted]**.]

SEC. 1. Classification. This ordinance is of a permanent nature and, if approved by a majority of the qualified voters voting on the proposition set forth in Section 4, shall become a part of the Home Rule Charter of the City and Borough of Wrangell, Alaska.

SEC. 2. Charter Amendment. The purpose of this ordinance is to repeal Section 11-2, Thomas Bay Power Authority, of the Wrangell Home Rule Charter, as follows:

Section 11-2 Repealed [Thomas Bay Power Authority.]

[There is a Thomas Bay Power Authority, owned jointly and equally by the City and Borough of Wrangell, Alaska, and the City of Petersburg, Alaska, which exists for the purpose of constructing and operating a hydro-electric power generating utility. Said authority shall have all express, implied and incidental powers thereto, including but not limited to acquiring extra-territorial properties, and obtaining financing and the issuance of revenue bonds in its own name, and said authority may incorporate or otherwise reorganize as a separate entity, but in any event shall be managed jointly by a commission of representatives from the municipalities as they shall respectively appoint.]

SEC. 3. Submission of Question to the Voters. An amendment to repeal Section 11-2 of the Home Rule Charter of the City and Borough of Wrangell, Alaska, shall be submitted to the voters of the City and Borough of Wrangell at the next regular borough election. The Borough Clerk shall prepare the proposition and perform all necessary steps in accordance with law to submit this proposition to the qualified voters of the Borough for approval or rejection at the next regular borough election, to be held October 6, 2015.

SEC. 4. Proposition. The proposition shall read substantially as follows:

PROPOSITION 1

CHARTER AMENDMENT

Shall the Home Rule Charter of the City and Borough of
Wrangell be amended to repeal Section 11-2, Thomas Bay Power
Authority, as set forth in Ordinance No. 900.

YES (oval)

NO (oval)

SEC. 5. Effective Date. (a) The Charter amendment proposed in Section 2 of this ordinance shall become effective on the day following the date the election results are certified for the regular municipal election held on October 6, 2015, if approved by a majority of the qualified voters voting on the proposition set forth in Section 4.

(b) Sections 3 and 4 of this ordinance authorizing the submission of the proposition to

the qualified voters of the City and Borough shall become effective upon adoption.

PASSED IN FIRST READING: _____, 2015.

PASSED IN SECOND READING: _____, 2015.

David L. Jack, Mayor

ATTEST:

Kim Lane, Borough Clerk

Agenda Item 13e

CITY & BOROUGH OF WRANGELL

BOROUGH ASSEMBLY AGENDA ITEM April 14, 2015

INFORMATION:

Approval of a Letter of Support for AICS

Attachments:

1. Letter of Support

Additional Information: The Parks & Recreation Board approved a similar Letter of Support for AICS at their Regular Board meeting that was held on April 1, 2015.

RECOMMENDED ACTION:

Move to approve a letter of support to be sent to the Department of Health and Social Services in support of AICS obtaining a Grant for the Healthy Meals and Exercise Program.



CITY AND BOROUGH OF WRANGELL
INCORPORATED MAY 30, 2008

Office of the Borough Mayor

P.O. Box 531
Wrangell, AK 99929

907-874-2381
907-874-3952

March 27, 2015

Department of Health and Social Services
3601 C St., Suite 902
Anchorage, AK 99503

To Whom It May Concern:

This letter is to respectfully urge the reviewers of the Department of Health and Social Services to give consideration to the attached application from Alaska Island Community Services (AICS).

The program that AICS is proposing represents one of the most cost-effective programs the Borough will support, and meets the needs that have been major barriers to the health of our community.

We are aware that there is a pressing need for healthier diets and exercise here in Wrangell.

Establishing a culture of good eating and physical fitness is a challenge that must be met. Health statistics in our area are clear. If we are going to tackle diabetes, heart disease, obesity, and other related health matters, we must implement the objectives of the proposed program.

It is wonderful that there may be funds to get this rolling. With the collaborations and strategies that have been documented, with a bit of State funding for starting up the program, over time, AICS believes that the program will be clearly sustainable.

We understand the need for this program. Community health efforts require it. Community health statistics support the need. Collaboration with Head Start, daycare providers and the Recreation Center will ensure facilities and outreach. Referral of disabled and elderly patients of AICS to the program will support healthier lives for these vulnerable children and adults.

Your indication that federal performance measures as well as pre and post testing will be used ensures valid data reporting. And your integration of the Healthy Meals and Exercise Program into the AICS chronic disease program will fill a profound gap in Wrangell's ability to respond to a variety of common chronic conditions.

Again this is to indicate the strong support for this project from the Wrangell Borough Assembly.

Sincerely,

David L. Jack, Mayor
City & Borough of Wrangell

Agenda Item 13f

CITY & BOROUGH OF WRANGELL

BOROUGH ASSEMBLY AGENDA ITEM April 14, 2015

INFORMATION:

Approval to dispose of City Surplus Property

Attachments:

1. Memo from Borough Manager, Jeff Jabusch
2. List of items to surplus

RECOMMENDED ACTION:

Move to approve the items listed as surplus, that these items be advertised for bid as required under Wrangell Municipal Code 5.10.060, and authorize the Borough Manager to dispose of any items not bid on, in a manner that is in the best interest of the City.

MEMORANDUM

**TO: HONORABLE MAYOR AND MEMBERS OF THE ASSEMBLY
CITY AND BOROUGH OF WRANGELL**

**FROM: JEFF JABUSCH
BOROUGH MANAGER**

SUBJECT: SURPLUS PROPERTY

DATE: April 6, 2015

INFORMATION:

The City has a list of property that is no longer used or needed for city use and it is recommended that these items be surplus.

Although these items are no longer needed by the city, they may be useful by others. The city plans, if approved by the assembly, to advertise these items for sealed bid. It is recommended that any items over \$25 that do not receive bids will go out as over the counter on a first come first service. All other items will be offered on a free basis for 30 days and then disposed.

Attachments:

List of surplus items

Recommended Action:

Move to approve the items listed as surplus, that these items be advertised for bid as required under Wrangell Municipal Code 5.10.060, and authorize the Borough Manager to dispose of any items not bid on, in a manner that is in the best interest of the City.

**City & Borough of Wrangell
City Surplus List**

Item #	Department	Item	Description	Serial Number - Other Information	Cond.	Location for Public Inspection	Minimum Bid Amount
1	Nolan Ctr	Dell Monitor	Never used CRV style monitor	CN-09M556-6418-348-32CV	new	Nolan Ctr	\$5
2	Nolan Ctr	Dell Monitor	Used Crv style Monitor	MY-080157-47603-423-B8XU	used	Nolan Ctr	\$5
3	Nolan Ctr	Dell Optiplex Computer	GX270 series - needs hard drive	SN# FDJKN41	ok	Nolan Ctr	\$5
4	Nolan Ctr	Kensington Keyboard	slim model K64365	A0728002281	ok	Nolan Ctr	\$1
5	Nolan Ctr	Sharp 161 Copier	Needs toner and may need other work	n/a	?	Nolan Ctr	\$5
6	Nolan Ctr	Fireproof File cabinets	Sears 4 Drawer leagal size, No key-unlocked	n/a	?	Nolan Ctr	\$10
7	Nolan Ctr	Fireproof File cabinets	Sears 4 Drawer leagal size, has broken handle on one drawer	n/a	?	Nolan Ctr	\$10
8	Nolan Ctr	Packing case	Orange hard size 4'2" x 3'4" x 6"	n/a	?	Nolan Ctr	\$5
9	Nolan Ctr	Washing Machine	Whirlpool Cabrio Model top-load	8 yrs old; works well	good	Nolan Ctr	\$50
10	Nolan Ctr	Sterio Cabinet	light wood tone with glass doors		very good	Nolan Ctr	\$50
11	Library	Dell Flat Panel Monitor (2 available)	18"		used/good	Library	\$5 each
12	Library	Dell Flat Panel Monitor (2 available)	20"		used/good	Library	\$5 each
13	Library	Dell Keyboard w/mouse (10 available)		n/a	used	Library	\$1 each
14	Library	Dell Computer Speakers	Black 7"	CN-0Y9259-69804-596-1003	used	Library	\$3
15	Library	Dell Computer Speakers (2 sets)	Black 7"		new	Library	\$5 each
16	Library	Logitech Computer Spakers	Black 91/2"	n/a	used	Library	\$3
17	Library	Laserjet Printer	HP1300	CNB JK 58383	fair	Library	\$10
18	Library	AV Cart - metal	3 shelf cart 42"h X 24"w X 18"d	fair condition	used	Library	\$20
19	Library	Card file (2 available)	metal 2 drawer	n/a	used	Library	\$5 each
20	Library	Card file	wood 4 drawer	n/a	used	Library	\$10

Agenda Item 13g

CITY & BOROUGH OF WRANGELL

BOROUGH ASSEMBLY AGENDA ITEM April 14, 2015

INFORMATION:

Approval of a change order for Western Dock and Bridge, LLC
for the Wrangell City Dock Fender Pile Replacement project

Attachments:

1. Memo from Ruby McMurren, Projects Manager
2. Change Order No. 1 and Pay Estimate

RECOMMENDED ACTION:

Move to approve Change Order No. 1 for \$13,700.00 and the close out of the project, with funds to come out of grant funds which have been allocated for the project.

MEMORANDUM

**TO: HONORABLE MAYOR AND MEMBERS OF THE ASSEMBLY
CITY AND BOROUGH OF WRANGELL**

**FROM: RUBY MCMURREN
PROJECTS MANAGER**

SUBJECT: WRANGELL CITY DOCK FENDER PILE PROJECT CHANGE ORDER

DATE: April 8, 2015

BACKGROUND:

The City and Borough of Wrangell contracted with Western Dock and Bridge, LLC from Ketchikan, Alaska to provide labor to remove and install 81 wood creosote fender piles, chock blocks and attachment hardware with CBW provided construction materials in the amount of \$327,000.00.

This work was made possible by grant funds provided by State of Alaska Department of Commerce, Community and Economic Development (DCCED) for the City Dock Fender Pile Replacement Project.

Additional work prompted a change order in the amount of \$13,700, for removal of four additional old timber piles and replaced with remaining extra piles ordered for this project, retrieval of a steel pile lying on the ocean bed, repairing two existing sections of bent waler, and tightening turn buckles. This additional work of \$13,700.00 brings the total contract amount to \$340,700.00.

RECOMMENDATION:

We recommend the Assembly approve the Change Order #1 in the amount of \$13,700.00.

ATTACHMENTS:

1. Change Order #1
2. Pay Estimate #1

CHANGE ORDER

OWNER	X
CONSTRUCTION MANAGER	
ARCHITECT	
CONTRACTOR	X
FIELD	
OTHER	

PROJECT:

Wrangell City Dock Fender Pile Replacement

City and Borough of Wrangell, Alaska
PO Box 531, Wrangell Alaska 99929

CHANGE ORDER NO: 1

DATE: March 25, 2015

CONTRACTOR:

Western Dock and Bridge, LLC

777 Main Street
Ketchikan, Alaska 99901

THE CONTRACT IS CHANGED AS FOLLOWS:

- | | |
|--|-----------|
| 1. Pull (3) timber piles | \$2250.00 |
| 2. Remove (1) Steel Pile from Bottom | \$1000.00 |
| 3. Repair (2) bent sections of walers | \$2325.00 |
| 4. Tighten turnbuckles @ SW fender group | \$125.00 |
| 5. Drive 4 piles at approach dock | \$8000.00 |

TOTAL CHANGE TO CONTRACT THIS CHANGE ORDER: \$13,700.00

Not valid until signed by both the OWNER and CONTRACTOR.

The original Contract Sum was: \$327,000.00

Net change by previously authorized Change Orders: \$0

The Contract Sum prior to the Change Order was: \$327,000.00

The Contract Sum will be X (increased) (decreased) (unchanged) by this Change Order: \$13,700.00

The new Contract Sum including this Change Order will be: \$340,700.00

The Contract Time will be (increased) (decreased) x (unchanged) by this Change Order:

THE NEW CONTRACT DATE IS:

CONTRACTOR

OWNER

City & Borough of Wrangell
PO Box 531, Wrangell, Alaska 99929

By

Date

By

Date

City and Borough of Wrangell

City Dock Fender Pile Replacement Project

Contractor: Western Dock & Bridge, LLC
777 Main Street
Ketchikan, Alaska 99901

Pay Estimate No. 1

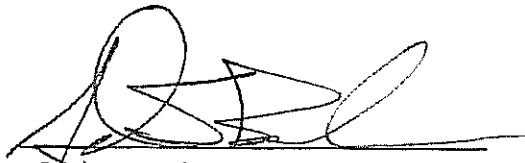
Pay Period: 3/24/2015

Original Contract Amount	\$327,000.00
Additions	\$13,700.00
Deletions	\$0.00
Revised Contract Amount	<u>\$340,700.00</u>

Amount Earned Job-to-Date	\$340,700.00
Plus Stockpiled Materials	\$0.00
Total Earned to Date	<u>\$340,700.00</u>

Less Previous Payments	\$0.00
Balance Earned This Estimate	\$340,700.00
Less Retention	\$0.00
Net Due this Estimate	<u>\$340,700.00</u>

Date: 3/24/15 Western Dock & Bridge, LLC
Name/Title


Sever Paulson, Project Manager

Date: _____ CBW
Name/Title

Ruby McMurren, CBW Project Manager

Date: _____
Name / Title

Agenda Item 13h

CITY & BOROUGH OF WRANGELL

BOROUGH ASSEMBLY AGENDA ITEM April 14, 2015

INFORMATION:

Approval of the bid received from Richards Pipe & Steel, Inc. for the purchase of Camel Logs

Attachments:

1. Memo from Manager Jabusch
2. RFQ for Camel Logs
3. Bid Received from Richards Pipe & Steel, Inc.

RECOMMENDED ACTION:

Move to approve the bid received from Richards Pipe & Steel, Inc. for the City to purchase Camel Logs in the amount of \$47,730 with funds to come from the State of Alaska Dock Grant.

MEMORANDUM

**TO: HONORABLE MAYOR AND MEMBERS OF THE ASSEMBLY
CITY AND BOROUGH OF WRANGELL**

**FROM: JEFF JABUSCH
BOROUGH MANAGER**

SUBJECT: Approval of Bids Received for Camel Logs on City Dock

DATE: April 10, 2015

Background:

The city has a grant with the State of Alaska for repair work on the city dock. We have already done a great deal and have spent about 75% or more of the grant. However, we still have money left and we still have things that need done.

One of those items is replacing the old camel logs that were logs attached to each other and attached to the face of the dock. These are used so that ships at the water level rest against the camel logs instead of the pilings. The city put out a bid to purchase new camel logs that are steel pipe logs, hot dipped galvanized and will also have a HDPE jacket. HDPE is product that is a material used to protect the galvanized steel pipe and is very durable.

We received two bids as there are not many places in the Northwest that actually do this. The low bid was from Richards Pipe and Steel, Inc. in the amount of \$47,730, F.O.B Seattle Dock. This bid was in line with what we thought the price would come in at.

Recommended Action:

Move to approve bid for steel camel logs from Richards Pipe and Steel, Inc. in the amount of \$47,730 with funds to come from the State of Alaska dock grant.

CITY AND BOROUGH OF WRANGELL**REQUEST FOR QUOTES****CAMEL LOGS**

BIDS ARE DUE PRIOR TO: March 24, 2015, 2:00pm, Alaska time.

SCOPE OF SERVICES: The City and Borough of Wrangell (CBW) is requesting quotes for the purchase of 6 new steel float log style camel logs.

PROJECT LOCATION: Materials shall be shipped to Wrangell, Alaska.

DUE DATE AND TIME: Bids must be received by March 24, 2015, 2pm.

Wrangell, Alaska is considered a "Remote" area by parcel carrier therefore next day delivery services can be unreliable. It is the materials suppliers sole responsibility to ensure the sealed bid are received by the city at the specified time and place. All bids arriving after the specified time shall be rejected.

FIRM OFFER: Quotes must be valid for 30 days from the date of bid opening.

REJECTION OF BID: The City and Borough of Wrangell reserves the right to reject and quote in the best interest of the Borough in the sole discretion of the owner.

WARRANTY: Contractor shall warrant their materials free of defects for 1 year.

BASIS OF DESIGN: The camel logs will be made of steel pipe logs with welded cap ends and baffle plates at the splice joints. They will have two (2) pad eyes welded on both ends of the log float. They will be hot dip galvanized and will have a HDPE jacket.

PARTICULARS

Length overall: 62 feet including pad eyes

Diameter: 24 inches

Side thickness: .250 inch

Pad eyes: 6 inches X 12 inches and 6 inches X 6 inches. Both 1 inch thick. All shown on drawings.

HDPE Sleeve: Must be at least 50 feet long and have keeper plates at both ends of sleeve. HDPE must be no less than 1.5 inches thick.

REQUIRED DELIVERY DATE: Camel Logs to be delivered to Wrangell Barge Terminal via: Sampson Tug and Barge or AML by: **May 1, 2015**

CONTACTS:

For the purpose of addressing questions pertaining to this Request for Quotes, or to deliver completed quotes, contact Greg Meissner, Harbormaster, Telephone 907-305-0719, email: harborgreg@aptalaska.net, PO Box 531, Wrangell, Alaska 99929

Richards Pipe & Steel, Inc.

144 Roy Road SE Pacific, WA 98047
855-645-9051 253-939-9343 Fax

13h-3

To: City & Borough of Wrangell AK**From:** Steve Richards**Fax:****Pages:** 1 of 1**ATTN:** Greg Meissner – Harbormaster**Date:** 3/16/2015**Re:** Camel Logs**Richards Pipe & Steel is pleased to offer the following subject to prior sale:**

Item #1: 24" OD X .250" Wall X 62', New Import Carbon Steel Pipe,
Mfg. to ASTM A-53 Grade B, MTR'S, Spliced to length per AWS D1.1
Hot Dipped Galvanized full length per ASTM A-123, 1/4" end plates
w/1" X 6" X 12" Pad eyes attached per drawing specs. 1/4" baffle
plates attached to the ID at splice locations. HDPE Keeper plates
attached to the OD of the Pipe 5' in from each end. HDPE Sleeve
attached to each length, HDPE measures 28"OD X 26.15"ID X 50'
Qty: 372 LNFT 6@62'0" 34,430#
Price: \$7955.00/EA F.O.B. Truck, Seattle Dock, WA
Delivery: With an order by 3/27/15, delivery to Seattle Dock by May 1 2015.

TERMS AND CONDITIONS

1. Richards Pipe & Steel, Inc. reserves the right to re-quote any partial shipment other than those listed above. Prices are valid 7 days from date on quotation.
2. Upon credit approval, terms of sale are Net 30 Days. Any unpaid amount will be subject to a carrying charge of 1-1/2% of the original invoice amount; should it be necessary, the customer will pay all attorney fees incurred by Richards Pipe & Steel.
3. All material is subject to prior sale. There is no provision for tax in this quote. All material subject to price in effect at time of shipment.

Steve Richards

Richards Pipe & Steel, Inc.
144 Roy Road SW
Pacific, WA 98047
253-939-9660
253-939-9343
steve@richardspipe.com

Agenda Item 13i

CITY & BOROUGH OF WRANGELL

BOROUGH ASSEMBLY AGENDA ITEM April 14, 2015

INFORMATION:

Approval of the Shoemaker Bay Harbor Engineering Design Services,
Task 2 fee proposal

Attachments:

1. Memo from Ruby McMurren
2. Fee proposal from PND

RECOMMENDED ACTION:

Move to approve PND Engineer's cost proposal for the Shoemaker Bay Harbor Rehabilitation Design, Task 2, Engineering Services, for Moorage Replacement in the amount of \$465,039.00 with funding to come from the Borough's DCCED grant.

MEMORANDUM

**TO: HONORABLE MAYOR AND MEMBERS OF THE ASSEMBLY
CITY AND BOROUGH OF WRANGELL**

**FROM: RUBY MCMURREN
PROJECTS MANAGER**

**SUBJECT: SHOEMAKER BAY HARBOR REHABILITATION DESIGN, TASK 2,
ENGINEERING SERVICES FOR MOORAGE REPLACEMENT
IMPROVEMENTS**

DATE: April 8, 2015

BACKGROUND:

Following the Wrangell Assembly's approval to award a contract to PND Engineers, Inc. for the engineering design services of the Shoemaker Harbor Rehabilitation Design project, staff has proceeded, with PND Engineers, to develop a scope of work to identify the field and design work necessary to move forward with the project.

In the Borough's interest, this work is best achieved by splitting the work into two tasks. Field assessments and site surveys of existing harbor conditions are necessary in order to develop further project scope and design cost. Task 1, Field Assessments, addressed all field assessments, including work by PND's lead engineers, surveyors and electrical engineering subcontractor. The results from Task 1 is now complete and was used to develop Task 2, Engineering Services.

PND has developed a cost proposal for Task 2, Engineering Services, which is attached hereto and is inclusive of all work related to Permit Applications and Approvals, on a T&E basis and a Fixed Fee rate for 35% preliminary design, 65% design development, and 90% final design in the amount of \$465,039.00.

RECOMMENDATION:

Move to approve PND Engineer's cost proposal for the Shoemaker Bay Harbor Rehabilitation Design, Task 2, Engineering Services, for Moorage Replacement in the amount of \$465,039.00.

This engineering contract is scheduled to be obligated from the Borough's DCCED grant in the amount of \$600,000.

SUPPORTING DOCUMENTATION:

1. PND Engineering, Inc.'s cost proposal for Shoemaker Bay Harbor Replacement Design & Permitting Phase Engineering Services Dated April 7, 2015.



April 7, 2015

PND 152018

Ms. Ruby McMurren
Project Manager
City and Borough of Wrangell
PO Box 531
Wrangell, AK 99929

Re: Shoemaker Bay Harbor Replacement
Design & Permitting Phase Engineering Services

Dear Ms. McMurren:

PND Engineers, Inc. (PND) appreciates the opportunity to provide this fee proposal for design and permitting phase engineering services on the Shoemaker Bay Harbor Replacement project. Over the past several weeks, PND has completed site surveys and prepared conceptual design alternatives for replacing the existing moorage system. Working with Public Works and the Harbor Department, PND has refined a preferred moorage replacement plan for Shoemaker which replaces all existing floats and both gangways with new facilities. Some maintenance dredging will be included at the northeast corner of the existing basin and modifications will be required at both approach docks to accommodate ADA compliant gangways.

Scope of Improvements, Project Budget & Schedule

The scope of construction improvements anticipated under this design proposal is generally illustrated in the enclosed drawing entitled *Shoemaker Bay Harbor – Moorage Plan Concept No. 1, dated March 2015*. Specific improvement items are listed in the attached Preliminary Engineer's Estimate dated April 6, 2015. The total project budget including construction, contingency and indirect costs is currently estimated at \$10.7 million based on the listed improvements however this figure may change as the design phase evolves. Some of the improvements may be included as additive alternates in the bid documents to allow some award flexibility in the event that available funds do not allow award of all intended work.

Final design services are intended to commence immediately upon receiving formal authorization to proceed and 90% design deliverables shall be completed by October 30, 2015 assuming NTP is received by April 15, 2015. Design documents sufficiently developed to include in the State Harbor 50/50 Matching Grant Application shall be delivered by July 15, 2015.

Scope of Engineering Services & Fee Proposal

The scope of engineering services under this proposal includes four additional tasks intended to move the project through permitting and 90% design documents. 100% stamped final engineering plans, preparation of bid ready contract documents, bid phase assistance and construction phase engineering services are not included in this proposal. It is understood that those services will be negotiated with PND at a future date following a successful grant award. Please also note that Task 1 Field Assessments was previously authorized

April 7, 2015

Page 2

by the CBW and that work is ongoing and includes master planning services for the uplands, north basin expansion and harbor entrance protection.

PND will provide additional engineering services for the moorage replacement improvements under the following subtasks and a detailed breakdown for each is enclosed.

Task	Task Description	Contract Method	Additional Fees \$
2	Permit Applications and Approvals	T&E	\$16,095
3	35% Preliminary Design	FF	\$128,747
4	65% Design Development	FF	\$175,456
5	90% Final Design	FF	\$144,741
All	Work Listed Above	As Shown	\$465,039

PND proposes to perform Task 2 on a time and expenses (T&E) reimbursable basis utilizing our standard billing rates at time of service. The T&E limit shall not be exceeded without prior written authorization from the CBW. PND proposes to complete Tasks 3 through 5 on a fixed fee basis for the scope of improvements outlined in the enclosed Concept No. 1 Plan and cost estimate.

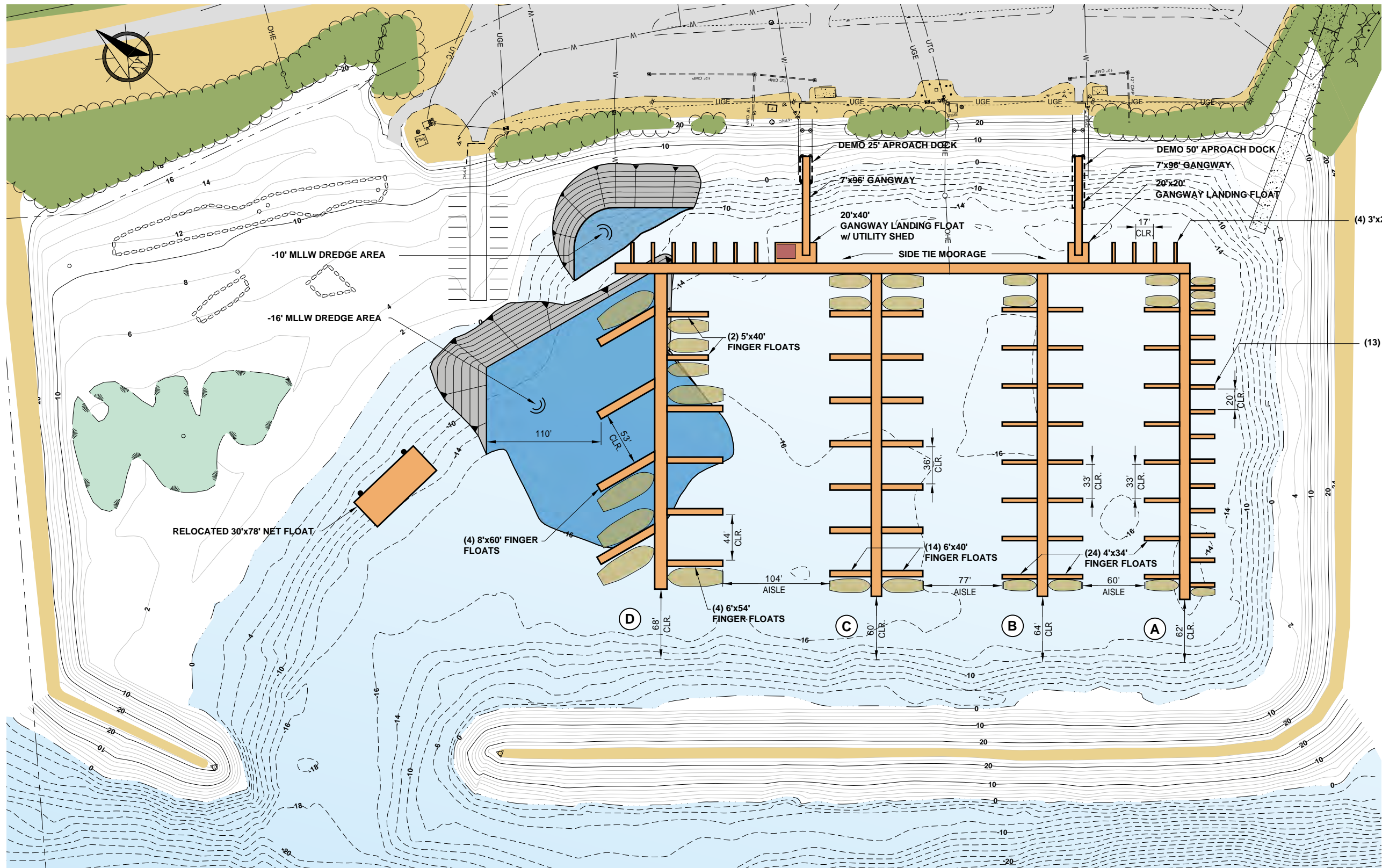
PND proposes to utilize Morris Engineering Group for all electrical engineering services. Together, we appreciate the opportunity to provide services to the CBW on this important project. Thank you for reviewing the proposed scope, project budget, professional fees and schedule. Please let me know if we have perceived your needs appropriately for this project. We are available to commence immediately and look forward to working with the City and Borough of Wrangell towards the successful completion of this exciting moorage rebuild project at Shoemaker Bay.

Sincerely,
PND Engineers, Inc. | Juneau Office

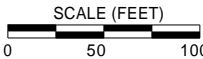


Dick Somerville, P.E.
Vice President

Enclosures



SITE PLAN



PRELIMINARY



REVISIONS					
REV.	DATE	DESCRIPTION	DWN.	CKD.	APP.



ENGINEERS, INC.

9360 Glacier Highway, Ste. 100
Juneau, Alaska 99801
Phone: 907-586-2093
Fax: 907-586-2099
www.pndengineers.com

DESIGN: - CHECKED: -
DRAWN: PJD APPROVED: -

SCALE:
AS SHOWN

DATE: MAR. 2015

CITY AND BOROUGH OF WRANGELL
SHOEMAKER BAY HARBOR

SHEET TITLE:
**MOORAGE PLAN
CONCEPT NO. 1**

PN&D PROJECT NO.: 152018

DWG. FILE:

1
SHEET
OF 1



**SHOEMAKER BAY HARBOR REPLACEMENT
PRELIMINARY ENGINEER'S ESTIMATE**

MOORAGE IMPROVEMENTS - CONCEPT NO. 1

Prepared By: PND Engineers, Inc. on April 6, 2015

Item	Item Description	Units	Quantity	Unit Cost	Amount
1	Mobilization	LS	All Req'd	10%	\$769,350
2	Demolition and Disposal	LS	All Req'd	\$350,000	\$350,000
3	Dredging & Upland Disposal	CY	7,500	\$50	\$375,000
4	Armor Rock	CY	500	\$75	\$37,500
5	Domestic Water & Fire System	LS	All Req'd	\$350,000	\$350,000
6	Construction Surveying	LS	All Req'd	\$75,000	\$75,000
7	Approach Dock Modifications	EA	2	\$75,000	\$150,000
8	7' x 96' Gangway	EA	2	\$150,000	\$300,000
9	Headwalk Float, 10' x 560'	SF	5,600	\$115	\$644,000
10	Mainwalk Float A, 10' x 320'	SF	3,200	\$110	\$352,000
11	Mainwalk Float B, 10' x 320'	SF	3,200	\$110	\$352,000
12	Mainwalk Float C, 10' x 320'	SF	3,200	\$110	\$352,000
13	Mainwalk Float D, 12' x 320'	SF	3,840	\$110	\$422,400
14	4' x 20' Finger Float	EA	11	\$12,000	\$132,000
15	4' x 24' Finger Float	EA	13	\$14,000	\$182,000
16	4' x 34' Finger Float	EA	24	\$20,000	\$480,000
17	6' x 40' Finger Float	EA	16	\$26,000	\$416,000
18	6' x 54' Finger Float	EA	4	\$38,000	\$152,000
19	8' x 60' Finger Float	EA	4	\$56,000	\$224,000
20	20' x 20' Gangway Landing Float	EA	1	\$60,000	\$60,000
21	20' x 40' Gangway Landing Float	EA	1	\$120,000	\$120,000
22	Steel Pipe Pile, 12" x 0.500'	EA	36	\$7,500	\$270,000
23	Steel Pipe Pile, 16" x 0.500'	EA	36	\$8,500	\$306,000
24	Supply Floatation Billet	EA	60	\$300	\$18,000
25	Install Floatation Billet	EA	60	\$500	\$30,000
26	Life Ring Cabinet and Base	EA	12	\$1,000	\$12,000
27	Fire Extinguisher with Hose Cabinet and Base	EA	12	\$800	\$9,600
28	Utility Shed	LS	All Req'd	\$40,000	\$40,000
29	Electrical Support Assemblies	LS	All Req'd	\$50,000	\$50,000
30	Electrical System	LS	All Req'd	\$1,432,000	\$1,432,000
ESTIMATED CONSTRUCTION BID PRICE					\$8,462,850
CONTINGENCY (10%)					\$846,285
PLANNING, PUBLIC INVOLVEMENT, SURVEYING & GEOTECH RESEARCH					\$134,469
PERMITTING, FINAL DESIGN, CONTRACT DOCUMENTS & BID PHASE					\$605,094
CONTRACT ADMINISTRATION & CONSTRUCTION INSPECTION					\$651,639
TOTAL RECOMMENDED PROJECT BUDGET					\$10,700,337



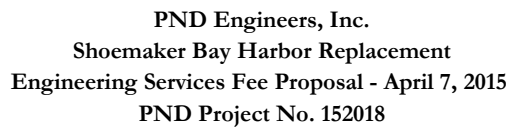
PND Engineers, Inc.

**Shoemaker Bay Harbor Replacement
Engineering Services Fee Proposal - April 7, 2015**

PND Project No. 152018

Cost Summary

Task	Description	Fee Basis	Cost
2	Permit Applications & Approvals	T&E	\$16,095
3	35% Preliminary Design	FF	\$128,747
4	65% Design Development	FF	\$175,456
5	90% Final Design	FF	\$144,741
	Total		\$465,039



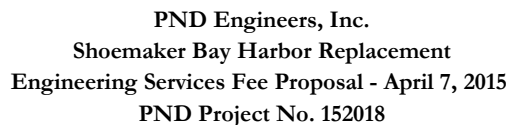
PND Senior Engineer VII	PND Senior Engineer VI	PND Senior Engineer II	PND Senior Engineer I	PND Senior Env Scientist	PND Staff Engineer V	PND Staff Engineer IV	PND Tech VI	PND Tech IV	PND CAD Designer V	Line Item Costs	Task Subtotal Costs
\$180.00	\$165.00	\$125.00	\$115.00	\$120.00	\$105.00	\$100.00	\$125.00	\$90.00	\$95.00		

2.1 Project Management: Design team coordination meetings, correspondence, scheduling, budget controls, invoicing, reports, contract management.	8							4		\$1,800	
2.2 Pre-application coordination, correspondence & meetings with state and federal regulators. Assess onshore dredge disposal options.	4			8			12			\$2,840	
2.3 Prepare and submit NWP permit applications, drawings, project descriptions and Preconstruction Notification.	4			6			24	12	8	\$6,070	
2.4 Address environmental agency review comments & finalize applications.	4						4		2	\$1,310	
2.5 Prepare ADEC Potable Water System Plan Review submittal & address agency issues.	2			12			4		2	\$2,330	
2.6 Prepare Local Fire Marshall Plan Review	2			8					2	\$1,470	
Total Estimated Manhours	24			34			44	12	4	14	\$15,820

Misc. Expenses	Reproduction, and consumables	\$250	
Admin Fee	10% Third party markup	\$25	\$275

\$16,095

Not to Exceed w/o Written Authorization

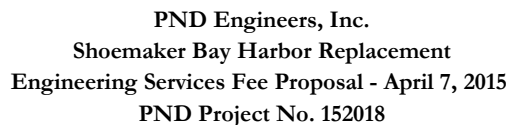


PND Senior Engineer VII	PND Senior Engineer VI	PND Senior Engineer II	PND Senior Engineer I	PND Senior Env Scientist	PND Snr Land Surveyor III	PND Staff Engineer V	PND Tech VI	PND Tech IV	PND CAD Designer V	Line Item Costs	Task Subtotal Costs
\$180.00	\$165.00	\$125.00	\$115.00	\$120.00	\$125.00	\$105.00	\$125.00	\$90.00	\$95.00		

3.1 Project Management: Design coordination meetings, corres, scheduling, budget controls, invoicing, contract mgmt.		24							16		\$5,760
3.2 Site visit, field assessment and asbuilt detailing of existing structural conditions at approach docks, gangways & floats.		2	20	20						4	\$5,510
3.3 Demolition plan & material item summary	2	4	12							8	\$3,280
3.4 Overall site plan - prelim layout & survey control	2	2	12	8						8	\$3,870
3.5 Dredge / Disposal plan and armor rock slope typical sections	2		8	12				8			\$3,740
3.6 Approach Dock Modifications	2	4	16							4	\$3,400
3.7 Covered Alum. Gangway, 7'x96' - plan, profile & typ sections	2	4	16							8	\$3,780
3.8 Mainwalk & Headwalk Float Plan - preliminary module layout, typical structural sections, float connections, floatation assemblies, ballast tanks, utility chases, hanger assemblies, pile hoops, rubboards, bullrails, decking	8	40	80	8						60	\$24,660
3.9 Gangway Landing Floats - coordinate service feeder layout options and utility shed loads & balance	2	8	16							8	\$4,440
3.10 Finger Floats - preliminary module layout, typical structural sections, piano hinge connections, floatation assemblies, ballast tanks, pile hoops, rubboards, bullrails, decking, torsion tubes	8	24	60							40	\$16,700
3.11 Mooring piles - prelim layout & assess load transfer on floats	2	8	16							4	\$4,060
3.12 Preliminary structural calculations - floats and piles	2	12	24								\$5,340
3.13 Combined circulating potable water and fire suppression system schematics	2		4	16						6	\$3,270
3.14 Safety Equipment - Life rings, fire extinguishers & hose cabinet layout schematics	1		2	6						2	\$1,310
3.15 Signage schematics	1			4						2	\$830
3.16 Auxiliary leveling floatation - needs assessment	1	2	8							2	\$1,700
3.17 Electrical power cable & lighting structural supports - gangway & floats schematic routing plans & sections	2	8	16							4	\$4,060
3.18 Specification outline	2	4	4	4					4		\$2,340
3.19 Material quantity computations and updated 35% cost estimate	2	2	6	4							\$1,900
3.20 Prepare progress report & design review submittal	4	2	4	2						4	\$2,160
3.21 Design review meeting with CBW - teleconference	2	2	2	2							\$1,170
Total Estimated Manhours	73	128	326	86				8	20	164	\$103,280

MEG	Electrical Engineering per MEG proposal attached	\$21,000
Travel	RT airfare @ \$456 * 2 + lodging \$150/day * 2 + per diem \$60/day * 4 + vehicle rental & fuel \$100 * 2	\$1,652
Misc.	Reproduction and misc. consumables	\$500
Admin Fee	10% Third party markup	\$2,315
		\$25,467

\$128,747

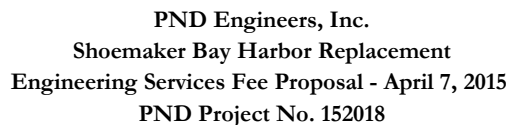


PND Senior Engineer VII	PND Senior Engineer VI	PND Senior Engineer II	PND Senior Engineer I	PND Senior Env Scientist	PND Snr Land Surveyor III	PND Staff Engineer V	PND Tech VI	PND Tech IV	PND CAD Designer V	Line Item Costs	Task Subtotal Costs
\$180.00	\$165.00	\$125.00	\$115.00	\$120.00	\$125.00	\$105.00	\$125.00	\$90.00	\$95.00		

	24							16	\$5,760	
4.1 Project Management: Design coordination meetings, corres, scheduling, budget controls, invoicing, contract mgmt.										
4.2 Demolition plan & material item summary	1	2	16					8	\$3,270	
4.3 Overall site plan - developed site and float layout	2	4	16	8				8	\$4,700	
4.4 Dredge / Disposal plan and armor rock slope typical sections	2		2	12			6		\$2,740	
4.5 Approach Dock Modifications	2	8	16					8	\$4,440	
4.6 Covered Alum. Gangway, 7'x96' - typ sections & details	2	4	12					4	\$2,900	
4.7 Mainwalk & Headwalk Float Plan - developed module layout, typical structural sections, float connections, floatation assemblies, ballast tanks, utility chases, hanger assemblies, pile hoops, rubboards, bullrails, decking	4	60	120	80				60	\$40,520	
4.8 Gangway Landing Floats - plans & typ sections	2	12	24					12	\$6,480	
4.9 Utility Shed - floor plan and framing plans	2	4	4	16				6	\$3,930	
4.10 Finger Floats - developed module layout, typical structural sections, piano hinge connections, floatation assemblies, ballast tanks, pile hoops, rubboards, bullrails, decking, torsion tubes	6	40	80	40				40	\$26,080	
4.11 Mooring piles - developed pile/floating layout & pile summary	2	12	24					4	\$5,720	
4.12 Updated structural calculations - floats and piles	2	8	24						\$4,680	
4.13 Combined circulating potable water and fire suppression system routing plan, penetrations, typ sections and details	2		6	24				8	\$4,630	
4.14 Safety Equipment - Life rings, fire extinguishers & hose cabinet float plan & details	1		2	2				2	\$850	
4.15 Signage plan, summary table and mounting details	1		2	4				2	\$1,080	
4.16 Auxiliary leveling floatation summary & details	1	2	6					2	\$1,450	
4.17 Electrical power cable & lighting structural supports - gangway & floats preliminary mounting details and typical sections	2	8	16					4	\$4,060	
4.18 Preliminary technical specifications	4	8	16	8				8	\$5,680	
4.19 Material quantity computations and updated 65% cost estimate	2	2	6	4					\$1,900	
4.20 Prepare progress report & design review submittal	4	2	4	2				4	\$2,160	
4.21 Design presentation with PHAB and plans in hand review in WRG	16	16		16					\$7,360	\$140,390
Total Estimated Manhours	84	192	396	216			6	24	172	

MEG	Electrical Engineering per MEG proposal attached	\$29,000
Travel	RT airfare @ \$456 * 3 + lodging \$150/day * 3 + per diem \$60/day * 6 + vehicle rental & fuel \$100 * 2	\$2,378
Misc.	Reproduction and misc. consumables	\$500
Admin Fee	10% Third party markup	\$3,188
		\$35,066

\$175,456



PND Senior Engineer VII	PND Senior Engineer VI	PND Senior Engineer II	PND Senior Engineer I	PND Senior Env Scientist	PND Snr Land Surveyor III	PND Staff Engineer V	PND Tech VI	PND Tech IV	PND CAD Designer V	Line Item Costs	Task Subtotal Costs
\$180.00	\$165.00	\$125.00	\$115.00	\$120.00	\$125.00	\$105.00	\$125.00	\$90.00	\$95.00		

4.1 Project Management: Design coordination meetings, corres, scheduling, budget controls, invoicing, contract mgmt.	24							16		\$5,760
4.2 Demolition plan & material item summary	1	2	8						4	\$1,890
4.3 Overall site plan - final site and float layout	1	2	8	4					4	\$2,350
4.4 Dredge / Disposal plan and armor rock slope typical sections	1		2	8			2		4	\$1,980
4.5 Approach Dock Modifications	1	6	12	8					6	\$4,160
4.6 Covered Alum. Gangway, 7'x96' - typ sections & details	1	4	8						2	\$2,030
4.7 Mainwalk & Headwalk Floats - final module layout, typical structural sections, float connections, floatation assemblies, ballast tanks, utility chases, hanger assemblies, pile hoops, rubboards, bullrails, decking	8	48	80	64					48	\$31,280
4.8 Gangway Landing Floats - final plans & typ sections	2	8	24						8	\$5,440
4.9 Utility Shed - final sections and details	1	2	4	8					6	\$2,500
4.10 Finger Floats - final module layout, typical structural sections, piano hinge connections, floatation assemblies, ballast tanks, pile hoops, rubboards, bullrails, decking, torsion tubes	6	32	80	32					40	\$23,840
4.11 Mooring piles - final pile/float layout & pile summary	2	12	16	8					4	\$5,640
4.12 Final structural calculations - floats and piles	2	16	16							\$5,000
4.13 Combined circulating potable water and fire suppression system routing plan, penetrations, typ sections and details	4	4	8	16					8	\$4,980
4.14 Safety Equipment - Life rings, fire extinguishers & hose cabinet float plan & details		1	1	2					2	\$710
4.15 Signage plan, summary table and mounting details		1	2	2					2	\$835
4.16 Auxiliary leveling floatation summary & details		4	4						1	\$1,255
4.17 Electrical power cable & lighting structural supports - gangway & floats final mounting details and typical sections	1	4	8	8					4	\$3,140
4.18 Final technical specifications	8	16	16	8				16		\$8,440
4.19 Material quantity computations and updated 90% cost estimate	2	2	6	4						\$1,900
4.20 Prepare progress report & design review submittal	4	2	4	2					4	\$2,160
4.21 Design presentation with PHAB and work session in WRG	16	16		16						\$7,360
Total Estimated Manhours	85	182	307	190			2	32	147	

MEG	Electrical Engineering per MEG proposal attached	\$17,205
Travel	RT airfare @ \$456 * 3 + lodging \$150/day * 3 + per diem \$60/day * 6 + vehicle rental & fuel \$100 * 2	\$2,378
Misc.	Reproduction and misc. consumables	\$500
Admin Fee	10% Third party markup	\$2,008
		\$22,091

\$144,741



PO Box 210049 Auke Bay, Alaska, 99821, 907-789-3350, 907-789-3360 fax

Fee Estimate

3/16/2015

Wrangell Shoemaker Bay Design to 90%

Scope of Design: Design the electrical systems for the replacement of Shoemaker Bay Harbor to a 90% completion. This includes a new padmount utility transformer, Main switchboard with CT cabinet, main circuit breaker with adjustable GFI protection, and distribution section with feeder circuit breakers. Power on the floats to be distributed with feeder cables from the main switchboard to panels on the floats. A pedestal similar to Heritage Harbor with improvements used at Petersburg North Harbor including GFI protection will be provided between every two stalls with the following power. For 24' and 34' stalls, 30A/120V power will be provided to each stall. For 40' and 54' stalls, 30A/120V and 50A/208V power will be provided with 60A/208V, three phase power on 25% of 40' stalls and 50% of 54' stalls. For 60' stalls, 30A/120V, 50A/208V, & 60A/208V, three phase power will be provided. LED, cutoff type Lighting will be provided on 15' poles colocated with the pedestals on the floats. Lighting will be provided on the gangways. Uplands lighting will not be part of this scope of work. Power for water circulating pumps with associated heat for pump will be provided.

<u>Task</u>	<u>Engineer</u> (Hrs)	<u>Drafting</u> (Hrs)
Design to 90%		
One Site Visit		
Public Meeting	16	\$ 625
Design Documents		
Service Design		
Single Line Diagram for Service	6	4
Enlarged site plan at top of gangway	16	12
Lighting Design		
Float lighting calculations & layout	10	6
Float light pole details	8	6
Power Distribution		
Single Line Diagram for Harbor with Switchboard	16	6
Single Line Diagrams for Panels, lighting, & water	18	8
Pedestal circuiting and details	32	12
Approach and gangway circuiting/conduit routing & det	24	18
Float circuiting/conduit routing & details	24	16
Water pump power and controls	24	12
Coordination with PND	40	

Design Project Meetings	12			
Submittals				
Cost Estimate - 35%	8			
Drawings Preparation - 35%	12	12		
Specifications - 65%	10			
Cost Estimate - 65%	8			
65% Review Document Preparation	16	16		
Changes due to review	16	16		
Specifications - 90%	8			
Cost Estimate - 90%	8			
90% Document Preparation	12	12		
Totals	344	156		
Hourly Rate	\$155	\$85		
Fees	\$ 53,320	\$13,260	\$	625
Total Electrical Fee	\$ 67,205.00			

Agenda Item 13j

CITY & BOROUGH OF WRANGELL

BOROUGH ASSEMBLY AGENDA ITEM April 14, 2015

INFORMATION:

Approval of a letter of support for the Senate Bill to revise Title 4 of the Alaska Statutes regulating alcoholic beverages

Attachments:

1. Proposed Letter of Support
2. ABC Title Review, public version (39 pages)
3. ABC Title Review, executive summary (8 pages)
4. AK License System (1 page)
5. ABC Stakeholders goals, tasks, etc. (2 pages)

RECOMMENDED ACTION:

Move to approve sending a letter of support to our delegates, asking them to support the revision of Title 4 of the Alaska Statutes regulating alcoholic beverages.



CITY AND BOROUGH OF WRANGELL
INCORPORATED MAY 30, 2008

Office of the Borough Mayor

P.O. Box 531
Wrangell, AK 99929

907-874-2381
907-874-3952

April 15, 2015

The Honorable Senator Mia Costello
Chair, Senate Labor & Commerce

e-mail: Senator.Mia.Costello@akleg.gov

Dear Senator Costello:

I am asking you to support Senate Bill 99 to revise Title 4 of the Alaska Statutes regulating alcoholic beverages. This Bill is the product of a three-year process initiated by the Alcoholic Beverage Control (ABC) Board to engage a diverse group of more than 70 stakeholders to determine how to improve the structure, organization, specific policies and associated implementation issues in Title 4, Alaska's statutes regarding regulation and control of alcoholic beverages in the state.

The proposed revisions are a comprehensive package of inter-related proposals to improve the overall system of alcohol regulation in Alaska. They will make Title 4 a clear and consistent framework used by licensees, the ABC Board and law enforcement; increasing the swiftness, proportionality and consistency of penalties; increasing local Title 4 law enforcement; and increasing licensee accountability before the ABC Board for Title 4 violations. This package ensures that the Alcoholic Beverage Control Board fairly represents the interests of all Alaskans and will be a leader in alcohol education, policy and regulation. It will promote a fair business climate and protect public health and safety by:

- Creating a rational regulatory structure for Alaska's 3-tiered alcohol licensing system.
- Limiting youth access to alcohol.
- Promoting responsible alcohol use and reduce the harms of overconsumption.

Title 4 is recognized to be in many ways outdated, confusing or otherwise ineffective in carrying out the intent of the statutes. Much of the chapter has not been updated since 1980. Over time, incremental updates and changing trends have reduced the effectiveness of Title 4. This systematic Title 4 redraft will help the Board carry out its mission and will benefit organizations and individuals whose work, community or business is affected by alcoholic beverage laws and regulations.

I urge you to support the significant multi-year effort of this statewide stakeholder group by voting in support of SB 99 and improving Title 4.

Sincerely,

David L. Jack, Mayor
City & Borough of Wrangell

cc: Senator Cathy Giessel, Vice Chair
Senator Kevin Meyer, Member
Senator Gary Stevens, Member
Senator Johnny Ellis, Member
Senator Bert Stedman
Representative Dan Ortiz

ALASKA TITLE 4 REVIEW

FOR THE
Alaska Alcoholic Beverage
Control Board

Recommendations for Statutory Change

February 2015

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INTRODUCTION

“The board shall control the manufacture, barter, possession, and sale of alcoholic beverages in the state. The board is vested with the powers, duties and responsibilities necessary for the control of alcoholic beverages...” ASo4.06.090(a)

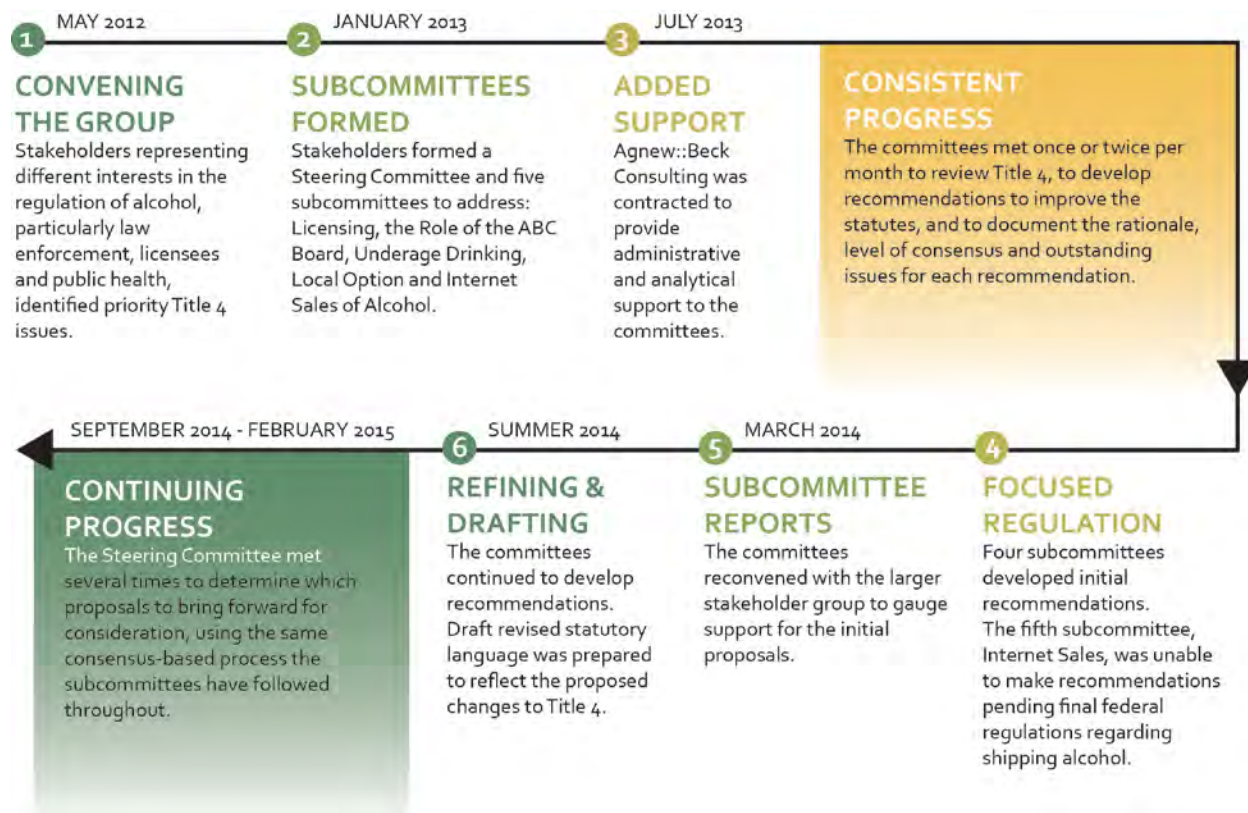
The recommendations in this report are built from a two-year process initiated by the Alcoholic Beverage Control (ABC) Board to engage a diverse group of more than 70 stakeholders to determine how to improve the structure, organization, specific policies and associated implementation issues in Title 4, Alaska’s statutes regarding regulation and control of alcoholic beverages in the state. Title 4 is recognized to be in many ways outdated, confusing or otherwise ineffective in carrying out the intent of the statutes. The ABC Board is tasked with interpreting and enforcing the laws of Title 4. This process is intended to benefit the Board as it carries out its mission, as well as benefitting the many other organizations and individuals whose work, community or business is affected by alcohol control laws and regulations.

In May 2012, the ABC Board convened a stakeholder group of people engaged in the alcohol industry, public health, local government, law enforcement, public safety, education, community advocacy and other sectors. The group identified some of the priority issues in statute to address. Stakeholders met again in January 2013 to form five subcommittees to address the priority topics identified by the large group: Licensing, the Role of the ABC Board, Underage Drinking, Local Option and Internet Sales of Alcohol. A Steering Committee composed of ABC Board members, staff and the chairs of each subcommittee formed to coordinate the work of the five subcommittees and make decisions about which proposals to include in the final set of recommendations. Agnew::Beck Consulting was contracted in July 2013 to provide administrative and analytical support to the subcommittees in conducting their review of the Statutes and associated Alaska Administrative Code sections.

The subcommittees met once or twice monthly to review their assigned portions of the statutes and regulations related to Title 4, to develop recommendations for improving the statutes and to document their rationale, level of consensus and further issues to be resolved for each recommendation. Four of the subcommittees have developed sets of recommendations that have since been presented for inclusion in this legislative package. The fifth subcommittee, Internet Sales, has discussed the issue of shipments of alcohol from out-of-state companies to individuals through online sales, which bypasses the state’s regulatory and taxation system. The subcommittee identified the point in the shipment process to focus regulation: the major package carriers (UPS, FedEx, DHL), through which alcohol travels into the state. Because the U.S. Postal Service is also considering allowing shipment of alcohol, however, the subcommittee has no recommendation until this decision is made at the federal level.

On March 25, 2014, the subcommittees prepared summary presentations and shared their progress to date with the larger stakeholders group to gauge the level of stakeholder support for the subcommittees’ proposals. Following the stakeholders’ meeting, the subcommittees continued to refine and develop additional recommendations within their topic areas. In preparation for the legislative process and the introduction of a draft bill, legal consultant Carmen Gutierrez was

contracted to prepare draft statute language to reflect the changes to Title 4 proposed by the subcommittees. The Steering Committee reviewed the subcommittees' sets of recommendations and determined which would be included in the final package described in this summary through a series of meetings from September 2014 to February 2015. The Steering Committee relied on the same consensus-based process that the subcommittees have used to determine which proposals to bring forward for consideration, as well as reviewing the entire set of recommendations to ensure logical consistency and balance across the stakeholder constituencies' interests.



This report summarizes the final set of recommendations by subcommittee, the intent of the proposed changes, and if relevant, implications that will require resolution during the legislative process or through ABC Board regulations.

LICENSING

This subcommittee reviewed the statutes related to alcohol licensing (Chapter 04.11), as well as accompanying regulations regarding licensing (3 AAC 304, Articles 2, 3 and 4). The subcommittee took a comprehensive approach to reviewing individual license types, seeking to create a rational system of licensing of alcohol businesses in order to achieve the following goals:

- Balance preserving and promoting a fair business climate for Alaska businesses with protecting the public health;
- Retain the framework of the three-tier system of alcohol regulation while considering exceptions to the rule that may have other economic, social or regulatory benefits; and
- Make Title 4 a clear and consistent framework for use by licensees, the ABC Board and enforcement personnel.

Because past legislative and administrative decisions over time have created a system that is in many ways misaligned and convoluted, each individual proposal below should be considered in the context of the other proposals as well as what remains the same as current statute. The subcommittee's individual recommendations are inter-related and intended to work effectively as a whole to improve the structure overall.

The most significant change proposed to the licensing system is the use of endorsements, a system in which a business applies for an endorsement on their current alcohol license which allows them to expand their licensed premises or conduct additional activities not allowed in the base license itself. This system is compatible with current license types while reducing the need to create new license types to suit specific situations, which affects current investments as well as the density of outlets for alcohol. The recommendations below include a variety of endorsements using existing statute or proposing new allowed activities, such as sampling at package stores; the endorsement concept could be further expanded in future to include new business concepts which are not covered in these recommendations.

RECOMMENDATIONS

Recommendation F-1. Adjust License Fees to Reflect Current ABC Budgetary Needs |

Update license fees according to the relative administrative costs of each, and collect sufficient revenue to cover the ABC Board's required activities, as recommended in RB-3 (Revise ABC Board Budget to Adequately Fund Needed Activities).

INTENT OF PROPOSED CHANGES

This recommendation represents one thread of several discussions that the subcommittees have had about the ABC Board budget, and the fiscal impacts other recommendations may have. While the Role of the Board Subcommittee has primarily addressed expenditures (enforcement, education and other activities of the ABC Board), the Licensing Subcommittee focused on the revenues of the Board, which determines its projected annual budget.

As a state agency, the ABC Board's annual budget is prepared by the Director and is not to exceed the estimated revenue that the Board will collect from license applications, renewals and other administrative fees in that year (AS 04.11.590). The fees associated with each license have generally not been increased since the statutes were originally enacted in 1980. Although the number of licenses has increased somewhat with population growth, they have not kept up with increasing costs, which now constrain the Board's ability to conduct its mandated education and enforcement activities. Some of the recommendations in this proposal may also require additional resources (primarily in the form of staff time) to implement (see Recommendation RB-1).

The subcommittee reviewed current license fees, including application, renewal, transfer, permit and administrative fees. Using information from the ABC Board's budget, the subcommittee estimated the current total revenue available to the Board from these fees. As a comparison exercise, the subcommittee also projected that if fees had been tied to inflation between 1980 and 2014, they would now be more than double the current amounts.

Based on a set of assumptions about the resources needed to fund the Board's activities and about the relative administrative and enforcement costs of all license types, the subcommittee developed a proposed fee structure by license tier and individual license type. Assumptions include:

- Some license types require more enforcement than others, and those with a great deal of interaction with the public (retail licenses) require more enforcement and compliance activities on the part of agency staff.
- New license applications and transfers have much higher administrative costs than renewals and most fees, particularly staff time to process the applications and conduct due diligence required by statute.
- The license fees reflect the fact that although some licenses (particularly those considered seasonal) may have limited operations, the administrative costs for processing an application and ongoing enforcement costs are similar.
- In addition to the costs of administering the license system, there are many other education and enforcement costs related to alcohol regulation: investigating unlicensed establishments and illegal alcohol sales, enforcing local option laws, and consulting with local law enforcement on cases. Fees should be equitably borne by all licensees to cover these other costs not directly related to license administration. These activities are important to public health, public safety and (particularly when dealing with unlicensed establishments) protecting the interests of businesses that do follow the laws and regulations.

The subcommittee also considered the process of reviewing fees: without a mechanism for regular updates to license fees, the gap between revenue and cost may grow again in the future. The recommendation would keep all license fees in statute and include statutory language requiring periodic review of license fees by the ABC Board not less than every ten years, for example, during alternate cycles of the agency's five-year sunset review. The subcommittee does not recommend tying fee increases to inflation, but to consider the effect of rising costs on the budget over time.

The subcommittee strongly advises that this recommendation be accompanied by, and not adopted without, a clear plan and proposed budget from the ABC Board regarding the activities and programs it will conduct with this increased revenue. The subcommittee requests that the Director

prepare a draft budget based on the parameters provided through this review process. ABC Board staff members have indicated that the primary increase in expense would be staff resources to complete additional compliance and education activities. One idea discussed is to hire Level 1 or 2 investigators to complete routine compliance checks; compliance is currently done by Level 3 and 4 investigators whose experience would be better applied to complex investigations.

Recommendation M-1. Simplify Manufacturing Licenses | Keep three manufacturing license types: Brewery (AS 04.11.130), Winery (AS 04.11.140), Distillery (AS 04.11.170). Remove Bottling Works (AS 04.11.120) and Brewpub (AS 04.11.135) license types.

INTENT OF PROPOSED CHANGES

The subcommittee identified two license types within the Manufacturing tier that can be covered within other license types and through the other proposals in this section. There are three basic categories of alcoholic beverages that can be legally manufactured: beer and malt beverages, wine and equivalent products made from fruits, and distilled spirits. (Other non-traditional alcohol products, such as powdered alcohol, are currently illegal in Alaska.) This recommendation is primarily aimed at simplifying and reducing the number of license types, while recognizing differences among the three product types. To differentiate between this license and the retail operations outlined in Recommendation M-2, the licenses would be renamed as Production licenses (Brewery Production, Winery Production, Distillery Production). The other two manufacturing licenses, Bottling Works and Brewpub, would be converted into one of these three license types. However, in order to remove Brewpub, other changes need to be made to statute (see M-2 and M-3) to provide an equivalent framework for the concept.

Recommendation M-2. Manufacturer Retail License + Manufacturer Sampling Endorsement | Add-on retail licenses specifically for manufacturers to allow limited on-site consumption and off-site sales, and a separate endorsement for free samples.

INTENT OF PROPOSED CHANGES

A strict interpretation of the three-tier system would not allow manufacturers to engage in any retail operations, but it is now common in American craft production to include retail components for on- or off-site consumption. Alaska currently allows some of these activities, primarily for Brewery licenses, but production limits for manufacturers limit the capacity of Alaska businesses to compete with outside manufacturers not under this restriction. Manufacturers are currently not allowed to hold retail licenses (Beverage Dispensary Licenses, Restaurant/Eating Place Licenses) and have restricted on-site operations: limited hours and quantities for sale, no live entertainment. The Brewpub license was created as an exception to these restrictions; it allows only the production and sale of beer, and has strict limitations on the allowed volume of sales.

Recommendations M-2 and M-3 propose to allow manufacturers to have access to a retail add-on license (the equivalent structure of a Brewpub license). The terms for on-site and off-site sales are comparable to what is allowed for Breweries and (as of 2014) Distilleries. This proposal would create three license types that correspond with the three Manufacturer licenses; a licensee would only be eligible for an add-on license if the licensee holds the corresponding base license to manufacture that product. The retail add-on license would allow the licensee to:

- sell limited quantities for onsite consumption, proportional to the current statutory limits for Breweries: **36 oz.** of beer, **18 oz.** of wine, **3 oz.** of distilled spirits. Onsite operations have all of the restrictions currently in the Brewery license (no seats at a fixed bar, no live entertainment, limited hours of operation). As with all Retail licenses, these licenses would be subject to server education (AS 04.21.025) and signage (AS 04.21.065) requirements.
- sell limited quantities to individuals for offsite consumption, proportional to the alcohol content of the product and following current industry standard units of measurement for containers of the different product types: **5.167 gal** of beer (one-sixth barrel), **9L** (twelve standard bottles, or one case) of wine; **1.5L** (two standard bottles) of distilled spirits.

The retail add-on license would remove and relocate some activities currently in manufacturers' licenses, making the basic three Manufacturer license types solely for production. The base Manufacturer license would only allow sales to other licensees and out-of-state entities, and if a Manufacturer Sampling Endorsement is obtained, providing free samples of their products at the Production licensed premises. The endorsement is intended to allow manufacturers the opportunity to provide small samples of their product without investing in a Manufacturer Retail License, while ensuring that service of alcohol to the public is regulated consistently. Sample sizes (**12 oz.** beer, **6 oz.** wine or **1.5 oz.** distilled spirits), advertising restrictions, server requirements, and bi-annual renewal with the license would be the same as the Package Store Sampling Endorsement (see Recommendation R-3).

Furthermore, the (add-on) Manufacturer-Retail license would, unlike the base Manufacturer licenses, be subject to statutory population limits for the same community or catchment area in which the base license is located, increased to one (1) license per every 10,000 population or part of that population (see Recommendations P-1 and P-3). Maintaining the population limit reflects the public health principle of limiting the number of retail outlets that provide public access to alcohol, particularly in small communities with few allowed retail licenses. The Manufacturer Retail Licenses would therefore be subject to its own application and community review process, and the retail license could be suspended or revoked independently from the base license if retail operations are not in compliance with the law.

Because retail licenses would be limited in number, even more than other license types, a sunset provision of eight years (or four license renewals) would be provided, which allows current Manufacturer licensees with retail operations, or those in the process of applying in 2015, to continue retail sales (on-site and off-site) without having a retail license. At the end of this period, the licensee would be required to have applied for and received a retail license (Manufacturer Retail License and/or REPL) or close their sales operations. A production license would be required to obtain a Manufacturer Sampling Endorsement in order to continue to provide free samples.

IMPLICATIONS TO CONSIDER

- Ensure that operations currently permitted in Bottling Works and Brewpub are incorporated into the Manufacturer Retail Licenses, and provide a mechanism to convert current Bottling Works and Brewpub licensees into the new license types.

Recommendation M-3. Manufacturer Allowed to Hold a Restaurant Eating Place License | Remove the restriction in Prohibited Financial Interest (AS 04.11.450), which does not allow Manufacturers to hold an REPL (04.11.100).

INTENT OF PROPOSED CHANGES

As noted in M-2, a strict interpretation of the three-tier system would not allow manufacturers to engage in retail operations, but it is increasingly common for manufacturers to develop brew house or restaurant concepts featuring their products. Prohibited Financial Interest (AS 04.11.450) prohibits a Manufacturer licensee from holding a Beverage Dispensary License or Restaurant Eating Place License, and a current Brewery or Distillery license only allows limited on-site consumption with an earlier closing time than a typical REPL. This framework also prohibits a manufacturer from completely bypassing distribution through a wholesaler, another feature of the three-tier system. The exception currently in statute is the Brewpub license, which was created to essentially replicate the concept but allows a BDL licensee or REPL licensee to manufacture a limited amount of product, to sell directly to the public and sell to out-of-state distributors up to a limited annual volume. The result is an imbalance between licensees' access to the same concept, depending on which license they hold and whether they already have substantial in-state brewing operations.

Recommendation M-3 would remove the restriction on Brewery and Winery (not Distillery) licensees holding and operating an REPL. Rather than allowing the licensee to supply their own retail outlets at cost with no limits, an REPL can only be owned by a manufacturer in the same catchment area. The REPL would operate as any other license of its type, with a requisite food sales requirement on the licensed premises; the food requirement would only apply to the licensed premises of the restaurant and would not take into account any other licenses' sales receipts (see Recommendation R-4). This proposal would not change the manufacturer's existing ability to self-distribute to other licensees in and out of the state; it is intended to prevent the development of "tied houses," where a manufacturer dominates a market by operating retail outlets that feature exclusively or primarily their own products (see Recommendation W-2 for more on trade practices).

This change complements removing the Brewpub license (Recommendation M-1); it allows the same activities while remaining under the population limits for REPLs. This provision would give manufacturers more flexibility in retail operations, while prohibiting many of the defining features of a "bar" allowed under a BDL. Manufacturers could choose to produce their products with no retail operations, apply for a Retail license and conduct the same activities that are currently allowed under the Manufacturing license types, and/or apply for an REPL to develop a restaurant.

Recommendation W-1. Adjust Scaling of Wholesale License Fees and Simplify Supplier Reporting | Adjust fees for both Wholesale licenses (both listed in AS 04.11.160) to retain current maximum but reduce burden on small operators; remove the requirement to provide a full list of suppliers to the ABC Board.

INTENT OF PROPOSED CHANGES

Wholesalers have the most complicated fee structure in the three-tier system and multiple reporting requirements. There are currently two license types in the Wholesale license statute (AS 04.11.160), General Wholesale and Malt Beverage and Wine Wholesale, with separate schedules of annual and biennial fees that are paid according to the size of the licensee's business (dollar sales transacted). Wholesale licensees have a multi-part fee structure: a biennial fee for all licensees; for General

Wholesale, a flat fee for each distribution point; and two other scaled fees based on sales volume and number of suppliers. In addition, Wholesale licensees must provide written letters of certification from all suppliers every two years to verify that they are the primary suppliers in Alaska for each product, another protective feature within the three-tier system that prevents wholesalers from having competing relationships with a supplier of a particular product line.

This recommendation is intended to simplify Wholesale license types to improve licensing and enforcement, retain a fee structure that is fair to all distributors but places less financial burden on small distributors, and retains the primary source supplier system while saving administrative costs by streamlining the reporting process. The recommendation halves the fees owed for each tier of business transacted, except that the maximum allowable fee remains the same at the highest tier (over \$1 million in annual sales), detailed in the table below. Because large wholesalers conduct business well above \$1 million annually and smaller operators rarely approach this number, it is a reasonable threshold to maintain without disclosing confidential business information.

In addition, the subcommittee discussed the primary source provision, which requires a Wholesale licensee to provide a current supplier list for all the products they sell, and submit any changes in supplier or product line to the ABC Board within 10 days. This provision creates an administrative burden on both licensees and ABC staff, who do not proactively review the lists to address any conflicting reports. The recommendation includes a simpler requirement that a Wholesale licensee must, on application or renewal of the license, sign an affidavit that they are the duly appointed wholesaler for all of the product lines they sell. Because wholesalers have a business interest in ensuring that they have exclusive relationships with suppliers, any issue of a non-exclusive supplier would be discovered and brought to the Board's attention by the licensees, and does not require staff time to maintain a list. The Board would have the ability to request a supplier list from the Wholesale licensee when a question arises, according to the licensee's signed affidavit. Because there is an existing fee calculated based on the licensee's number of suppliers, the licensee's affidavit would also require either writing in the total number of suppliers, or self-reporting on their affidavit using the range identified in statute (1 to 25, 26 to 50, 51 to 75 and over 75).

General Wholesale: Proposed Fee Scale		
Annual Business (\$ sales)	Current	Proposed
up to \$100k	\$0	\$0
>\$100k to \$150k	\$500	\$250
>\$150k to \$200k	\$1,000	\$500
>\$200k to \$250k	\$1,500	\$750
>\$250k to \$300k	\$2,000	\$1,000
>\$300k to \$350k	\$2,500	\$1,250
>\$350k to \$400k	\$3,000	\$1,500
>\$400k to \$500k	\$4,000	\$2,000
>\$500k to \$600k	\$5,000	\$2,500
>\$600k to \$700k	\$6,000	\$3,000
>\$700k to \$800k	\$7,000	\$3,500
>\$800k to \$1M	\$9,000	\$4,500
over \$1M	\$10,000	\$10,000

Limited Wholesale: Proposed Fee Scale		
Annual Business (\$ sales)	Current	Proposed
up to \$20k	\$0	\$0
>\$20k to \$50k	\$300	\$150
>\$50k to \$100k	\$1,000	\$500
>\$100k to \$150k	\$1,500	\$750
>\$150k to \$200k	\$2,000	\$1,000
>\$200k to \$400k	\$4,000	\$2,000
>\$400k to \$600k	\$6,000	\$3,000
>\$600k to \$800k	\$8,000	\$4,000
over \$800k	\$10,000	\$10,000

Recommendation W-2. Align State Statute with Federal Law Regarding Trade Practices |

Add provisions in Title 4 to match current federal law regarding trade practices and agreements between retailers and wholesalers or manufacturers.

INTENT OF PROPOSED CHANGES

This recommendation addresses provisions currently missing in state statutes regarding the relationships between manufacturers, wholesalers and retailers. While the Federal Alcohol Administration (FAA) Act and Alcohol Tax and Trade Bureau (TTB) regulations apply to wine and distilled spirits, they exempt malt beverages at the federal level and leave the matter to states to enact equivalent laws. Alaska is among a handful of states that do not have similar provisions in state law.

The provisions are decades old and address problems that were rampant in the alcohol industry prior to Prohibition. In 1933, a report to prepare America for legal alcohol and its regulation, *Toward Liquor Control* (also referred to as the “Rockefeller Report”), provided guidance to policymakers as they set up regulatory systems for alcohol. Issues identified included a variety of practices that hampered retailers’ ability to make independent purchasing decisions about which products to sell. The intent of the provisions is to prevent undue influence over or coercion of a retailer by a manufacturer or wholesaler, such that they prevent the retailer from purchasing products from or conducting business with whomever they choose.

This recommendation would enact state statute(s) similar to the Federal Alcohol Administration Act (Title 27, Chapter 8, Subchapter 1, Section 205), which define “unfair competition and unlawful practices” within relationships between suppliers/wholesalers and retailers, including the following:

- **Commercial Bribery** | providing a bribe, promotional bonuses or other compensation by a distributor to a retailer in exchange for an exclusive relationship or an agreement not to purchase other products.
- **Tied House** | part ownership by a manufacturer in a retail establishment, which provides leverage for selling some products and not others.
- **Exclusive Outlet** | requiring a retailer to have an exclusive relationship with a distributor.
- **Consignment Sales** | conditional sales of products that may involve the trade of other products in exchange to circumvent normal distribution relationships.

These practices are already illegal under federal law for wine and distilled spirits, but limited resources and federal staff in Alaska has prevented their enforcement for these products, and existing state statutes do not give the ABC Board the ability to enforce them. To avoid excessive detail in statute, the recommendations puts most of the specific language about these practices into regulation, with broader language in statute prohibiting the practices listed above. The regulations should adhere as closely as possible to current federal regulations and should not be made more restrictive than current federal law.

Recommendation P-1. Population Limits Apply to Retail Licenses Only | Apply population limitations on the number of licenses only to retail-tier licenses (excluding Tourism and Public Convenience).

INTENT OF PROPOSED CHANGES

There is a shared interest among community members, public health advocates and license holders to regulate the number of available licenses; to determine the best mechanisms to regulate public access to alcohol in Alaska's communities; and to protect the investment value of existing licenses. The number of allowed liquor licenses of each type is determined by each community or borough's population (AS 04.11.400). The goal of the system is to control public access to alcohol and mitigate the social costs of alcohol consumption in a community by setting limits on the density of retail outlets. The effect of the system, because some retail licenses are in high demand and are transferrable to a new owner, is to create a limited supply of licenses, which sets the market value for some license types for a sale and transfer among businesses.

The current system has allowed a much higher density of outlets than the statute intended. Statute allows each community or borough to have one (1) REPL per 1,500 people, and one (1) per 3,000 people or part of that population for each other license type. The population limit also applies to all Manufacturing, Wholesale and Retail licenses. Most communities are over-licensed with retail establishments because existing licensees were preserved or exempted when limitations were codified. In addition, when a new license type is added, a set of new licenses is created under population limits, increasing outlet density beyond statutory intent.

The recommendation proposes that population limits apply only to Retail licenses, not to Manufacturing Production and Wholesale licenses; Manufacturer Retail licenses would be further limited to one (1) license per every 10,000 people. Tourism and Public Convenience Licenses would remain exempt (see Recommendation P-3 for more about Public Convenience), as well as Destination Resort, Outdoor Recreation Lodge and Conditional Contractor Permit. Considered jointly with the other recommendations, the overall intended effect is to control the maximum number of retail licenses that could be issued in a community by limiting the number of license types and making the existing license types more versatile with endorsements on a license.

Recommendation P-2. ABC Board Advisory Opinion on Proposed Legislation | Enable the ABC Board to issue a formal advisory opinion on proposed legislation regarding Title 4.

INTENT OF PROPOSED CHANGES

Any statutory change to Title 4 is brought before the Legislature for consideration. Legislators or their aides typically call upon ABC Board staff for feedback, and staff is available during all hearings to answer questions. However, deliberation is not conducted by the Board for official opinions on bills, even when the statutory change may have significant impacts on other portions of Title 4 or on the overall alcohol regulation system. The ABC Board is not prohibited from issuing opinions on proposed legislation related to Title 4, but despite being the regulatory body charged with implementing and enforcing these laws, the Board has no formal advisory role in proposed changes.

The subcommittee recognizes that statute must not constrain the Legislature's decision making process and that the process of statutory change for Title 4 would benefit from the formal input and perspective of the ABC Board. This recommendation would formally empower, but not require,

the ABC Board to issue an advisory opinion on active legislation for proposed changes to Title 4 to benefit legislators as they deliberate on the implications of the proposed statute. The Board could issue an opinion on its own, or seek public and stakeholder input to inform its opinion on matters with significant impacts.

Recommendation P-3. Seasonal Tourism Restaurant License | Place a permanent moratorium on issuing new Public Convenience licenses, and replace existing licenses with a new license type that allows for seasonal REPL licenses in small communities and unincorporated areas.

INTENT OF PROPOSED CHANGES

As noted in Recommendation P-1, most but not all license types are subject to the statutory population limits. A Public Convenience License is one exception: subsection (e) and (g) of the Population Limitations (AS 04.11.400) allows an REPL to be located 18 or more miles outside of a city's limits or with a signed petition of nearby residents. Public Convenience Licenses are not transferrable, and therefore have no market value. There are currently 57 Public Convenience Licenses, nine of which are seasonal. Most are located in small communities that have otherwise been issued the maximum number of allowed REPLS, notably in Homer (12), Seward (7) and the rural Kenai Peninsula (10). To date, Public Convenience licensees have not been associated with significant enforcement problems. However, they do circumvent the population limitation system, which from the public health perspective, weakens control over the number of alcohol retail access points in a community. From the industry perspective, exempt license types create loopholes to obtain a retail license at a lower cost. The process for obtaining a license is administratively cumbersome for the ABC Board when determining whether petition signatures are valid, and the Board faces difficulty in determining what constitutes "public convenience" in each case.

The ABC Board would like to respond to the demands of the seasonal visitor (tourist, traveler and worker) market in small communities with few retail licenses allowed under the population limits while addressing issues with Public Convenience licenses. This recommendation would impose a permanent moratorium on issuing new Public Convenience licenses and convert existing Public Convenience Licenses to a new license type (Seasonal REPL Tourism). Existing licenses would be grandfathered for the short term and allowed one transfer of ownership at the same location to provide an opportunity to sell the business, or pass it to the current owner's family or business partner. Following the one allowed transfer, the license would be retired. The REPL Tourism is a parallel concept to the BDL Tourism, but with a different set of parameters and a different scheme for determining eligibility. The REPL Tourism License would function as a standard restaurant, but would be a seasonal license, with an operating limit of six (6) months of each calendar year. The six months would not need to be contiguous, in order to accommodate businesses with summer and winter visitors. The license would require annual renewal, including documentation of the intended season start and end date(s).

The number of REPL Tourism licenses would be limited by a modified population limit, which the ABC Board would calculate using a formula and publish annually for each catchment area. REPL Tourism Licenses would only be available within local government jurisdictions with a year-round population under 20,000 (excludes larger cities and boroughs outside of small communities) and more than 4,000 visitors annually. To determine the number allowed per community, the Board

would rely on a modified population count for numbers published by DCCED, which tracks visitor counts above 4,000 annually in each community. Using a rolling multi-year average of visitor counts and the current number of year-round residents, the formula would use a modified population calculation as follows:

$$(Average\ annual\ tourism\ count) / (Length\ of\ season\ [6]) = Estimated\ average\ monthly\ visitor\ population$$

This number would yield a modified monthly population estimate during the standard tourist season (six months), which would be used in the existing formula to yield the number of additional REPLs available to serve this population:

$$(Modified\ population\ estimate) / 1,500 = (Number\ of\ Tourism\ REPLs,\ rounded\ to\ nearest\ whole\ number)$$

REPL Tourism Licenses would be transferrable and would require the same application and transfer process as other license types, including the regulation of where the license can be transferred. To account for existing Public Convenience Licenses in a catchment area, the number of allowable REPL Tourism Licenses will take into account any current Public Convenience Licenses in the same area. For unincorporated areas without a local government, the ABC Board will follow the petition procedure outlined in AS 04.11.460(b), which is administratively cumbersome but provides a process for rural areas with very few residents and limited local government structure.

Recommendation R-1. Multiple Licensed Premises with a Beverage Dispensary License |

Clarify the parameters that would allow and require multiple fixed counters for a Beverage Dispensary License (AS 04.11.090): create a Multiple Fixed Counter Endorsement, a Hotel/Motel Endorsement, and a Large Resort Endorsement.

INTENT OF PROPOSED CHANGES

Beverage Dispensary Licenses (BDLs) have a specific definition of licensed premises. “Licensed premises” is defined as one room with a fixed counter or service bar. Additional rooms in one establishment require Duplicate licenses, even in the same building. Duplicates are not allowed at non-contiguous establishments, even under the same ownership. Exceptions include hotels, motels and similar businesses, which are permitted a Duplicate license “within convenient walking distance” of the original license. In addition, resorts and other large hotel properties with multiple establishments on a multi-acre property have also been granted Duplicate licenses to execute their concept, even when in separate buildings. Lack of clarity regarding Duplicate licenses has made it difficult for the ABC Board to consistently determine when a Duplicate license is appropriate and should be issued. Single establishments with multiple bar rooms have had Duplicates, while other establishments, not meeting the definition of hotel or motel, have used Duplicates to create what appear to be two different establishments, but physically adjacent and under the same business entity. Others have applied to use a Duplicate elsewhere in a larger property, citing the example of existing resorts or hotels that have been granted Duplicates as precedent.

This recommendation presents a logical framework for authorizing multiple licensed premises, and clarifying when this option is available to the holder of a BDL. The proposals below allow businesses some flexibility in operation decisions, but restrict the situations in which more than a single room would be allowed. The definition of BDL Premises remains the same: a single room with a fixed, plumbed bar.

This recommendation offers the following parameters for determining the applicable option to each licensee. Licensees currently holding Duplicate license(s) may obtain a Multiple Fixed Counter Endorsement, or if their operations do not conform to the guidelines below, will have a grandfather period of eight (8) years to obtain another license.

- *A Multiple Fixed Counter Endorsement may be obtained* if the additional counter(s) in the same building and under the same roof, in establishments held by the same owner, and separated either by unlicensed or contiguous licensed premises.
- *A Hotel/Motel Endorsement may be obtained* if the licensee is a hotel, motel, resort or similar business catering to the travelling public, allowing Secondary Location(s) in the same building or readily accessible within convenient walking distance, operated by the same business entity, or an entity that is consolidated with the licensee for tax purposes.
- *A Large Resort Endorsement may be obtained* if the licensee offers overnight guest accommodations, outdoor recreation activities, and has a resort with 10 or more contiguous acres, allowing Secondary Location(s) within the resort boundaries, operated by the same business entity, or an entity that is consolidated with the licensee for tax purposes.

Multiple Fixed Counter Endorsement | Rather than using Duplicates to extend licensed premises, a Multiple Fixed Counter Endorsement would be available to licensees for use within a single building, under the same roof (to be defined in regulation), and which own or lease all of the portions of the premises they propose to include. The Multiple Fixed Counter (MFC) Endorsement would carry a one-time fee of \$200, and a one-time fee of \$1,250 per counter. Only one MFC Endorsement would be required per license; once obtained, a licensee can include additional counter(s) by paying the per-counter fee and providing an updated premises diagram. All licensed premises would be under a single license, subject to existing rules regarding renewal, but would not require multiple BDL applications. The licensed premises could, for example, be designated as an entire building with one or more additional counters, or a single room with multiple counters.

Hotel/Motel Endorsement | If the licensee is a hotel, motel, resort or similar business catering to the travelling public, they may obtain a Hotel/Motel Endorsement which would allow them to hold a Multiple Fixed Counter Endorsement at one or more Secondary Locations, either in the same building or readily accessible within convenient walking distance, provided that both establishments are operated by the same business entity. Several provisions pertaining only to these types of businesses would be removed from the BDL statute and placed into this endorsement, with no changes to allowable activities: stocking guest rooms, designating banquet rooms or gathering places as licensed premises, and requiring a key system for storing beverages.

Large Resort Endorsement | Because the design and operation of a large resort property or hotel is materially different from a BDL with multiple rooms, the recommendation also creates a Large Resort Endorsement. It is conceptually similar to the Hotel/Motel Endorsement and includes all of the same provisions, except that the licensee is exempt from the requirement that the Secondary Location(s) be within walking distance. The Large Resort Endorsement would not need to “layer” with a Hotel/Motel Endorsement; a licensee would seek one or the other. A Large Resort would be defined as 10 or more acres, with outdoor recreational activities and overnight lodging for the public. All of the licensed premises would be required to be operated within resort boundaries and under the licensee’s control (i.e., not leased to or operated by a separate entity). This endorsement

would have a one-time fee and application but cannot be transferred with the license, even at the same location.

Recommendation R-2. Recreational Site License | Ensure that the definition of “Recreation” is applied to current and potential Recreational Site License holders; implement a sunset provision to review and revoke any licenses that do not meet this definition (AS 04.11.210).

INTENT OF PROPOSED CHANGES

There are currently two primary licenses that allow on-site consumption by the general public: the BDL and the REPL, both of which tend to be in high demand due to the population limitations on retail licenses. There are other license types that allow on-site beer and wine consumption in specific circumstances, including: Recreational Site, Golf Course, (University) Pub and Theatre. The ABC Board has received several applications for other license types, particularly the Recreational Site, with many attempts to stretch the definition of “recreation” beyond the statutory definition of a sporting event. The statute was broadly interpreted by a 2011 memo issued by the Attorney General’s office, which outlines “event based” and “activity based” forms of recreation, all of which would be eligible for a Recreational Site License. While the “event based” definition conforms to AS 04.11.210, the “activity based” definition reads as follows: “An activity-based recreational site license would allow the licensee to sell beer and wine during times the recreational activity is taking place. An activity-based recreational site license includes the following recreational activities, or other recreational activities having substantially similar characteristics: baseball, softball, football, soccer, running, skiing, skating, dog sledding, curling, gymnastics, zip lines, volleyball, climbing, hiking, fitness activities, golf, bowling, billiards, hiking, rafting, and boating.”

A number of licenses have been issued under this broadened definition, many of which would not qualify if re-evaluated under the statutory definition. It is difficult for the ABC Board to make fair and consistent decisions and to comply with the intent and letter of statute, as these other license types become more available or broadly interpreted. Current licensees voiced concern that the value of BDLs will be diminished by expansion of other license types. Public health and community advocates would like to avoid any proliferation that increases the density of retail outlets beyond statutory intent. Given the limited number of most license types available, pressure on the Board is likely to continue in the future to creatively adapt this and other license types.

After reviewing the existing statute and the proposed regulation to define “recreational activities” issued by the ABC Board for review in August 2013, the subcommittee determined that the issue is not in statute, but with how it has been interpreted. This recommendation supports the proposed regulation as it has been drafted, but (having determined that the statute itself is sufficient and should be interpreted more narrowly when Recreational Site License applications are reviewed), that the policy memo that broadens the intent of the statute should be nullified because it does not appear to have statutory basis. To clarify the intended use of the license, its name should be changed to better reflect its intent: for example, “Sporting Event License” or a similar name reflecting use at specific recreational events, not necessarily all recreational activities.

The primary implication for returning to a strict statutory interpretation is whether existing licenses granted under this broadened definition of recreational activities should be revoked, as they were issued without proper legal basis. The subcommittee weighed the existing licensees’ investment

against the benefits of closing a growing loophole, and recommends that the ABC Board not renew licenses that do not fit the strict statutory definition. Instead, the regulation should provide a sunset period to allow non-conforming licensees to depreciate their investment in the license or alter their operations to comply with AS 04.11.210. In the next renewal period for each Recreational Site License, the ABC Board would issue a memo explaining that all licenses of this type will be reviewed by staff and a recommendation made whether it meets the statutory definition of a Recreational Site. Licensees would be given four renewal periods (eight years) to submit an appeal to the ABC Board explaining how they comply with statute or which operational changes they would make (e.g. instituting a seasonal league) to come into compliance. At the end of this period, licenses that are no longer in compliance would not be renewed.

Recommendation R-3. Package Store On-Site Product Sampling Endorsement | Create a separate Endorsement to allow on-site sampling at Package Stores (AS 04.11.150).

INTENT OF PROPOSED CHANGES

Currently Brewpubs, Wineries and Breweries allow on-site sampling of products and limited sales to individuals for off-site consumption (see Recommendation M-2). Package Store Licenses prohibit onsite consumption of alcohol, but the “growler bar provision” (subdividing containers) was added in regulation to allow package stores to re-package beer into a growler (a 32-oz. or 64-oz. container provided by or purchased by the customer) for consumption off-site. There has been advocacy to allow onsite sampling at Package Stores. Alaska has not allowed this activity in the past, but many other states allow sampling either as a part of a license or a separate permit for a third party.

Along with reorganizing Package Stores’ existing permits as identified in statute (Recommendation R-7), the recommendation would create a new Package Store Sampling Endorsement, which would allow a Package Store licensee to provide a limited number of free samples of alcoholic beverages on premises. The *total* allowable amount of equivalent-alcohol samples served are consistent with the Manufacturer Retail recommendation on sample size: no more than **12 oz.** of beer, **6 oz.** of wine or **1.5 oz.** of distilled spirits, or a combination not to exceed the equivalent of any of the three. Determining how to track the total product(s) sampled per customer would be left to the licensee, who would present their plan to the ABC Board. The licensee and employees would assume liability for serving and training, and the same retail signage would be required. Sampling activities would be allowed during package stores’ hours of operation.

Because this proposal substantially expands the type of activities allowed at a Package Store, the subcommittee discussed ways to mitigate the potential neighborhood impacts of free sampling at establishments with no previous onsite consumption. The subcommittee proposes that the endorsement require specific review by the community, and may trigger additional requirements at the local level, such as a Conditional Use Permit provision allowing onsite consumption. Further limitations on the schedule of sampling activities could be placed on the endorsement through a conditional use permit, e.g. allowing sampling for only four consecutive hours or not before noon. The endorsement would require bi-annual renewal with the license. To address concerns that free sampling would be leveraged in a proliferation of public advertising for free alcohol, the recommendation includes codifying restrictions in statute and in regulation regarding public advertising. Public advertising of free sampling would not be permitted, including banners on the exterior of the premises, newspaper ads and other circulars, TV and radio advertising, or handheld

signs on street corners. Direct advertising to existing customers would be permitted, including opt-in mailing lists, social media directed toward a network of opt-in followers, and banners or flyers inside the store that are not visible from the exterior.

Recommendation R-4. Clarify Restaurant Food Requirement | Clearly define in statute the calculation of 50% food sales (AS 04.11.100) as the ratio of food sales receipts to alcohol sales receipts for on-site consumption.

INTENT OF PROPOSED CHANGES

The subcommittee discussed the ratio of food to alcohol required as part of a Restaurant Eating Place License to define a *bona fide* restaurant, as well as specific examples of existing REPL holders that may or may not meet the statutory requirement. The subcommittee identified an ambiguity in statute: the statute requires “that gross receipts from the sale of food upon the licensed premises constitute no less than 50 percent of the gross receipts of the licensed premises for each of the two preceding calendar years.” As defined, non-food sales could include alcohol, merchandise or other receipts.

The subcommittee discussed the food requirement particularly in the context of a Manufacturer holding an REPL and whether they could successfully meet this requirement. This recommendation would change the statute language to indicate a more specific calculation: gross receipts of food sales measured against gross receipts of alcohol sold for on-premises consumption. This ratio excludes any other sales, such as merchandise or alcohol sales for off-premises consumption.

Recommendation R-5. Golf Course License and Endorsement | Retain the current Golf Course License (AS 04.11.115), allow a Golf Course to hold a BDL, create a Golf Course Endorsement; adapt AS 04.16.049, 3 AAC 304.715, 3 AAC 304.725 and 3 AAC 304.745 to allow minors to play or work on the golf course or clubhouse.

INTENT OF PROPOSED CHANGES

In reviewing the Golf Course License and Restaurant Endorsement (previously Restaurant Designation Permit), the subcommittee discovered that, unlike a provision for REPLs, there is no provision permitting minors to work on or play on a golf course if it has been designated a licensed premises. While the general intent of Title 4 is to not allow minors to be on licensed premises and not serve alcohol as part of employment, the lack of a provision regarding minors on licensed golf course premises appeared to be an oversight and, to the subcommittee’s knowledge, is not currently being enforced because it would prevent minors from participating in golfing activities. The holder of a Golf Course License is also currently prohibited from holding a BDL per AS 04.11.115. Although beer and wine may be sold throughout the licensed property (clubhouse and course), there has been pressure in the past to allow all alcohol products to be served under this license.

This recommendation would retain the Golf Course License as a beer and wine license, but would allow a Golf Course licensee to obtain a BDL if desired and one is available. A Golf Course License would be required in either case in order to serve beer and wine on the course; it is the required foundation for allowing the course to be licensed premises. The applicant and the Board would determine which portion(s) of the course are within the boundaries of the licensed premises. If a Golf Course license holder was to obtain a BDL and serve all alcoholic beverages on the course,

extending the BDL's licensed premises would require a Golf Course Endorsement. Without the Endorsement, the BDL premises would be limited to a one-room clubhouse; with the Endorsement, part or all of the course itself could be considered licensed premises. The Endorsement would also include language clarifying that minors would be allowed to work or play on the course. The Golf Course License (and a BDL also held by the licensee with a Golf Course Endorsement) would include a provision to allow minors to work on the licensed premises, similar to the Restaurant Endorsement, with the requisite requirements on the licensee to ensure that minors do not have access to purchase, consume or serve alcohol while on licensed premises.

Recommendation R-6. Theatre License | Move the Theatre License into statute and out of regulation 3 AAC 304.695 as an add-on license to a BDL or REPL.

INTENT OF PROPOSED CHANGES

The Theatre License, which functions as a regular license type, is not included in statute. Only one is currently in use, available to an existing licensee to provide concessions at a theatre at its own establishment or, as written, a site separate from its own licensed premises. In practice, it functions as a year-round catering concessions contract between a licensee and an otherwise non-licensed premises, and can circumvent local limits in Anchorage on the number of events allowable at a single venue in a calendar year. This recommendation would codify this license type in statute (it currently exists only in regulation (3 AAC 304.695)). A Theatre license is currently only available to existing BDL and REPL holders, and despite its current use, does not mandate an exclusive contract with a single venue. The subcommittee identified this perception of exclusivity as being a point of frustration for other retail license holders, but is not currently (and is not recommended to be) required in statute or regulation.

Recommendations R-7A through M. Endorsements and Permits | Create a clear statutory framework for Endorsements and Permits, with all types defined in statute as well as regulation.

INTENT OF PROPOSED CHANGES

As noted throughout most of the other recommendations, the current system of licenses, designations and permits is often inconsistent or convoluted, in part because it has been changed piecemeal and several new license types have been added to address a variety of special situations. Many of these situations have to do with the extent of the licensed premises and which activities are or are not allowed on the premises: for example, a Bowling Alley is treated with a special provision within the BDL statute, while a Golf Course and a Recreational Site are two separate license types. Furthermore, there are permits or licenses that are defined only in regulation (e.g., the Theatre license), and other permits that are defined within specific license statutes but are more functionally similar to endorsements. Finally, the system of permits, particularly Catering Permits, has been difficult to monitor and implement both at the state and local level.

The subcommittee's general approach to this topic was to examine which provisions should be a distinct license defined in statute, which provisions allowed licensees to conduct certain activities and/or expand the boundaries of their premises (suggesting the need for an endorsement), and which provisions were truly temporary permits that should be refined and inserted into statute, not regulation. Recommendations R-7A through M are based the following guidelines for each category:

- *License* defines activities allowed daily on its licensed premises.
- *License Type* is a general category of license activities based on the three-tier system: Manufacturer, Wholesale, and Retail.
- *Endorsement* expands the boundaries of the licensed premises to suit activities associated with specific businesses: bowling alley, golf course, theatre, etc.; it is similar to the Restaurant designation in current statute.
- *Permit* allows time-limited catering and serving activities on other premises, and allows eligible non-profit organizations to host fundraising events.

Some endorsements have already been defined in previous recommendations because they apply directly to a specific recommendation. The remaining recommended endorsements and permits below is proposed to be inserted as a series of individual statutes. In most cases, the language describing the permit or endorsement has not changed, only its inclusion in statute. In other cases, language may be expanded or narrowed to clarify the intended use of the endorsement or permit, and to which license(s) it applies.

R-7A | Bowling Alley Endorsement | The subcommittee proposes removing this provision from the BDL statute (AS 04.11.090), but only making it available to BDL holders. Because there was previously no definition for a bowling alley, it is recommended that “bowling alley” be defined in regulation. This endorsement application requires information about the specific premises and hours during which alcohol is to be served, when minors are not allowed in the area.

R-7B | Package Store Shipping Endorsement | This recommendation would relocate AS 04.11.150(g-h) into a new statute as an endorsement on a Package Store license. The endorsement would not require renewal, but is non-transferrable. The fee for this endorsement would be \$200 because it would have associated administrative costs associated with the Written Order Database and compliance with Local Option laws.

R-7C | Package Store Delivery Endorsement | This recommendation would relocate AS 04.11.150(i-j) into a new statute as an endorsement on a Package Store license. The endorsement would not require renewal, but is non-transferrable. The fee would be \$50 because it would have minimal administrative costs to execute.

R-7D | Package Store Re-Packaging Endorsement | This recommendation would relocate this portion of regulation 3 AAC 304.365 into a new statute as an endorsement on a Package Store license. The endorsement would not require renewal, but is non-transferrable. The fee would be \$50 because it would incur minimal administrative cost for review.

Manufacturer Sampling Endorsement | See Recommendation M-2.

Multiple Fixed Counter Endorsement | See Recommendation R-1.

Hotel/Motel Endorsement | See Recommendation R-1.

Large Resort Endorsement | See Recommendation R-1.

Package Store Sampling Endorsement | See Recommendation R-3.

R-7E | Permits | This recommendation provides that all permits be clearly defined in statute, with language that limits alcohol service permits to *only* those defined in Title 4. This provision would eliminate the creation of new permits in regulation, which has contributed to the confusion of which permits are available to whom. A new statute would define a permit, indicate its time-limited nature and list types of permits. After reviewing the cost associated with issuing, inspecting and enforcing permits, the recommended fee for retail permits should be \$50 per day (except the Retail Stock Sale, previously a 90-day license to sell inventory of a closing business). ABC Board staff indicated that multi-day events tend to have a higher administrative cost for the Board because they are of a larger scale and more elaborate operations. Because enforcement costs for permits will likely rise over time with inflation, the language in statute should read “no less than \$50 per day,” which gives the Board discretion to increase permit fees in regulation to better reflect the cost of enforcement.

Provisions that should apply to all permit types:

- This recommendation would remove the provision that permits must be surrendered back to the ABC Board after their use (AS 04.11.230 and AS 04.11.240). This requirement dates back to the practice of issuing permits in hardcopy only, with the only copy given to the permit holder to be returned to the ABC Board following the event. Staff verified that this provision is no longer enforced because permits are stored electronically.
- To clarify the application process, this recommendation includes outlining in the general Permits statute the procedure for applying for a permit: obtaining approval from local law enforcement and other local authorities to conduct the event, submitting to the ABC Board an annotated diagram to indicate the licensed premises for the permitted activity (including entrances, exits, serving points and other considerations), and other procedural issues duplicated across individual permits.

R-7F | Beverage Dispensary Caterer’s Permit (AS 04.11.230; 3 AAC 304.685) | The current statute is named “Caterer’s Permit.” Because it is specific to BDL holders, it is recommended that the name be changed to Beverage Dispensary Caterer’s Permit. Originally defined in statute to be used for events such as conventions, sporting events and picnics, it includes a provision that allows its use for “social gatherings,” which has caused considerable confusion and has been broadly applied. This catering permit is intended for events with a specific attraction or celebrating a holiday. Other events that are not open to the public (e.g., family gatherings, weddings, company parties) do not require a catering permit under most circumstances. The recommendation is to remove “social gathering,” add more examples of allowed events (e.g. street fairs, concerts, festivals) and change the fee to \$50 per day, not per event.

R-7G | Restaurant Caterer’s Dining Permit (3 AAC 304.680) | This permit, currently only in regulation, allows an REPL or a Golf Course to provide beer and wine for a dinner event. This recommendation would change the phrase “banquet or dinner event” to “meal or dining event” to broaden the allowable events to a brunch or lunch event, if desired. This permit is intended to be the analog to a BDL Caterer’s Permit, but requires food service at the event, similar to the REPL’s food sales requirement.

R-7H | Club Caterer’s Permit (3 AAC 304.690) | This recommendation would move the permit from regulation into statute. It would not change the activities of this permit, but the fee would be

changed from \$100 per permit to \$50 per day. Currently organizations are limited to three (3) events per calendar year.

R-7I | Nonprofit Event Permit (AS 04.11.240) | This recommendation would rename the “Special Event Permit,” as the name causes considerable confusion and because it is only available to nonprofit organizations for fundraising activities or member meetings. This permit does not currently allow service of distilled spirits, only beer and wine. This permit is already located in statute (AS 04.11.240) and allows an organization up to five events per calendar year.

R-7J | Art Exhibit Permit (3 AAC 304.697) | Currently, an organization can pay \$50 per event or a total of \$100 for a year-round permit of up to 12 events. This recommendation would change the fee to \$50 per event day, like other permits, and remove the full-year fee option.

R-7K | Alcoholic Beverage Auction Permit (3 AAC 304.699) | This recommendation would rename this permit from “Wine Auction Permit,” move the permit from regulation into statute, and allow any alcoholic beverage to be auctioned, with no other changes to the permit. This permit would only be available to non-profit organizations and could be used with or without another event permit, at the licensed premises of a BDL, REPL, Club, or at non-licensed premises. It would not allow onsite consumption of the products being auctioned.

R-7L | Retail Stock Permit (AS 04.11.200) | The existing license is effectively a 90-day permit for a Package Store to sell its inventory directly to other licensees prior to closing its operation, an activity normally prohibited under the three-tier system. Because this is a special situation and requires a Package Store License to qualify, this recommendation would change this license to a permit. The fee would remain at \$100 for the entire 90-day period, rather than \$50 per day like other permits.

R-7M | Tasting Event Permit | In place of using a BDL Caterer’s Permit for industry-sponsored tasting events, a new permit would be created that allows some other license types to host a specific event promoting their products, in place of a broad interpretation of “social gathering” (see Recommendation R-7F). The proposed permit would enable a BDL to partner with a Package Store or Manufacturer Retail licensee to produce a tasting event in order to promote the products of that package store, brewery, winery or distillery. The permit, while held by a BDL, would be limited based on the partnering license, with up to six (6) events per Package Store or Manufacturer (Brewery, Winery, Distillery) Retail license per calendar year, and would be required to be held in the same geographic area in which the partnering license is issued (for example, a Fairbanks BDL may partner with an Anchorage Brewery, but must hold the event in Anchorage). The recommendation would allow the event to be held on- or off-premises of the partnering licensee, and the host would be limited to serving the products currently produced or sold by that partnering licensee. The event could be no more than four hours long, with no alcohol served after 9 p.m., and food would be required to be served with the alcoholic beverages. The cost of the permit would be \$50 per day. The host could charge attendees a flat fee for admission, as wine tasting events and non-profit fundraisers currently allow. The applicant would be required to hold a BDL and demonstrate that they are working with a partnering licensee who holds a Manufacturer Retail License or Package Store License, with documentation required by the ABC Board to be detailed in regulation.

ROLE OF THE ABC BOARD

The Role of the ABC Board subcommittee reviewed the statutes related to the powers, duties and structure of the ABC Board itself, as well as the Board's larger role in promoting responsible alcohol industry operations, responsible consumption of alcohol and enforcement of the law. These included Chapter 6 of Title 4, AS §04.06.010 to §04.06.100.

RECOMMENDATIONS

Recommendation RB-1. Strengthen Reporting Requirements for Municipal Enforcement |

Include in statutory requirements that municipalities submit quarterly reports on Title 4 enforcement activities to the ABC Board.

INTENT OF PROPOSED CHANGES

The ABC Board depends upon municipal police and peace officers, VPSOs and the Alaska State Troopers to enforce Title 4, in addition to the Board's own investigator staff. Where local municipalities have their own police departments, the State provides matching funds back to the local police department (commonly referred to as a "refund") from the General Fund equal to the licensing fees collected within that jurisdiction. The funds are encouraged but not required to be used for Title 4 enforcement activities; municipalities are required by regulation 3 AAC 304.610 to provide quarterly reports on enforcement activities, but this is a difficult provision to enforce. Furthermore, the ABC Board currently has no formal mechanism to engage in planning efforts with local governments on education and enforcement beyond coordinating on individual investigations. Police departments have been required by regulation to report on their activities, but receive no direction about what enforcement is most appropriate or how best to allocate the funds. Some departments are more responsive and some reports more robust than others. If a law enforcement agency reports no violations, it is unclear if violations did not occur, if preventative measures were successful, or if no action was taken. Lack of clarity about what is required and why reduces the efficacy of this reporting requirement.

In 2014, the former director of the ABC Board issued a white paper recommending that:

1. Current specific reporting requirements in code (3 AAC 304.610) be written into statute (AS 04.11.610);
2. Municipal police department reporting be standardized into a uniform format; and
3. The ABC Board work with local municipalities to develop enforcement, education and prevention plans to make best use of the refunds.

In addition to reporting on enforcement activities as recommended in the white paper, this recommendation provides that these reports require municipalities to document their intended use of these funds for education and prevention activities, including developing action plans in collaboration with ABC Board staff. Including these activities in statute rather than regulation clarifies that they are a requirement, which will result in more consistent reporting from local governments. The reporting format should allow police departments to comment on education and prevention activities, and would not mandate that the funds be specifically spent on enforcement of

Title 4. The requirements are not intended to be so onerous as to place a burden on local enforcement agencies; the recommendation provides for some flexibility in the format of reporting (for example, an electronic system and a paper system to choose from).

IMPLICATIONS TO CONSIDER

- The resources that would be necessary for the ABC to work with municipal police departments on developing enforcement, prevention and education plans should be considered.
- It is recommended that the ABC Board solicit input and discussion from the local law enforcement community before developing detailed requirements for planning and reporting, to ensure that it is an effective system for all.

Recommendation RB-2. Community Analysis of Written Order Database | Allow data about alcohol purchases (written orders) in local option communities to be reported/made available, aggregated at the region or community level, for analysis and community self-assessment.

INTENT OF PROPOSED CHANGES

Currently, all written orders for alcoholic beverages to local option communities purchased through package stores in the state must be recorded in a database maintained by the ABC Board (AS 04.06.095; 3 AAC 304.645).¹ This database is used to track orders to local option communities that allow alcohol importation (coordinating orders from multiple stores) and to enforce a monthly maximum purchase of alcoholic beverages allowed per individual by these communities. The data are confidential, available only to the ABC Board, a law enforcement officer, probation or parole officer, and on a limited basis to a package store licensee, agent or employee when they determine whether to fill an order. Individuals may request reports of their own data, but the information is not available to the public, and the database is purged annually. The written order database is generally seen as a successful tool, and the data it contains is potentially valuable information for Local Option communities to understand the flow of alcohol in their own area. Because all of the data is confidential as required by statute, not having access to this information at even an aggregated level is a missed opportunity.

This recommendation would adjust the language of statute to preserve the confidentiality of individual purchasers, while allowing an aggregated form of the data (at the community, ZIP code or region level) to be provided to communities and other researchers upon request. This change would require a longer archival period for the data than annual purges, but would still only make data available in a limited format to the general public. Access to the aggregate data would be useful for state and community analysis, and could be limited to those within a certain community or geographic area.

Recommendation RB-3. Revise ABC Board Budget to Adequately Fund Needed Activities | Determine the necessary funding level to carry out the ABC Board's mission and core

¹ The written order database was created in 2007, in response to the problem of individuals in local option communities making several maximum orders at different package stores and thereby exceeding the monthly limit per individual. Package stores enter the amount of alcohol ordered by an individual to ensure that the order will not exceed the monthly maximum per individual that is set by state law. Effectively, the written order database plays the monitoring role of a community distribution center in communities without a central distribution point.

functions, and adjust revenue (fee amounts) accordingly to meet that need, as recommended in F-1 (Adjust License Fees to Reflect Current ABC Budgetary Needs).

INTENT OF PROPOSED CHANGES

The ABC Board's budget includes costs associated with quarterly Board meetings, enforcement activities, education activities for applicant and current licensees, and administrative functions associated with licensing and other Title 4 provisions. The ABC Board Director develops the budget based on the estimated amount of fees collected through applications and renewals of licenses.

The subcommittee compared the Board's current budget to the costs of its current duties (as defined in Title 4) and any this proposed set of recommended changes to Title 4, and determined that the budget would likely need to increase in order to better perform the Board's enforcement duties and to engage in more education and outreach (Recommendation RB-4). Additional activities proposed by the subcommittee include:

- Increased funding for research and data evaluation to measure program performance;
- Additional Board outreach and education activities (e.g., additional Board meetings or listening sessions in rural communities, beyond the required minimum of at least one meeting in the four judicial districts);
- Additional investigation and enforcement resources for addressing issues such as non-licensed establishments and sales;
- Investigator I level staff to perform routine compliance checks, which would allow Investigator III and IV level staff to perform more complex investigations; and
- Additional staff resources to investigate and prosecute local option cases.

The subcommittee strongly advises that this recommendation be accompanied by a requirement for the ABC Board Director to produce a detailed plan for the increased expenditures. This recommendation is offered in conjunction with the Licensing Subcommittee's Recommendation F-1, which proposes a scheme for increasing revenue increase through adjustments to current license and permit fees. Both subcommittees look to the ABC Board Director to develop a proposed budget for general review. Education activities conducted by ABC Board staff should also be adequately funded, including: informing licensees of changes to statute or regulation, providing licensees and employees of the industry with information regarding other related changes (e.g., the new Alaska driver's license design), and educating local governments and other partners on effective implementation of the law (Recommendation RB-4).

Recommendation RB-4. ABC Board as Lead Agency for Alcohol Education Efforts |

Designate the ABC Board as lead agency in a multi-department, public-private sector education effort about responsible alcohol use and applicable laws.

INTENT OF PROPOSED CHANGES

The ABC Board has the responsibility of approving the alcohol server education courses provided by the alcohol industry. Although the ABC Board does not have an explicit charge in statute to provide alcohol education, ABC staff conduct training classes upon request to licensees and their agents and employees, law enforcement, university students and citizens. According to AS 04.06.090 Powers and Duties, the Board can undertake necessary activities to control and regulate alcohol production and sale, but the only activities specified include granting licenses, enforcement, and notification of changes to Title 4 and associated regulations. ABC Board staff, industry members, local governments, enforcement agencies and other partners value the Board's education activities to help all stakeholders understand and comply with the law, particularly to prevent youth access to alcohol. In addition to the ABC Board efforts, there are currently a variety of efforts through the Alaska Mental Health Trust Authority, the State of Alaska Department of Health and Social Services, and local partners on alcohol education, but there is no centralized coordination of these efforts and inconsistent partnerships between the public and private sector education efforts.

The subcommittee discussed the role of education to various audiences (licensees, employee servers, law enforcement, youth and the public) in promoting responsible use and sales of alcohol. This recommendation would designate the ABC Board as the lead agency in developing a comprehensive plan and budget for education about the responsible use of alcohol and following alcohol laws, in cooperation with other agencies and stakeholders. This effort would not replace existing programs such as the grants that fund substance abuse prevention through the Division of Behavioral Health, but provide a more formal role for the ABC Board to share information about Title 4 and alcohol regulation.

The ABC Board is currently the primary agency with which licensees interact regarding Title 4 and other alcohol related issues. Coordination between the ABC Board and other agencies focused on reducing the financial and social costs of alcohol use would promote better communication about issues among all stakeholders. This existing relationship with the alcohol industry is ideal for communicating necessary information (e.g., changes in statute, regulation or policy) that affects business operations or requirements. Other education activities for the Board include educating the public through messaging campaigns about alcohol laws, particularly regarding furnishing minors; social host laws; open container laws; and when a catering permit is required. While local governments may produce educational materials on these topics, the ABC Board could produce materials such as a Frequently Asked Questions (FAQ) document or brochures to educate the general public about alcohol laws.

IMPLICATIONS TO CONSIDER

- Education and collaboration with partners in the public and private sector are not currently included in the ABC Board's mission, either in Title 4 or in the Governor's Budget documentation for the agency. The subcommittee discussed, but did not make a specific language change recommendation, for including these functions explicitly in the Board's mission statement or its powers and duties.

- Assemble a plan and budget for educational efforts led by the ABC to address: Who would educational activities target (e.g., public, licensees, servers)? Who would be responsible for implementing and evaluating program effectiveness of these educational activities the ABC Board would coordinate? What are the messages that the education would convey?

Recommendation RB-5. Composition of the ABC Board | Retain the current number of members but add designated seats: 1 public health, 1 public safety, 2 industry and 1 rural public member; include provision for Director's background in filling the designations.

INTENT OF PROPOSED CHANGES

The qualifications for members of the ABC Board are written in AS 04.06.020, specifying that two members must be engaged in the industry; that no two members can be in the same line of business; that three members should represent the general public, one from a rural area; and that the public members or their immediate family cannot have a financial interest in the industry. While members of other sectors involved with alcohol regulation, particularly public health and public safety, have served on the Board in past years, there is no formal designation for these seats. The ABC Board is intended to control alcohol because it has serious public health and social costs in communities; currently law enforcement and protection of public health are important aspects of the Board's mission, but have no designated representation on the Board except when an individual with those qualifications is appointed.

This recommendation does not change the number of Board members, but creates more designated seats from within the total of five seats. From the three existing public seats, one would become a seat for someone with a public health background, defined as an individual working within the last five years in the field whose charge is to promote wellness and prevent disease through research, evaluation, community-level health interventions, and other activities (a distinct field from medical and health care). Another seat would be designated for someone with a public safety background, defined as an individual charged with enforcing and upholding law. The third public seat would remain a member of the general public who lives in a rural area, as currently defined in statute, and the other two seats would remain industry representatives.

Furthermore, the composition of the Board may be altered if the ABC Board Director, considered a non-voting member of the Board, has the same background as any of the sectors listed above. If the Director could qualify for the public health, public safety or industry seat, the corresponding seat would become another public member: a Director with an industry background would result in one industry seat on the Board; a Director with a public health background would result in no designated seat for public health; and a Director with a public safety background would result in no designated seat for public safety. The group discussed whether this would result in an imbalance on the Board, but determined that while the Director is a non-voting member, the position affords the Director a great deal of influence over the Board's policies, from issuing permits to issuing temporary licenses to developing the Board's meeting agendas.

The subcommittee also discussed the current definition of financial interest, as non-industry members on the Board are restricted from having industry ties through their own or their immediately family's interests. This recommendation would define "financial interest" consistently with that included in AS 04.11.450 Prohibited Financial Interest, and referencing it in AS 04.06.020.

IMPLICATIONS TO CONSIDER

- Possible impacts on ABC Board composition by marijuana regulation, until such time as a separate Marijuana Control Board is created.

Recommendation RB-6. Update Title 4 Sanctions | Review sanctions for all Title 4 sections; revise penalties to be more proportionate to the crime and more consistently enforced.

INTENT OF PROPOSED CHANGES

This recommendation would revise sanctions for Title 4 provisions (as presented in the draft bill). These revised sanctions treat certain activities as serious offenses (such as selling without a license, or selling illegally in a local option area) and treat most other activities as undesirable, but more likely to be stopped if the law is consistently enforced at the minor offense level. The serious offenses are proposed to remain at the felony or misdemeanor level, as they currently are in statute. The less serious offenses are proposed to be made minor offenses (also referred to as violations), which is intended to make them more easily enforced.

With some exceptions, most of the criminal penalties for violations of Title 4 are currently class A misdemeanors. In the experience of those working in the enforcement and prosecution of Title 4, as well as an examination of Alaska's court data from the past five years, this penalty is often seen as being relatively high, resulting in inconsistent enforcement and prosecution of the offenses. Of the 21,000 cases related to Title 4 filed in the last five years, nearly 40 percent (37.8%) were dismissed, suggesting a lack of resources to prosecute and/or a disinterest in pursuing charges on the part of the State. If penalties are strict but inconsistently enforced, they are not effective deterrents.

Minor offense violations are less onerous to initiate into the court system; a law enforcement officer can write a ticket, and if the offender does not attend a court hearing, the Court will simply require payment of a fine. Many of the proposed fines are applied per unit, rather than per incident, to make the cost of violating the law more commensurate with the profit the offender seeks to capture by not following the law. Reducing the severity of these penalties in the statute but increasing the potential fines is intended to increase the consistency of enforcement and address the concern of the fine becoming a cost of doing business.

By making the enforcement process more streamlined for law enforcement officers (who write the tickets) and the courts (who act on the cases), these changes are also intended to bring more cases and convictions before the ABC Board, who can then review the case and impose administrative sanctions as appropriate. This recommendation includes proposed statutory language requiring the Court to provide the Board with notifications of all Title 4 convictions, not only those initiated by ABC Board investigative staff. Currently, those cases initiated by local law enforcement agencies do not always reach the Board, and staff has limited resources to seek out this information. Receiving more data about Title 4 violations will help the Board establish whether a licensee has a pattern of behavior that requires additional assistance and education to conduct business in a lawful manner, or if the licensee has disregarded the law because they believe it is more profitable to do so than to be a responsible operator, which requires punitive action.

This recommendation would retain the current system of administrative sanctions in which the Board has discretion to act based on the facts of the case. Currently, administrative sanctions are based on precedent sanctions applied: the ABC Board Director maintains a database of past

sanctions applied and provides it as a reference when the Board considers sanctions for current violations. Based on precedents, there is now a general standard (e.g., 45-day penalty suspending license) but no formal structure to the administrative sanction(s) applied to individual cases. The Board ultimately has discretion to follow or disregard precedent and to focus on each case individually. In addition, the recommendation would provide that for violations of AS 04.16.030 Conduct Involving Drunken Persons, which penalizes the agent or employee of a licensee, the Board should increase compliance checks or inspections upon a conviction, to place more scrutiny on the licensee and determine if it was an isolated incident or an indicator of a larger compliance problem.

Recommendations for specific sections of Title 4 are included in the Local Option (AS 04.16.200(g)) and Underage Drinking subcommittee recommendations (AS 04.16.052, AS 04.16.050).

LOCAL OPTION

The Local Option subcommittee reviewed the statutes related to AS 04.11.491, which allows individual communities to limit or prohibit the availability of alcohol within their community.

RECOMMENDATIONS

Recommendation LO-1. Repeal Local Option #4 | Repeal section 04.11.491(b)(4) (Local Option #4), which bans the sale and importation of alcohol, not possession.

INTENT OF PROPOSED CHANGES

This recommendation would repeal AS 04.11.491(b)(4), the fourth local option available to communities. Originally, Sec. 04.11.491(b) included four choices for communities; the fourth bans the “sale and importation” of alcohol, not its possession. Because selling, importing or producing alcohol is illegal but possession is not in these communities, it is difficult for law enforcement to seize, destroy, investigate and successfully prosecute a case because an individual may claim they “found” the product and were not connected with other activities.

The fifth option, which bans “sale, importation and possession” of alcohol, was later added to statute as a means of closing the loophole created by Local Option 4. Few communities have chosen to adopt Local Option 4 since Local Option 5 was available, but few have chosen to change from Local Option 4 to Local Option 5 because changing among the local options requires repeal and a new vote of the community. Currently, 43 communities have adopted Local Option 4, and 34 have adopted Local Option 5. Under this recommendation, the communities that have Local Option 4 currently would either hold a new election or be grandfathered in for a period of time.

Recommendation LO-2. Increase Enforcement and Prosecution Resources | Include in recommendation RB-3 (revised ABC Board budget to adequately fund needed activities) adequate budget for increased dedicated prosecutors and investigators for Title 4, particularly local option law enforcement.

INTENT OF PROPOSED CHANGES

This recommendation would dedicate additional staff resources to the Alaska State Troopers Statewide Drug Enforcement Unit to investigate local option related cases, and increase the number of dedicated state prosecutors for Title 4, local option related crimes. The State Troopers Statewide Drug Enforcement Unit currently has six rural investigators, three based in Anchorage, and there is one dedicated prosecutor for Title 4 offenses based in Anchorage; their caseload is considerable. The intent of this recommendation is to provide more staff resources to investigate and prosecute alcohol related crimes in rural Alaska, crimes that often lead to serious violent crimes. In addition to the limited staff capacity of local police, VPSOs, Title 4 investigators and State Troopers in rural areas, the limited staff availability and high turnover of Assistant District Attorneys is a barrier to prosecuting cases. Without sufficient prosecution staff, cases brought by investigators will continue to be dismissed.

Recommendation LO-3. Increase Local Option Perimeter | Increase the local option perimeter boundary from a 5-mile radius from the village center defined by AS 04.11.508 to a 10-mile radius.

INTENT OF PROPOSED CHANGES

This recommendation would expand the local option area to a 10-mile radius from the designated center of the community. The current boundary for a local option statute is defined as 5 miles' radius from the post office or other defined central public building in the community. In some areas of the state, several villages have enacted local option laws that with the 5-mile radius, leaving a patchwork of enforceable and unenforceable territory. Extending the boundaries of the local option areas to close the gaps between local option areas would make it easier to enforce the law across a larger region. Expanding the local option area would also make it more difficult for bootleggers to continue the practice of traveling just outside the local option perimeter created by the 5-mile radius to conduct their operations. Transporting alcohol the extra distance would drive up the cost of doing business because of the high cost of fuel, potentially enough to deter some operations.

Under this recommendation, lodges that have been legally operating under an outdoor recreation lodge license (AS 04.11.225) within the expanded perimeter would be grandfathered in under the expanded radius, such that a lodge with the outdoor recreation lodge license could operate and serve alcohol beyond the 5-mile radius and within the new 10-mile radius. Any overlapping jurisdictions are already accounted for in AS 04.11.508 subsections (b) and (c).

Recommendation LO-4. Increase Mandatory Minimum Penalty for Bootlegging | Increase the mandatory minimum penalty for bootlegging at the class A misdemeanor level (AS 04.16.200(g)), with increasing penalties for multiple offenses and per-unit fine for the volume of alcohol being illegally sent, brought or transported into the local option community.

INTENT OF PROPOSED CHANGES

Sec. 04.16.200 defines the penalties for bootlegging, which include class A misdemeanor and class C felony offense levels. Because of the lucrative nature of bootlegging in rural areas and perceived low level of risk if caught, threat of punishment under AS 04.16.200 is not a deterrent for the misdemeanor level offense.

The minimum penalty upon conviction of a class A misdemeanor includes imprisonment and fines that increase with prior convictions as detailed in Sec 04.16.200(g). This recommendation would raise the minimum fine to \$3,000 (instead of \$1,500) for the first offense and increase subsequent fines by \$1,500, up to a maximum fine of \$10,500 under this scheme.

The recommendation would impose an additional fine of \$500/container containing 750 mL or less alcohol. If the container contains more than that 750mL, then each 750mL will count as a single container for the purpose of setting the fine. This combination of flat and per-unit financial penalties is intended to be punitive, rather than absorbed as a cost of doing business.

Recommendation LO-5. Clarify Language Regarding Homebrew Ingredients | Make possession of homebrew ingredients and/or equipment with intent to produce alcohol illegal in all local option communities.

INTENT OF PROPOSED CHANGES

This recommendation would revise AS 04.16.035 so that “A person residing in ~~an area that has adopted a local option to prohibit the sale, importation, and possession of alcoholic beverages under AS 04.11.491(a)(5) or (b)(4)~~ any local option area may not possess sugar, artificial sugar, malt, yeast, or any other material or equipment with the intent to use them to create an alcoholic beverage.”

As currently written, the statute is enforceable only in 34 (Local Option 5) communities. As proposed, the statute would be enforceable in all 108 Local Option Communities.

UNDERAGE DRINKING

The Underage Drinking subcommittee reviewed the statutes related to reducing and preventing underage consumption of alcohol (AS 04.16.049 to AS 04.16.160). Because of the difficulties of effectively addressing underage drinking through law enforcement alone, the subcommittee discussed Title 4 within the context of a multi-strategy approach that includes enforcement, education, prevention and changing social norms. The multi-strategy approach is informed by the following principles:

- Underage alcohol consumption is a significant public health and public safety concern.
- Local municipal strategies (aligned with state regulations) can be tailored to individual communities to address local needs (e.g., minor curfew, truancy laws, alternative courts).
- Evidence shows that a strong focus on efforts to decrease alcohol availability to underage individuals – both in social and retail settings – reduces youth alcohol use.
- No single strategy can create sustainable and significant community and population change.

These recommendations are supported by the state-level plan *Alaska's Strategies to Prevent Underage Drinking*, which represents the work of a number of state-level agencies and departments, including the Department of Health and Social Services, the Alcoholic Beverage Control Board, the Division of Juvenile Justice, the Alaska Native Justice Center, the University of Alaska Anchorage Justice Center, the Alaska Mental Health Trust Authority, and the Alaska Court System.

RECOMMENDATIONS

Recommendation UAD-1. Employee Penalty for Selling Alcohol to a Minor | Reduce the penalty for a licensee, agent or employee selling alcohol to a minor (AS 04.16.052) from a class A misdemeanor to a minor offense violation.

INTENT OF PROPOSED CHANGES

As currently written, AS 04.16.052 (furnishing of alcoholic beverages to persons under the age of 21 by licensees) applies to licensees, their agents or employees. It is a class A misdemeanor with a penalty that may include fines, jail time and suspension or revocation of the license upon conviction. As a misdemeanor, the penalty is perceived to be too severe and disproportionate to the offense to be effectively and consistently enforced. This recommendation would reduce the penalty to a minor offense violation to ensure swifter and more consistent enforcement. The proposed change would reduce the penalty for a licensee, agent or employee of a licensee selling alcohol to an underage person from a misdemeanor to a violation with a criminal fine of \$250 to \$500. The fine range gives the judge or magistrate some discretion in adjusting the penalty for mitigating circumstances.

Research on deterrence shows that to be effective, there must be a credible threat that a significant negative consequence will occur, and the threat must be perceived to be swift and certain for the effect to be maintained over time. This recommendation is considered a best practice by the Pacific

Institute for Research and Evaluation, and is also included as a recommendation in *Analysis of Strategies Designed to Reduce Sales of Alcohol and Tobacco to Underage Persons Preliminary Report* (2012) produced by the UAA Justice Center.

Recommendation UAD-2. Sanctions to Employers for Employee Sales to Minors | Increase the consistency and certainty of sanctions to licensees upon conviction of violating Sec. 04.16.052.

INTENT OF PROPOSED CHANGES

As currently written, AS 04.16.052 (furnishing of alcoholic beverages to persons under the age of 21 by licensees) applies to licensees, their agents or employees. This recommendation would require the ABC Board to apply additional administrative sanctions against licensees upon the conviction of the licensee, agent or employee for violating AS 04.16.052, including fines and possible license suspension. Similar administrative remedies are already available to the ABC Board, but existing statutes give the Board more discretion to set fine amounts and suspend or revoke license than the proposed statute language, making it less certain which, if any, penalties licensees can expect. The proposed administrative sanctions include a first conviction fine of \$250 to the licensee, with increasing fine amounts for subsequent convictions. Upon subsequent convictions, the licensee may request a hearing with the ABC Board to present evidence of mitigating circumstances (e.g., the licensee implemented their own additional training or has a history of responsible law-abiding conduct regarding their license to sell alcohol) and thereby reduce the fine imposed by the ABC Board upon the licensee. The fines are intended to be punitive for licensed businesses with a pattern of violations (greater than simply a cost of doing business), but not punitive to a generally well-managed licensed business with occasional violations that may occur. The proposal would also require the Court to alert the ABC Board upon conviction of the AS 04.16.052 violation, so there is more certainty and transparency where ABC Board notifications of violation are concerned for this offense. By increasing the certainty of administrative sanctions to the licensee, these proposed provisions are intended to create a stronger incentive for the licensee to increase and improve oversight to ensure their agents and employees do not knowingly sell alcohol to minors.

Research on deterrence shows that to be effective, there must be a credible threat that a significant negative consequence will occur, and the threat must be perceived to be swift and certain for the effect to be maintained over time. This recommendation is considered a best practice by the Pacific Institute for Research and Evaluation, and is also included as a recommendation in *Analysis of Strategies Designed to Reduce Sales of Alcohol and Tobacco to Underage Persons Preliminary Report* (2012) produced by the UAA Justice Center.

Recommendation UAD-3. Statewide Keg Registration | Require all beer kegs purchased in the state to be registered.

INTENT OF PROPOSED CHANGES

The proposed addition to statute would require the registration of all beer kegs purchased in the state. This recommendation proposes a minimum container size of four (4.0) gallons to ensure that the regulation will apply to standard kegs (15.5 gallons), pony kegs (5.5 gallons), and brewery sampler kegs (5.167 gallons).

The ability to track the purchase of a keg confiscated at a party would be beneficial in pursuing charges for adults who supply alcohol to underage persons. Anchorage and Juneau municipal codes currently require registration for all keg purchases. In Juneau and nationally, reports from law enforcement agencies suggest that keg registration substantially reduces young people's keg use. Implementation of beer keg registration is considered a best practice by the Institute for the Study of Social Change and the Pacific Institute for Research and Evaluation. This is also a recommendation from *Alaska's Strategies to Prevent Underage Drinking* (2013).

Recommendation UAD-4. Clarify Wording on Required Signage | Revise the ABC requirements for warning signs posted at licensee establishments to make it clear that minors are prohibited from being on premises, with the exception of certain circumstances.

INTENT OF PROPOSED CHANGES

AS 04.21.065(b) requires that warning signs posted at licensee establishments including one that says, "A person under 21 years of age who enters these premises in violation of law could, under AS 04.16.049(e) be civilly liable for damages of \$1,000."

The civil fine amount listed in AS 04.16.049(e) is \$1,500. This recommendation would change the required language for this signage to read:

WARNING: An unaccompanied person under 21 years of age who enters these premises in violation of law ~~could~~ can, under AS 04.16.049(~~e~~) be civilly liable for damages of \$1,500 and be subject to criminal charges.

The proposed language is intended to clarify the intent of the signage and more effectively deter minors from illegally entering licensed establishments. The ineffectiveness of existing signage is reflected in a recent case involving a minor entering a retail establishment and attempting to purchase alcohol, in which the minor claimed that he did not know he was not supposed to be there. The jury decided that despite the licensee posting the warning signs as required by law, it was still not clear to the minor that he was prohibited from being on premises.

Recommendation UAD-5. Minor Consuming Alcohol (MCA) as Violation | Restore Minor Consuming Alcohol (AS 04.16.050) to a true violation.

INTENT OF PROPOSED CHANGES

This recommendation would make the Minor Consuming Alcohol offense (AS 04.16.050) a true violation with a fine of \$500 regardless of the number of prior convictions, with provisions for the fine to be reduced upon completion of a state-approved alcohol education or treatment program within six (6) months of the court hearing. The proposal removes mandatory completion of alcohol education or treatment, community work service, and suspension or revocation of driver's license.

This proposal would restore AS 04.16.050 to a minor offense violation. As an unclassified offense that has been interpreted more closely to a misdemeanor than a violation, the penalty is perceived to be too severe and disproportionate to the offense to be effectively and consistently enforced. A minor with a first-time or repeat MCA commits an offense that is permanently, publicly maintained in Court View. A third ("habitual") MCA offense becomes a class B misdemeanor that may result in penalties that are less harsh than those for first-time or repeat MCA. For example, if the minor is

under age 18, the case is referred to the Division of Juvenile Justice, which has strict confidentiality rules and would not make the records publicly available. If the minor is 18 to 20 years old, the case would be referred to District Court, where it again would be maintained in Court View and available for the public to search. An individual with a permanent public record may have difficulty securing employment, enlisting in the military, and face other barriers by having such a record. By restoring AS 04.16.050 to a true violation, this proposal is intended to ensure swift and consistent enforcement while not creating a long-term stigma for a person for their behavior as a minor. As a violation, the offense would no longer go on the permanent public record.

The proposal to make the penalty the same regardless of the number of prior convictions is intended to result in more immediate consequences for the minor, and to make the offense more easily (and therefore likely to be) enforced. If unpaid, the fine will be deducted from the minor's Permanent Fund Dividend, which may alert a parent or guardian if they are not previously aware of the charge against their child. For subsequent convictions, the fine amounts will accrue, and this is believed to be an adequate deterrent to repeat offenses.

Removing mandatory completion of alcohol education or treatment, community work service, and suspension or revocation of driver's license are all necessary to restore the MCA to a true violation, as these provisions are the reason the Alaska Supreme Court decided that it must be treated as a criminal offense.² To accomplish the aim of providing restorative justice to the extent possible, the proposal includes a fine reduction for the completion of a state-approved alcohol education or treatment program within six (6) months of the court hearing. The minor would be directed to the state Alcohol Safety Action Program (ASAP)/Juvenile Alcohol Safety Action Program (JASAP) office to identify a program that would satisfy this provision; the ASAP office would certify completion and forward the certification to the Court for the fine reduction. The fine reduction is intended to create an incentive for the minor to seek and complete the education or treatment.

² Minor Consuming Alcohol is currently considered an unclassified offense. AS 04.16.050 was originally written as a violation, but the Alaska Supreme Court ruled that it must be treated as a criminal offense. The Alaska Supreme Court decided that if a valuable license was affected, then the individual is entitled to a defense lawyer, jury trial, etc. There are five minor offenses in this group: 1) first MCA, 2) repeat MCA, 3) refusing to submit to a chemical test, 4) driving after consuming, 5) operating a vehicle within two days of receiving an MCA (first or repeat). These are found in Rule 18 of the Minor Offense Code, which lists minor offenses that must be filed as criminal cases, assigned criminal case numbers, and for which criminal procedures apply because the drivers' license (a valuable license) could be suspended or revoked.

APPENDIX

ABC BOARD TITLE 4 REVIEW STAKEHOLDERS

	Name	Organization or Agency	Sector(s) Represented
1	Aleesha Towns-Bain *	Rasmuson Foundation	Public Health
2	Amanda Moser	Municipality of Anchorage	Licensing Specialist
3	Amber Willis	Alaska State Fair	Recreational Site Licensee
4	Anna Nowak	Anchorage Municipality [former]	Former Licensing Specialist
5	Anthony Henry	Anchorage Police Department	Law Enforcement
6	Barb Miller *	Midnight Sun Brewing	Brewery Licensee
7	Beth McEwen *	City and Borough of Juneau	Local Governing Body
8	Bob Beasley *	ABC Board Staff	Acting Director / Enforcement
9	Bob Klein *	ABC Board	Industry Member
10	Bob Winn *	Self Employed	Liquor Industry
11	Bobby Evans	ABC Board	General Public Member/Rural
12	Charlie Daniels *	Volunteers of America	Public Health
13	Chris Lambert	ABC Board Licensing Supervisor	Law Enforcement
14	Chris Simon *	Department of Education	Education
15	Chris Thompson	Alaska State Troopers	Law Enforcement
16	Christine Lambert *	ABC Board [former]	Former Licensing Specialist
17	Curtis Vic	Alaska State Troopers	Law Enforcement
18	Cynthia Franklin *^	Anchorage Municipality [former]	Local Governing Body [former]
19	Dale Fox *	Alaska CHARR	Liquor Industry
20	Danna Grammer *	Stellar Wines Distributing	Wholesale Licensee
21	Dick Rosston *	Private Attorney	Rep. Resort+Package Store Lic.
22	Don Grasse *	K & L Distributors	Wholesale Licensee
23	Doran Powell	Chilkoot Charlie's	Beverage Dispensary Licensee
24	Dorcas Bloom *	Retired	Public Health/Education
25	Ellen Ganley *	ABC Board	General Public Member
26	Eric Olsen	ABC Board Investigator	Law Enforcement
27	Eric Pratt *	Anchorage Police Department	Law Enforcement
28	Ethan Billings	ABC Board	Industry Member
29	Fred Odsen *	Private Attorney	Rep. Package Store+Rec. Site Lic.
30	George Gatter *	Tony's Bar	Beverage Dispensary Licensee
31	Glenn Brady *	Silver Gulch Brewing	Brewery+Package Store Licensee
32	James Cockrell	Alaska State Troopers	Law Enforcement
33	James Hoelscher	Village Public Safety	Law Enforcement
34	Jan Hill *	SEARHC	Tribal Health
35	Jeff Jessee *	Mental Health Trust Authority	Public Health
36	Joe Darnell	Behavioral Health	Public Health
37	Joe Hamilton	ABC Board Staff	Law Enforcement
38	Joel Kadarach	Odom Corporation	Wholesale Licensee

39	John Novak	Asst. Attorney General, Dept. Public Safety	Law Enforcement
40	Johni Blankenship	Kenai Peninsula Borough	Local Governing Body
41	Katie Baldwin-Johnson *	Mental Health Trust Authority	Public Health
42	Kate Burkhart	ABADA	Public Health
43	Kevin Blanchette *	Alaska State Troopers	Law Enforcement
44	Kyle Wark *	First Alaskans	Tribal Health
45	L. Diane Casto *	Behavioral Health	Public Health
46	Laura Porter	Mat-Su School District	Education
47	Liz Medicine-Crow *	First Alaskans	Tribal Health
48	Mark Mew	Anchorage Police Department	Law Enforcement
49	Marny Rivera *	University of Alaska Anchorage	Education
50	Marvin Yoder *	ABC Board	General Public Member
51	Matt Felix	NCADDJ-retired	Public Health
52	Matt Jones *	Bear Tooth Grill + Theatrepub	Beverage Dispensary Licensee
53	Mike Dodge	HottStixx	Beverage Dispensary Licensee
54	Molly Poland	Hooligans	Beverage Dispensary Licensee
55	Natasha Pineda	Mental Health Trust Authority	Public Health
56	Paul Thomas *	Alaska Cache Liquor	Package Store Licensee
57	Peggy Phillips	Fairbanks North Star Borough	Local Governing Body
58	Pete Burns *	Humpy's Alaskan Alehouse	Beverage Dispensary Licensee
59	Randy McCain	Eagles Lodge	Club Licensee
60	Rebecca Neagle	Sitnasuak Native Corporation	Public Health
61	Rich Sayers	Anchorage Golf Course	Golf Course Licensee
62	Robert McCormick	Glacier Brewhouse/Orso	Beverage Dispensary Licensee
63	Sara Clark *	Behavioral Health	Public Health
64	Sarah Oates	ABC Board Staff	Licensing Specialist
65	Sheri Musgrave *	Alaska State Fair	Recreational Site Licensee
66	Shirley Coté *	ABC Board Staff [retired]	Former Director
67	Susan Osborne	Gold Hill Liquor	Package Store Licensee
68	Teri Tibbett	ABADA	Public Health
69	Trish Smith	Volunteers of America, Alaska	Public Health
70	Tony Newman	Division of Juvenile Justice	Public Health
71	Walt Monegan *	Retired	Law Enforcement

** All of the stakeholders listed above were invited to the March 25, 2014 meeting and have been involved in the process since 2012. Names indicated with (*) attended the March meeting.*

^ Cynthia Franklin, formerly a prosecutor with the Municipality of Anchorage, became the next ABC Board Director as of September 22, 2014. Her participation in this process was both as a stakeholder and subsequently as a member of the Steering Committee, representing the ABC Board Staff.

ALASKA TITLE 4 REVIEW

FOR THE
Alaska Alcoholic Beverage
Control Board

Executive Summary

Recommendations for Statutory Change

February 2015

EXECUTIVE SUMMARY

“The board shall control the manufacture, barter, possession, and sale of alcoholic beverages in the state. The board is vested with the powers, duties and responsibilities necessary for the control of alcoholic beverages...” ASo4.06.090(a)

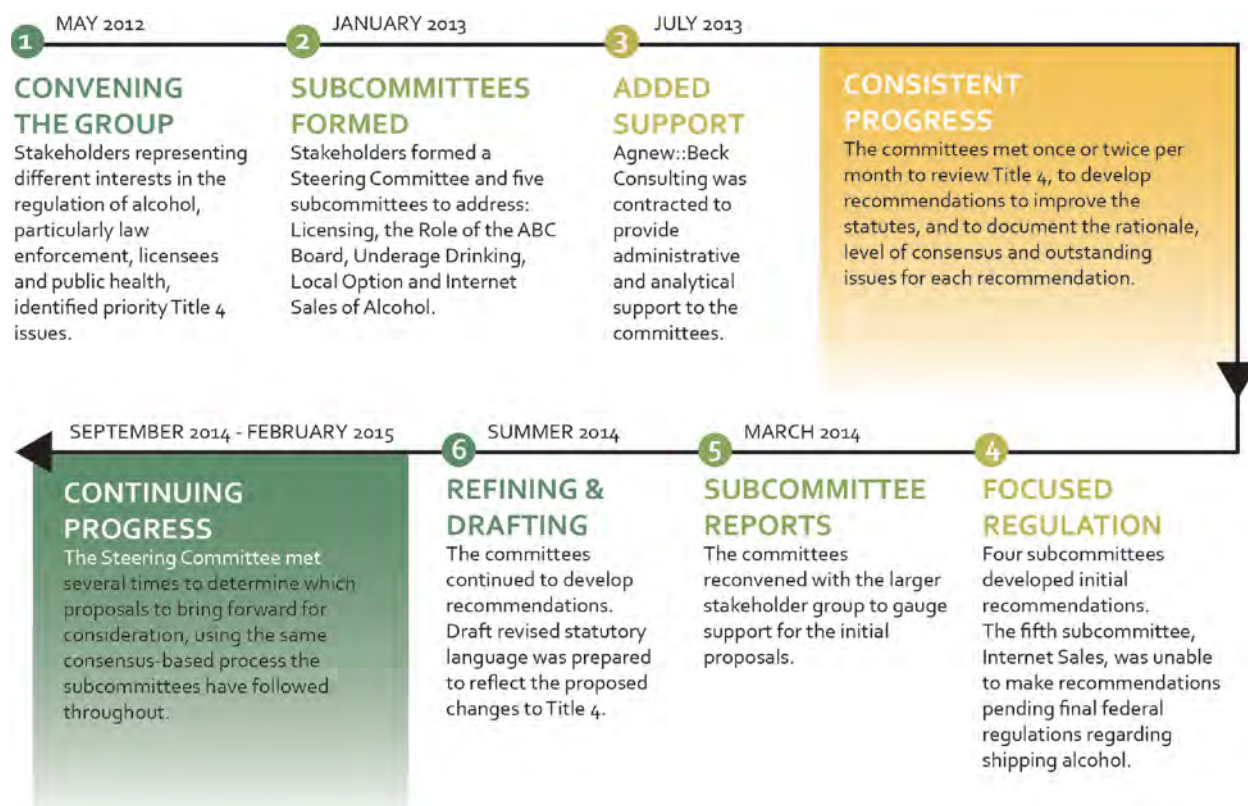
The recommendations in this report are built from a two-year process initiated by the Alcoholic Beverage Control (ABC) Board to engage a diverse group of more than 70 stakeholders to determine how to improve the structure, organization, specific policies and associated implementation issues in Title 4, Alaska’s statutes regarding regulation and control of alcoholic beverages in the state. Title 4 is recognized to be in many ways outdated, confusing or otherwise ineffective in carrying out the intent of the statutes. The ABC Board is tasked with interpreting and enforcing the laws of Title 4. This process is intended to benefit the Board as it carries out its mission, as well as benefitting the many other organizations and individuals whose work, community or business is affected by alcohol control laws and regulations.

In May 2012, the ABC Board convened a stakeholder group of people engaged in the alcohol industry, public health, local government, law enforcement, public safety, education, community advocacy and other sectors. The group identified some of the priority issues in statute to address. Stakeholders met again in January 2013 to form five subcommittees to address the priority topics identified by the large group: Licensing, the Role of the ABC Board, Underage Drinking, Local Option and Internet Sales of Alcohol. A Steering Committee composed of ABC Board members, staff and the chairs of each subcommittee formed to coordinate the work of the five subcommittees and make decisions about which proposals to include in the final set of recommendations. Agnew::Beck Consulting was contracted in July 2013 to provide administrative and analytical support to the subcommittees in conducting their review of the Statutes and associated Alaska Administrative Code sections.

The subcommittees met once or twice monthly to review their assigned portions of the statutes and regulations related to Title 4, to develop recommendations for improving the statutes and to document their rationale, level of consensus and further issues to be resolved for each recommendation. Four of the subcommittees have developed sets of recommendations that have since been presented for inclusion in this legislative package. The fifth subcommittee, Internet Sales, has discussed the issue of shipments of alcohol from out-of-state companies to individuals through online sales, which bypasses the state’s regulatory and taxation system. The subcommittee identified the point in the shipment process to focus regulation: the major package carriers (UPS, FedEx, DHL), through which alcohol travels into the state. Because the U.S. Postal Service is also considering allowing shipment of alcohol, however, the subcommittee has no recommendation until this decision is made at the federal level.

On March 25, 2014, the subcommittees prepared summary presentations and shared their progress to date with the larger stakeholders group to gauge the level of stakeholder support for the subcommittees’ proposals. Following the stakeholders’ meeting, the subcommittees continued to refine and develop additional recommendations within their topic areas. In preparation for the legislative process and the introduction of a draft bill, legal consultant Carmen Gutierrez was

contracted to prepare draft statute language to reflect the changes to Title 4 proposed by the subcommittees. The Steering Committee reviewed the subcommittees' sets of recommendations and determined which would be included in the final package described in this summary through a series of meetings from September 2014 to February 2015. The Steering Committee relied on the same consensus-based process that the subcommittees have used to determine which proposals to bring forward for consideration, as well as reviewing the entire set of recommendations to ensure logical consistency and balance across the stakeholder constituencies' interests.



The tables on the following pages provide a summary of the recommendations, grouped by subcommittee. The full summary report summarizes the final set of recommendations, the intent of the proposed changes, and if relevant, implications that will require resolution during the legislative process or through ABC Board regulations.

RECOMMENDATIONS BY SUBCOMMITTEE

Licensing Subcommittee	
F-1. Adjust License Fees to Reflect Current ABC Budgetary Needs	Update license fees according to the relative administrative costs of each, and collect sufficient revenue to cover the ABC Board's required activities, as recommended in RB-3.
M-1. Simplify Manufacturing Licenses	Keep three manufacturing license types: Brewery (AS 04.11.130), Winery (AS 04.11.140), Distillery (AS 04.11.170). Remove Bottling Works (AS 04.11.120) and Brewpub (AS 04.11.135) license types.
M-2. Manufacturer Retail License + Manufacturer Sampling Endorsement	Add-on retail licenses specifically for manufacturers to allow limited on-site consumption and off-site sales, and a separate endorsement for free samples.
M-3. Manufacturer Allowed to Hold a Restaurant Eating Place License	Remove the restriction in Prohibited Financial Interest (AS 04.11.450), which does not allow Manufacturers to hold an REPL (04.11.100).
W-1. Adjust Scaling of Wholesale License Fees and Simplify Supplier Reporting	Adjust fees for both Wholesale licenses (both listed in AS 04.11.160) to retain current maximum but reduce burden on small operators; remove the requirement to provide a full list of suppliers to the ABC Board.
W-2. Align State Statute with Federal Law Regarding Trade Practices	Add provisions in Title 4 to match current federal law regarding trade practices and agreements between retailers and wholesalers or manufacturers.
P-1. Population Limits Apply to Retail Licenses Only	Apply population limitations on the number of licenses only to retail-tier licenses (excluding Tourism and Public Convenience).
P-2. ABC Board Advisory Opinion on Proposed Legislation	Enable the ABC Board to issue a formal advisory opinion on proposed legislation regarding Title 4.
P-3. Seasonal Tourism Restaurant License	Place a permanent moratorium on issuing new Public Convenience licenses, and replace existing licenses with a new license type that allows for seasonal REPL licenses in small communities and unincorporated areas.
R-1. Multiple Licensed Premises with a Beverage Dispensary License	Clarify the parameters that would allow and require multiple fixed counters for a Beverage Dispensary License (AS 04.11.090): create a Multiple Fixed Counter Endorsement, a Hotel/Motel Endorsement, and a Large Resort Endorsement.
R-2. Recreational Site License	Ensure that the definition of "Recreation" is applied to current and potential Recreational Site License holders; implement a sunset provision to review and revoke any licenses that do not meet this definition (AS 04.11.210).
R-3. Package Store On-Site Product Sampling Endorsement	Create a separate Endorsement to allow on-site sampling at Package Stores (AS 04.11.150).
R-4. Clarify Restaurant Food Requirement	Clearly define in statute the calculation of 50% food sales (AS 04.11.100) as the ratio of food sales receipts to alcohol sales receipts for on-site consumption.

Licensing Subcommittee

R-5. Golf Course License and Endorsement

Retain the current Golf Course License (AS 04.11.115), allow a Golf Course to hold a BDL, create a Golf Course Endorsement; adapt AS 04.16.049, 3 AAC 304.715, 3 AAC 304.725 and 3 AAC 304.745 to allow minors to play or work on the golf course or clubhouse.

R-6. Theatre License

Move the Theatre License into statute and out of regulation 3 AAC 304.695 as an add-on license to a BDL or REPL.

R-7A through M. Endorsements and Permits

Create a clear statutory framework for Endorsements and Permits, with all types defined in statute as well as regulation.

- R-7A | *Bowling Alley Endorsement*
- R-7B | *Package Store Shipping Endorsement*
- R-7C | *Package Store Delivery Endorsement*
- R-7D | *Package Store Re-Packaging Endorsement*
- R-7E | *Permits, generally*
- R-7F | *Beverage Dispensary Caterer's Permit*
- R-7G | *Restaurant Caterer's Dining Permit*
- R-7H | *Club Caterer's Permit*
- R-7I | *Nonprofit Event Permit*
- R-7J | *Art Exhibit Permit*
- R-7K | *Alcoholic Beverage Auction Permit*
- R-7L | *Retail Stock Permit*
- R-7M | *Tasting Event Permit*

Role of the ABC Board Subcommittee

RB-1. Strengthen Reporting Requirements for Municipal Enforcement

Include in statute that municipalities submit quarterly reports on Title 4 enforcement activities to the ABC Board.

RB-2. Community Analysis of Written Order Database

Allow data about alcohol purchases (written orders) in local option communities to be reported/made available, aggregated at the region or community level, for analysis and community self-assessment.

RB-3. Revise ABC Board Budget to Adequately Fund Needed Activities

Determine the necessary funding level to carry out the ABC Board's mission and core functions; adjust revenue (fees) accordingly to meet that need, as recommended in F-1.

RB-4. ABC Board as Lead Agency for Alcohol Education Efforts

Designate the ABC Board as lead agency in a multi-department, public-private sector education effort about responsible alcohol use and applicable laws.

RB-5. Composition of the ABC Board

Retain the current number of members but add designated seats: 1 public health, 1 public safety, 2 industry and 1 rural public member; include provision for Director's background in filling the designations.

RB-6. Update Title 4 Sanctions

Review sanctions for all Title 4 sections; revise penalties to be more proportionate to the offense and consistently enforced.

Local Option Subcommittee

LO-1. Repeal Local Option #4	Repeal section 04.11.491(b)(4) (Local Option #4), which bans the sale and importation of alcohol, not possession.
LO-2. Increase Enforcement and Prosecution Resources	Include in recommendation RB-3 (revised ABC Board budget to adequately fund needed activities) adequate budget for increased dedicated prosecutors and investigators for Title 4, particularly local option law enforcement.
LO-3. Increase Local Option Perimeter	Increase the local option perimeter boundary from a 5-mile radius from the village center defined by AS 04.11.508 to a 10-mile radius.
LO-4. Increase Mandatory Minimum Penalty for Bootlegging	Increase the mandatory minimum penalty for bootlegging at the class A misdemeanor level (AS 04.16.200(g)), with increasing penalties for multiple offenses and per-unit fine for the volume of alcohol being illegally sent, brought or transported into the local option community.
LO-5. Clarify Language Regarding Homebrew Ingredients	Make possession of homebrew ingredients and/or equipment with intent to produce alcohol illegal in all local option communities.

Underage Drinking Subcommittee

UAD-1. Employee Penalty for Selling Alcohol to a Minor	Reduce the penalty for a licensee, agent or employee selling alcohol to a minor (AS 04.16.052) from a class A misdemeanor to a minor offense violation.
UAD-2. Sanctions to Employers for Employee Sales to Minors	Increase the consistency and certainty of sanctions to licensees upon conviction of violating AS 04.16.052.
UAD-3. Statewide Keg Registration	Require all beer kegs purchased in the state to be registered.
UAD-4. Clarify Wording on Required Signage	Revise the ABC requirements for warning signs posted at licensee establishments to make it clear that minors are prohibited from being on premises, with the exception of certain circumstances.
UAD-5. Minor Consuming Alcohol (MCA) as Violation	Restore Minor Consuming Alcohol (AS 04.16.050) to a true violation.

TITLE 4 REVIEW STAKEHOLDERS

	Name	Organization or Agency	Sector(s) Represented
1	Aleesha Towns-Bain *	Rasmuson Foundation	Public Health
2	Amanda Moser	Municipality of Anchorage	Licensing Specialist
3	Amber Willis	Alaska State Fair	Recreational Site Licensee
4	Anna Nowak	Anchorage Municipality [former]	Former Licensing Specialist
5	Anthony Henry	Anchorage Police Department	Law Enforcement
6	Barb Miller *	Midnight Sun Brewing	Brewery Licensee
7	Beth McEwen *	City and Borough of Juneau	Local Governing Body
8	Bob Beasley *	ABC Board Staff	Acting Director / Enforcement
9	Bob Klein *	ABC Board	Industry Member
10	Bob Winn *	Self Employed	Liquor Industry
11	Bobby Evans	ABC Board	General Public Member/Rural
12	Charlie Daniels *	Volunteers of America	Public Health
13	Chris Lambert	ABC Board Licensing Supervisor	Law Enforcement
14	Chris Simon *	Department of Education	Education
15	Chris Thompson	Alaska State Troopers	Law Enforcement
16	Christine Lambert *	ABC Board [former]	Former Licensing Specialist
17	Curtis Vic	Alaska State Troopers	Law Enforcement
18	Cynthia Franklin *^	Anchorage Municipality [former]	Local Governing Body [former]
19	Dale Fox *	Alaska CHARR	Liquor Industry
20	Danna Grammer *	Stellar Wines Distributing	Wholesale Licensee
21	Dick Rosston *	Private Attorney	Rep. Resort+Package Store Lic.
22	Don Grasse *	K & L Distributors	Wholesale Licensee
23	Doran Powell	Chilkoot Charlie's	Beverage Dispensary Licensee
24	Dorcas Bloom *	Retired	Public Health/Education
25	Ellen Ganley *	ABC Board	General Public Member
26	Eric Olsen	ABC Board Investigator	Law Enforcement
27	Eric Pratt *	Anchorage Police Department	Law Enforcement
28	Ethan Billings	ABC Board	Industry Member
29	Fred Odsen *	Private Attorney	Rep. Package Store+Rec. Site Lic.
30	George Gatter *	Tony's Bar	Beverage Dispensary Licensee
31	Glenn Brady *	Silver Gulch Brewing	Brewery+Package Store Licensee
32	James Cockrell	Alaska State Troopers	Law Enforcement
33	James Hoelscher	Village Public Safety	Law Enforcement
34	Jan Hill *	SEARHC	Tribal Health
35	Jeff Jessee *	Mental Health Trust Authority	Public Health
36	Joe Darnell	Behavioral Health	Public Health
37	Joe Hamilton	ABC Board Staff	Law Enforcement
38	Joel Kadarauch	Odom Corporation	Wholesale Licensee
39	John Novak	Asst. Attorney General, Dept. Public Safety	Law Enforcement

	Name	Organization or Agency	Sector(s) Represented
40	Johni Blankenship	Kenai Peninsula Borough	Local Governing Body
41	Katie Baldwin-Johnson *	Mental Health Trust Authority	Public Health
42	Kate Burkhart	ABADA	Public Health
43	Kevin Blanchette *	Alaska State Troopers	Law Enforcement
44	Kyle Wark *	First Alaskans	Tribal Health
45	L. Diane Casto *	Behavioral Health	Public Health
46	Laura Porter	Mat-Su School District	Education
47	Liz Medicine-Crow *	First Alaskans	Tribal Health
48	Mark Mew	Anchorage Police Department	Law Enforcement
49	Marny Rivera *	University of Alaska Anchorage	Education
50	Marvin Yoder *	ABC Board	General Public Member
51	Matt Felix	NCADDJ-retired	Public Health
52	Matt Jones *	Bear Tooth Grill + Theatrepub	Beverage Dispensary Licensee
53	Mike Dodge	HottStixx	Beverage Dispensary Licensee
54	Molly Poland	Hooligans	Beverage Dispensary Licensee
55	Natasha Pineda	Mental Health Trust Authority	Public Health
56	Paul Thomas *	Alaska Cache Liquor	Package Store Licensee
57	Peggy Phillips	Fairbanks North Star Borough	Local Governing Body
58	Pete Burns *	Humpy's Alaskan Alehouse	Beverage Dispensary Licensee
59	Randy McCain	Eagles Lodge	Club Licensee
60	Rebecca Neagle	Sitnasuak Native Corporation	Public Health
61	Rich Sayers	Anchorage Golf Course	Golf Course Licensee
62	Robert McCormick	Glacier Brewhouse/Orso	Beverage Dispensary Licensee
63	Sara Clark *	Behavioral Health	Public Health
64	Sarah Oates	ABC Board Staff	Licensing Specialist
65	Sheri Musgrave *	Alaska State Fair	Recreational Site Licensee
66	Shirley Coté *	ABC Board Staff [retired]	Former Director
67	Susan Osborne	Gold Hill Liquor	Package Store Licensee
68	Teri Tibbett	ABADA	Public Health
69	Trish Smith	Volunteers of America, Alaska	Public Health
70	Tony Newman	Division of Juvenile Justice	Public Health
71	Walt Monegan *	Retired	Law Enforcement

* All of the stakeholders listed above were invited to the March 25, 2014 meeting and have been involved in the process since 2012. Names indicated with (*) attended the March meeting.

^ Cynthia Franklin, formerly a prosecutor with the Municipality of Anchorage, became the next ABC Board Director as of September 22, 2014. Her participation in this process was both as a stakeholder and subsequently as a member of the Steering Committee, representing the ABC Board Staff.

Alaska's Liquor License System

Alaska's license system is based on the 3-tier system of alcohol regulation: separate entities **manufacture**, **distribute**, and **sell** alcohol to the public.

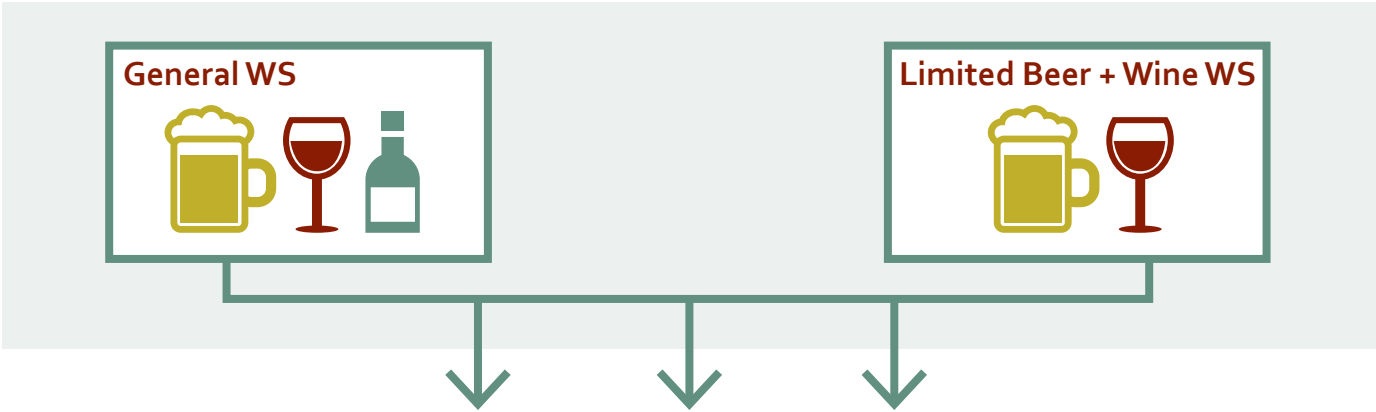
Manufacturing Tier

exempt from population limits



Wholesale Tier

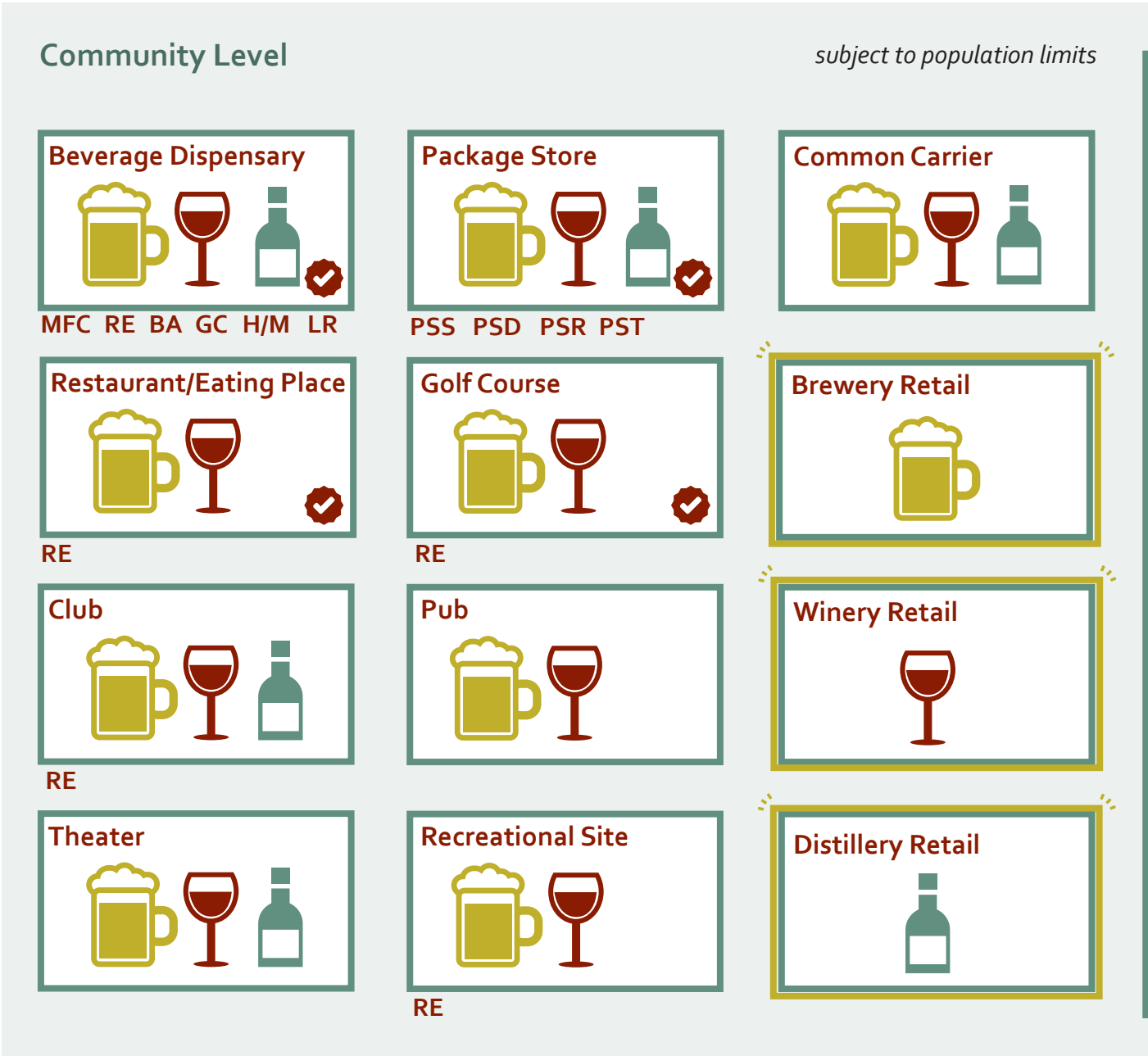
exempt from population limits



Retail Tier

Community Level

subject to population limits



Tourism

exempt from population limits



Proposed for Removal from Title 4



- NEW LICENSE**
Proposed new license in Title 4
- ENDORSEMENTS**
Expanded activities and/or premises to fit business model
- PSS**
Pkg Store Shipping
- PSR**
Pkg Store Repackage
- RE**
Restaurant
- GC**
Golf Course
- BA**
Bowling Alley
- MS**
Manufacturer Sampling
- PSD**
Pkg Store Delivery
- PST**
Pkg Store Sampling
- H/M**
Hotel/Motel
- LR**
Large Resort
- MFC**
Multiple Fixed Counter

Alaska Alcoholic Beverage Control Board

Title 4 Review

WHAT IS TITLE 4?

Title 4 of the Alaska Statutes regulates alcoholic beverages. The Alcoholic Beverage Control Board, staff and law enforcement carry out these laws.

WHY REVIEW TITLE 4?

Much of the chapter has not been updated since 1980. Over time, incremental updates and changing trends have reduced the effectiveness of Title 4. A systematic review of the statutes helps the Board carry out its mission and will benefit organizations and individuals whose work, community or business is affected by alcoholic beverage laws and regulations.

"The board shall control the manufacture, barter, possession, and sale of alcoholic beverages in the state. The board is vested with the powers, duties and responsibilities necessary for the control of alcoholic beverages..." ASo4.06.090(a)

(ABC Board Mission Statement)

THE REVIEW PROCESS

Since the spring of 2012, more than 60 stakeholders and staff spent over 6,000 hours of dedicated time to craft a set of recommendations to improve the structure, organization, policies and associated implementation of Title 4. Stakeholders represent the alcohol industry, public health, local government, law enforcement, public safety, education, and community advocacy sectors.

MAY 2012

2015



Alaska Alcoholic Beverage Control Board

TITLE 4 REVIEW GOALS

The review and recommendation process was guided by the following goals:

- **Promote a fair business climate and protect public health and safety.**
 - Create rational regulation for all tiers of the state's alcohol industry.
 - Limit youth access to alcohol.
 - Promote responsible alcohol use and reduce the harms of overconsumption.
- **Make Title 4 a clear and consistent legal framework use by licensees, the ABC Board and law enforcement.**
 - Increase swiftness, proportionality and consistency of penalties.
 - Increase local Title 4 law enforcement.
 - Increase licensee accountability before the ABC Board for Title 4 violations.

RECOMMENDED REVISIONS

The proposed revisions are a comprehensive package of inter-related proposals to improve the overall system of alcohol regulation in Alaska. This package ensures that the Alcoholic Beverage Control Board fairly represents the interests of the Alaska people and can be a leader in alcohol education, policy and regulation. The revisions will:

- Clarify conflicting and confusing provisions.
- Make statutes and regulations easier to understand and enforce.
- Simplify and update the licensing system.
- Strengthen local option laws and the ability to enforce them.
- Reform underage drinking sanctions so that minors do not become criminals for underage drinking.
- Hold adults who supply minors with alcohol to greater accountability.

TITLE 4 REVIEW NEXT STEPS

The package of proposed Title 4 revisions will be sent to the Alaska State Legislature to formally adopt into law.

To view the full report or request more information:

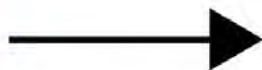
Alcoholic Beverage Control Board

<http://commerce.state.ak.us/dnn/abc/Home>

Cynthia Franklin, Director

(907) 269-0350

cynthia.franklin@alaska.gov



Recommendations

Legislature

If passed,
becomes law

Agenda Item 14

CITY & BOROUGH OF WRANGELL

**BOROUGH ASSEMBLY
AGENDA ITEM
April 14, 2015**

INFORMATION:

ATTORNEY'S FILE – None

Agenda Item 15

CITY & BOROUGH OF WRANGELL

**BOROUGH ASSEMBLY
AGENDA ITEM
April 14, 2015**

Executive Session – None