

# **EXHIBIT I**

## **XUNAA BOROUGH CHARTER**

### **PREAMBLE**

We the people of the Xunaa Borough area, in order to form an efficient, economical, and responsive government with just representation, and in order to provide for local government responsive to the will of the people and to the continuing needs of the communities within the borough, hereby ratify and establish this Home Rule Charter.

### **ARTICLE I**

#### **NAMES, BOUNDARIES AND POWERS**

##### **Section 1.01 Name**

The borough shall be a municipal corporation known as the “Xunaa Borough”. Whenever deemed in the public interest to do so, the borough may use the name “Xunaa Home Rule Borough”.

##### **Section 1.02 Boundaries and Borough Seat**

- A. The boundaries of the municipality shall be same boundaries as the Xunaa Borough as they exist on the day of ratification of this Charter. The boundaries of the borough may be changed in the manner provided by law.
- B. Hoonah shall at all times be the borough seat.

##### **Section 1.03 Form of Government**

- A. The form of government is a nonunified home rule borough established by the voters.
- B. The borough shall operate under an “assembly-manager” form of government.

##### **Section 1.04 Powers of the Borough**

The Xunaa Borough shall have all the powers, functions, rights, privileges, franchises and immunities of every name and nature whatever, that a home rule borough may have under the constitution and laws of the State of Alaska. Without in any manner limiting the foregoing, all of the powers heretofore possessed by of the City of Hoonah shall, upon the Assumption Date, become the areawide powers of the Xunaa Borough. The borough may exercise all powers not prohibited by law or by this Charter. 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**

**Provision by Service Area**

Except as otherwise provided in Articles VII, VIII and XI of this Charter, the application of powers set out in Section 1.04 shall be applied on a service area basis.

**Section 1.06**

**Intergovernmental Relations**

Agreements, including those for cooperative or joint administration of any function or power, may be made by the assembly with any other local government, with the state, or with the United States, unless otherwise provided by law or by this Charter. In the context of this Charter, local governments include Native organizations and tribal governments.

Such agreement for cooperative or joint administration of any function or power shall be made only by ordinance. Procedures for making contracts prescribed in any other sections of this Charter shall not apply to agreements made pursuant to this section.

**Section 1.07**

**Interpretation – Definitions**

- A. When used in this Charter, the singular number includes the plural, and the plural singular, and the masculine gender includes the feminine and neuter, unless the context clearly indicates otherwise.
- B. When the word “borough” is used in this Charter, it shall mean the Xunaa Borough unless the context clearly indicates another meaning.
- C. When the word “person” is used in this Charter, it shall mean an association, firm and corporation as well as an individual, unless the context clearly indicates otherwise.
- D. When the word “publish,” “published” or “publication” is used in this Charter, it shall mean publish, published or publication by posting a copy in each of at least five conspicuous public places in the borough and on a city website and on a social media platform. In all such cases of publication by posting, the borough clerk shall provide any person with a copy of the ordinance, notice or document posted, on request, without charge, at any time within two months after the posting.

**ARTICLE II**

**THE ASSEMBLY**

**Section 2.01**

**Powers**

The governing body of the borough shall be the assembly. Except as otherwise provided by law or this Charter, the assembly shall exercise all powers of the borough and shall provide for the performance of all duties and obligations of the borough.

**Section 2.02**

**Composition**

The assembly, elected by the qualified voters of the borough, shall consist of seven members, which shall consist of the mayor, and six other assembly members. Hereinafter, the term “assembly member” includes the mayor unless specifically noted.

**Section 2.03**

**Terms and Election of Assembly Members**

- A. Term. The term of office of all assembly members shall be three years, and terms shall be staggered over a three-year period.
- B. Election. Assembly members shall be elected at large for individual staggered seats by the qualified voters of the borough, including the mayor. An assembly member represents all voters of the borough.
- C. Procedures. The assembly may, by ordinance, adopt additional procedures pertaining to the nomination and election of assembly members and the office of mayor.

**Section 2.04**

**Qualifications**

- A. Only a qualified voter of the borough who has been a resident of the borough for at least one (1) year immediately preceding his election or appointment to office shall be qualified for elective borough office.
- B. In addition to the prohibitions of Section 2.09.A of this Charter, no assembly member may hold any elected partisan political office, while serving on the assembly, unless otherwise provided by an ordinance ratified by the voters of the borough.

**Section 2.05**

**Vacancies and Forfeiture of Office**

- A. The office of an elected borough official shall become vacant upon death, resignation, removal from office in any manner authorized by law, or by this Charter, or by forfeiture of his office.
- B. An elected borough official shall immediately forfeit his office if he:
  - 1. fails to comply with all qualifications prescribed by this Charter;
  - 2. fails to qualify or take office within thirty (30) days after election or appointment;
  - 3. fails to attend three (3) consecutive regular meetings of the assembly without being excused by the governing body;
  - 4. is physically absent from the borough for ninety (90) consecutive days unless excused by the governing body;
  - 5. is physically or mentally unable to perform the duties of office as determined by a two-thirds vote of the governing body;
  - 6. is convicted of a felony;
  - 7. is convicted of a violation of A.S. 15.13, State Election Campaigns; or
  - 8. no longer physically resides in the borough.
- C. The assembly shall, by ordinance, provide the procedures for filling vacancies.

**Section 2.06**

**Organization and Rules of Assembly**

- A. The assembly shall meet within seven (7) days following certification of the election.



1. Members of the immediate families of assembly members shall not be employed as the borough manager.
  2. Members of the immediate families of assembly members or manager may not be employed by the borough except upon approval of the assembly.
  3. The term "immediate family" as used in "1" and "2" above is defined as the relationship of husband and wife, father and son or daughter, or mother and son or daughter, or brother and sister, or brother and brother, or sister and sister.
- B. The assembly shall not recommend or direct the appointment or removal of any officer or employee of the borough administration except as otherwise provided by this Charter.
- C. No assembly member may represent any client before any borough department or agency.

**Section 2.10**

**Mayor and Vice Mayor**

- A. The mayor shall preside at meetings of the assembly and shall certify the passage of all ordinances and resolutions passed by it. The mayor shall be recognized as the head of the borough government for all ceremonial purposes and by the governor for purposes of military law. The mayor shall have all powers, rights, privileges, duties and responsibilities of assembly members, including the power to vote, however, the mayor may not initiate motions. The mayor shall have no veto authority. The mayor shall have no regular administrative duties except signing such written obligations of the borough as the assembly may require.
- B. At the first meeting following certification of the regular election, or as soon thereafter as practicable, the assembly shall elect one of its members vice mayor, who shall serve as such until the next such first meeting. The vice mayor shall act as mayor during the absence or disability of the mayor, or, if a vacancy occurs in the office of mayor, until another mayor is elected or appointed by the assembly and qualifies. If the office of vice mayor becomes vacant, the assembly shall elect from its members another vice mayor for completion of the unexpired term.

**Section 2.11**

**Investigation**

- A. The assembly may, under advisement of the borough attorney, make investigations into the affairs of the borough and the conduct of any borough department, office, or agency.
- B. The assembly may, by ordinance, create boards and commissions pursuant to this section for the purpose of inquiries and investigations. The members of such boards and commissions shall be appointed by the assembly.
- C. The assembly may direct the borough clerk to issue subpoenas for the attendance of witnesses and the production of documents and, in the event of disobedience thereof, shall direct the borough attorney to seek enforcement of the subpoena in the manner provided by law.

**Section 2.12**

**Clerk and Special Advisors**

- A. There shall be a borough clerk appointed by the manager and confirmed by the assembly. The clerk shall attend all assembly meetings unless excused, keep a journal of its proceedings, give notice of assembly meetings to the members and the public, and perform such other duties as may be assigned.
- B. The assembly may appoint special legal and financial advisors for bond issues and shall retain legal counsel as it requires.
- C. There shall be a borough attorney appointed by the manager subject to confirmation by the assembly.

**Section 2.13**

**Boards**

- A. The assembly, by ordinance, may create advisory boards, and the assembly may appoint the board members or prescribe the method of appointment or removal.
- B. To the extent permitted by law and this Charter, the assembly may grant to boards the power to conduct hearings and make recommendations or decisions. All recommendations or decisions shall be promptly filed with the clerk as a matter of public record. Board decisions shall become final unless notice of an appeal to the assembly is filed with the clerk within thirty (30) days of the date on which the board decision was filed. Board decisions may be appealed to the assembly by any party affected by the proceedings, by a member of the assembly, or by a borough officer or employee.
- C. All questions presented to the assembly concerning any subject which has been delegated to a board shall be submitted first to the board for consideration unless the assembly shall otherwise determine.
- D. Boards shall not be authorized to employ or remove or direct the employment or removal of any borough officer or employee, except that a personnel board may determine all questions as required by the personnel regulations adopted by the assembly.
- E. The prevailing vote of a majority of the members of a board shall be required for official action except that the prevailing vote may be reduced by one (1) vote for every two (2) members of the board who are present but who do not vote because they have a conflict of interest or have been excused from voting by a vote of all the remaining members who may vote on the question, except that the prevailing vote required may not be reduced to a number less than one-third of the membership on the board. A quorum of a board shall consist of a majority of the full membership.
- F. Board meetings shall be conducted as provided for the assembly in Section 2.08 of this Charter.

**ARTICLE III**

**EXECUTIVE**

**Section 3.01**

**Manager**

- A. There shall be a borough manager, appointed by the assembly, who serves at the

pleasure of the assembly. The assembly may suspend or remove the borough manager at any time without cause.

- B. The assembly shall choose the manager on the basis of executive and administrative qualifications. At the time of appointment, the manager need not be a resident of the borough or state, but during his or her tenure of office, shall reside within the borough.
- C. No assembly member may be appointed borough manager or acting borough manager sooner than two years after leaving office, except by a vote of three-fourths of the authorized membership of the assembly.
- D. The borough manager shall be chief administrative officer and head of the administrative branch of the borough government. The manager shall have such powers and perform such duties as specified by the assembly.

**Section 3.02**

**Acting Manager**

If the borough manager is absent from the borough, is unable to perform his or her duties, has been suspended by the assembly, or 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 his or her disability or suspension ceases, or until another borough manager is appointed and qualifies, as the case may be. The assembly may suspend or remove an acting borough manager at any time.

**Section 3.03**

**Powers and Duties**

The manager shall be chief administrative officer of the borough and shall be responsible to the assembly. He shall execute the provisions of this Charter, all ordinances of the borough, and all applicable laws. Without limiting the foregoing, or excluding other or broader powers consistent therewith, the manager shall:

- A. appoint or remove all heads of administrative departments and, subject to such personnel regulations as the assembly may adopt, other borough employees. He may authorize any administrative officer to appoint or remove subordinates in his department, subject to such personnel regulations as the assembly may adopt;
- B. direct the care and custody of all borough property;
- C. direct and supervise the construction, maintenance, and operation of borough public works;
- D. prepare and submit the annual budget and capital improvements program to the assembly;
- E. keep the assembly fully advised on the financial condition and needs of the borough; and
- F. at the beginning of each calendar year, submit to the assembly a report on the financial and administrative activities of the borough for the preceding fiscal year; within two (2) months after the end of each fiscal year, prepare and make available to the public, at such reasonable price as the assembly may direct, an annual report on borough affairs during the preceding fiscal year.

**Section 3.04**

**Administrative Departments, Offices and Agencies, Boards and Commissions**

- A. There shall be such administrative departments, offices and agencies as this Charter establishes and as the assembly may establish.
- B. The assembly may by ordinance provide for advisory, regulatory, administrative, appellate and quasi-judicial boards and commissions. Unless provided otherwise by ordinance or this Charter, the assembly shall appoint or remove all members of the borough boards and commissions.

**Section 3.05**

**Assembly Meetings**

The manager shall have the right to take part in the discussion of all matters coming before the assembly.

**ARTICLE IV**

**LEGISLATION**

**Section 4.01**

**Ordinance Form and Content**

- A. All ordinances enacted by the assembly shall be in substantially the following form:
  - 1. The proposed ordinance shall have a heading and number.
  - 2. Title. A short summary of the ordinance's provisions shall be included in a title at the head of the ordinance. The title shall make reference to any penalties imposed by the ordinance. The subject of each ordinance shall be expressed in the title.
  - 3. Enacting clause. The enacting clause shall read: "BE IT ENACTED BY THE ASSEMBLY OF THE XUNAA BOROUGH".
  - 4. Substantive part of the ordinance. The substantive provisions of the ordinance will follow the enacting clause.
  - 5. Signatures. Appropriate places shall be provided for the signatures of the mayor and the clerk.
  - 6. Attestation. The enactment and passage date of the ordinance shall be attested by the clerk.
- B. Every ordinance shall be confined to one subject unless it is an appropriation ordinance or one codifying, revising, or rearranging existing ordinances. Ordinances for appropriations shall be confined to appropriations.

**Section 4.02**

**Acts Required to be by Ordinance**

- A. In addition to other actions required by law to be by ordinance the assembly shall use ordinances to:
  - 1. adopt and amend an administrative code;

2. establish, alter, or abolish borough departments;
3. fix the compensation of members of the assembly, boards, commissions, and committees;
4. provide for a fine, imprisonment, or other penalty, or establish rules or regulations for violations of which a fine, imprisonment or other penalty is imposed;
5. provide for levying of taxes;
6. make appropriations, supplemental appropriations or transfer appropriations;
7. grant, renew, or extend a franchise;
8. regulate the rate charged by a borough utility;
9. adopt, modify or repeal the comprehensive plan, zoning, and subdivision ordinances, building and housing codes, and the official map;
10. establish a formal procedure for acquisition from private, state or federal government of land or rights in land and disposal of those lands or rights in land;
11. provide for a comprehensive personnel system, including but not limited to regulating all appointments, promotions, demotions, suspensions, and removal of borough officers and employees on the basis of merit; and
12. create or designate itself to be a board of review, adjustment, equalization, or canvassing board.

**Section 4.03**

**Ordinance Procedure**

- A. An ordinance may be presented for consideration by a member or committee of the assembly or by the manager at any regular or special meeting of the assembly. Upon presentation of an ordinance, copies shall be furnished to each assembly member and to the manager. Upon presentation, an ordinance shall be rejected, deferred, referred to committee, or accepted as being introduced. Promptly after introduction, the assembly shall publish the ordinance and a notice setting out the time and place for a public hearing on the ordinance. The public hearing of an ordinance shall follow publication by at least ten (10) days; it may be held at a regular or special assembly meeting and may be adjourned from time to time. At the public hearing, copies of the ordinance shall be distributed to all persons present who request them or, in the alternative, the ordinance shall be read in full. All interested persons shall have an opportunity to be heard. If the ordinance is amended after the hearing so substantially as to change its basic character, the ordinance shall be treated as a newly introduced ordinance. After the hearing, the assembly shall consider the ordinance and may adopt it with or without amendment by a majority vote of the quorum present and not prohibited from voting by this Charter.
- B. Ordinances take effect upon adoption or at a later date specified in the ordinance.
- C. As used in this section, "publish" shall mean mailing to each city or village administrator publication by such other media as the assembly shall designate by ordinance, at least ten (10) days before the public hearing.

**Section 4.04**

**Emergency Ordinance**

- A. To meet a public emergency, the assembly may adopt ordinances effective upon adoption. Every emergency ordinance must contain a finding by the assembly that an emergency exists and a statement of the facts upon which the finding is based. An emergency ordinance may be adopted, amended and adopted, or rejected at the meeting at which it is introduced. The affirmative vote of all members present, or the affirmative vote of three-fourths of the total membership authorized in this Charter, whichever is less, is required for adoption. The assembly must print and make available copies of adopted emergency ordinances.
- B. An emergency ordinance may 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. Emergency ordinances are effective for sixty (60) days.

**Section 4.05**

**Codes of Regulations**

The assembly may adopt any standard code, or any provisions of the statutes of the State of Alaska, by reference thereto in an adopting ordinance. Materials adopted by reference under this section need not be distributed to the public or read at a public hearing, but copies of the materials shall be made available for public inspection for at least fifteen (15) days, in each community of the borough, before the hearing for the adopting ordinance. Only the adopting ordinance need be printed after adoption. The assembly shall provide for the adopted code to be provided to the public.

**Section 4.06**

**Acts by Resolution**

Actions of the assembly by resolution shall be as follows:

- A. Every resolution shall be introduced in writing in the following format and shall be orally read before any vote for passage thereof is taken.
  - 1. the heading "Xunaa Borough, Alaska";
  - 2. the space for a number to be assigned: "Resolution \_\_\_\_";
  - 3. a short and concise title descriptive of its subject and purpose;
  - 4. short premises or whereas clauses descriptive of the reasons for the resolution, if necessary;
  - 5. the resolving clause, "BE IT RESOLVED";
  - 6. provision for signatures after the date, and designated lines for the signatures of the mayor and the clerk; and
  - 7. an attestation.

Resolutions shall not be included in any borough code of ordinances.

**Section 4.07**

**Rules and Regulations**

Any rule or regulation made by any administrative officer, board or commission shall be published at least fifteen (15) days prior to its adoption in a newspaper of general circulation in the borough and by posting at public posting locations.

## **ARTICLE V**

### **NOMINATIONS – ELECTIONS**

#### **Section 5.01**

#### **General Requirements**

- A. Regular Elections. A regular election shall be held annually on the first Tuesday in October.
- B. Special Elections. The assembly shall provide, by ordinance, for special elections.
- C. Notice of Election. At least thirty (30) days published notice shall be given of a regular or special election. The notice shall state the purpose of the election.
- D. Qualifications of Voters. A person may vote in any borough election only if the person:
  - 1. is qualified to vote in the State of Alaska; and
  - 2. is a resident of the borough for thirty (30) days immediately preceding the election.
- E. Nominations. Candidates for elective office shall be nominated by a petition signed by at least twenty-five (25) qualified voters of the borough. All nomination papers comprising a petition shall be assembled and filed in person with the clerk during office hours as one instrument not earlier than 120 days nor later than 45 days before the election. No nominating petition may be accepted unless accompanied by a signed acceptance of the nomination by the candidate.
- F. Election Procedures. All elections shall be non-partisan. The assembly, by ordinance, shall prescribe rules for the conduct of borough elections.
- G. Determination of Election Results. The candidate for an office who receives at least forty percent (40%) of the votes cast and the greatest number of votes is elected to the office. If no candidate receives forty percent (40%) of the votes cast, a runoff election between the two candidates receiving the greatest number of votes will be held within thirty (30) days. If two candidates each receive at least forty percent (40%) of the vote and the vote ends in tie, the winner shall be determined by lot at a meeting of the assembly.
- H. Certification. 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. Certification shall occur no later than 30 days following the election.

## **ARTICLE VI**

### **INITIATIVE, REFERENDUM AND RECALL**

#### **Section 6.01**

#### **Initiative and Referendum**

- A. The powers and rights of the initiative and referendum are reserved to the people of the borough except the powers do not extend to matters restricted by Article XI, Section 7 of the Alaska Constitution. The assembly, by ordinance, shall regulate the procedure for their exercise.
- B. Through the initiative process, voters of the borough may initiate and subsequently enact or amend charter provisions. ordinances, resolutions and existing provisions of borough code.
- C. Through the referendum process, voters of the borough may repeal a legislative measure that has been approved by the assembly.

**Section 6.02                      Petitions**

- A. An initiative or referendum shall be proposed by filing an application with the borough clerk containing the ordinance to be initiated or referred.
- B. The application shall be signed by at least ten (10) voters who sponsor the petition.
- C. The application shall contain a copy of the ordinance initiated or sought to be referred and conform to such other requirements as may be established by ordinance.
- D. Upon the clerk’s certification that the application is in proper form and meets the requirements of this Charter and the ordinances of the borough, the borough clerk shall prepare a petition for circulation for signatures.
- E. The petition must then be signed by a number of qualified voters of the borough equal at least to twenty-five (25) percent of the total votes cast at the immediately preceding regular borough election. A petition with sufficient signatures must be filed with the borough clerk within 90 days after the petition is issued by the borough clerk. Each copy of the petition filed must bear the sponsor’s sworn statement that the sponsor personally circulated the petition, that all signatures were affixed in the presence of the sponsor, and that the sponsor believes the signatures to be those of the persons whose names they purport to be.
- F. Within 10 days after the petition is filed, the borough clerk, with such assistance from the borough attorney as the borough clerk deems necessary, shall ascertain whether the petition is legal and has sufficient signatures, and shall certify the borough clerk’s finding to said petition.
- G. If the borough clerk certifies that a petition is insufficient, a sponsor of the petition may protest that decision by filing a written protest with the borough manager within seven (7) days of the certification.
- H. The borough manager shall present the protest to the assembly at its next regular meeting, and the assembly shall hear and decide the protest.

**Section 6.03                      Ballot Title and Proposition – Submission**

- A. If an initiative or a referendum petition is found to be legal and to have sufficient signatures, the borough clerk, with such assistance from the borough attorney as the borough clerk deems necessary, shall prepare the ballot title and proposition for the ordinance.

- B. The borough clerk shall submit the matter to the voters at the next regular election or, if already scheduled, special election occurring not sooner than 60 days after certification of the petition. If no election is scheduled to occur within 75 days after the certification of a petition and the assembly determines it is in the best interest of the municipality, the assembly may by ordinance order a special election to be held on the matter before the next election that is already scheduled, but not sooner than 60 days after certification of the petition.
- C. If, in the case of an initiative petition, the assembly enacts, prior to the election, an ordinance substantially the same as the one in the petition, or if the assembly repeals the ordinance before the referendum election, the petition is void and the matter may not be placed before the voters.

**Section 6.04**

**Vote Required – Effect**

- A. If a majority of the votes cast on the proposition favor the enactment of an initiative ordinance, it shall be enacted. If at least as many votes are cast for the approval of a referred ordinance as are cast against it, it shall be approved and go into effect; otherwise, it shall be rejected.
- B. If two or more initiated or referred ordinances which have conflicting provisions are enacted or approved at the same election, the one receiving the largest affirmative vote shall prevail.
- C. The assembly may not repeal or substantially alter any ordinance adopted in an initiative election or adopted after a petition that contains substantially the same measure has been filed, within two years after the ordinance’s effective date unless the modifying or negating measure is approved by the voters. If an ordinance is repealed in a referendum election or by the assembly after a petition that contains substantially the same measure has been filed, substantially similar legislation may not be enacted for a period of two years unless the substantially similar legislation is approved by the voters.
- D. If an initiative or referendum measure fails to receive voter approval, a new petition application for substantially the same measure may not be filed sooner than one year after the election results are certified. If an initiative or referendum measure is approved by the voters or the assembly adopts a substantially similar measure after an initiative petition is filed or repeals an ordinance after a referendum is filed, a new petition application which would negate the earlier measure or enact an earlier repealed measure may not be filed sooner than one year after the earlier measure has been adopted or repealed.

**Section 6.05**

**Further Regulation by Ordinance**

The assembly by ordinance may further regulate the procedures for the initiative and referendum.

**Section 6.06**

**Recall**

Members of the assembly, including the mayor, and members of the school board, are subject to recall under procedures adopted by the assembly by ordinance.

**ARTICLE VII**

**PLANNING AND ZONING**

**Section 7.01**

**Planning Commission**

There shall be a planning commission consisting of seven (7) members, appointed by the mayor and confirmed by the assembly. The powers and duties of the planning commission, and the terms, qualifications and compensation of its members shall be provided by ordinance.

**Section 7.02**

**Comprehensive Plan; Zoning Ordinances**

- A. The assembly, by ordinance, shall adopt and implement, and from time to time, not exceeding more than five (5) years, modify, a comprehensive plan setting forth goals, objectives and policies governing the future development of the borough.
- B. The assembly, by ordinance, shall adopt and enforce such zoning ordinances, building codes and other land use controls as may be consistent or advisable under the comprehensive plan. Such ordinances shall extend to the Hoonah Townsite Service Area created by Section 12.03 of this Charter and any community or area for which ordinances or codes are adopted under Section 7.04 of this Charter.

**Section 7.03**

**Platting Regulation and Subdivision Regulation**

There shall be a platting authority constituted as provided for by ordinance. The assembly shall exercise platting authority over the Hoonah Townsite Service Area created by Section 12.03 of this Charter and such areas as it may specify by ordinance.

**Section 7.04**

**Zoning Outside Hoonah Townsite Service Area**

For communities and other unincorporated areas of the borough outside the Hoonah Townsite Service Area created by Section 12.03 of this Charter, the assembly may establish by ordinance advisory committees regarding zoning ordinances or building codes pertaining to such communities or areas. Advisory committees under this section shall prepare a report to the assembly setting out any recommendations regarding zoning or building code action governing that community or area. The assembly shall take no action on any zoning ordinance or building code governing such community or area until it has convened an advisory committee under this section and considered its report.

**ARTICLE VIII**

**EDUCATION**

**Section 8.01**

**Public School System**

There shall be a system of public education for the borough, conducted in the manner provided by law. The system of public education shall be operated by a school board of five (5) members.

**Section 8.02**

**School Board**

- A. Qualifications. A school board member shall be a qualified borough voter and a resident of the borough. No school board member may hold any compensated school district employment while serving on the school board.
- B. Term. School board members shall be elected to three (3) year staggered terms.

- C. Election. Each school board member shall be elected at-large for individual staggered seats by the qualified voters of the borough. Each elected school board member represents all the voters of the borough.
- D. The assembly may, by ordinance, adopt additional procedures pertaining to the nomination and election of school board members.
- E. Vacancies. The office of a school board member shall become vacant upon death, resignation, or removal from office in any manner authorized by law or by this Charter or by forfeiture of office as prescribed by law or the policies of the school board.
- F. Each site maintaining a school shall have a Local Advisory Board.

**Section 8.03 Powers 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 Budget**

The superintendent of schools shall submit an annual budget which shall first be approved by the school board at such time as the board may direct, but in no case at a date later than that prescribed by state law. The proposed school budget shall be a public record available from the time of its submission to the board for public inspection and distribution. The board shall hold public hearings on the budget before approval, and obtain the views of the Local Advisory Boards before submission to the assembly for final action by the assembly.

**Section 8.05 Joint Conference**

The assembly and school board may meet jointly at public meetings to deliberate upon matters of mutual interest.

**ARTICLE IX**

**FINANCE**

**Section 9.01 Fiscal Year**

The fiscal year of the borough shall begin on January 1 and end on December 31 of the same calendar year.

**Section 9.02 Submission of Budget Capital Improvements Program and Message**

Not later than ninety (90) 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 not to exceed thirty (30) days if compelling reasons exist.

**Section 9.03**                      **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, 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 for the preceding fiscal year.
  - 2. Estimated expenditures and estimated revenues for the current fiscal year.
- C. Balanced Budget. Proposed expenditures shall not exceed total estimated revenues and reserves.

**Section 9.04**                      **Scope of Capital Improvements Program**

- A. The capital improvements program shall be a plan for capital improvements proposed for the following two (2) 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; and
  - 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 in the capital improvements program.

**Section 9.05**                      **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 two (2) fiscal years.

**Section 9.06**                      **Hearing**

- A. By December 15, a public hearing shall be held on the budget and capital improvements program. All persons interested shall have an opportunity to be heard. At least ten (10) 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; and
  - 2. deliver copies of the notice and summary of the budget and capital improvements program and the manager's message to newspapers of general circulation in the borough, to the radio stations operating in the borough, and by posting in two (2) public places in each community.

- B. "Publish" shall have the same meaning as provided for in Section 1.06.D of this Charter.

**Section 9.07**

**Assembly Action on Budget**

The assembly, by ordinance, shall adopt a budget not later than December 30.

**Section 9.08**

**Assembly Action on Capital Improvement Program**

The assembly, by ordinance, shall adopt a capital improvements program not later than December 30 before the end of the current fiscal year. If the assembly fails to do so, the capital improvements program submitted by the manager shall be deemed adopted by the assembly.

**Section 9.09**

**Certification and Distribution**

The budget and capital improvements program as adopted shall be certified by the manager and clerk and shall be a public record and shall be made available at the borough clerk's office and on borough website for distribution to the public at no more than cost.

**Section 9.10**

**Supplemental and Emergency Appropriations**

- A. If during any fiscal year there are available revenues not anticipated in the budget estimates and unobligated reserves, the assembly, by ordinance, may make supplemental appropriations for the year up to the amount of the additional revenues and unobligated funds in the reserve account.
- 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 9.11**

**Reduction and Transfer of Appropriations**

If during the fiscal year it appears that revenues and unobligated reserves available will be insufficient to meet the amount appropriated, the manager shall report to the assembly without delay. 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. Except as to the school budget, the manager may transfer all or part of any unencumbered balance between categories within an appropriation. The school board may transfer part or all of any unencumbered balance between categories within the appropriation for the school budget. Except as to the school budget, the assembly may transfer part or all of any unencumbered balance from one appropriation to another.

**Section 9.12**

**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 9.13**

**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 provisions 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 assembly, by ordinance, may authorize a contract, lease or obligation requiring funds from future appropriations, including appropriations in future fiscal years, subject to the annual appropriation of funds for that purpose.

**Section 9.14                      Enterprise Funds**

Revenues from a borough enterprise shall be first used for debt retirement, construction, acquisition, operation, maintenance, repair and capital improvement of the enterprise. Other uses of such revenues shall be only as authorized by ordinance.

**Section 9.15                      Independent Audit**

The assembly shall provide for an annual audit of all borough accounts by an independent certified public accountant and may require additional duties that it deems necessary.

**Section 9.16                      Xunaa Borough Reserve Fund**

A reserve fund is hereby authorized. Operation of the fund shall be made by borough ordinance.

**ARTICLE X**

**BORROWING**

**Section 10.01                      Authority**

The borough has the power to borrow money and to issue general obligation bonds, revenue bonds or other evidences of indebtedness therefor, but only when authorized by the assembly for capital improvements.

**Section 10.02                      Conditions of Borrowing**

- A. No general obligation bonded indebtedness, or other general obligation indebtedness, for capital improvements may be incurred unless authorized by the assembly and ratified by a majority vote of those in the borough voting on the question pursuant to subsection B. of this Section
- B. With respect to any general obligation bond or other general obligation indebtedness:
  - 1. 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 by voters as required by this subsection for areawide indebtedness.

2. 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 basis and on a service area or non-areawide basis.
- C. The requirements for ratification do not apply to borrowing money to meet appropriations for a particular fiscal year under subsection D, below; to indebtedness to be paid from special assessments to be made on benefited property; nor to refunding indebtedness.
  - D. 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 twenty-five (25) percent of expected revenues of that year. All debts so contracted shall be paid before the end of the next fiscal year.
  - E. In accordance with the provisions of this Article, 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. Bond anticipation notes may be issued following the approval of a bond issue under this section and pending sale of the bonds. Revenue bonds require voter approval in the same manner as for general obligation bonds as set out in this section.

### **Section 10.03**

### **Notice of Bond Election**

- A. In calling any election required by this article, the assembly shall cause a notice to be published at least thirty (30) days prior to the election in a newspaper of general circulation in each community of the Borough, or other public notice procedures as described in 4.03.C of this Charter. The notice shall set out the maximum amount of the bonds, purpose of their issuance, and maximum length of time within which the bonds shall mature.
- B. For bonds secured by a pledge of taxes to be levied in a service area the notice shall also contain the information required in subsection A above, relative to the service area.
- C. Errors contained in information required in subsections A or B above with regard to the borough or a service area shall not invalidate any election unless such errors are material. Actions challenging the sufficiency of any notice of election must be brought within the time provided in section 10.06 of this Charter.

**Section 10.04**

**Manner of Sale**

Bonds may be sold in such manner as the assembly shall provide.

**Section 10.05**

**Sale to Financial Consultant Prohibited**

No person retained by the borough to perform services relating to financial programming or the issuance and sale of obligations may bid on such obligations, directly or indirectly. In the event any such person violates this provision, his contract for such services shall be null and void and he shall not be entitled to payment for any services rendered; and, in addition, he shall be liable for any damages sustained by the borough in connection with such purchases and sale. Violation of the provisions of this section shall not invalidate the obligations. Nothing contained in this paragraph shall be construed to prohibit the issuance of bonds through orthodox underwriting practices.

**Section 10.06**

**Actions challenging the Validity of Obligations**

No action challenging the validity of any obligations may be maintained unless instituted within thirty (30) days from the effective date of certification of the results of the election ratifying the issuance of such obligation or thirty (30) days from the effective date of the ordinance authorizing the issuance of such obligation when ratification is not required.

**Section 10.07**

**Use of Bond Proceeds**

Every bond or other evidence of indebtedness must contain a statement of the purpose for which it is issued, and the proceeds thereof (including interest and profits therefrom) 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 10.08**

**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 (10) 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.

**ARTICLE XI**

**TAXATION**

**Section 11.01**

**Sales and Other City Taxes**

- A. The sales tax imposed by Chapter 4.04 of the City of Hoonah Municipal Code, and all other taxes and licenses imposed by the City of Hoonah, shall, upon the Assumption Date under Section 16.02 of this Charter, constitute the sales and other taxes and licenses of the Xunaa Borough for all transactions covered thereunder occurring within the Hoonah Townsite Service Area created by Section 12.03 of this Charter. Upon the Assumption Date, all sales and other tax or license liability accrued or owing to the former City of Hoonah shall be owed and paid to the Xunaa Borough. Upon the Assumption Date, and except as may be modified by this Charter and any revisions to such code ratified by the qualified voters at time of the borough's incorporation election, all provisions of the Municipal Code of the City of Hoonah related to: (i) the tax levied by Chapter 4.04 of such code; and (ii) any other City of Hoonah tax or license, shall be deemed to be duly enacted ordinances of the Xunaa Borough unless and until modified by the borough assembly by ordinance.
- B. Upon the Assumption Date, all references in Chapter 4.04 of the City of Hoonah Municipal Code, or in any code provision relating to any other tax and license imposed by the City of Hoonah, to:
1. any person, thing or transaction within the "city" shall be deemed to refer to any such person, thing or transaction in the Hoonah Townsite Service Area; and
  2. any "city" action relating to administration of the tax or license, including any filing, payment, collection, enforcement, audit, assessment or other governmental action or involvement whatsoever shall be deemed to refer to the Xunaa Borough and its agents and employees.
- C. Proceeds from the sales tax imposed by Chapter 4.04 of the City of Hoonah Municipal Code and from any other tax or license imposed by the City of Hoonah Code shall be expended solely for the benefit of the Hoonah Townsite Service Area created by Section 12.03 of this Charter and for administration of the tax or license; *provided, however,* that proceeds from the one percent sales tax for extra-curricular activities set out in Section 4.04.030.C of the City of Hoonah Municipal Code shall be allocated to the Xunaa Borough School District.
- D. Any change in the rate of the tax set out in paragraph (A) shall be enacted by ordinance ratified by a majority of the qualified voters resident within the Hoonah Townsite Service Area created by Section 12.03 of this Charter voting on the question.

**Section 11.02**

**One Percent Seasonal Areawide Sales Tax**

- A. The one percent seasonal areawide sales tax ratified at the time of the incorporation election of the Xunaa Borough shall remain in effect unless and until changed by borough assembly ordinance. Upon the Assumption Date, and except as may be modified by this Chapter, all provisions of such seasonal sales tax included as Exhibit W to the City of Hoonah's petition for incorporation, shall be deemed to be a duly enacted ordinance of the Xunaa Borough unless and until modified by the borough assembly.
- B. Any change in the rate of the tax set out in subsection A shall be enacted by

ordinance ratified by a majority of the qualified voters voting on the question areawide. Any other change to such tax may be made by assembly ordinance.

- C. The seasonal areawide sales tax referenced in this section shall be the only tax levied on an areawide basis; *provided, however*, that this limitation shall not apply in the event that the seasonal areawide sales tax is invalidated or limited by a court of competent jurisdiction. Nothing in this subsection limits the authority of the assembly to amend the rate or terms of such sales tax, subject to the ratification requirement of subsection B of this Section.
- D. Notwithstanding Section 11.01.B.1 of this Charter, any reference Chapter 4.04 of the City of Hoonah Municipal Code to any person, thing or transaction within the “city” shall, with respect to the seasonal sales tax under this Section, be deemed to refer to any such person, thing or transaction in the Xunaa Borough.
- E. Notwithstanding Section 11.01.C of this Charter, proceeds from the seasonal sales tax under this Section shall be appropriated for areawide functions.
- F. This section takes effect only if the areawide seasonal tax is approved by the qualified voters at the time of the borough incorporation election.

**Section 11.03 Property Tax Prohibition.**

The borough assembly may not assess an *ad valorem* tax on real or tangible personal property.

**ARTICLE XII**

**SERVICE AREAS**

**Section 12.01 Purpose**

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.

**Section 12.02 Establishment**

The assembly, by ordinance and subject to the requirements of AS 29.35.450, may establish, alter, consolidate or abolish service areas. The assembly, by ordinance, may add or eliminate services to a service area. The ordinance shall contain the following:

- 1. boundaries and area to be included;
- 2. services to be provided or eliminated; and
- 3. other provisions the assembly includes.

**Section 12.03 Hoonah Townsite Service Area**

Those areas that were, at the Assumption Date under Section 16.02 of this Charter within the boundaries of the former City of Hoonah are by this Charter formed as the Hoonah Townsite Service Area. There may be exercised within such Service Area: (i) any and all powers exercised by

the former City of Hoonah prior to the dissolution of such city; and (ii) other powers that may lawfully be exercised by a home rule borough.

**Section 12.04**                      **Criteria**

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

**Section 12.05**                      **Service Area Taxation and Use Of Assets**

- A.            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.            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.

**ARTICLE XIII**

**LOCAL IMPROVEMENT DISTRICTS**

**Section 13.01 Purpose**

Local improvement districts may be established in a limited and determinable area to confer the special benefits of any borough improvement.

**Section 13.02 Local Improvement District Procedures**

The assembly, by ordinance, shall prescribe procedures for establishment of local improvement districts and for agreements for furnishing capital improvements and the extension thereof in lieu of assessments.

**Section 13.03 Receipts**

Accounts for local improvement districts shall be kept separate from other borough accounts. Revenues from a special assessment shall be used solely to pay the cost of the improvements or the principal and interest on indebtedness incurred for the improvements.

**ARTICLE XIV**

**CHARTER AMENDMENT**

**Section 14.01 Proposal**

- A. Amendments to this Charter may be proposed:
  - 1. by ordinance of the assembly containing the full text of the proposed amendment; or
  - 2. by report of an elected charter commission created by assembly ordinance or by initiative ordinance; or
  - 3. by initiative petition.

**Section 14.02 Election**

Proposed amendments shall be submitted to the qualified voters of the borough at the next regular or special election occurring more than forty-five (45) days after 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 14.03 Effective Date**

If a majority of the qualified voters voting on a proposed amendment approve, the amendment shall become effective at the time fixed therein or, if no time is so fixed, thirty (30) days after certification of the election.

## ARTICLE XV

### GENERAL PROVISIONS

#### **Section 15.01**

#### **Personal Financial Interest**

- A. Prohibition. No elected official may vote on any question on which he has a substantial financial interest. Any borough officer, employee, or assembly member who has a substantial financial interest in any contract with the borough, or in the sale of land, material, supplies, or services to the borough or to a contractor supplying the borough shall make known that interest and shall refrain from participating in his capacity as a borough officer, employee, or assembly member in the making of such sale or in the making or performance of such contract.
- B. Punishment. Any borough officer, employee, or assembly member who violates the requirements of this section shall forfeit his office or employment. Violation of this section with the knowledge expressed or implied of the person contracting with or making a sale to the borough shall render the contract or sale to the borough voidable by the administrator or the assembly.
- C. Additional Rules. The assembly, by ordinance, may prescribe additional rules and penalties to prevent conflicts of interest.

#### **Section 15.02**

#### **Prohibitions**

- A. Discrimination. No person shall be discriminated against in any borough appointment, employment, or promotion because of race, sex, color, political or religious affiliation, national origin or sexual orientation.
- B. Personnel Regulations. No person shall willfully falsify any test, certification, or appointment under the personnel regulations, or in any manner commit or attempt to commit any fraud to prevent the impartial execution of such regulations.
- C. Undue Influence. No person shall offer, give, or receive any money, service, or other valuable thing to influence or attempt to influence any action of an officer or employee in the performance of his borough duties.
- D. Solicitation. No assembly member, borough officer, or administrative employee shall directly or indirectly solicit a contribution for any political party or purpose from any person holding a compensated borough position.
- E. Campaigning. No borough officer or assembly member shall campaign while on official business.

#### **Section 15.03**

#### **Surety Bonds**

The borough manager, the borough clerk, or 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 15.04**

**Oath of Office**

Every officer of the borough, before entering upon his 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 such oath before entering upon employment. Oaths of office shall be filed with the borough clerk.

**Section 15.05**

**Continued Office**

Every officer who is elected or appointed for a term ending at a definite time shall continue to serve until his successor qualifies and takes office, except in the case of death, resignation, or termination by law or this Charter.

**Section 15.06**

**Borough Proceedings**

The assembly, by ordinance, shall establish procedures governing administrative proceedings in which the legal rights, duties, and privileges of persons are to be determined, insure fair and equal treatment of all persons involved in such proceedings, and provide for the conduct of such proceedings in an orderly and uniform manner.

**Section 15.07**

**Records to be Public**

All records of the borough shall be public except as otherwise provided by law. Records shall be available at borough offices for public inspection and for distribution at a reasonable cost. Copies certified by the clerk shall be at no more than cost to the borough.

**Section 15.08**

**Dedication of Borough Property**

Dedication of streets, rights-of-way, easements or other areas for public use by the assembly may not be construed to require the borough to maintain, improve, or provide for borough services in the area dedicated and the dedication does not impose any liability on the borough for the condition of the area dedicated.

**Section 15.09**

**Severability**

If any provision of this Charter is held invalid, other provisions shall not be affected. If the application of this Charter or any of its provisions to a person or circumstance is held invalid, the application of this Charter or any of its provisions to other persons or circumstances shall not be affected.

**Section 15.10**

**Return of Funds to Communities**

The borough assembly shall establish procedures by which available funds generated in the organized and unorganized communities by revenue sharing and municipal assistance shall be returned to those communities to the extent allowed by law.

**Section 15.11**

**Community Participation**

The assembly will make provision for non-voting representatives from communities not represented by an elected person on the Assembly to attend regular meetings of the assembly.

**ARTICLE XVI**

**TRANSITIONAL PROVISIONS**

**Section 16.01                      Effective Date; Dissolution of City of Hoonah**

- A.            This Charter shall be effective immediately upon certification by the Alaska Division of Elections that the Xunaa Borough incorporation petition has been ratified.
- B.            Upon the Assumption Date under Section 16.02 of this Chapter, the City of Hoonah is dissolved pursuant to AS 29.06.450(c).

**Section 16.02                      Assumption of Power**

Pursuant to AS 29.05.140, upon the certification and swearing in of the initial Borough Assembly members, the borough assembly, after consultation with the City of Hoonah City Council, shall specify the date at which all of the rights, powers, assets, duties and liabilities of the City of the City of Hoonah shall be assumed by the Xunaa Borough (the “Assumption Date”). At 12:01 a.m., Alaska Time, on the Assumption Date, all of the rights, powers and duties of the former City of Hoonah shall become areawide rights, powers, assets, duties and liabilities of the Xunaa Borough, and the City of Hoonah is dissolved pursuant to AS 29.06.450(c). The Assumption Date shall be not later than 60 days after the swearing in of the initial borough assembly.

**Section 16.03                      Election of Initial Officials; Interim Assembly Members**

The initial borough assembly shall be elected as provided in this Charter In order to achieve a staggered assembly, the initial assembly shall be elected to varying terms in the following manner:

- Mayor and 2 Assembly Seats: 3-year terms
- 2 Assembly Seats: 2-year terms
- 2 Assembly Seats: 1-year terms

Notwithstanding section 2.03 of this Charter, and except for the initial Mayor, initial assembly terms shall be chosen by lot from among the six candidates with the highest vote total, with all candidates for initial assembly seats other than the mayor competing on a single slate of at large candidates. Candidates for initial mayor shall compete separately. Notwithstanding Section 5.01.E of this Charter, and pursuant to AS 29.05.120(b), nominating petitions shall require the signature of by at least fifty (50) qualified voters of the borough.

**Section 16.04                      Organization of Assembly**

The assembly shall meet as provided in Section 2.06 of this Charter and organize and carry out duties as required in that section.

**Section 16.05                      Transitional Provisions for Borough Manager**

The initially elected assembly may appoint an interim manager until such time that a manager is appointed. No person may serve as interim manager for more than 180 days.

**Section 16.06                      Transitional Provisions for School Board**

- A.            At the Assumption Date, the Xunaa School District shall assume all assets, powers, rights, and duties and liabilities of the Hoonah School District, and the Hoonah School District is dissolved.



or (i) any revisions to such code ratified by the qualified voters at time of the borough's incorporation election, upon the Assumption Date, ordinances and resolutions and orders of the former City of Hoonah shall continue in full force and effect within the Hoonah Townsite Service Area as ordinances and resolutions of the Xunaa Borough until: (i) modified by the Borough Assembly; and (ii) no later than two (2) years after ratification of this Charter, when they shall expire, unless, after substantive review by the Assembly, each ordinance, resolution, or order has been expressly reaffirmed, revised or repealed. With respect to any such ordinance or resolution, any reference therein to:

1. any person, thing or transaction within the "city" shall be deemed to refer to any such person, thing or transaction in the Hoonah Townsite Service Area; and
2. any "city" governmental action or involvement whatsoever shall be deemed to refer to the Xunaa Borough and its agents and employees

The borough manager and borough attorney shall, no later than eighteen (18) months after ratification of this Charter, submit a comprehensive substantive study of remaining pre-Assumption Date ordinances and resolutions to aid the Assembly in the adoption of an integrated code

### **Section 16.13**

### **Sales and Other Taxes**

Upon the Assumption Date, all revenues accrued or payable from the sales tax under Chapter 4.04 of the Municipal Code of the former City of Hoonah, and all revenues from any other former City of Hoonah tax or license, shall be timely paid to the Xunaa Borough. Upon the Assumption Date, all such revenues shall constitute revenues of the Xunaa Borough pursuant to Sections 11.01, 16.02 and 16.11 of this Charter. Under no circumstance may this paragraph, Section 11.01, 16.02 or 16.11, or any other provision of this Charter be construed as creating any gap in the continuing obligation to collect and remit tax or license either before, at the time of, or after the Assumption Date to the City of Hoonah (before the Assumption Date) or the Xunaa Borough (on and after the Assumption Date).

### **Section 16.14**

### **Reserves and Franchises**

- A. Any pledged reserve accounts of the prior City of Hoonah shall remain committed to the purposes for which they were originally dedicated.
- B. Franchises. All existing franchises of the prior City of Hoonah shall continue after ratification of this Charter until they expire, are extended, renewed or revoked by the borough assembly.