

CHARTER*

Article 1. Name, Boundaries and Powers

- Section 1.01 Name.**
- Section 1.02 Type and Class of Government.**
- Section 1.03 Boundaries and Borough Seat.**
- Section 1.04 Powers.**
- Section 1.05 Inter-Governmental Relations.**

Article 2. The Assembly

- Section 2.01 Legislative Powers.**
- Section 2.02 Terms and Representation.**
- Section 2.03 Qualifications.**
- Section 2.04 Vacancies and Forfeiture of Office.**
- Section 2.05 Organization and Officers.**
- Section 2.06 Salaries and Compensation.**
- Section 2.07 Meetings.**
- Section 2.08 Rules and Record.**
- Section 2.09 Voting.**
- Section 2.10 Prohibitions.**
- Section 2.11 Investigations.**
- Section 2.12 Borough Attorney.**
- Section 2.13 Port and Harbor Jurisdiction.**
- Section 2.14 Special Advisors.**
- Section 2.15 Parliamentarian.**

Article 3. Legislation

- Section 3.01 Action Required By Ordinance.**
- Section 3.02 Ordinance Procedures.**
- Section 3.03 Emergency Ordinances.**
- Section 3.04 Ordinances—Adoption by Reference.**
- Section 3.05 Nuisances.**
- Section 3.06 Power of Condemnation/Eminent Domain.**

*Editor's note—Printed herein is the Home Rule Charter for the Petersburg Borough, Alaska, as incorporated on January 3, 2013. Amendments to the Charter are indicated by parenthetical history notes following amended provisions. The absence of a history note indicates that the provision remains unchanged from the original Charter. Additions made for clarity are indicated by brackets.

PETERSBURG BOROUGH CODE

Article 4. Borough Manager and Administrative Departments

Section 4.01 Borough Manager: Appointment, Term, Qualifications, Removal.

Section 4.02 Borough Manager: Powers and Duties.

Section 4.03. Acting Borough Manager.

Section 4.04 Borough Clerk.

Article 5. Elections

Section 5.01 General Requirements.

Article 6. Initiative, Referendum and Recall

Section 6.01 Initiative and Referendum.

Section 6.02 Recall.

Article 7. Planning

Section 7.01 Planning Commission.

Section 7.02 Comprehensive Plan.

Section 7.03 Platting Regulation and Subdivision Regulation.

Section 7.04 Planning and Platting within the City of Kupreanof.

Section 7.05 Planning and Platting within the Unincorporated Areas.

Article 8. Education

Section 8.01 Public School System.

Section 8.02 Membership, Qualification and Term.

Section 8.03 Powers and Duties of the School Board.

Section 8.04 Joint Meetings.

Section 8.05 Administrative Procedures.

Article 9. Medical Center

Section 9.01 Borough Medical Center.

Section 9.02 Membership, Qualification and Term.

Section 9.03 Powers and Duties of the Hospital Board.

Section 9.04 Joint Meetings.

Section 9.05 Administrative Procedures.

Article 10. Utilities

Section 10.01 Management and Rates.

Section 10.02 Use of Utility Assets.

Section 10.03 Borrowing.

Section 10.04 Sale of Borough Utility.

CHARTER

Section 10.05 Cooperation With Other Governments/Thomas Bay Power Authority.

Article 11. Finance

Section 11.01 Fiscal Year.

Section 11.02 Submission of Budget, Capital Improvements Program and Message.

Section 11.03 Scope of Budget.

Section 11.04 Scope of Capital Improvements Program.

Section 11.05 Scope of Message.

Section 11.06 Hearing.

Section 11.07 Assembly Action on Budget.

Section 11.08 Certification and Distribution.

Section 11.09 Supplemental and Emergency Appropriations.

Section 11.10 Reduction of Appropriations.

Section 11.11 Lapse of Appropriations and Surpluses.

Section 11.12 Administration of Budget.

Section 11.13 Purchasing; Contracting.

Section 11.14 Enterprise Funds.

Section 11.15 Independent Audit.

Article 12. Taxation

Section 12.01 Powers.

Section 12.02 Sales and Use Taxes; Ratification of Sales or Use Tax Rate Increases.

Section 12.03 Tax Cap, Assessment, Levy and Collection of Property Taxes; Exemptions.

Section 12.04 Private Leaseholds, etc., in Property Owned or Held by the United States, the State or its Political Subdivisions.

Section 12.05 Assessment—Equalization.

Section 12.06 Lien on Real Property.

Section 12.07 Protection of Lien on Property.

Article 13. Borrowing

Section 13.01 General-Obligation Bonds, and Revenue Bonds.

Section 13.02 Notice of Bond Election.

Section 13.03 Borrowing to Meet Appropriations.

Section 13.04 Revenue Bonds and Borrowing.

Section 13.05 Limitations Upon Borrowing Power.

Section 13.06 Non-Recourse Bond Financing.

Section 13.07 Unexpended and Unencumbered Balances.

Section 13.08 Voiding Authorization of Bonds.

PETERSBURG BOROUGH CODE

Section 13.09 Assembly to Have Power to Regulate.

Section 13.10 Challenges to Bond Elections.

Article 14. Service Areas, Areawide and Non-Areawide Powers

Section 14.01 Areawide and Non-areawide Powers.

Section 14.02 Services to be Provided Only by Service Area.

Section 14.03 Creation, Expansion, Consolidation, Alteration and Termination of Service Areas.

Section 14.04 Criteria for Establishing Service Areas.

Section 14.05 Financing and Management.

Section 14.06 Areawide Powers.

Article 15. City of Kupreanof

Article 16. Local Improvement

Section 16.01 Purpose and Criteria.

Section 16.02 Proposals, Protests and Appeals.

Section 16.03 Establishment.

Section 16.04 Finance.

Section 16.05 All Real Property Liable for Special Assessments.

Article 17. Franchises

Section 17.01 Public Utility Franchise.

Section 17.02 Limitations of the Granting of Franchises.

Section 17.03 Procedure for Granting Franchises.

Section 17.04 Sale or Assignment of Franchises.

Section 17.05 Plans of Facilities in Streets and Public Places.

Article 18. Charter Amendment

Section 18.01 By Proposal.

Section 18.02 Election.

Section 18.03 Effective Date.

Section 18.04 New Charter.

Article 19. General Provisions

Section 19.01 Records to be Public.

Section 19.02 Saturday, Sundays and Holidays.

Section 19.03 Personal Financial Interest and Nepotism.

Section 19.04 Surety Bonds.

Section 19.05 Oath of Office.

CHARTER

Section 19.06 Ordinances and Resolutions.

Section 19.07 Pre-Borough Formation Assets, Liabilities, Sales Taxes, Reserves and Franchises

Section 19.08 Assembly Salaries, Borough Employment, Boards, Committees and Commissions.

Section 19.09 Delivery of Office to Successor.

Section 19.10 Continuance of Actions.

Section 19.11 Transition Plan.

Section 19.12 Penalties.

Section 19.13 Severability Clause.

Section 19.14 Effective Date.

Section 19.15 Words and Phrases; Meaning of "Including".

Section 19.16 Tense, Number and Gender.

Section 19.17 Non-Discrimination.

Section 19.18 Certification.



CHARTER

ALASKA DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT CERTIFICATE OF INCORPORATION OF THE PETERSBURG BOROUGH

By the power and duty vested in me under the laws of the State of Alaska,¹ I, Susan Bell, Commissioner of the Alaska Department of Commerce, Community, and Economic Development, hereby certify that the Petersburg Borough, a non-unified home rule borough, was duly incorporated on January 3, 2013.² The boundaries described below include approximately 3,829 square miles of land and water. I certify further that upon incorporation of the Petersburg Borough, the home rule City of Petersburg was concurrently dissolved, and that the Petersburg Borough immediately succeeded to all rights, powers, and duties of the former City of Petersburg under AS 29.06.520.

The corporate boundaries of the Petersburg Borough are described as follows:

Beginning at the line of mean high tide at Point Coke (Sumdum (D-6), Alaska, 1951, with minor revisions 1963) North 57°47'34" Latitude and West 133°41'50" Longitude; the TRUE POINT OF BEGINNING hereof;

Thence southeasterly to the line of mean high tide at the northwestern most point on Harbor Island;

Thence northeasterly to the line of mean high tide at the westernmost point of land in Section 28, Township 47 South, Range 73 East, Copper River Meridian (northeast of Sand Spit) (Sumdum (D-5), Alaska, 1955, with minor revisions 1981);

Thence easterly along the natural divide between the Tracy Arm and Endicott Arm watersheds, including glaciers (identifiable through the USGS National Hydrography Boundary Dataset, 2012) to its intersection with the Alaska-Canada Boundary Line in Section 19, Township 49 South, Range 80 East, Copper River Meridian approximately 3600 feet Southwest of Boundary Peak 75 on the Alaska-Canada Boundary Line (Sumdum (B-2), 2000);

Thence southeasterly along the Alaska-Canada Boundary Line to Kate's Needle, also known as Boundary Peak No. 70;

Thence southwesterly, further along the Alaska-Canada Boundary Line to a point on the watershed divide between LeConte Bay and the Stikine River (northeastern boundary of the City and Borough of Wrangell);

Thence southwesterly along the boundary of the City and Borough of Wrangell (based on certificate of incorporation dated May 30, 2008) in a generally southwesterly direction to a point in Sumner Strait south of McArthur Reef at approximately North 56°21'18" Latitude and West 133°10'60" Longitude (where the Petersburg/Wrangell Ranger Districts and Thorne Bay Ranger District meet);

Thence westerly along Sumner Strait to a point between Totem Bay on Kupreanof Island and Buster Bay on Prince of Wales Island, at North 56°23'40" Latitude and West 133°25'03" Longitude;

¹ The provisions of 3 AAC 110.630(d) state, "When the requirements in [3 AAC 110.630(a)] have been met, the department shall issue a certificate describing the effective change." In relevant part, 3 AAC 110.630(a) states, "[A] final decision of the commission is effective when (1) notification of compliance with 42 U.S.C. 1973c (Voting Rights Act of 1965) is received from the United States Department of Justice [and] (2) certification of the legally required voter approval of the commission's final decision is received from the director of elections"

² The Local Boundary Commission's final written decision granting the petition for incorporation of a Petersburg Borough and concurrent dissolution of the City of Petersburg was issued on August 22, 2012. The notification of compliance with 42 U.S.C. 1973c in this matter was received by the Department of Commerce, Community, and Economic Development on December 26, 2012 (Department of Justice file number DJ 166-012-3-2012-5144). On January 3, 2013, the Director of the State of Alaska Division of Elections certified that by a margin of 782 to 600, voters in the proposed Petersburg borough had approved the proposition to incorporate the Petersburg Borough and concurrently dissolve the City of Petersburg. The effective date of the concurrent incorporation of the Petersburg borough and dissolution of City of Petersburg is January 3, 2013.

PETERSBURG BOROUGH CODE

Thence northerly to the line of mean high tide on the south shore of Kupreanof Island in Totem Bay and at the southernmost end of the watershed divide between Duncan Canal and Rocky Pass, at North 56°29'39" Latitude and West 133°24'49" Longitude;

Thence northerly through Kupreanof Island along the watershed divide between Duncan Canal and Rocky Pass which passes through Township 62 South, Range 77 East, Sections 4, 5, 8, 9 and 17; Township 61 South, Range 77 East, Sections 5, 7, 8, 18, 19, 30, 31 and 32; Township 60 South, Range 76 East, Sections 4, 5, 6, 7, 8, 17, 18, 20, 27, 28, 29, and 34; Township 59 South, Range 75 East, Sections 10, 11, 13, 14, 15, 23, 25, and 36; Township 59 South, Range 76 East, Sections 6, 7, 18, 31, 32, and 33; Township 58 South, Range 75 East, Sections 25 and 36; Township 58 South, Range 76 East, Sections 5, 6, 7, 8, 17, 18, 19, 30, and 31; and Township 57 South, Range 76 East, Section 31 to a point on said divide, just northwest of Towers Lake at North 56°52'58" Latitude and West 133°30'23" Longitude;

Thence northeasterly further along said divide which passes through Township 57 South, Range 76 East, Sections 24, 25, 26, 27, 31, 32, 33, and 34 to a point northwest of the north end of Duncan Canal on Kupreanof Mountain (Elevation 1806) at approximately North 56°54'22" Latitude and West 133°22'07" Longitude;

Thence easterly to a point on the line of mean high tide at the southernmost end of Portage Bay to a point, at approximately North 56°55'19" Latitude and West 133°16'25" Longitude;

Thence northwesterly along the line of mean high tide of the east shore of Portage Bay to East Point at the entrance to Portage Bay, at approximately North 57°00'15" Latitude and West 133°19'30" Longitude;

Thence to a point in Frederick Sound, at North 57°03'49" Latitude and West 133°19'30" Longitude;

Thence along Frederick Sound to a point west of Cape Fanshaw, at the south end of Stephens Passage, at North 57°11'09" Latitude and West 133°44'19" Longitude;

Thence along Stephens Passage to a point between the Five Fingers and the Brothers, at North 57°17'48" Latitude and West 133°44'19" Longitude;

Thence along Stephens Passage to a point east of Point Hugh on Admiralty Island, at North 57°34'08" Latitude and West 133°42'17" Longitude;

Thence northeasterly along Stephens Passage to Point Coke near Holkham Bay at North 57°47'34" Latitude and West 133°41'50" Longitude the TRUE POINT OF BEGINNING; hereof;

Containing approximately 3,829 square miles, more or less, a portion of which is in the Petersburg Recording District, and a portion of which is in the Juneau Recording District, both in the First Judicial District, State of Alaska.

Signed this 25th day of January, 2013.

/s/ Susan Bell
Susan Bell, Commissioner
Department of Commerce,
Community, and Economic
Development

ACKNOWLEDGEMENT

STATE OF ALASKA)
) SS.
FIRST JUDICIAL DISTRICT)

CHARTER

This is to certify that on the 25 day of January, 2013 before me, the undersigned, a notary public, duly commissioned and sworn as such, personally came Susan Bell, to me known to be the Commissioner of the Alaska Department of Commerce, Community, and Economic Development, who signed the foregoing Certificate of Incorporation of the Petersburg Borough.

/s/

Notary Public for the State of Alaska
My commission expires: with office.



PREAMBLE

We, the people of the Petersburg Borough exercising the powers of home rule by the Constitution of the State of Alaska, in order to provide for efficient and responsive government, and to preserve maximum personal freedom and self-responsibility of the people within the borough, hereby establish this Home Rule Charter.

This Charter guarantees the right of enjoyment of private property, chosen lifestyles, traditions, employment and recreational activities without unnecessarily restrictive or arbitrary laws or regulations. This Charter strives to provide for maximum public participation in borough decision making.

ARTICLE 1. NAME, BOUNDARIES AND POWERS**Section 1.01 Name.**

The municipal corporation is known as "Petersburg Borough." Whenever it deems it in the public interest to do so, the borough may use the name, "Borough".

Section 1.02 Type and Class of Government.

Petersburg Borough is a home rule borough and operates under an "assembly/manager" form of government.

Section 1.03 Boundaries and Borough Seat.

A. The boundaries of the borough shall be as depicted on the map as approved by the Local Boundary Commission on the date of ratification of this Charter. The boundaries of the borough may be changed in the manner provided by law.

B. The Borough Seat shall be at all times located within the area of the borough boundary having the largest population and largest number of commerce businesses per square mile.

Section 1.04 Powers.

The borough may exercise all powers of a home rule borough not prohibited by law or this Charter. All powers of the borough shall be exercised in the manner prescribed by this Charter or applicable laws or, if the manner is not thus prescribed, then in such a manner as the assembly or other authority may prescribe. This Charter is not intended to be exclusive or limiting. It shall be liberally construed to afford the borough all powers necessary to the conduct of its affairs.

Section 1.05 Inter-Governmental Relations.

The borough may exercise any of its powers or perform any of its functions and may participate in the financing thereof, jointly or in cooperation, by agreement with any one or more local governments, the state, or the United States, or any agency or instrumentality of those governments.

ARTICLE 2. THE ASSEMBLY**Section 2.01 Legislative Powers.**

The legislative power of the borough is vested in the assembly.

Section 2.02 Terms and Representation.

A. *Composition of Assembly.* The assembly, elected at large by the qualified voters of the borough, shall be composed of six assembly members and a mayor, elected to staggered terms.

B. *Terms.* The term of the office of all assembly members elected after the initial borough election shall be for three years and until a successor takes office. The term of office of the mayor shall be three years and until a successor takes office.

C. *Initial Transition Terms.* In conjunction with the election that approves the borough and elects the assembly and mayor, the initial terms of the assembly shall be as follows: One borough mayor elected for a three year term. Two assembly members elected for a term of three years, two elected for a term of two years, and two elected for a term of one year, the terms being assigned to the members by lot. For purposes of computing the length of the terms for persons elected to initial terms, the period between the initial election and the first Tuesday of October immediately following that initial election will not be considered. The first regular election provided for in Section 5.01(a) will occur no earlier than twelve months after the effective date of this Charter.

D. *Term of Office Begins.* The initial term of office of the mayor and each assembly member begins upon incorporation of the borough following certifications of the results of the incorporation election. Terms after the initial borough election begin upon certification of the results of the election at which the assembly member or mayor is duly elected.

E. *Term Limits.* The assembly, by ordinance and ratified by the voters, may adopt term limitations for the offices of mayor and assembly member. Term limitations shall not prohibit persons from serving at least two consecutive terms.

Section 2.03 Qualifications.

A. *Residency.* Except as may be otherwise provided by law, only a qualified voter of the borough who has been a resident of the borough for at least one year immediately preceding election or appointment to office shall be qualified as assembly member or mayor. A resident is a person who has maintained their primary, physical residence in the borough.

Determination of Qualifications and Forfeiture. The assembly shall be the judge of the election and qualifications of its members and of grounds for forfeiture of office and for that purpose shall have power to subpoena witnesses, administer oaths and require production of evidence. An assembly member charged with conduct constituting grounds for forfeiture of office is entitled to a public hearing on demand.

B. The assembly shall adopt procedures pertaining to the nomination and election of assembly members and mayor by ordinance.

C. *Transition/Residency:* At the initial election of borough formation, the requirements for residency and voter registration for all candidates and voters shall be based on length of residency within the territory contained within the borough boundaries.

Section 2.04 Vacancies and Forfeiture of Office.

A. *Creation of Vacancies.* The office of an elected borough assembly member or mayor becomes vacant upon death, resignation, or removal from office in any manner authorized by law, this Charter, other law, or forfeiture of office.

B. *Forfeiture of Office.* An elected borough assembly member or mayor shall forfeit office if:

1. Convicted of a felony.
2. Fails to comply with all qualifications prescribed by this Charter or applicable law.

3. Knowingly violates any prohibitions of this Charter.
4. Fails to attend three regular meetings of the assembly per calendar year without being excused by the assembly.
5. Fails to take office within thirty days after election or appointment.
6. Ceases to be a qualified voter residing in the borough.
7. Violates subsection 19.03 B. of this Charter.
8. Is physically absent from the borough for ninety (90) consecutive days unless excused by the assembly.
9. Resigns and the resignation is accepted.
10. Is physically or mentally unable to perform the duties of office as determined by a two-thirds vote of the assembly.

C. *Filling of Vacancies.* The assembly shall, by ordinance, establish procedures for filling of vacancies in the office of assembly member or mayor. Within forty-five days after an assembly position becomes vacant, the assembly shall appoint a qualified person to serve until the next regular election when a qualified successor is elected at large and certified to fill the remainder of the unexpired term. If a vacancy occurs in the office of mayor, the vice mayor shall act as mayor until the next regular election when a qualified successor is elected at large and certified to fill the remainder of the unexpired term.

Section 2.05 Organization and Officers.

A. *Mayor.* The mayor shall preside at meetings of the assembly and have the authority to preserve order and enforce rules of the assembly. The mayor shall be recognized as head of the borough government for all ceremonial purposes. The mayor has no administrative duties. The mayor, with majority vote of the assembly shall appoint committee, board and commission members which are not elected. The mayor shall be counted for quorum purposes and shall vote in the same manner with the same restrictions as an assembly member. The mayor shall not initiate a motion. The mayor has no veto power.

B. *Vice Mayor.* Not later than the first regular meeting of the assembly in November each year, the assembly shall elect from its membership a vice mayor who shall act as mayor during the absence or disability of the mayor and, if a vacancy occurs, shall become mayor until the next regular election at which time a mayor shall be elected and certified to fill the remainder of the unexpired term.

Section 2.06 Salaries and Compensation.

The assembly by ordinance must determine the salary of the mayor and assembly members. An increase in salary shall not take effect until the assembly meeting following the regular election after the ordinance has been adopted. The assembly may by ordinance provide for expense accounts and/or other payments to the mayor and assembly members for expenses incurred in their official duties.

Section 2.07 Meetings.

The assembly must meet regularly and at such times and places as prescribed by ordinance. Special meetings must be held at the call of the mayor or of four or more assembly members. Reasonable notice of all regular and special meetings of the assembly shall be given. All meetings of the assembly must comply with the Alaska Open Meetings law and other applicable laws regarding those meetings; and at each meeting the public shall have reasonable opportunity to be heard.

Section 2.08 Rules and Record.

The assembly must by ordinance determine its own rules and order of business and shall maintain a journal of its proceedings as a permanent public record.

Section 2.09 Voting.

A. *Quorum and Voting Requirements.* Four assembly members constitute a quorum. No assembly action is valid or binding unless adopted by an affirmative vote of four or more assembly members. All assembly members present shall be required to vote subject to Section 19.03 A. of this Charter.

B. *Roll Calls.* A roll call vote must be taken whenever required by law or whenever requested by any member of the assembly. Roll call votes shall be entered in the journal. A roll call must be taken on the passage of ordinances and expenditures.

Section 2.10 Prohibitions.

A. *Other Public Offices, Employment or Contracts.* Except to the extent otherwise provided by state law, no borough assembly member or the mayor shall hold any other elected borough office, any other compensated borough office or any borough employment during term of office. Other than membership on an appointed committee, board or commission, no borough assembly member or the mayor shall be hired or appointed to any compensated borough office or borough employment for a period of one year after vacating office. The relationship of independent contractor for goods and services does not constitute employment for the purposes of this section.

B. *Relationship with Employees.* The assembly shall not recommend or direct the appointment or removal of any officer or employee of the borough except as provided by this Charter. Subordinates of the borough manager shall report to and obtain direction from the borough manager and not from the assembly, the mayor or individual assembly members.

C. *Representation of Client.* An assembly member may not represent any client before any borough department, agency, school district or utility.

Section 2.11 Investigations.

The assembly may conduct hearings and may make investigations into matters affecting the borough and matters concerning the conduct of any borough department, office or agency. The assembly may subpoena witnesses, administer oaths, take testimony and require productions of evidence. Any person who fails or refuses to obey a subpoena or a lawful order issued in the exercise of these powers by the assembly shall be guilty of a misdemeanor.

Section 2.12 Borough Attorney.

There shall be a borough attorney appointed by the assembly who shall serve at the pleasure of the assembly. The borough attorney shall advise the borough assembly, manager or clerk concerning legal issues affecting the borough. The assembly may suspend or remove the borough attorney at any time by vote of the assembly.

Section 2.13 Port and Harbor Jurisdiction.

The assembly shall regulate the use and development of all waters and submerged lands which are subject to the jurisdiction of the borough.

Section 2.14 Special Advisors.

A. Advisors. The assembly may appoint special legal and financial advisors for bond issues or other matters and retain legal counsel as it requires.

B. Committees, Boards and Commissions. The assembly may establish committees, boards and commissions, and shall prescribe their duties, purpose and functions. The assembly, by resolution or ordinance, shall establish the qualifications and conditions of service of the appointed members. Non-elected members of committees, boards and commissions shall be appointed by the mayor subject to confirmation by the assembly. A quorum of any board or commission and the number of members required to approve an action shall be a majority of its membership unless otherwise determined by the assembly. All meetings of committees, boards and commissions shall be public and the public shall have reasonable opportunity to be heard.

C. By ordinance the assembly may create or designate itself to be a board of review, adjustment, equalization or election canvassing board.

Section 2.15 Parliamentarian.

The assembly shall appoint one of its members as parliamentarian who shall rule on procedural questions according to Roberts Rules of Order, the most current edition.

ARTICLE 3. LEGISLATION

Section 3.01 Action Required By Ordinance.

In addition to other acts required by this Charter or other law to be done by ordinance, acts of the assembly that must be done by ordinance are those that:

- A. Adopt or amend an administrative code;
- B. Provide for a fine or other penalty or establish a rule or regulation for the violation of which a fine or other penalty is imposed;
- C. Levy taxes;
- D. Grant, renew or extend a franchise;
- E. Establish the rates charged by the borough utilities;
- F. Authorize the borrowing of money;
- G. Establish procedures for the acquisition, conveyance, disposition or lease of real property of the borough;
- H. Propose amendments to this Charter;
- I. Adopt, with or without amendment, ordinances proposed under initiative powers;
- J. Fix the wages and benefits of members of the assembly;
- K. Adopt, modify, or reject the comprehensive plan, land use or subdivision regulations, building and housing codes and the official zoning map;
- L. Amend or repeal any ordinance previously adopted except as otherwise provided in Article 6 with respect to repeal of ordinances reconsidered under the referendum power;
- M. Establish a formal procedure for acquisition from the state of land or rights in land and disposal of those lands or rights in land;
- N. Authorize any contract, other than a contract for the purchase, sale, conveyance, disposition or lease of property, which by its terms will not be fully executed within five years and which cannot be terminated by the borough upon not more than one-month's notice without penalty;
- O. Establish, alter or abolish any borough department;

- P. Establish service areas; and
- Q. Make appropriations and supplemental appropriations.

Section 3.02 Ordinance Procedures.

Each proposed ordinance shall be in the form required by the assembly. The subject of each ordinance shall be expressed in its title. Each ordinance shall be confined to one subject, unless it is an appropriation ordinance or one codifying, revising or reorganizing existing ordinances. Except as otherwise provided in this Charter, the following procedure governs the enactment of all ordinances:

A. All ordinances shall be prepared in writing and reviewed by the borough attorney.

B. Ordinances shall be considered in first reading at a regular meeting. Prior to the final passage of any ordinance, a public hearing shall be held and the ordinance read and advanced at three separate meetings. The public hearing may be held in conjunction with the second or third readings of an ordinance. A proposed non-emergency ordinance may be read in full or by title only. No separate motion shall be entertained for entering an ordinance into the first, second or third reading. No ordinance, except an emergency ordinance, may be finally passed on the same day that it is introduced.

C. Publication and Effective Date. Within fifteen days after its final passage every ordinance shall be published in a newspaper of general circulation within the borough and posted in the municipal office, post office, City of Kupreanof, Papkes Landing and at one other public place in the borough. Publication shall be in full or by number and title with a brief summary. Emergency ordinances and ordinances making, repealing, transferring or otherwise changing appropriations shall go into effect immediately upon final passage unless they specify a later time. All other ordinances shall go into effect as each specifies.

D. Signature and codification. Each ordinance shall be signed by the mayor at its adoption and attested by the clerk. The clerk shall prepare and shall maintain a general codification of all borough ordinances of general applicability.

Section 3.03 Emergency Ordinances.

A. To meet an emergency, the assembly may adopt emergency ordinances. An emergency ordinance is an ordinance which in the judgment of the assembly is necessary for the immediate preservation of the public peace, health or safety and must become effective prior to the time when an ordinance of no emergency nature would become effective. An emergency ordinance shall contain a specific finding of emergency based on a statement of facts. An emergency ordinance may be adopted, amended and adopted, or rejected at the meeting at which it is introduced. The affirmative vote of four members is required for adoption of an emergency ordinance.

B. An emergency ordinance shall not be used to levy taxes, to grant, renew, or extend a franchise, or to regulate the rate charged by a public utility for its services.

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

Section 3.04 Ordinances—Adoption by Reference.

The assembly by ordinance may adopt by reference codes, ordinances, standards, and regulations relating to matters which it has power to regulate. The code, ordinance, standard or regulation so adopted need not be enrolled in the book of ordinances, but a copy must be filed and kept in the office of the clerk or the office of the department enforcing the code or regulation. The clerk or enforcing department must keep copies of those codes, ordinances, standards and regulations in force for distribution or sale at their approximate cost.

Section 3.05 Nuisances.

The assembly shall provide by ordinance for the declaration and abatement of nuisances which may be offensive or tend to endanger the health and welfare of the public. Assessment of the cost to abate a nuisance may be made against the property upon or in respect of which the nuisance exists.

Section 3.06 Power of Condemnation/Eminent Domain.

A. The borough shall have power to acquire property inside its corporate limits, by condemnation for any municipal purpose, whether or not such property is already devoted to public use, and to condemn such excess beyond that needed as an actual improvement as may reasonably be required to protect, preserve or facilitate the making and financing of the improvement, and to sell or lease such excess property with restrictions necessary to protect and preserve the improvement.

B. When the borough acquires property by condemnation inside its corporate limits, any applicable provisions of state law relating to condemnation which are binding on the borough shall be observed.

C. Any and all action taken by the borough in acquiring private property by condemnation shall require a unanimous vote of the borough assembly. A unanimous vote by the assembly is required in addition to any state laws affecting the borough regarding eminent domain.

ARTICLE 4. BOROUGH MANAGER AND ADMINISTRATIVE DEPARTMENTS**Section 4.01 Borough Manager: Appointment, Term, Qualifications, Removal.**

There shall be a borough manager appointed by the majority of the assembly who serves at the pleasure of the assembly. At the time of appointment, the manager need not be a resident of the borough, but during the manager's tenure of office, the manager shall reside within the borough. Neither the mayor nor any assembly member may be appointed manager during the period of not less than one year after vacating office. The assembly may suspend or remove the manager at any time by a vote of the majority of the assembly.

Section 4.02 Borough Manager: Powers and Duties.

The manager shall be the chief administrative officer and head of the administrative branch of the borough government. The manager shall execute the laws and ordinances and administer the government of the borough. The manager shall:

A. *Hire and Remove Employees.* Appoint, lay off, suspend, demote or remove all directors or heads of administrative departments and all other officers and employees of the borough, except personnel in the school district and personnel employed with Petersburg Medical Center. The manager may delegate this power and duty to directors or heads of departments and other administrative officers;

B. *Supervise Departments.* Supervise and control all administrative departments, agencies, officers and employees appointed by the manager or by agencies and officers subordinate to the manager;

C. *Prepare Budgets.* Prepare budgets as required by the assembly and annually for the general government, excluding the school district and medical center and submit them to the assembly. Be responsible for the administration of the budgets after they go into effect and recommend to the assembly any changes in the budgets the manager considers necessary;

D. *Report.* Submit to the assembly, and make available to the public, a report at the end of the fiscal year on the finances and administrative activities of the borough for the preceding year;

E. *Make Recommendations.* Keep the assembly advised of the financial condition and future needs of the borough and make recommendations on policy and other matters;

F. *Perform Other Duties.* Perform other powers, duties and functions as the Charter may prescribe, and powers, duties and functions consistent with this Charter as the assembly may prescribe.

Section 4.03. Acting Borough Manager.

If the borough manager is absent from the borough or is unable to perform duties, if the assembly suspends the borough manager, or if there is a vacancy in the office of borough manager, the assembly may appoint an acting borough manager to serve until the borough manager returns, until disability or suspension cease, or until another borough manager is appointed.

Section 4.04 Borough Clerk.

There shall be a borough clerk who shall be an officer of the borough. The borough clerk shall be appointed by the borough manager, subject to ratification by the assembly; the borough clerk is otherwise subject to the personnel authority of the borough manager, as set out in subparagraphs A. and B. of section 4.02.

ARTICLE 5. ELECTIONS

Section 5.01 General Requirements.

A. *Regular Elections.* A regular election shall be held on the first Tuesday in October of every year.

B. *Special Elections.* The assembly, by ordinance or resolution, may call special elections.

C. *Questions Submitted at Elections.* The assembly, by ordinance or resolution, may submit questions to the voters at a regular or special election.

D. *Notice of elections.* At least 30 days published notice must be given for a regular or special election.

E. *Canvassing Returns - Certificates of Election.* The Assembly shall canvass the returns of all borough elections, regular and special, and shall ascertain and declare the results, provided that the assembly may delegate this function to a board created by ordinance. The clerk shall promptly prepare, sign and issue certificates of election to all persons elected to office.

F. *Laws Governing Elections.* The provisions of state law applicable to borough elections, shall govern elections of the borough insofar as they are not superseded by this Charter or by ordinance.

G. *Nominations.* Candidates for assembly member, mayor, school board member or hospital board member shall be nominated by a petition signed by at least twenty qualified voters of the borough. A nominating petition may not be accepted unless accompanied by a signed declaration of candidacy form completed by the nominee.

H. *Non-Partisanship.* Candidates for any elected borough office shall not file for election or run for office as a member of any party which is active in national or state elections.

I. *Tie Votes.* In the event of a tie vote for candidates, the successful candidate shall be determined by a public drawing of lots in a manner prescribed by the assembly.

ARTICLE 6. INITIATIVE, REFERENDUM AND RECALL

Section 6.01 Initiative and Referendum.

The powers of initiative and referendum concerning laws and resolutions of the borough are reserved to the voters of the borough as prescribed by law. The assembly shall provide for the procedures of initiative and referendum by ordinance.

A. Initiative.

1. *Applications of Initiative.* Through the initiative process, voters of the borough may initiate and subsequently enact, amend or repeal Borough Charter provisions, ordinances, resolutions and existing provisions of Borough Code.

2. *Restrictions.* Initiative may not be used for dedication of revenues, making or repealing appropriations, creating courts and prescribing their rules, or enacting local or special legislation. Initiative shall not be used to compel the adoption of a measure that is not enforceable by law.

3. *Voidance of Petition.* An initiative petition is void if the assembly enacts substantially the same measure prior to the election.

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

B. Referendum.

1. *Applications.* Through the referendum process, voters of the borough may compel a legislative measure that has been approved by the assembly to be referred for voter ratification.

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

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

4. *Voidance of Petition.* A referendum petition is void if the assembly repeals the measure in question prior to the referendum election.

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

C. Repealing or Altering Initiative and Referendum Measures. The assembly may not repeal or substantially alter an ordinance enacted by initiative within two years after certification of the election at which the initiative was approved. Neither shall the assembly repeal or substantially alter a provision enacted or adopted under 6.01 A.3. above within two years following its enactment or adoption. The assembly may not enact or adopt a provision substantially similar to one repealed by referendum within two years after certification of the election at which the measure was repealed. Further, the assembly may not enact or adopt a provision substantially similar to the one repealed under 6.01 B.4. above within two years following its repeal.

Section 6.02 Recall.

An official who is elected or appointed to any elected borough office may be recalled by the voters of the borough as provided by state law. The assembly, by ordinance, may further regulate the recall process insofar as regulation is not in conflict with the constitution of the State of Alaska or other state law.

ARTICLE 7. PLANNING

Section 7.01 Planning Commission.

A. Membership, Qualification and Term. There shall be a planning commission consisting of seven members who shall be elected at large. A candidate for planning commission must be a qualified borough voter and, in addition, has resided in the borough for a period of one year prior to taking office. The term of office shall be for three years and until a successor takes office. The initial terms of the planning commission will be staggered to allow for uninterrupted continuation of commission functions.

B. Powers and duties. Powers and duties of the planning commission shall be established by an ordinance approved by the assembly.

C. Initial Transition Terms: In conjunction with the election that approves the borough and elects the assembly and mayor, a planning commission shall be elected. The initial terms of the planning commission shall be as follows: three planning commission members are elected for a three year term, two are elected for a two year term and two are elected for a one year term, the terms being assigned to the members by lot. For purposes of computing the length of the terms for persons elected to initial terms, the period between the initial election and the first Tuesday of October immediately following that initial election will not be considered. The first regular election provided for in Section 5.01 A. will occur no earlier than twelve months after the effective date of this Charter.

D. The provisions of this Charter applicable to the assembly members and mayor apply to planning commission members to the extent permitted by law.

Section 7.02 Comprehensive Plan.

The assembly, by ordinance, shall adopt, implement and from time to time modify, a comprehensive plan which shall be presented to the assembly by the planning commission. The comprehensive plan shall set forth goals, objectives and policies governing the future development of the borough.

Section 7.03 Platting Regulation and Subdivision Regulation.

There shall be a platting authority constituted as provided for by ordinance. The assembly, by ordinance, shall provide for the regulation of the subdivision of land within the borough.

Section 7.04 Planning and Platting within the City of Kupreanof.

The authority for platting, planning and land use regulations within the corporate boundaries of the City of Kupreanof shall be vested with the City of Kupreanof.

Section 7.05 Planning and Platting within the Unincorporated Areas.

In the unincorporated neighborhoods within the borough, the assembly may establish, by ordinance, advisory committees for the planning, platting and land use regulation pertaining to the area encompassed by the respective neighborhoods. The assembly shall, by ordinance, establish the role and authority of each advisory committee.

ARTICLE 8. EDUCATION

Section 8.01 Public School System.

The Petersburg Borough School District shall provide areawide public education for the borough as prescribed by Alaska Statutes. The school district shall be operated by a school board of five members elected at large.

Section 8.02 Membership, Qualification and Term.

A. A candidate for school board must be a qualified borough voter and reside in the borough. The term of a school board member is three years and the terms must be staggered to allow for the uninterrupted continuation of school board functions.

B. Initial Transition Terms: In conjunction with the election that approves the borough and elects the assembly and mayor, a school board shall be elected. The initial terms of the school board shall be as

follows: two school board members are elected for a three year term, two are elected for a two year term, and one is elected for a one year term, the terms being assigned to the members by lot. For purposes of computing the length of the terms for persons elected at initial terms, the period between the initial election and the first Tuesday of October immediately following that initial election will not be considered. The first regular election provided for in Section 5.01 A. will occur no earlier than twelve months after the effective date of this Charter.

C. The provisions of this Charter applicable to the assembly members and mayor apply to school board members to the extent permitted by state law.

Section 8.03 Powers and Duties of the School Board.

The school board has all the powers and duties provided by AS 14, including, but not limited to, the powers to:

- A. Formulate policy for the operation of the schools;
- B. Appoint, promote, demote, suspend and remove the school district superintendent;
- C. Generally supervise school district fiscal affairs, including preparation and submission of the annual budget and six-year capital improvements plan; and
- D. Implement and maintain a five-year curriculum and instruction plan.

Section 8.04 Joint Meetings.

The assembly and school board shall meet at least once yearly in public session to discuss and coordinate financial planning, capital improvement needs, comprehensive plans for education, and other matters of concern.

Section 8.05 Administrative Procedures.

The borough assembly shall by ordinance establish procedures for administration of school district finances and buildings and which allow for the greatest possible autonomy of the school board within the limitations of this Charter.

ARTICLE 9. MEDICAL CENTER

Section 9.01 Borough Medical Center.

The Petersburg Medical Center shall operate and maintain an areawide medical services and hospital facility for the borough. The medical center shall be operated by a hospital board of seven members elected at large.

Section 9.02 Membership, Qualification and Term.

A. A candidate for hospital board must be a qualified borough voter and in addition, has resided in the borough for a period of one year prior to taking office. The term of a hospital board member is three years and the terms must be staggered to allow for the uninterrupted continuation of hospital board functions.

B. Initial Transition Terms: In conjunction with the election that approves the borough and elects the assembly and mayor, a hospital board shall be elected. The initial terms of the hospital board shall be as follows: three hospital board members are elected for a three year term, two are elected for a two year term and two are elected for a one year term, the terms being assigned to the members by lot. For purposes of computing the length of the terms for persons elected to initial terms, the period between the initial

election and the first Tuesday of October immediately following that initial election will not be considered. The first regular election provided for in Section 5.01 A. will occur no earlier than twelve months after the effective date of this Charter.

C. The provisions of this Charter applicable to the assembly members and mayor apply to hospital board members to the extent permitted by law.

Section 9.03 Powers and Duties of the Hospital Board.

The borough assembly, by ordinance, shall provide for the powers and duties of the hospital board, allowing for the greatest possible autonomy to operate and maintain borough medical facilities in the best interests of the public's health, including, but not limited to, the powers to:

- A. Formulate policy for the operation of the hospital;
- B. Appoint, promote, demote, suspend and remove the hospital administrator; and
- C. Generally supervise hospital fiscal affairs, including preparation and submission of an annual budget and six-year capital improvements plan for equipment and buildings.

Section 9.04 Joint Meetings.

The assembly and hospital board shall meet at least once yearly in public session to discuss and coordinate financial planning, capital improvement needs, comprehensive plans for health care and other matters of concern.

Section 9.05 Administrative Procedures.

The borough assembly, by ordinance, shall establish procedures for the administration of borough hospital finances, buildings and property, allowing for the greatest possible autonomy of the hospital board to administer hospital affairs.

ARTICLE 10. UTILITIES

The water, wastewater, electric and refuse services previously owned and operated by the City of Petersburg are borough utilities and must be operated in a business like manner. The borough shall have power to acquire, own, operate, promote and regulate public utilities, either within or beyond the borough corporate limits. The assembly may also sell utility services beyond the borough corporate limits.

Section 10.01 Management and Rates.

A. The assembly shall provide by ordinance for the establishment, management, operation, regulation, use, promotion, control and the fixing and collecting of rates of all borough utilities. The rates to be charged must provide a sufficient return.

B. No agreements shall be made for utility services outside of the borough which will return to the borough less than net positive revenues. Higher rates for utility service outside of the borough may be established by the assembly.

C. Transactions of each borough utility shall be recorded in a separate group of accounts which shall be classified in accordance with generally accepted accounting practices. An annual independent audit of all borough utilities must be performed as required by Section 11.15 of this Charter.

Section 10.02 Use of Utility Assets.

Except as provided in this article, none of the assets, income or property of the borough utilities may be placed in the borough general fund or used for any purpose other than for the borough utilities unless reasonable compensation, as determined by the assembly, is received by the utility.

Section 10.03 Borrowing.

Except as otherwise provided in this subsection the borough utilities may borrow money and issue bonds or other evidences of indebtedness in the manner provided in article 13. No borrowing, issuance of bonds or other evidence of indebtedness for the utilities may occur unless approved by the assembly and, to the extent required under article 13 of this Charter, a majority vote of the qualified voters of the borough who vote on the question of approving the borrowing, bonds or other evidences of indebtedness.

Section 10.04 Sale of Borough Utility.

The borough owned water, wastewater, electric and refuse services may not be sold or leased except by authority of an ordinance approved or enacted at an election by an affirmative vote of a majority of the qualified voters of the borough who vote on the question of approving the ordinance.

Section 10.05 Cooperation With Other Governments/Thomas Bay Power Authority.

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

ARTICLE 11. FINANCE**Section 11.01 Fiscal Year.**

The fiscal year of the borough shall begin on the first day of July and shall end on the last day of June, unless otherwise provided by ordinance.

Section 11.02 Submission of Budget, Capital Improvements Program and Message.

No later than 60 days before the end of the current fiscal year, the manager shall submit to the assembly a budget for the following fiscal year, a capital improvements program and an accompanying explanation message of both. The assembly may grant an extension of not to exceed 30 days if compelling reasons exist.

Section 11.03 Scope of Budget.

A. *Complete financial plan.* The budget shall be a complete financial plan for all the operations of the borough, showing all reserves, all estimated revenues from all sources and all proposed expenditures for all purposes.

B. *Form.* The budget shall contain at least the following:

1. A comparative statement of actual expenditures and actual revenues from the preceding fiscal year;
2. Estimated expenditures and estimated revenues for the current fiscal year;
3. Projected revenues and expenditures for the budget year, and
4. A brief explanation of each item.

C. *Balanced budget.* Proposed expenditures shall not exceed the total available reserves and the revenues collected but not expended or allocated at the time the proposed budget is adopted.

Section 11.04 Scope of Capital Improvements Program.

A. The capital improvement program shall be a plan for capital improvements proposed for the following 6 fiscal years, together with the estimated cost of each improvement and the proposed method of financing it. It shall contain at least the following:

1. A summary of current capital improvements which are unfinished;
2. A simple, clear summary of the detailed contents of the program;
3. Capital improvements pending or proposed to be undertaken within the ensuing fiscal year, together with the estimated cost of each improvement and the proposed method of financing it.

B. Capital improvements to be financed in the following fiscal year shall be included in the budget as well as the capital improvements program.

Section 11.05 Scope of Message.

The manager's message shall contain an explanation of the budget both in fiscal terms and in terms of work to be done, a description of the important features of the budget, an outline of the proposed financial policy of the borough for the following fiscal year and an explanation of each capital improvement to be undertaken within the following six fiscal years.

Section 11.06 Hearing.

A public hearing shall be held on the budget, including the capital improvements program. All persons interested shall have an opportunity to be heard. At least ten days prior to the hearing, the assembly shall:

1. Publish a summary of the budget and capital improvements program and a notice setting out the time and place of the public hearing in a newspaper of general circulation within the borough and posted in the municipal office, post office, City of Kupreanof, Papkes Landing and at one other public place in the borough; and
2. Deliver copies of the notice and summary of the budget and capital improvements program and the manager's message to radio and television stations operating in the borough.

Section 11.07 Assembly Action on Budget.

The assembly, by ordinance, shall adopt a budget, including capital improvements, not later than June 15. If the assembly fails to do so, a 30 day continuing budget resolution allowing a rate of expenditure of 80% of projected revenues shall be imposed.

Section 11.08 Certification and Distribution.

The budget adopted shall be certified by the mayor and clerk and shall be a public record available at the clerk's office for distribution to the public.

Section 11.09 Supplemental and Emergency Appropriations.

A. If during any fiscal year there are available revenues not anticipated in the budget estimates, the assembly, by ordinance, may make supplemental appropriations for the year up to the amount of the additional revenues.

B. Upon declaration by the assembly that a public emergency exists and describing the emergency in clear and specific terms, the assembly may make emergency appropriations. Such appropriations may be made by emergency ordinance.

Section 11.10 Reduction of Appropriations.

The assembly, by ordinance, may reduce any appropriation, except for debt service. No appropriation may be reduced by more than the amount of the unencumbered balance.

Section 11.11 Lapse of Appropriations and Surpluses.

At the end of the fiscal year, an unencumbered appropriation shall lapse into the fund from which appropriated; provided that an appropriation for a capital improvement, or in connection with requirements of federal or state grants, shall not lapse until its purpose has been accomplished or abandoned.

Section 11.12 Administration of Budget.

A. No payment may be made and no obligation incurred against the borough except in accordance with appropriations duly made. No payment may be made and no obligation incurred against any appropriation unless the manager ascertains that there is a sufficient unencumbered balance in the appropriation and that sufficient funds are or will be available to cover the obligation.

B. Every obligation incurred and every authorization of payment in violation of this Charter shall be void. Every payment made in violation of the provision of this Charter shall be illegal. All officers or employees of the borough who knowingly authorize or make such payment shall be jointly and severally liable to the borough for the full amount so paid.

C. The manager shall submit monthly to the assembly, information comparing estimated and actual revenues and expenditures to the end of the preceding month.

Section 11.13 Purchasing; Contracting.

A. The assembly, by ordinance, shall provide for competitive bidding for purchase of goods and services by the borough and sales of surplus borough property and for any exceptions.

B. The assembly, by ordinance, shall establish provisions for approval of borough contracts and exceptions. The provisions shall address, at a minimum:

1. Authority of assembly. All contracts, except as provided in subsection 2 of this section, shall be authorized by the assembly and, if in writing, shall be signed by the manager and clerk. Contracts shall be approved as to form by the borough attorney if the assembly requires such approval.

2. Purchase and Sale of Borough Property. Procedures for the purchase and sale of borough property and equipment shall include a provision for the centralized purchasing on behalf of the borough. The procedures shall also provide the dollar limit within which purchases of the borough property and equipment may be made without specific assembly approval and define those circumstances where competitive bidding is not required.

C. Limitations on Contractual Power.

1. The assembly shall have power to enter into only those contracts which, by their terms, will be fully executed within a period of five years. This limitation shall not apply to contracts concerning interests in real property. Any contract, other than a franchise, which will not be fully executed within a period of five years shall first receive the approval of a majority of the qualified electors of the borough who vote on the contract. This restriction shall not apply to any contract for services with a public utility or with other governmental units, or to contracts for debt secured by the bonds or notes of the borough.

2. The assembly shall provide by ordinance the procedure whereby the borough may purchase, sell, lease or dispose of real property. No action of the assembly to dispose of any borough interest in real property dedicated to public use shall be final until the resolution to do so has been on file in the office of the borough clerk for 30 days.

3. Except as authorized in subsection 11.13B2 above, each contract for the construction of public improvements or for the purchase or sale of personal property shall be let only after opportunity for competitive bidding and after appropriate notice of not less than two weeks. All bids shall be opened in public at the time and place designated in the invitation for bids. The assembly may reject any or all bids. If, after opportunity for competitive bidding, no bids are received which are satisfactory to the assembly, it may authorize the manager to negotiate for a contract in the open market. The assembly may waive any and all irregularities.

4. The assembly may approve contracts for engineering, architectural, legal, medical and other professional services for the borough without competitive bidding. Such contracts shall not exceed two years, except for completion of work in progress under architectural or engineering contracts.

D. Business Dealings with the Borough. The assembly shall provide by ordinance the procedure whereby an officer or employee of the borough, who intends to have business dealings with the borough whereby he or she may derive income or benefits other than those provided as a remuneration for official duties or the duties of employment, shall file with the clerk a statement, under oath, setting forth the nature of such business dealings and his or her interest therein, not less than ten days before the date when action may be taken by the assembly or by any officer or agency of the borough upon the matter involved. Such statement shall be sufficient for continuing transactions of a similar or like nature for six months from the date of its filing.

E. Personal Interest. Borough officers, employees and elected officials shall not be eligible to sell, barter, or supply anything to the borough or purchase anything from the borough while holding office or employment or for a period of six months after leaving office or employment unless an invitation to submit sealed bids is published, and the borough complies with all ordinance provisions regarding the acceptance or rejection of bids. This section shall not apply to things valued at less than \$5,000.00 or those things which the borough offers generally to the public (as for example, utility services) which shall be purchased or offered at prices or rates prevailing in the community and without discrimination.

Section 11.14 Enterprise Funds.

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

Section 11.15 Independent Audit.

An independent audit shall be made of all accounts of the borough at least annually and more frequently if deemed necessary by the assembly. The annual audit shall be made by a certified public accountant employed by the borough and shall be completed within ninety days following the close of the fiscal year. The audit shall be open to public inspection during normal working hours.

ARTICLE 12. TAXATION

Section 12.01 Powers.

The borough has all powers of taxation that home rule boroughs may have under the state constitution and law.

Section 12.02 Sales and Use Taxes; Ratification of Sales or Use Tax Rate Increases.

A. The borough may by ordinance levy sales or use taxes on an areawide basis, a non areawide basis and a service area basis.

B. Any sales or use tax, or change in the rate or exemptions to the sales tax or use tax, shall be by ordinance, ratified by a majority of the qualified voters of the borough voting on the question.

Section 12.03 Tax Cap, Assessment, Levy and Collection of Property Taxes; Exemptions.

The borough shall provide for the annual assessment, levy and collection of taxes on property. The ad valorem tax on real property shall not exceed 10 mills, except ad valorem tax on real property necessary to retire debt approved by the voters is excluded from this limit. Any exemption from taxation, other than those required by law, shall be by ordinance ratified by a majority of the qualified voters voting on the question.

Section 12.04 Private Leaseholds, etc., in Property Owned or Held by the United States, the State or its Political Subdivisions.

Private leaseholds, contracts or interests in land or property owned or held by the United States, the state or its political subdivisions, shall be taxable to the extent of the private interests.

Section 12.05 Assessment—Equalization.

The taxable status of property shall, for purposes of property taxes, be determined as of the first day of January or such other date as may hereafter be prescribed by law or ordinance, which is called the assessment day. Values on the assessment rolls are determined by the full and true value according to the facts existing on the assessment day for the year for which the assessment is made, and no change in the status of property after that day shall be considered in determining its value. In determining the values, any standards of appraisal established by law or ordinance shall be followed. The assembly, acting as the board of equalization, shall equalize valuations of property assessed; provided that the assembly by ordinance may delegate this power to a board created by ordinance when not prohibited by law.

Section 12.06 Lien on Real Property.

The borough shall have a first lien on all real property and personal property against which borough taxes are levied for the taxes and any collection charges, penalties and interest that may accumulate thereto; and the lien continues until the taxes and any charges, penalties and interest are paid.

Section 12.07 Protection of Lien on Property.

The borough may protect its lien for taxes on real property by sale at tax sale, or by purchasing the real property at any tax sale or other public sale, by direct negotiation with the owner, or in any other legal manner. Any such procedure shall be deemed to be for a public purpose. When the borough has acquired an interest in real property to protect a tax lien, the owner of any interest in that real property may, within the time as provided by law, redeem the same by paying the delinquent borough taxes and all accrued charges, penalties and interest thereon, as provided by law or ordinance. After the borough has held any tax delinquent real property for the time required by law, it may hold the same for public use or may sell it as provided by state law.

ARTICLE 13. BORROWING**Section 13.01 General-Obligation Bonds, and Revenue Bonds.**

A. Power to Borrow. The borough has the power to borrow money and to issue general obligation bonds, revenue bonds or other evidences of indebtedness therefore, but only when authorized by the assembly for capital improvements and ratified at an election by a majority of those qualified to vote and voting on the question.

B. Areawide, Non-areawide and Service Area Indebtedness. The borough may incur indebtedness:

1. On an areawide basis when exercising powers on an areawide basis;
2. On a service area basis when exercising powers through a service area;
3. On a non-areawide basis when exercising powers on a non-areawide basis.

Indebtedness incurred on a service area basis must be repaid from revenues and taxes received from the service area, indebtedness incurred on a non-areawide basis must be repaid from revenues and taxes received from the non-areawide portion of the borough and indebtedness incurred on an areawide basis must be repaid from revenues and taxes received areawide. The full faith and credit of the borough may, however, be pledged to guarantee repayment of indebtedness incurred on a service area basis or on a non-areawide basis if the indebtedness has been approved as required by this subsection. If the indebtedness is incurred for the exercise of areawide powers, the election approving the indebtedness must be areawide. If the indebtedness is incurred on a service area basis and is to be repaid solely from revenues and taxes received from the service area, the election approving the indebtedness must be among the voters of the service area. If the indebtedness is incurred on a non-areawide basis and is to be repaid solely from revenues and taxes received from the affected area, the election approving the indebtedness shall be among the voters of the affected area. If the full faith and credit of the entire borough is pledged for the payment of indebtedness incurred on a service area or non-areawide basis, then the indebtedness must be approved on an areawide and on a service area or non-areawide basis.

C. General-obligation evidences of indebtedness may also be secured by revenues from a revenue producing utility or enterprise when they are issued for the acquisition, construction, reconstruction, repair, improvement, extension, enlargement or equipment of the utility or enterprise, or by other designated funds or revenues specifically pledged for payment of principal and interest thereon. Capital improvements as used hereinabove may also include a part of the borough's entire share of the cost of public improvement of which a part is to be paid by benefited property. Bond anticipation notes may be issued following bond issue approval, and pending sale of the bonds.

D. The requirements for ratification do not apply to borrowing money to meet appropriations for a particular fiscal year, to indebtedness to be paid from special assessments to be made on benefited property, nor to refunding indebtedness.

Section 13.02 Notice of Bond Election.

A. Before holding any election required by this article the assembly shall cause a notice of bond indebtedness to be published once a week for three consecutive weeks in a newspaper of general circulation in the borough. The first publication must be at least 20 days prior to the date of election. For elections approving the issuance of general obligation bonds or revenue bonds the notice shall contain the following information:

1. The amount of the bonds, purposes of issuance and length of time within which the bonds shall mature;
2. The amount of the estimated annual debt service on the proposed bonds based upon an estimate of the anticipated interest rate;
3. The amount of the current total general obligation indebtedness of the borough including authorized but unsold bonds;
4. The amount of the current year's debt service on the outstanding bonds of the borough; and
5. The current total assessed valuation within the borough.

B. For bonds secured by a pledge of taxes to be levied in a service area or on a non areawide basis the notice shall also contain the information required in (3), (4), and (5) relative to the service area or other

area. Instead of the information required in (3), (4) and (5) for revenue bonds that are not also secured by a general obligation pledge, the notice must contain the amount of current indebtedness secured by the applicable revenues, including authorized, but unsold, bonds and the amount of the current year's debt service on outstanding bonds of the borough secured by a pledge of the applicable revenue.

C. Omissions or errors of information required by (2), (3), (4) and (5) shall not invalidate any election.

Section 13.03 Borrowing to Meet Appropriations.

The borough may borrow money to meet appropriations for any fiscal year in anticipation of the collection of revenues for that year, when authorized by the assembly, and without submitting the question to the voters. The total of that indebtedness shall never exceed 25% of expected revenues of that year. All debts so contracted shall be paid before the end of the next fiscal year.

Section 13.04 Revenue Bonds and Borrowing.

The borough may borrow money and issue revenue bonds or other evidences of indebtedness therefore, the principal and interest of which are payable solely out of, and the only security of which is, the revenues of a revenue producing utility or enterprise; but only when 1) authorized by the assembly for the acquisition, construction, reconstruction, repair, improvement, extension, enlargement, or equipment of the said utility or enterprise, or for refunding or for purposes authorized by section 13.03 of this Charter; and 2) ratified at an election by a majority of those qualified to vote and voting on the question, as set out in Section 13.01. Bond anticipation notes may be issued following the approval of a bond issue under this section and pending sale of the bonds.

Section 13.05 Limitations Upon Borrowing Power.

The outstanding general obligation indebtedness of the borough incurred for all public purposes shall not at any time exceed ten percent (10%) of the assessed value of all real and personal property of the borough. The restrictions imposed by this Charter on contracting debt shall not apply to debt incurred through the issuance of revenue bonds when the only security is the revenues of the enterprise, nor to bonded indebtedness to be paid from special assessments on benefited property, nor to refunding indebtedness. In determining the debt limit of the borough, there shall be deducted from the amount of the outstanding bonded indebtedness any amount credited to or on deposit for debt retirements, and any portion of reserve funds or accounts pledged to the payment of the principal amount of any outstanding bonded indebtedness. Money may be borrowed for reasons of disaster, beyond the limit imposed by this section.

Section 13.06 Non-Recourse Bond Financing.

The borough may enact ordinances authorizing the issuance of non-recourse revenue bonds or other non-recourse revenue obligations and the application of the proceeds thereof subject to the following limitations:

A. Non-recourse revenue bonds and other non-recourse revenue obligations issued pursuant to this section shall be secured and payable from any source except revenues, including tax revenue, of the borough

B. Non-recourse revenue bonds and other non-recourse revenue obligations issued pursuant to this section shall not be payable from, or secured by, any borough assets, tax funds or governmental revenue, or by all or part of the faith and credit of the borough.

C. The restrictions of Articles 10, 11 and 13 of this Charter shall not be construed as limitations upon the authority granted by this section. Non-recourse bonds and other non-recourse revenue obligations may be issued pursuant to this section without ratification at an election.

Section 13.07 Unexpended and Unencumbered Balances.

Every bond or other evidence of indebtedness must contain a statement of the purpose for which it is issued, and the proceeds thereof shall not be used for any other purpose, except that, whenever any proceeds of an issue remain unexpended and unencumbered for the purpose for which issued, the assembly shall authorize the use of the unexpended and unencumbered funds only for the following purposes, which are listed in descending order of priority:

- A. For the retirement of the issue;
- B. If the issue has been fully retired, then for the retirement of other bonds or obligations issued on the same areawide, service area or non areawide basis;
- C. If there are no such other bonds or obligations of the assembly outstanding, then for any purpose related to the same areawide, service area or non-areawide purpose.

Section 13.08 Voiding Authorization of Bonds.

The assembly, by resolution or ordinance, may void the authorization of any unsold bonds or other evidences of indebtedness at any time. Every obligation must be sold within the ten years following the adoption of the ordinance authorizing its issuance or the ratification of the issuance by the qualified voters of the borough, whichever is later, except when the sale has been delayed by an action to determine the validity of the proceedings authorizing the issuance of the obligations, in which case the period of the delay may be added to the ten years. Authorization of obligations not sold within the time limits provided shall lapse unless otherwise voided at an earlier date by the assembly.

Section 13.09 Assembly to Have Power to Regulate.

The assembly shall regulate the indebtedness of the borough and the issuance of bonds and other evidences of indebtedness, regardless of type or purpose, including general obligation, revenue, special-assessment, refunding and other, subject only to the limitations imposed by the state constitution, other state law and this Charter.

Section 13.10 Challenges to Bond Elections.

Any person wishing to controvert or challenge the validity of a bond election and procedures attendant thereto, either revenue bond proposition or general obligation bond proposition, must file with the office of the clerk written notice stating the specific grounds for challenge within 30 days from certification of the election results. The election at which the approval or rejection of a bond question or proposition was certified may be challenged in whole or in part, and shall be on one or more of the following grounds.

- 1. Malfeasance, misconduct, fraud or corruption of an election official sufficient to change the results of the election;
- 2. Existence of a corrupt election practice as defined by statute;
- 3. Procedural irregularities or omissions pertaining to bond election requirements sufficient to change the results of the election.

ARTICLE 14. SERVICE AREAS, AREAWIDE AND NON-AREAWIDE POWERS

Section 14.01 Areawide and Non-areawide Powers.

Except as otherwise required by this Charter or by applicable state law, all powers of the borough may be exercised on an areawide, or non-areawide basis except those powers listed in Sections 14.02 and 14.05.

Section 14.02 Services to be Provided Only by Service Area.

A. The following powers shall be exercised only through service areas:

1. The establishment and operation of police departments, the hiring of police officers or the contracting for the services of police officers;
2. The establishment and operation of fire and emergency medical services departments, the hiring of firefighters and the contracting for fire fighting services;
3. The collection but not disposal of solid waste;
4. Water, sewer and electric services;
5. Street construction and maintenance;
6. Building code enforcement;
7. Parks and recreation; and
8. Animal control

B. Until otherwise changed, those areas which were, at the time this Charter was approved, a part of the former City of Petersburg's public water system or sanitary sewage system or which were within the boundaries of the former City of Petersburg shall be included within a service area for each and all of the above powers and for the power to build, operate, maintain and replace the public water system, sanitary sewage services, roads, bridges, sidewalks, culverts, storm sewers and drainage ways.

C. All other service areas in existence on the date this Charter becomes effective shall continue in effect until such time as changed as provided in this article and the borough shall exercise the same powers within those service areas as were exercised by the former governing body.

D. Nothing in this Charter except section 14.06 prohibits the borough from exercising any other power on a non-areawide basis or through service areas.

E. No areawide power shall be interpreted to include or authorize any of the powers described in 14.02 A.

Section 14.03 Creation, Expansion, Consolidation, Alteration and Termination of Service Areas.

Service areas may be established to provide services not provided on an areawide basis or to provide a higher level of service than that provided on an areawide basis.

A. *Creation of Service Areas.* The assembly may create new service areas only by an ordinance that describes the boundaries of the service area and the powers to be exercised therein and, which is either:

1. Approved by a majority of the voters residing within the proposed new service area; or
2. Consented to in writing by all of the owners of real property within the boundaries of the proposed service area if no voters reside in the proposed service area.

B. *Expansions or Reductions of Service Areas.* The boundaries of a service area may only be expanded or reduced by an ordinance adopted by the assembly which describes the proposed new boundaries of the service area and the powers to be exercised therein and which is approved by both:

1. A majority of the voters residing within the boundaries of the existing service area or, in the case of a reduction, a majority of the voters who will remain within the boundaries of the service area after the reduction; and

2. A majority of the voters residing in the area which will be added to or subtracted from the existing service area or, if no voters reside within that area, by written consent of all owners of real property within the area which will be added to or subtracted from the existing service area.

C. *Consolidation of Service Areas.* Service areas may be consolidated for any or all of the services provided in each service area. The consolidation shall be by an ordinance adopted by the assembly and approved by a majority of the voters residing in each of the service areas to be consolidated.

D. *Expansion or Reduction of Powers.* When a service area has been established for the exercise of one or more powers, the borough may exercise additional service area powers in that service area or reduce the service area powers exercised in that service area only by an ordinance adopted by the assembly and approved by a majority of the voters residing within the service area. But any power, other than those listed in section 14.06 of this Charter that was previously exercised by the City of Petersburg may, without approval of the voters, be exercised by the borough on and in the area previously known as the City of Petersburg.

E. *Termination.* Any service area may be terminated only by an ordinance adopted by the assembly which describes the boundaries of the service area and the services to be terminated and which is either:

1. Approved by a majority of the voters residing within the service area to be terminated; or
2. Consented to in writing by all of the owners of real property within the boundaries of the service area to be terminated if no voters reside in the service area.

The ordinance shall provide for the disposition of the service area's assets and shall provide for payment of the service area's indebtedness and ongoing operational and maintenance expenses from revenues obtained from the service area.

F. *Majority of Voters.* For purposes of this section the term "majority of the voters" shall mean a majority of the qualified voters casting a ballot on the proposition at a general or special election.

Section 14.04 Criteria for Establishing Service Areas.

Service areas shall be established according to criteria of need and economic operating efficiency and shall comprise the area to which the services shall be provided. A new service area shall be established only after assembly determination that such services cannot be reasonably provided by an existing service area or by alteration of an existing service area.

Section 14.05 Financing and Management.

A. *Service Area Taxes.* The assembly may levy taxes, assessments or other charges within a service area to pay for the costs of that service area. Funds raised by these taxes, assessments and charges shall not be used for any purpose other than to pay for the costs of the service area.

B. *Supervision of Service Areas.* The assembly may provide for an appointed or elected board to supervise the furnishing of services in a service area or may exercise such supervision by itself. The assembly or board shall determine the cost and levels of service, the means, methods and facilities for providing the service and all requirements for receiving the service.

C. *Use of Property and Assets of a Service Area.* Until a service area is terminated, revenues, property and assets acquired for the service area shall not be used for any other purpose. Service area equipment, assets, property and personnel may, however, be used for areas beyond the boundaries of the service area when such use is for purposes of mutual aid, intergovernmental assistance or cooperation, law enforcement or emergency services. With the approval of the assembly, service areas may participate in joint ventures, sharing of revenues, equipment, assets, property and personnel, or other mutual assistance and

cooperation provided that the service area is reasonably compensated in proportion to the revenues, equipment, property, personnel, and assets it contributes. Reasonable compensation may be in the form of services, money, future obligations, or other forms determined by the assembly.

Section 14.06 Areawide Powers.

The Borough may exercise all powers of home rule not prohibited by law or this Charter. In addition to all other powers which the borough may exercise on a service area basis, or on an areawide basis listed in other chapters of the Charter, the following powers shall be exercised on an areawide basis:

A. The power to dispose of solid waste whether through recycling, landfilling or any other means and the power to operate, maintain, monitor, repair or remove landfills including those previously owned or operated by the City of Petersburg whether or not such landfills were in operation or were closed on the effective date of this Charter;

B. The power to provide public libraries, civic centers, museums and associated services;

C. The power to provide for hospital and public health services including, but not limited to, those services formerly provided by the City of Petersburg's medical center. The power to provide pre-hospital emergency medical services must be exercised as provided in Section 14.02.

D. The power to provide port and harbor facilities and services;

E. The power to provide cemetery and mausoleum services.

F. The power to provide 911 emergency dispatch services;

G. The power to provide economic development; and

H. The power to provide disaster planning, emergency communications and emergency response.

ARTICLE 15. CITY OF KUPREANOF

The City of Kupreanof shall remain a separate municipal entity and shall retain all powers which it had prior to the effective date of this Charter. The City of Kupreanof may, to the extent permitted by law, continue to exercise those powers that it exercised within its boundaries prior to borough formation even though the borough exercises those same powers on an areawide basis. This article does not exempt persons living within the corporate boundaries of the City of Kupreanof from taxes or charges levied to provide areawide services.

ARTICLE 16. LOCAL IMPROVEMENT

Section 16.01 Purpose and Criteria.

Property owners may request the borough to create a local improvement district (LID) to fund a capital improvement project within the district. An LID may be established only if the assembly determines there is a need for the capital improvement and that it will provide a reasonable benefit to property owners in the proposed district and to the borough at large. The assembly may prescribe additional criteria by ordinances. The total cost of the planned capital improvement shall be less than the assessed value of property in the proposed LID owned by individuals or entities that do not object to the creation of the LID.

Section 16.02 Proposals, Protests and Appeals.

A. *Proposing LID Creation.* An LID may only be initiated by a petition of the property owners in the proposed LID. The petition must include a capital improvement plan detailing a carefully prepared and credible estimate of cost of the capital improvement to be borne by the property owners of the district.

The capital improvement plan must list the estimated assessment for each lot or parcel of land in the proposed district. The petition must be signed by a number of property owners who collectively would bear more than 50 percent of the projected cost of the assessment for the capital improvement. The assembly shall describe by ordinance other requirements for the petition.

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

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

Section 16.03 Establishment.

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

Section 16.04 Finance.

A. *Assessment.* To pay for all or a portion of the project, the borough may levy and collect special assessments upon real property specifically benefited by such improvements. The assessment or levy shall be proportionate to the benefit received from the improvement, as determined by the assembly by ordinance. A special assessment for capital improvements, with interest and collection charges, is a lien on the property assessed, second only to property taxes and prior special assessments.

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

Section 16.05 All Real Property Liable for Special Assessments.

All real property, including that which is exempt from taxation in accordance with law, is liable for the cost of local improvements assessed in accordance with this article unless specifically exempted from special assessments by law. If borough property is benefited by the local improvement, the assembly may make payments in lieu of the amount which would otherwise be assessed against the property.

ARTICLE 17. FRANCHISES

Section 17.01 Public Utility Franchise.

The borough may grant a franchise to any person for the use of the streets, alleys, bridges, easements, and other places of the borough for the furnishing of any public utility service to the borough and its inhabitants. Public utility franchises and renewals, amendments, and extensions shall be granted only by contract. Public utility franchises shall include provisions for fixing rates and charges, and may provide for re-adjustments at periodic intervals. With respect to any public utility franchise granted after the effective date of this Charter, whether or not so provided in the granting contract, the borough may:

1. Terminate the same for the violation of any of its provisions, for the misuse or nonuse thereof, for failure to comply with any provision of contract, or any regulation imposed under authority of this Charter or the Municipal Code.

2. Require proper and reasonable extension of plant and the maintenance thereof at the highest practicable standard of efficiency.
3. Establish reasonable standards of service and quality of products, and prevent unjust discrimination in service or rates.
4. Require continuous and uninterrupted service to the public in accordance with the terms of the franchise throughout the entire period thereof.
5. Impose other regulations determined by the assembly to be conducive to the health, safety, welfare and convenience of the public.
6. Require the public utility to permit joint use of its property and appurtenances located in the streets, alleys, bridges, easements, and public places by the borough and other utilities, insofar as such joint use may be reasonably practicable and upon payment of a reasonable rental; and in the absence of agreement, upon application by the public utility, provide for arbitration of the terms and conditions of such joint use and the compensation to be paid.
7. Require the public utility to pay any part of the cost of improvement or maintenance of streets, alleys, bridges, easements, and public places, that arise from its use thereof, and to protect and save the borough harmless from all damages arising from such use; and
8. Require the public utility to file with the clerk reports concerning the utility and its financial operation and status and to file with the manager such drawings and maps of the location and nature of its facilities as the assembly may request.

Section 17.02 Limitations of the Granting of Franchises.

No franchise shall be granted by the borough for a term exceeding twenty (20) years and no exclusive franchise shall ever be granted. Each franchise shall include a provision requiring the franchise to take effect within one year after the adoption of the ordinance granting it. An irrevocable franchise and any extensions to or amendments to such a franchise may be granted by the borough only upon approval of at least three-fifths of the votes cast with respect to such proposition at a general or special election in the borough. Such irrevocable franchise shall be subject to the conditions set forth in section 17.01. An irrevocable franchise may be approved by the assembly for referral to the electorate only after a public hearing has been held and after the grantee named in the franchise has filed with the clerk their unconditional acceptance of all terms of franchise. No special election for such purpose may be offered by the assembly, unless the estimated expense of holding such election has first been paid to the borough by the grantee. In case a balance remains in the amount paid, after the expenses of the election are deducted, such balance shall be repaid to the grantee.

Section 17.03 Procedure for Granting Franchises.

Every contract granting a franchise, license, or right to occupy or use streets, alleys, bridges, public places, or easements, shall remain on file with the clerk for public inspection in its final form for at least 30 days before final approval or the approval for referral to the electors of the borough.

Section 17.04 Sale or Assignment of Franchises.

The grantee of a franchise may not sell, assign, sublet, or allow another to use the franchise, unless the assembly gives its consent. Nothing in this section shall limit the right of the grantee of any public utility franchise to mortgage the property or franchise, nor shall it restrict the rights of the purchaser, upon foreclosure sale, to operate the same, except that such mortgage or purchaser shall be subject to the terms of the franchise and provisions of this Charter and ordinance.

Section 17.05 Plans of Facilities in Streets and Public Places.

The assembly may require by ordinance that, as a condition to the placing or installment of facilities or appurtenances, each public utility conducting a business in the borough shall file with the manager a duplicate copy of the layout plans of pipes, conduits, wires, and other facilities and appurtenances which are to be placed on, under, or above the surface of the borough's streets, alleys, bridges, easements, and public places.

ARTICLE 18. CHARTER AMENDMENT**Section 18.01 By Proposal.**

Amendments to this Charter may be proposed by:

- A. An ordinance of the assembly containing the full text of the proposed amendment;
- B. Report of an elected charter commission created by assembly ordinance or by initiative ordinance;

or

- C. Initiative petition.

Section 18.02 Election.

Proposed amendments shall be submitted to the qualified voters of the borough at the next regular or special election occurring more than ninety days after the adoption of the ordinance, the final report of the charter commission or certification of the initiative petition. A notice containing the full text of each proposed amendment shall be published.

Section 18.03 Effective Date.

If a majority of the qualified voters voting on a proposed amendment approve the amendment, it becomes effective at the time fixed therein, or if no time is so fixed, thirty days after the certification of the election. If more than one amendment is proposed, they must be submitted in a manner that the voters may vote on them separately. However, amendments which are so interrelated that they must be approved or rejected together, may be submitted as one amendment.

Section 18.04 New Charter.

A new charter may be proposed and approved in lieu of this Charter in the same manner as an amendment to this Charter may be proposed and approved. Notice of the new charter shall be published and copies of the new Charter made available to the public.

ARTICLE 19. GENERAL PROVISIONS**Section 19.01 Records to be Public.**

All records owned by the borough, except personal hospital records and tax records which reflect the volume of business done by or the income of a taxpayer shall be public records unless otherwise provided by law. The original records shall be kept in borough offices for purposes of safe keeping and may be removed only by assembly action. They shall be available at borough offices for inspection, copying, or reproduction at reasonable times. Such records, copies duly certified by the clerk, shall be prima facie evidence of their contents.

Section 19.02 Saturday, Sundays and Holidays.

Except as otherwise provided in this Charter, whenever the date fixed by ordinance or this Charter for doing or completion of any act falls on a Saturday, Sunday or legal holiday, such act shall be done or completed on the next succeeding business day.

Section 19.03 Personal Financial Interest and Nepotism.

A. Prohibition. An elected borough officer may not participate in any official action in which the officer or a member of the officer's household has a substantial financial interest unless after disclosure of the interest the officer's participation is approved in a public meeting by the majority of the assembly. Borough officials shall publicly disclose their substantial financial interests as required by law.

B. Punishment. Any borough officer, employee or elected official who conceals a financial interest or willfully violates the requirements of this section shall be subject to forfeiture of office or employment. The determination of whether there was a concealment or willful violation of this section shall be made 1) by the assembly, in the case of an elected borough official or the borough manager, or 2) by the borough manager, in the case of any other borough officer or employee, subject to assembly review. Violation of this section with the knowledge, express or implied, of the person contracting with or making a sale to the borough renders the contract or sale to the borough voidable by the borough manager or the assembly.

C. The assembly by ordinance shall adopt procedures dealing with nepotism, conflict of interest on the part of borough employees, and willful concealment of a financial interest by a borough officer, employee or elected official.

Section 19.04 Surety Bonds.

The manager, the clerk, the finance officer and such other officers and employees as the assembly may designate before entering upon their duties shall be bonded by individual or group bonds for the faithful performance of their respective duties payable to the borough in such form and in such amounts as the assembly may prescribe with a surety company authorized to operate within the state. The borough shall pay the premiums on such bonds.

Section 19.05 Oath of Office.

Every elected official of the borough before entering upon the officer's duties shall take the oath or affirmation required by section 5 of Article XII, Constitution of the State of Alaska. The assembly may require designated employees to take the oath before entering upon their employment. Oaths of office shall be filed with the clerk.

Section 19.06 Ordinances and Resolutions.

Except as otherwise provided by this Charter, the ordinances and resolutions of the City of Petersburg, which will be dissolved at borough formation approval, shall continue in full force and effect within the former city limits until expressly reaffirmed, revised or repealed by the assembly.

Section 19.07 Pre-Borough Formation Assets, Liabilities, Sales Taxes, Reserves and Franchises

A. *Assets and Liabilities.* The borough succeeds to all the assets and liabilities of the former City of Petersburg. Bonded indebtedness of the former City of Petersburg will, following borough formation, be the obligation of Service Area 1 only. The obligation to repay revenue bonds or other indebtedness issued by the City of Petersburg utilities or other enterprise incurred prior to the enactment of this Charter shall not be affected by this Charter.

B. *Sales and Use Taxes.* All sales and use taxes levied within the former City of Petersburg shall become areawide taxes at the time of borough formation and remain in effect until changed as provided in this Charter.

C. *Reserves.* Any pledged reserve accounts of the prior City of Petersburg shall remain committed to the purposes for which they were originally dedicated.

D. *Franchises.* All existing franchises of the prior City of Petersburg shall continue after ratification of this Charter until they expire, are extended, renewed or revoked by the borough assembly.

Section 19.08 Assembly Salaries, Borough Employment, Boards, Committees and Commissions.

A. *Salaries.* Until changed as provided in Section 2.06, the salaries and expenses of the mayor and assembly members will be the same as paid to the mayor and council members of the former City of Petersburg.

B. *Employees.* Except as provided in Section 4.02A, all employees of the former City of Petersburg shall be borough employees and continue in employment under the same terms and conditions of the policies and agreements of the prior City of Petersburg until the assembly provides otherwise.

C. Except for those provided for by this Charter, all appointed and elected advisory boards, committees, and commissions in effect at the time of this Charter shall be dissolved one year after the effective date of this Charter unless specifically continued by ordinance.

Section 19.09 Delivery of Office to Successor.

Whenever an officer or employee leaves an office or employment for any reason, they shall deliver to their successor all property of the borough which is in their custody, possession or control, such as books, working papers, moneys and effects.

Section 19.10 Continuance of Actions.

The adoption of this Charter shall not abate or otherwise affect any action, claim or proceeding, civil or criminal by or against the former City of Petersburg or the local government of the City of Kupreanof and which had accrued at the time of the effective date of this Charter. All applications, petitions, hearings, and other proceedings pending on the effective date before the former City of Petersburg shall be continued before the borough.

Section 19.11 Transition Plan.

Other provisions concerning transition shall be governed by the transition plan in the borough petition, as approved by the Local Boundary Commission and any changes made thereto by the assembly.

Section 19.12 Penalties.

The assembly, by ordinance, may establish penalties for violation of specific provisions of this Charter or laws or regulations of the borough not to exceed a fine of one thousand dollars or imprisonment of not more than thirty (30) days, or both.

Section 19.13 Severability Clause.

A. If a court of competent jurisdiction should hold any section or part of this Charter invalid, that holding will not affect the remainder of this Charter nor the context in which the section or part held invalid may appear, except to the extent that another part of the Charter may be inseparably connected in meaning and effect with that section or part.

B. If a court of competent jurisdiction holds a part of this Charter invalid, or if a change in the state constitution or law renders a part of this Charter invalid or inapplicable, the assembly by ordinance may take appropriate action as will enable the borough government to function properly.

Section 19.14 Effective Date.

If the voters approve the formation of the Petersburg Borough, this Charter becomes effective on the date the borough designation becomes effective.

Section 19.15 Words and Phrases; Meaning of "Including".

A. Words and phrases will be construed according to the rules of grammar and according to their common and approved usage. Technical words and phrases, and those that have acquired a peculiar and appropriate meaning, whether by legislative definition or otherwise, are constructed according to the peculiar and appropriate meaning.

B. When the words "includes" or "including" are used in this Charter, they are construed as though followed by the phrase "but not limited to."

Section 19.16 Tense, Number and Gender.

A. Words in the present tense include the past and future tenses and words in the future tense include the present tense.

B. Words in the singular number include the plural and words in the plural number include the singular.

C. Words of any gender may, when the sense so indicates, refer to any other gender.

Section 19.17 Non-Discrimination.

A person may not be appointed to or removed from borough office or in any way favored or discriminated against with respect to a borough position or borough employment because of a person's race, color, sex, creed, religious beliefs, national origin or, unless otherwise contrary to law, because of the person's political opinions or affiliations.

Section 19.18 Certification.

The undersigned members of the Charter Commission of the Borough of Petersburg do hereby certify that said Commission has prepared the foregoing Charter for the government of the Petersburg Borough.

