

KODIAK

ANNEX.

Kodiak

Put note in file that

Sen. Mulcahy out of country
Feb 16 pm to Mar 1 a.m.

1/23/79

File Kodiak
2000

Joan Katz (atly - Anchorage)
represents Kodiak Borough

advice of action in Kodiak Borough
on behalf Borough
objects

- ① Residents should have option
of voting
- ② can supply services through
service districts
- ③ Economic justification lacking.

Joan has well send v briefs re
case.

- ① notify Gene to put Joan on
list of people to contact
- ② Put this w/ Kodiak
annexation file

2/5/78

FROM:

Sen. Mulcahy's Office

William Dulex, Kodiak,
Called & wants to testify
at Ft. Kodiak Public
Hearing.

Letters to the editor

Dear Editor:

This letter is to all the people of Kodiak in response to some of the views expressed against annexation. In no way are all of the people against annexation. Some of us would like orderly development at a reasonable cost. This is not assured us with the borough government and a variable assortment of service districts. The first implementation of the borough government was not designed to take over existing or to overlap government systems already operating. It was really meant for the boondocks and Kodiak can hardly be called that as we do have a good school system, supermarkets, road systems, radio station and TV, without mentioning other types of business which were well

established when the borough came into existence

A few facts that might be interesting to all: Number one—practically every employed person is within the city limits or on the Coast Guard base. Number Two—we pay a 7 mill base in the borough plus a 2 mill fire service tax. Bell Flats pays another 7 mills for road service which comes up to 16 mills. Any other service that the borough might provide will put this tax over and above any you might be paying in the city. Number Three—We who live in the borough and operate businesses in the city do not have any say as to who and what rules govern us. Cliches have been passed back and forth but this is real taxation without representation.

A benefit of being in the city will be to assure that we us will be voting for the same people. Some will say "Why don't you move back into the city?" I want to say to all that I am a life long resident of Kodiak with a lot of years of public service and consider this is all one and the same area. Also I am a native with a heritage that goes back many many years.

Number Four—If the people who are flagging the cost of moving into the city would examine the cost of our borough government, especially the statements of the borough officials on this forthcoming land sale which reflects their daily operating procedure, I would say many thousands of dollars are poured down the tube annually.

I would like to mention at the last that these Pied Piper tactics should be a thing of the past. There are enough responsible and sensible people living in the borough who should look closely and think for themselves. Those who are residing in the borough and are concerned about services to be had, and are concerned about dollars and cents, should not listen to opinions but look and find out the hard facts as to to who can provide the services at the most reasonable cost.

If you are not concerned about these facts and are only being led down the road by people who hold animosity for the city, then a few years from now if you are still here we will not expect you to holler oach, if annexation does not become a reality.

Very truly yours,
Emil Norton

1/30/79

4:00

Mr. Dodd Shay would like to set up a meeting following our hearing in Kodiak with:

Mr. Denslow

Mr. Marvin Frost, Afognak Native Assoc. Mgr
and himself

to meet with joint C/RA committees on

Development Cities Act, etc.

If we are agreeable, Mr. Denslow will set up the meeting.

Mr. Shay will call us back Feb. 1 (tomorrow) at 1:15 our time for confirmation..

~~He has~~

The above people are interested and represent all sides of the questions.....

T-

My - if we would be agreeable to meet if time permits.

Letters to the editor

Dear Editor:

I, as Kodiaks unofficial ombudsman, wish to share with you and other fellow Kodiakans a few reflections and conclusions on a current matter pertinent to the well being and progress for Kodiak in the years to come, namely the annexations of Spruce Cape, Island Lake, and Mill Bay, known as area 1, 2 & 3.

First, I wish to say I am a member of the Annexation Committee, and concurred for the final approval and recommendation of the annexation of the aforementioned areas after much study and evaluation. There is a very vocal minority that is attempting to retard and stifle the growth and progress of Kodiak.

Even though conditions of annexation of the various areas as required by the area some years ago have been met and better, the vocal minority continues to object on the grounds that the method being used to annex the areas is objectionable.

The argument at the boundary commission hearing here in Kodiak was that, unification was the answer, or that the borough could and would supply services through service districts.

Both were voted down in the past election, so where do we go from here? The borough claims to be able to furnish the services we need just as cheaply as the city. Can they?

I say no, you judge for yourself. In Bells Flats the residents pay 7 mills to the borough, plus 7.2 mills for road service such as it is, making a total of 14.2 mills. The mill rate in the city is 16.2 for all services. Anyone can see that all services under service districts, road, water, sewer, fire, and police, would cost much more than the 16.2 mills in the city.

If you will search the minutes of about 2 years ago, when Bells Flats was requesting a cost estimate from the borough for all services it came up to approximately 26 mills. Considering the inflation factor, two additional years would reach the lawful limit of 30 mills, for the same service.

Our senator and representative have just left for Juneau with a pledge to voice the sentiments of the majority. The bottom lines of all of this is (that) the vocal minority objectors, headed by my friend, Okey Chandler, are not representative of the majority of 2,000 people in the proposed annexation area or the 6,000 in the city.

As I am unable to devote as

much time to passing petitions as Mr. Chandler, I am determined to have a true show of hands. Please help by filling out the signature form in this issue and mail it to our box. Any questions, please call. You that can and will, write letters to our representatives.

Thanks,
Bob Brooks

Editor's note: The following letter, addressed to the Department of Commerce and Economic Development, was given to The Mirror for publication.

Dear Sirs:

Recently, I found it necessary to seek medical attention for the first time in well over a year, only to discover that my Blue Cross card was not acceptable at either the North Pacific Medical Center (Brockman & Halter), nor the Kodiak Island Hospital. Although I had proof of coverage, I was told I would have to pay cash and process my own claim at the doctors and the hospital...they offered to mail my claims in but wanted my money RIGHT NOW!

It is obvious that the doctors can eliminate a bookkeeper this way, thereby reducing their overhead by \$1,000 to \$1,200 a month, but the hospital excuse (given by a young girl at the admittance desk) was that the insurance companies were taking too long in processing claims and they needed their money NOW.

My questions are: Is this legal? If so, what happens to those who are unable to produce cash but are insured? Many cannot. Are these people refused medical care? Is this the reason so many local residents are going to Anchorage or Seattle for their medical problems?

I am told that in Anchorage you pay the first \$50 and the rest is collected from your insurance company...I know from experience that in the Seattle-Tacoma area all you need is your (in my case) Blue Cross card and you are taken care of.

I have taken a dim view of any kind of socialized medicine in the past, but I am convinced that if Carter doesn't accomplish anything else, a national health plan would make him a more popular president and undoubtedly create a healthier nation.

Sincerely,
Barbara Miner

Annex debate refused

By DEBORAH NELSON
Mirror Staff Writer

A challenge was made more than a week ago by Bob Brooks, pro annexation, to Dick Juelson, anti annexation, to debate the flaming annexation issue over the radio. Juelson has refused the challenge.

"I don't see any point in debating the issue in Kodiak," Juelson told The Mirror. "I would rather do my debating in Juneau than in Kodiak."

However, both the Senate and the House committees on Community and Regional Affairs have since announced they are coming to Kodiak in a few weeks for the specific reason to obtain input from the Kodiak community.

Brooks, a borough resident on the city's committee for annexation, said he challenged Juelson to the debate "to get the whole spectrum of the thing in the open." Brooks declared that "there are many erroneous things being aired by the anti annexation group, and I wanted to get it out in the open."

Both Brooks and Juelson said they plan on going to Juneau to lobby for contradicting sides of the issue. Juelson said he has been in close contact with Sen. Bob Mulcahy and Rep. Fred Zharoff, and he said he expects the legislators to inform him as to the best time to appear in Juneau.

"The issue was decided last spring before the people of the affected area or the city could speak on it," and Juelson. Since the Boundary Commission has taken the annexation issue out of local hands, Juelson said, the only alternative for those opposed to annexation is to petition the legislature.

Juelson said so far over 500 people in the affected area have signed the petition opposed to annexation. Juelson said there are approximately 800 voters in the affected area, "so we have well over half of the voters in that area," he said. Over 300 city residents have signed a petition against the proposed annexation, Juelson said.

Okey Chandler, who has been circulating anti annexation petitions, said that over 95 percent of those living in the affected area have signed the petition when it was presented before them. "Half of the other five percent wouldn't sign for religious reasons," said Chandler, "and the other half wouldn't sign a petition no matter what it was. They wouldn't sign a reprieve to keep their mother from hanging." Chandler said he expects to attend the legislative session to lobby against annexation, and to lobby for the upgrading of the Anton Larsen Bay Road.


(Continued on Page 2)

Annex

(Continued from Page 1)

1-31-79
In his quest to "get the truth about annexation to the people," Brooks has circulated flyers at his own expense to inform residents of the city's position concerning annexation. Brooks is also circulating petitions in favor of the annexation at his own expense.

Brooks expressed his frustration with the apathy of citizens concerning issues he feels they should be taking an interest in. "Unless something is really taking the salt out of their beans today, people couldn't care less."



Letters to the editor

Dear Editor:

I strongly object to the City's misuse of the annexation committee. When the City Manager Dick Berg asked me to serve on the committee, he assured me that I would not be asked to take a stand for or against annexation.

According to Mr. Berg at that time, the function of the committee was to decide what services would be needed from the City if annexation occurred. The City Mayor appointed six members to the committee; none of the members were elected by the residents of the area to be annexed.

Since that time, the committee has been pressured to favor annexation, and the committee and its recommendations have been portrayed as being representative of the residents of the area. Growing interest in Borough Residents for Autonomy, a group of area residents opposed to annexation, points in the opposite direction — to strong resident sentiment against forced annexation.

I also object to the false pic-

ture painted by the City's publication on annexation. In addition to containing a number of misleading statements, the publication presented differential tax zones as an existing fact. The use of differential tax rates in the area to be annexed is only a recommendation of the annexation committee. The City Council decides tax rates, and the City Council has no obligation to accept the committee's recommendations.

I am opposed to annexation. I fear the City is far more interested in increasing its population and thus its bonding capacity than in providing services to our area. I intend to write the House and Senate Committees on Community and Regional Affairs, the Speaker of the Alaska House of Representatives and the President of the Alaska Senate to urge them to reject this forced annexation. I urge all other concerned citizens to do the same.

Sincerely,
Nick Szabo

Letters

(Continued from Page 3)

annexation to the city as well as additional areas which could be proposed for annexation in the future must be considered as part of the problem of available land for expansion. At present, annexation is the only method for obtaining the utilities and services in the outlying areas which many people feel are mandatory before they will build, and construction of these utilities through residential areas is the only way in which presently zoned potential industrial land can be developed. Industrial land, unlike residential, cannot be developed unless it is serviced by utilities specified by environmental protection laws.

The city tax base is the basis on which bonded indebtedness for utility construction is approved and paid for. Therefore unless annexation is approved, a major revision in state statutes will be required to allow for the orderly expansion of the economic base of the community.

The Chamber firmly believes that duplication of facilities and/or creating additional local government costs is not a viable alternative to annexation.

Commercial Air Service

NOTE: If additional information on any of these subjects is desired, we will be most happy to supply it.

Sincerely,
Kodiak Area Chamber of
Commerce
Denny P. Lavigne, president

LETTERS:

Bob Brooks disputes views of Nick Szabo

(Editor's note: The following letter to the editor has been edited slightly by the editor. Although it still exceeds our 500 word limit, it is printed as a courtesy to Mr. Brooks.)

Dear Editor:

I wish to respond to Nick Szabo's letter to the Editor on January 9th stating his objections of annexation of the three areas recommended for annexation by the Boundary Commission and subsequently by the Annexation Committee which Mr. Szabo was asked to serve on.

After reading Mr. Szabo's letter, I was appalled with disbelief which quickly gave way to outrage and anger. I feel Mr. Szabo's outburst at best, reflected a bias and uninformed attitude. Being a member of the Annexation Committee myself, I consider Mr. Szabo's babblings a non-deserving reflection on the whole committee consisting of five outstanding and dedicated citizens excluding himself; who

tant. To infer that Mr. Berg could or would attempt to pressure or sway either of these people, especially me, one way or another from our objective views or conclusions on any matter affecting the welfare of this community as a whole, is unbelievable. Until now, I had always considered Nick Szabo an outstanding young progressive, with a solid head between his shoulders, with much to offer, and a real sense of responsibility. His overt attempt to malign the committee, Mr. Berg and all other city officials that are involved in any way with the subject of annexation without any foundation whatsoever, prompted this prognosis by your's truly

I feel compelled to offer this rebuttal, not for the sake of people that have resided in Kodiak for many years, as they know the contributions each of these people have made and what they stand for. As I believe my philosophy on reputation is a fact — "In a large city, reputation is what people think you are; in a small town, such as ours, reputation is what people know you are." For those of you that are new arrivals or who seldom bother to keep abreast of local affairs, let's examine the facts.

Mr. Szabo charges pressure on committee members to favor annexation. The committee's function as I understand it to be was to offer input of needs of the various areas and study the city's proposals, recommend changes or improvements, working for the most benefits available for the proposed areas if and when annexation is a reality. In no way could the feeling of the Annexation Committee, as a body, bring about or cause to be brought about, annexation.

The fate of annexation is totally in the hands of our legislature. Only as an individual can we voice our preference, of which I am doing.

Mr. Szabo also objected to the false picture especially concerning differential tax zones; again, this shows Mr. Szabo had no concept of just what the function of the Committee was. If Mr. Szabo had studied the City's report, even casually, he would not have made such a statement. Why do I say this? He or anyone else would have read "Public Meeting." These ideas are proposals and the City need your input. A public meeting with the Annexation Committee.

I ask Mr. Szabo how can a proposal be false or misleading? The Committee's function was to evaluate, suggest changes which they did. I'll mention just two input of ones. Zone No. 3 mill rate reduced from 50 percent to 35 percent, the grandfathering out trailers was extended to six years from two years. If Mr. Szabo had attended more than the one workshop meeting of the Committee than he did, may be he would have made more of a responsible report, or would he? On receiving the mailing of the Borough Residents for Autonomy I am convinced Mr. Szabo accepted the appointment with forethought of using the fact to land (order) to the propaganda he planned to spread to bolster his cause of defeating annexation. I believe Mr. Szabo, or anyone else, has a right to object to annexation and work to that effect but, with facts and truth, not with erroneous statements and outright propaganda.

Nothing Mrs. Pat Szabo as one of the Committee of the Residents for Autonomy, substantiates the aforementioned allegations, while Mr. Szabo poses as an objective Committeeman concerning annexation. Mrs. Szabo is a Committeeman of the Anti Annexation Committee. I think it cute but funny.

In closing, I wish to comment lightly on the Mailing of the Residents for Autonomy: "Can we afford to force Annexation?" I suspect a very illegal act was committed in content.

(Continued on Page 23)

classified

LETTERS

(Continued from Page 4)

tion with the mailing; of which someone may have to pay when this is all over. Also, on tax levy after an annexation — "The City could set any mill rate." They won't because the City Council passed unanimously a resolution at their meeting of January 11th of concurring with the recommendations of the Committee and as proposed by the City of 100 percent Zone 1, 75 percent Zone 2, 35 percent Zone 3. "Lower insurance rates would require a fire substation and fire hydrants." Partly true; hydrants yes, substation no. Spruce Cape is now rated same as the city with fire hydrants only. "New trailers will not be allowed in the Annexed areas." An outright lie; or an uninformed statement. The City Council accepted and passed in the forementioned resolution a six year phasing out and Grandfathering in all trailers at that time as recommended by the Annexation Committee. "Cost of government will in-

crease. The Borough will continue its present function and its size won't decrease." To this I say — if annexation becomes a reality, I shall lend my support to seeing that the Borough government size fits the services required of them by pressing for the elimination of any and all duplication of government where it is indicated or pushing for a Proposition 13 which can and will cure all.

The remaining five misleading statements will be answered at a later date.

If any of you would like my answer to them, the remaining five, feel free to call me anytime.

Sincerely,
Bob Brooks

RECREATION

(Continued from Page 3)

p.m. and 6:30 to 7:30 p.m. every Monday, Wednesday, and Thursday evening through Mar. 29. Classes are held in room

Additional letters on Pages 6 & 8 today

have an unimpeachable history of service to this community namely: Bob Waage, Chairman, Emil Norton, Marian Johnson, Pete Resoff, myself and Mr. Dick Berg as a consul-



Alan and Nancy Westerman
Paul Brandley
Doreen Johnson
Neil Waage
Jan Brown
Clint Snyder
Way Linscheid
Kathleen McHenry
Lynne Campbell
Cherie Murray

Publishers
assistant publisher & executive editor
city editor
fisheries editor
advertising director
cartoonist/printer
graphics artist
layout
darkroom & layout
typesetter

P.O. Box 2368
Kodiak, Alaska 99615
486-3190

\$18 per year second class
\$36.50 per year first class
(c) Kodiak Times, 1979

Borough engineer quits; says city can handle area problems, no need for borough

by KENT BRANDLI
Editor

With a blast at inefficiency in local government, and questioning the very need for the Kodiak Island Borough, Borough Engineer Bob Marmaduke has resigned effective today. Marmaduke, in a letter to

with regret, "As I have enjoyed my term of service, the beauty of the island, and the hard-working honesty of the native population."

In his letter of resignation, the young engineer said he felt "The borough is too little, too late."

"The borough is too little, too late. The City of Kodiak has the necessary infrastructure and the necessary competence to handle the island and its government, with the aid of the consultants now being used by the borough. . ."

Borough Mayor Betty Wallin and members of the assembly said he has found another job on the mainland.

Borough Planner Harry Milligan told Kodiak Times a replacement will be sought. Marmaduke had been on the borough staff just short of a year.

Marmaduke said he resigned

The City of Kodiak has the necessary "infrastructure," (the underlying foundation or basic framework of a system or organization - such as public utilities) and the necessary competence to handle the island and its government, with the aid of consultants now used by the borough, Marmaduke commented.

The engineer observed that "Perhaps, as is said, people seek no efficiency in government, but drama in inaction..."

Marmaduke told the mayor and assembly that if they would examine the relative costs, "A borough engineer, secretary, and related budget items are no more cost-effective than a consulting engineer, now that the Supreme Court allows competitive bidding among professional engineers..."

Marmaduke was not in Kodiak Wednesday and was unavailable for further comment.

A secretary said he was no longer employed by the borough.



BOB MARMADUKE

LETTERS

Shuyak as it is, not for timber

Dear Editor:

Several weeks ago I sent in a note on Shuyak Island stating I would favor a wildlife sanctuary. I should have added more to that as I was just thinking about the bird life and animals, and of course, the island as it is now. There are a few people that make their living and live on Shuyak. As they have chosen such an out of the way place to live no doubt there are others that would like to make their homes there. If I was younger, and had no land or place to live I would settle on Shuyak liking a quiet place to live just like those young people that live there now. I would not favor a ferry boat stop on Shuyak and no game hunters. It would not be a Sanctuary if that was allowed. I wrote a short story for the Kodiak Mirror several years ago on Afognak Island and it becoming a stump ranch. This has worked out just like I predicted in that story.

I note there are advertisements in local papers "we care" by the logging Co. We care for what? All that good timber cut to make toilet paper. I believe in timber harvest select cutting not like clear cutting like what is going on on Afognak Island. Why isn't there some aerial pictures on this cutting?...to give the Kodiak people an idea of what is going on. I believe on timber cutting by small saw mills for local use. I read where the Kodiak Borough is interested in Shuyak Island as a revenue source. Doesn't the Kodiak Borough have any bounds for such greed? I can see people living on Shuyak in home site lots, but cutting the timber on Shuyak - NO! It would not

be Shuyak Island with the timber cut off. I would rather see it decided back to the Russians than the Kodiak Island Borough having anything to do with Shuyak Island. If the borough is in need of a place to set up their dwellings I would suggest the Chiswell Islands or Giant Cape.

I hope this clears things up with the young people that call Shuyak Island home. I know Shuyak Island is in good hands with the quiet people that live there and others like them that will make it their home.

Regards,

/s/ Ed N. Opheim, Sr.



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Looking for value in insurance for your home, your car, your health, your business, your life?

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Call me, **Allstate**

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486-5705

Allstate Insurance Companies.
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NBA magazine features Kodiak

"Interbranch," a new monthly publication of the National Bank of Alaska, takes a look at Kodiak in it's first edition, dated October, 1978.

The article, which calls Kodiak "Alaska's Fishing Capital," features photos by Dan Konigsberg, Steve McCutcheon and Jerry D. Martini.

The magazine, published primarily for the bank's employees and directors, fea-

tures color photos of local bank employees in front of the small boat harbor and Baranof Museum.

The article says the National Bank of Alaska is the largest bank in Kodiak, dating back to 1960 when the Bank of Kodiak merged with NBA. Jim Payne is Kodiak branch Manager, and Charlene Londes is assistant manager. The bank employs a staff of 20.

FINAL NOTICE!

PLEASE TAKE NOTICE that all **CRAB POTS** stored on and around the old drydock on the west side of Womans Bay (Mile beyond the Coast Guard Main Gate) are on private property and without permission to be there.

To facilitate proposed repairs and construction of the drydock, it is necessary that all these illegally stored crab pots be removed by their owners from the area immediately.

Crab pots still in the area after November 15, 1978 will be removed and owner may claim by identifying and paying all costs associated with removal and damages. Unclaimed crab pots will be disposed of in accordance with law.

For further information call:

Hank Eaton
Koniag, Inc.
486-4147

February 1, 1979

The Community & Regional Affairs Committee
Fred Zharoff: Representative
Fouch, V.
Juneau, Alaska 99801

Dear Fred,

We live in the Spruce Cape area, that is up for annexation and we wish to convey these facts to you. Even though a number of us in this area is not vocal as some of the anti annexation crowd, we feel the unifying of our area, Island Lake and Millbay is the only practical way to bring about the improvements that is sorely needed and shall be expecting, your effort toward the conclusion, that will benefit the areas as a whole.

It is said you indicated in conversation with two or more people on your departure, that you agreed that annexation was our last and best hope at this point, but you felt you owed a political debt, to certain election support. We would feel that you would be doing a great disservice to the whole community if your efforts reflected these facts.

Sincerely,

| | | |
|----------|---------------------|-------------------------------------|
| c.c. to: | Clem Tillion | Pres. of the Senate |
| | Bob Mulcahy | Senator, Vice Chairman of Committee |
| | Arliss Sturgulewski | Chairman of the Committee |
| | Terry Gardner | Speaker of the House |

February 1, 1979

The Community & Regional Affairs Committee
Bob Mulcahy: Senator, Vice Chairman of Committee
Pouch, V.
Juneau, Alaska 99801

Dear Bob,

We live in the Island Lake area that is up for annexation. We have this to say. Our area is in bad need of sewer and water, as we are sure you have been aware of.

After considering what it could cost under a service district using Bells Flats area as an example, where a service district for minor road service cost, 7.2 mills, for a total of 14.2 mills in the bouough we fell that annexation to the city would be far cheaper at 16.2 mills for all services.

Sincerely,

| | | |
|--------|----------------------|---------------------------|
| c.c.to | Clem Tillion | Pres. for the Senate |
| | Arliiss Str.gulewske | Chairman of the Committee |
| | Terry Gardner | Speaker of the House |

*Kodiak
annexation*

Ron Matsuoka
Box 2078
Kodiak, Alaska 99615

Melissa D. Newton
Box 773
Kodiak, Alaska 99615

January 22, 1979

Chairman, Senate Committee on Community and Regional Affairs
Pouch V
Juneau, AK 99801

Dear Sir;

Although time is running short this letter is intended to bring about some action on the part of the State Legislature to help defeat forced annexation with the City of Kodiak. We are only two individuals living within the involved area, however we most certainly are not alone in our protest to this annexation.

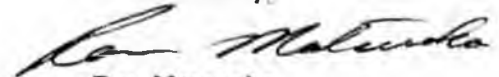
To begin with let it be known that the wishes of area residents were totally ignored by the local boundary commission. Every resident of the area who testified at the boundary commission hearing spoke *against* forced annexation! It seems to us that our feelings and interests are being ignored by more powerful individuals who stand for annexation in the hope to gain a great deal for their own self-interests.

Another pertinent fact is that the area does not meet the standards for annexation. The area is not urban: the standard lot size in the area is one acre or larger, and one third of the land area is undeveloped.

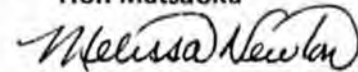
City services are not required in this area. Fire protection is presently provided through a service district; roads are presently State-maintained or privately maintained; police protection is provided by the State Troopers; water is presently available to the majority of the area and is paid by user fees; sewers can be provided through service districts in those areas where sewers are needed.

We have signed a petition opposing forced annexation and hope that it will give you some idea how many individuals hope to stop annexation. We need your help! Please act on the behalf of the residents of this area by overturning forced annexation.

Sincerely,



Ron Matsuoka



Melissa Newton

cc: Chairman, Senate Committee on Community and Regional Affairs
Chairman, House Committee on Community and Regional Affairs
President, Alaska Senate
Speaker, Alaska House of Representatives (copies for the Senate and House enclosed)

1/31/79

Disc of Theodor Gallagher

... has commitment in ... can't change
 by Strandberg / C.B. Beithmuth could make presentation
 but they opposed amendment - very strongly 7 city ...
 would be difficult for him to give presentation. She
 will ask C.B. Beithmuth. Document & she
 agrees that planning ... should be given by
 ...

Remarks by Chair - Mutual for St. Joe

- 7. celo 20 Local Bdny Comm - 2 groups
- 15 15 City 3rd
- 15 15 Borough

~~Half allotted by City~~

Personal

Community ... Report ...
 ...
 ...
 ...
 C.S.K. A

1/30/79 Bob Hartley (Guy ... Thursday)
 wants some ...
 committee file ...
 suggests sending to ... (parents from both CRAB)
 (1) City of ...
 (2) ~~City~~ of ...

BLANK MOORE BUSINESS FORMS, INC.

LATI 1997 14.13 JA01 0035 14.27 02/05/79

TO STELLA JNU
FR CHARITY ANC

WOULD YOU PLEASE INFORM SEN. STURGULEWSKI AND REP. PARKER
COMMUNITY & REGIONAL AFFIARS COMMITTEE CHAIRMEN THAT WWE
HAVE MAILED 24 PACKETS TO THOSE LISTED ON THEIR MAILING LIST.
FOR THE JOINT C&RA FEB. 10 MEETING.

THE PACKETS CONTAINED* JOINT HEARING COVER LETTER
AGENDA
COPY OF LOCAL BOUNDARY JOURNAL SUPPLEMENT
RE: KODIAK
SJR 12
HJR 10

THESE PACKETS WILL BE PICKED UP AT 2 A.M. ANCHORAGE TIME.

OK not found
1/30/79 9.2m

Mulcahy 3766-3895 *

Barbara AA

OK not found
1/30/79 9.m.

Zharoff 4951-4986 *

Kodiak City community college
c. { 486-4161 left message
486-4441

Steve 715 (mayor) 486-3224 *

Randy

Agency

1/30/79

Katz - 274-7634

271-3576

1/30/79
game
info to
Muel

276-1617

game info
6 11
1/30/79

KODIAK

P.O. Box 1397
Kodiak, Alaska 99615

Home Rule City

Phone: (907) 486-3224

INCORPORATION DATE: September 11, 1940
POPULATION: 4,960
REGULAR ELECTION: First Tuesday in October
SALES TAX: 3%
CITY COUNCIL MEETS: Second and fourth Thursdays of each month

MAYOR: Gary Stevens 1979

CITY COUNCIL MEMBERS

Toni Eaton 1979
Gaynell Hatcher 1980
Carol Lechner 1979
Ernie Mills 1981
Wilton White 1981
Dave Woodruff 1980

MUNICIPALLY OWNED UTILITIES

Water
Dock
Sewer
Ferry Terminal
Boat Harbor

CLERK.....Libby Presnall
FINANCE DIRECTOR.....Harry Hyde
MANAGER.....Clair Harmony
CHIEF OF POLICE.....Jack Rhines
FIRE CHIEF.....George Magnusen
HEALTH OFFICER.....State Sanitarian
EMERGENCY PREPAREDNESS DIRECTOR..... Clair Harmony
POPT DIRECTOR.....George Cutrell
HARBORMASTER.....George McCorkle
ENGINEER.....John Stafford
WATER & SEWER SUPERINTENDENT.....Herman Beukers
PARKS & RECREATION DIRECTOR.....Ian Fulp
PURCHASING AGENT.....Carolyn Thomas
LIBRARIAN.....Elizabeth Carroll
BUILDING INSPECTOR.....Morris Lee
ATTORNEY.....Cole, Hartig, Rhodes, Norman
and Mahoney

KODIAK ISLAND BOROUGH

P.O. Box 1246
Kodiak, Alaska 99615

Second Class Borough

Phone: (907) 486-5736

INCORPORATION DATE: September 24, 1963
POPULATION: 8,926
REGUIAR ELECTION: First Tuesday of October
SALES TAX: None
ASSEMBLY MEETS: First Thursday of each month

MAYOR: Betty Wallin 1979

ASSEMBLY MEMBERS

Dr. Michael Emmick 1979
Edward Jack 1980
Sandra Kavanaugh 1979
Arnold Hansen 1981
James Peotter 1980
William Fearn 1981
Danforth Ogg 1981

PLANNING AND ZONING COMMISSION

Ron Ball 1979
Dan Busch 1979
John Pugh 1979
Gene Erwin 1980
Tom Perez 1980

SCHOOL BOARD

Stan Baltzo 1980
David Crowe 1979
Joan Johnson 1979
Louise Collins 1981
Jim Olson 1981
Fran Flick (non voting rep)

BOROUGH POWER:

Areawide: Education, health,
planning and zoning, assessment
and taxation. Non-areawide: Fire
districts (2), parks and recreation.

Service areas: Road maintenance.

MANAGER.....Stuart Denslow
CLERK/TREASURER.....Shirley "Mickie" Miller
HEALTH OFFICER.....Harry Brighton
PLANNING DIRECTOR.....Harry Milligan
SUPERINTENDENT OF SCHOOLS.....John Anttonen
ATTORNEY.....Richard Garnett
ASSESSOR.....Edwin Haney
ADMINISTRATIVE ASSISTANT.....Marilyn McKinnon
BUILDING OFFICIAL.....Bryce Gordon
ENGINEER.....Robert Marmaduke III
HOSPITAL ADMINISTRATOR.....Robert Groff

STATE OF ALASKA THE LEGISLATURE

POUCH Y, STATE CAPITOL
JUNEAU, ALASKA 99811
907 465 3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

23 January 1979

SUBJECT: Request for Video Teleconference Proposals

TO: Committee Chairmen and House and Senate
Leadership

FROM: Myrton Charney, Executive Director
Legislative Affairs Agency *M. R. C.*

The Legislative Teleconference Network will be scheduling twelve two-way video conferences during this session. This year, you will have a considerable amount of flexibility in selecting and scheduling the sites that you wish to participate. The State-leased satellite will be available on Thursday of each week for use by the network.

The first two video conferences of the session have been scheduled for February 15 and February 22. The locations have been pre-selected due to some technical delays in certain other communities. Normally, you will be able to select the communities of your choice. These two video conferences are scheduled as follows:

| <u>Date</u> | <u>Communities</u> | <u>Mode</u> |
|-------------|---------------------------------|-------------|
| February 15 | Juneau, Anchorage, Fairbanks | two-way |
| February 22 | Juneau, Nome, Bethel | two-way |

Subjects of high general interest are sought for each video teleconference. Your consideration (no matter how tentative) of pending legislation, or subjects of broad public appeal for video conferencing, both now and as the session progresses, will help this agency assure public interest and participation.

Please make your choices known to the Network Coordinator's office, Room 505 - Capitol, at 465-4980.

Also, please contact us if you or your staff have any questions.

Enc: Teleconference communities (audio and/or video capability)

STATE OF ALASKA THE LEGISLATURE

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

24 January 1979

SUBJECT: Teleconferencing

TO: All Legislators

FROM: Myrton Charney, Executive Director
Legislative Affairs Agency *M. Charney*

The audio teleconference circuit that is provided by the Legislative Teleconference Network is now in operation. Legislators wishing to make use of this system to communicate with constituents in the following communities are urged to contact the coordinator's office, Room 505 - Capitol, at 465-4980:

Anchorage
Barrow
Bethel
Fairbanks
Ketchikan

Kodiak
Kotzebue
Nome
Sitka
Soldotna

*6 locations in
capitol
7 days a week*

*3 day lead time
audio*

telecopier capability

unlimited time

*12 mly teleconference
video*

*- time / budget constraints
- need at least 2 weeks to 1 month
- available at any time
- 4 hour limit
- 45 min Conference*

Leg. Com.

*Two way w/ Kodiak w/ video would be March 1st
1/25 - 45 days March 10*

LEGISLATIVE TELECONFERENCE NETWORK

Participating Communities

| <u>Community</u> | <u>Audio conference availability</u> | <u>Video conference availability</u> |
|------------------|--|--|
| Anchorage | yes | two-way |
| Barrow | yes | two-way |
| Bethel | yes | two-way |
| Fairbanks | yes | two-way |
| Ketchikan | yes | receive only |
| Kodiak | yes | two-way |
| Kotzebue | yes | two-way |
| Nome | yes | two-way |
| Sitka | yes | receive only |
| Soldotna | yes | no |

Pete Hoopner

STATE OF ALASKA
THE LEGISLATURE

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907 465 3800

LEGISLATIVE AFFAIRS AGENCY

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Barrow
Bethel
Fairbanks
Ketchikan

Kodiak
Kotzebue
Nome
Sitka
Soldotna

LEGISLATIVE TELECONFERENCE NETWORK LOCATIONS

| Site | Remote Signal # | Moderator | Mail Address | Primary Conference Center | Video/Secondary Conference Center |
|-----------|-----------------|--|---|--|---|
| Barrow | None | Emily Nusunginya 852-2611 | North Slope Borough Box 69 Barrow 99723 | North Slope Borough Bldg. Assembly Room | Arctic Slope Regional Corp. Building |
| Kotzebue | None | Janice White 442-3611 | Office of the Governor P.O. Box 158 Kotzebue 99752 | Kotzebue City Hall Conference Chamber | KOTZ - TV |
| Nome | | Bob Scott 443-5287 | Nome Info. Office: P.O. Box 25 Nome 99762 | Nome Info. Office/Room E-1 Nome Regional Office Bldg. | No secondary center |
| Bethel | None | Dan Boyette 543-3131 | KYUK Radio/TV Bethel 99559 | KYUK - TV | KYUK - TV |
| Fairbanks | | Trudy Caine Aileen Welton 452-4449 | Fairbanks Info. Office Rm. 250/Bldg. F 101 College Rd. | Fairbanks Information Office | KUAC University of Alaska |
| Anchorage | | Judy Hopkins Charity Kadow 278-3668 | Anchorage Info. Office 1024 West 6th Anchorage 99501 | Anchorage Information Office | Media Services University of Alaska Anchorage Campus |
| Soldotna | None | Rhoda Eady 262-4441 ext. 280 | Kenai Peninsula Borough Box 850 Soldotna 99669 | Kenai Peninsula Borough/Civil Defense Conf. Room/Basement | *Kenai Peninsula Borough Clerks Conference Room |
| Kodiak | None | Mary Jo Simmons 486-4881 | Kodiak Island Borough P.O. Box 1397 Kodiak 99615 | Kodiak Island Borough Assembly Chamber | Kodiak Community College Room 1 |
| Sitka | None | Cathy Hanson 747-6263 | c/o Centennial Build'ng P.O. Box 1226 Sitka 99805 | Centennial Building Rousseau Room | ** No secondary center |
| Ketchikan | | Sandi Wendte Peggy Thompson 225-9675 | Ketchikan Info. Office 415 Main St. Ketchikan 99901 | Ketchikan Information Office Room 301 | **Ketchikan Elks Lodge 335 Main St. |
| Juneau | | Dave Hammock Claudia Coyner 465-4480 | Legislative Affairs Agency Teleconferencing Network Pouch Y 99811 | State Capitol | State Capitol Governor's Conference Room Third Floor |

WASHINGTON, D.C.

Senator Gravel -

Senator Stevens -

*no video capability
**video receive only

1/9/79

June 13, 1978

see attached

Ms. Sheila Gallagher
Chairman, Local Boundary Commission
Suite 201
3201 "C" Street
Anchorage, Alaska 99503

Dear Ms. Gallagher:

Enclosed are statements from Kodiak City residents. Cope Street behind the Travel Lodge is about 300 yards long and hasn't improved in more than 32 years. Alder Lane & High Street are just as bad or worse.

The City Manager would have you believe that living in the City would solve everyone's problems since they would have a Public Works Department. He grossly exaggerated facts. He stated the average family on the West Coast was 4.0 in size when it is 3.5. In Kodiak it is 3.4. I am dubious of anything he gave you as evidence.

The electric meter reading is done on contract. All meters are read whether they are being used or not. I have 2 meters. A neighbor has 2 meters. There are 20 or so meters in the Spruce Cape area on unoccupied buildings. 75 or 80 per cent of people living on Spruce Cape & Mission Road live in trailers on rented lots.

The City Manager stated last Summer, the City was going broke. I gave Mr. Strandberg a copy of the 1977 Spruce Cape appraisals & am mailing you a copy.

Mr. Craig Bishop at the December 12 meeting was opposed to annexation of USS-3098 that he has his trailer court & bookkeeping service on. He presented a petition at the Dec. 12 meeting. He favored annexation. Mr. Bishop was recently elected President of Chamber of Commerce. He had an application to build an apartment complex which the City Council approved. He stated that a trailer court owner sold land to repair his roads. He sold 2 houses & the land they were about 300 yards from his trailer court. He sold the houses to increase his trailer sales' stock in Bells Flats. He has about 15 acres in his trailer court with 90 or 100 trailers. The roads are unplatted. The roads & trailer court are private property. If they are upgraded, the owner will pay for it. Mr. Bishop said that other roads were needed. All of the lots on Spruce Cape are 1 lot deep. The only roads needed are private driveways. He came to Kodiak '72 or '73.

Page 2

Mr. Mills stated there was 1 house on Island in 1963. There were many houses in the Island Lake area then. The tax records & K.E.A. records will verify this. Since he was here, he worked in a cannery for several years & as a heavy equipment operator. He has applied for a 1/2 million dollar permit that requires City approval (he lives in the City).

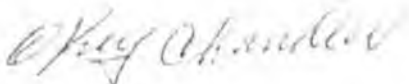
Mr. William H. Lamme, former Kodiak Post Master, lived on Island Lake 20 years ago & now lives in Anchorage.

Mr. Gary Stevens, Acting Mayor of Kodiak, came to Kodiak in 1972 or '73 & is an official in a Japanese owned cannery .

The reason I've taken time to gather the above facts is that I have a tremendous investment in democracy with 5 years, 1 month and 29 days in the military. I have spent over \$4,000.00 since 1963 and several months of my time trying to keep democracy alive on Kodiak Island. I obtained 500 borough books from Mr. Ronald Cease when the borough was formed in Kodiak and spent about \$1,500.00 on newspaper ads; \$1,000.00 on zerox copies, \$800.00 or more on radio and T.V. ads; \$800.00 on envelopes, stamps/supplies, etc. I have mailed every member of the House & State Senate information/research material on various issues which I was concerned with and also to every Governor except Governor Miller. I have written every U.S. Senator & key men in the House of Representatives & wired our representatives in D.C. & the President on several occasions.

Please give the above statements every consideration in whatever determinations you make which affects the lives of many Kodiak residents.

Sincerely,



Okey Chandler
Box 1635
Kodiak, Alaska 99615

cc: Other boundary commissioners

JOAN M. KATZ

Attorney at Law
540 L Street,

Suite 101,

(907) 274-7634
Anchorage, Alaska 99501

January 23, 1979


Senator Arliss Sturgulewski, Chairperson
Community and Regional Affairs
Alaska State Legislature
Pouch V
Juneau, AK 99811

Dear Arliss:

It was good talking to you today. Enclosed, as per our discussion, are copies of the two briefs I have submitted at various stages in this controversy. Please feel free to call me with any questions you may have or any additional areas regarding which you may need further input. I have also contacted Hayden Green at the University and he assures me that he and P. J. Hill, who prepared the economic analysis submitted to the Local Boundary Commission and included in the information being sent to you, will also be available to answer any questions you might have.

I appreciate your intention to have our staff keep me informed as to developments regarding Kodiak. I look forward to working with you on this matter.

Sincerely,


Joan M. Katz

vs

encl.

BEFORE THE LOCAL BOUNDARY COMMISSION FOR THE
STATE OF ALASKA

IN THE MATTER OF ANNEXATION OF)
CERTAIN PROPERTY LOCATED ALONG)
MILL BAY ROAD, KODIAK;)
CITY OF KODIAK,)
Petitioner,)
vs.)
KODIAK ISLAND BOROUGH,)
Respondent.)

RESPONDENT'S BRIEF

I. Introduction

On October 19, 1977, the City of Kodiak submitted a petition for annexation of certain property located along Mill Bay Road in the Kodiak Island Borough to the Department of Community and Regional Affairs. While deficient in several respects (the most glaring of which was the absence of a resolution or ordinance authorizing the City to seek annexation), the petition was accepted by the Department. The City's case, as revealed in its brief, appears to rest on two principal grounds: first, that residents and property owners of the territory are deriving benefits from the City, such that they should be made to pay a commensurate share of the City's tax burden; and second, that the City could provide services to the territory more efficiently under annexation than could otherwise be accomplished. Intruding onto the specifics of this annexation proposal is petitioner's avowed intent to annex substantial other areas of Kodiak Island. See, Memorandum from Ivan L. Widom, City Manager, to the Local Boundary Commission, dated October 17, 1977.

Contrary to the City's allegations, it is the Borough's position that the best interests of the residents and property owners of the affected territory, and of the local governments involved, would not be served by this proposed annexation. As the Borough shall demonstrate, residents and owners of the territory would gain virtually nothing besides a hefty increase in their local taxes should this petition be successful -- an increase for services for which they presently pay more than adequately. The change in status would only serve to foster conflict, moreover, between the City of Kodiak and the Borough, and between the City and affected residents.

II. Lot Ownership and Configuration Within the Territory

At the outset, some factual clarification is required. In addition to the deficiencies in the petition mentioned above, there appear to be errors contained in the notice of hearing and attached lot descriptions provided by the Local Boundary Commission staff. First, Lots 3, 4, 5, 6, 7, 9 and 11 are identified as belonging to the City of Kodiak. Borough research indicates that those lots are currently patented by the State (patent number 50-64-0228 for lots 3-7, and 50-64-0169 for lots 9 and 11). The Borough, moreover, has filed land selections on these lots pursuant to AS 29.18.190, et seq. (Excerpt from Land Selections filed by Dale Tubbs for the K.I.B., Exhibit A.) The Borough, thus, possesses a specific interest in these particular lots, augmenting its underlying concern for the welfare of its residents in general.

In addition to this error, there appears to be an oversight in regard to Lot 27. This lot has not previously been annexed; nor is it included in the petition. It is

certainly possible that the City intentionally deleted this lot, perhaps because of known owner opposition to annexation. Such exclusion, however, would result in a continuation of the alleged misalignment of City boundaries. Since this "misalignment" is one of the grounds advanced by petitioner in support of annexation, the absence of Lot 27 is, at best, confusing. It suggests that this annexation proposal may not have been thoroughly analyzed from a thoughtful, planning perspective.

III. Standards for Annexation

Alaska Administrative Code Section 19.AAC 05.010 sets forth specific standards which provide guidelines for annexation. It is recognized that two of these standards ([1] and [3]) are met by this petition. The City raises no issues under Standards (2), (5), (6) and (9). These standards could not, in fact, be met in this case. Petitioner's case rests primarily on the purported fulfillment of Standards (4), (7) and (8). The Borough contends that there is not, in fact, compliance with these standards.

- A. There is No Need in the Territory for Municipal Services that Could Not be Provided as Efficiently Without Annexation. (Standard No. 4.)

The City asserts that it can provide various services more effectively under annexation than would otherwise be possible. The City's history, however, and the facts regarding each of those services, suggest differently:

- 1. Sewer and Water. The City argues that sewer and water services would be extended immediately upon annexation. In fact, under a 1970 agreement between the Borough and the City, the City has long since been designated the agency responsible for implementation of water and sewer projects within the area of the road system in the Kodiak

failure to live up to the terms of this agreement accounts for the fact that services have not previously been extended to the lots within this territory. The City's track record is not one to inspire confidence.

2. Law Enforcement. The City simply describes its police force by numbers of officers and size of budget. The only argument made in this context, however, is that "Due to the nature of the boundaries in this area, certain problems can arise". (Petitioner's Brief, p. 1.) The Borough cannot envision what those problems might be. City police may certainly traverse City boundaries to get from one part of the City to another without violating any laws or ordinances. The only response possible to this broad statement is that the State Troopers provide police service to the territory. Residents and property owners have voiced no complaints about the level of service.

3. Fire Protection. The City's analysis of fire protection is, like its presentation of law enforcement, simply a descriptive one. What should be said is that there would be absolutely no change in fire protection provided the residents and property owners of the territory were the annexation to take place. Borough Fire District No. 1 presently covers this territory and is serviced through contract with the City; the contract provides fair consideration. (Exhibit C.) It might be noted, moreover, that the Borough owns one of the fire trucks utilized by the City, as well as a new ambulance similarly operated by the City and used inside and outside its boundaries.

4. Parks and Recreation. The City outlines its services in the parks and recreation area, and alleges a budget of \$128,946 for this department. Apparently the intention is to suggest that Borough residents outside the

City are getting "something for nothing". In fact, the City is able to operate the pool and the gym only because the Borough has made them available. The pool and gym collectively are worth approximately \$3,220,000, substantially more than the City's budgeted amount for this service. (Memorandum from Borough Assessor, Ed Haney, December 6, 1977; Exhibit D.) The joint agreement between the Borough, its School District and the City, further delineates the benefits accruing to the City through the use of these facilities. (Joint Agreement for the Use and Operation of Gymnasiums and Swimming Pool, Exhibit E.)

In addition, the Borough adopted parks and recreation powers within the last year, and has contracted for a major parks and recreation study to be completed by April of next year. City residents will undoubtedly benefit from the exercise by the Borough of its parks and recreation power.

5. Library. In describing its library with attached budgetary figures, the City again fails to make any case showing that Borough residents are taking unfair advantage. Petitioner acknowledges the Borough contribution of \$15,000 to the library financing. There is no showing that this contribution is grossly disproportionate to the use by non-city residents of the library facilities. And there is also no mention of the fact that the Borough operates four libraries of its own which make interlibrary loans to the City library.

6. Cemetery. The City simply states that the cemetery, with its paid contractual employee, is available to Borough residents. There is no indication of how much this employee is paid; he may in fact be part-time. And there is no mention of the fact that the City acquired

the land for the cemetery in 1968 from the Borough for the price of \$1.00. (Minutes of K.I.B. Assembly Meeting, 2/15/68, Exhibit F.) At the time, that land was worth approximately \$29,600. At present, its estimated value is \$300,000.

(Memorandum from Ed Haney, Borough Assessor, to Stu Denslow, Borough Manager, Exhibit G.) Borough residents have more than paid their way into their ultimate resting places. Again, the level of service for the territory affected by this petition would not be increased through annexation.

7. Public Works Functions. The City's one-sentence remark in regard to public works provides little to which the Borough can helpfully respond. The fact that the Public Works Department provides street maintenance and snow removal is essentially irrelevant, since the primary road involved is Mill Bay Road, which is state maintained. Should the residents of the area decide that further local roads are necessary, they could finance them through road service districts, rather than taxing the general public for such neighborhood improvements. It might be noted, moreover, that private contractors are available to the Borough to provide competent road service, as is illustrated by the road service district in the Bells Flats-Russian Creek area. (Contract between the K.I.B. and Alagnak, Inc., Exhibit H.) House numbering, the other item mentioned in connection with public works, is a planning function and will be undertaken by the Borough as it proceeds with implementation of its comprehensive plan.

8. Cargo dock, boat harbor, ferry terminal and airport. The City alleges that these facilities are "to some extent" self-supporting, and then claims that general fund contributions have been made to maintain the facilities. Again, the City's lack of specificity renders the Borough's

attempt to be responsive difficult. Borough research uncovered only a \$149,703 loan from the City's general fund to the cargo dock. (City of Kodiak, 1977/78 Budget, p. 45.) A loan hardly constitutes a "contribution". The City's presentation in this regard raises two additional questions. First, it is not at all clear that the municipal airport, as discussed further below, is an asset to Kodiak. The extreme hazardousness of this strip might merit its closure, rather than its support by taxpayers money. Second, it is not clear why general fund contributions should ever be used to make up deficits in the operating budgets of these enterprise activities. The people who use them should pay for them; those who do not use them, should not.

9. Garbage Collection. Residents of the territory would gain nothing new in the way of garbage collection should annexation take place. At present, they have the option of paying for garbage collection or transporting their own refuse to the dump. Under annexation, that option would be removed and they would pay for the service whether or not they wanted it. There has been no showing that such imposition is necessary.

A review of the above services indicates that the City has not demonstrated that it could improve the lot of territory residents through annexation. In fact, as described above, the residents and lot owners would gain virtually nothing to their advantage by way of annexation. As shown on the table below, however, these people would stand to lose a great deal. Best estimates reveal that, assuming the addition of sewer and water to all lots, the cost to lot owners should they remain outside the City limits would be 9.47 mills taxation plus \$28.75 per month in water and sewer assessments; if the territory were annexed, the rate would

jump to a substantial 16.3 mills, with assessments in the neighborhood of \$25.00 per month.

| | <u>City Resident</u> | <u>Borough Resident Outside City Limits</u> |
|------------------------------|----------------------------|---|
| Borough Mill Rate | 7.2 | 7.2 |
| City Mill Rate | 9.1 | -0- |
| Fire Protection Mill Rate | -0- | 2.27 |
| Water | \$10.00/mo. | \$13.75/mo. |
| Sewer | \$15.00 | \$15.00 |
| Total | 16.3 Mills \$25.00/mo. | 9.47 Mills \$28.75/mo. |

The City has simply failed to make a showing that such a rate increase is warranted or equitable for those affected.

B. Annexation Will Not Enable the City to Improve any Health or Safety Conditions in the Territory. (Standard No. 6.)

As noted previously, the City has not invoked this standard. It would be dismissed without comment were it not for the irony it brings to light. There is, in fact, a serious safety hazard located within the territory. That hazard is the municipal airport. Yet the City, which exercises complete control over this airport and even mentions it among the services provided to territory residents, has failed in its duty to alleviate the significant safety hazard that it poses. There is no reason to assume the City would perform more responsibly should other such problems arise.

C. It is Practical to Provide all Necessary Services to City Residents Without Bringing the Territory Within the City Boundaries. (Standard No. 7.)

Petitioner's brief includes broad statements to the effect that there is a "misalignment of boundaries [which] causes problems with enforcement of City ordinances and with providing certain services to those areas already annexed". That is the extent of petitioner's analysis. In light of joint Borough-City agreements covering water,

sewer, and fire, the Borough cannot envision any problems that might arise because of the existence of a few City lots within the territory. If the problems were significant, the City presumably would never have annexed those lots causing the present "misalignment".

D. The City is Receiving (or Should be Able to Devise Means of Receiving) Ample Reimbursement for the Services Provided Territory Residents and Lot Owners. (Standard No. 8.)

The City complains that it "provides substantial benefits to residents and owners of properties outside of [its boundaries] without corresponding tax contributions for municipally provided services". (Petitioner's Brief, p. 2.) Yet, sewer and water should be provided only upon assessment; fire protection is paid for by the Borough which levies a 2.27 mill rate on property owners within the District; parks and recreation services are in large part made available through the Borough-donated pool and gym; contribution is made by the Borough directly to the municipal library; the cemetery exists on a \$300,000 plot of land given for \$1.00 to the City by the Borough; the cargo dock, boat harbor, ferry terminal and airport are or should be self-supporting through user fees; and garbage collection is currently paid for by those who use it.

In addition to the direct payments identified above, all Borough residents outside the City fund the City's services and programs, whether or not they receive any benefits from them, through a three percent sales tax levied by the City on all goods and services sold within the City or by City-based businesses, whether the service is provided within or without the City. (City Ordinance 3.08.010 et seq.) Virtually all sales of goods and services on Kodiak Island take place within the City, so all residents

of the Island are sorely affected by this tax. Sales tax receipts, moreover, have been used to pay Borough personal property tax for City residents; owners of personal property within the City have not been required to make such payments out of their own pockets. (City Ordinance 3.04.010B.) Borough residents living outside the City boundaries have thus paid personal property tax twice; first their own, and then a substantial contribution to the payment of taxes for those persons who have personal property located within the City limits. Residents and lot owners in the territory have amply compensated the City for any benefits they might receive.

IV. Procedural Factors Against Annexation

Four intertwined procedural issues are raised by the manner in which this petition has proceeded to date. First, petitioner and the Local Boundary Commission seem determined to propel this matter forward with great speed, presumably because of the approaching start of the Legislative session. Such precipitous action, however, has resulted in failure by the Commission to follow its own guidelines, and has put great strains on the Borough and any other would-be respondent to prepare adequately for the upcoming hearing. Thus, the petition was apparently accepted notwithstanding the fact that no resolution from the City Council was attached (19 AAC 10.040[4]); the sources of information contained in the petition were presented only in a statement, not an affidavit (19 AAC 10.040[2]); and the petition was wrongly addressed to the Department rather than the Commission (19 AAC 10.030). In addition, the interest in reaching a quick determination in this case resulted in a refusal by the Staff Assistant to grant a few days postponement of the hearing. The Borough's attorney had requested such an

extension in order that a well-informed brief might be prepared and presented to the Commissioners sufficiently in advance of the hearing to enable them to receive the evidence with some foreknowledge of both sides of the case. (See, letter from Joan M. Katz to Pat Poland, Exhibit I.)

Second, as noted throughout the course of this brief, the City's presentation to the Local Boundary Commission consists primarily of broad allegations, without substantiating facts. Such material did not put the Borough in a sufficiently informed posture to respond adequately.

Third, the issue of annexation of the petitioned-for territory is clouded by the avowed intention of the City to extend its boundaries to still other areas. Mr. Poland has indicated to the Borough's attorney that the broader issues of annexation of large portions of the Kodiak Island Borough will in fact enter into the Commission's deliberations in the course of the hearing on the Mill Bay Road territory. Yet no petition has been filed on those other, very different areas; there is no way the Borough can prepare any response. Other interest groups, such as the Native population of Kodiak, may have strong feelings when confronted with the full scope of the proposed annexation. It would appear that any and all questions of annexation on the Island of Kodiak should await a proper petition adequately setting forth all the territory sought to be annexed with ample factual basis for the City's position. Absent such a rational approach, serious error might be committed as Commission deliberations are hurried forward without sufficient groundwork being laid. There is no emergency warranting such procedure.

Fourth, and finally, in connection with the intent to annex considerably more territory than is revealed in this petition, it would seem appropriate to handle this matter by

the step annexation procedure. Of critical concern to the Borough Assembly, staff and people they represent, is the fact that no opportunity has been afforded the people of this territory to vote on the issue of annexation. An election would give the Commission precise information regarding the people's views on this matter. It would also go far to reduce the anger and bewilderment experienced by Borough residents who view the non-elective process as an uncharacteristically undemocratic one for this State to be imposing upon them.

V. Conclusion

The only context in which the City's petition is comprehensible is that of a power play, a grab for land which the petitioner has no demonstrated ability to govern effectively. The evidence shows that the residents of the territory would gain nothing from annexation, but would stand to lose considerably from a financial standpoint. Abstract arguments supporting annexation are overshadowed by the reality of the cost-benefit ratio to those lot owners, by the fact that they do not support this petition, and by the realization that there is no equitable reason for increasing the City's tax base. Honest appraisal tells us that the City's track record for the delivery of services and for fair dealing with citizens on Kodiak Island is seriously deficient. There is no basis for granting the petition. There is sound basis for denying it. The Kodiak Island Borough respectfully requests that the Local Boundary Commission reject the City of Kodiak's petition for annexation.

DATED this 9th day of December, 1977.

JOAN M. KATZ, Attorney for the
Kodiak Island Borough

KODIAK & VICINITY

| State Patented Lands | | | |
|-------------------------------|--------|-------------|---|
| T27S,R19W,SM | | | |
| Unclassified | | | |
| USS 3465 | | | |
| Tract B | | 9.74 | A |
| Lands Classified Reserved Use | | | |
| USS 3466 | | | |
| Lot 11 | C1#315 | 1.08 | A |
| USS 3098 | | | |
| Lot 3 | C1#315 | 1.25 | A |
| 4 | C1#315 | 1.25 | A |
| 5 | C1#315 | 1.25 | A |
| 6 | C1#315 | 1.25 | A |
| 7 | C1#315 | 1.25 | A |
| 9 | C1#315 | 1.25 | A |
| 11 | C1#315 | 1.03 | A |
| USS 3463 | | | |
| Lot 1A | C1#315 | 1.56 | A |
| Unclassified | | | |
| USS 3099 | | | |
| Lot 25 | | <u>1.55</u> | A |
| | Total | 22.46 | A |

Excerpt from Land Selection Filed By Dale Tubbs
for the Kodiak Island Borough

AGREEMENT
DESIGNATING THE CITY OF KODIAK AS THE AGENCY
RESPONSIBLE FOR IMPLEMENTATION OF WATER AND
SEWER PROJECTS ELIGIBLE FOR FEDERAL FUNDING

THIS AGREEMENT, made and entered into this 2nd day of July, 1970, by and between the CITY OF KODIAK, a municipal corporation, hereinafter referred to as "CITY" and KODIAK ISLAND BOROUGH, a municipal corporation organized under the laws of the State of Alaska, hereinafter referred to as "BOROUGH",

W I T N E S S E S :

WHEREAS, BOROUGH is a second class borough and as such has limited authority which does not include the power to provide water or sewer service and

WHEREAS, CITY is a first class city and as such has a Public Works Department and in connection therewith provides sewer and water service to the residents residing within the corporate limits of the CITY OF KODIAK and to some residences residing outside the corporate limits of the CITY OF KODIAK, and

WHEREAS, the parties hereto desire to make application for Federal aid on local sewer and water project and one of the parties hereto must be designated an agency responsible for implementation of such projects.

NOW, THEREFORE, in consideration of the foregoing, the parties hereto mutually agree as follows:

1. CITY is hereby designated the agency responsible for implementation of any water or sewer projects within the area of the road system in the KODIAK ISLAND BOROUGH and is hereby authorized to make application for Federal aid in connection therewith.

IN WITNESS WHEREOF the parties hereto have caused this Agreement to be executed by their proper officials on the day and year first above written.

CITY OF KODIAK

Richard A. Brown

KODIAK ISLAND BOROUGH

Richard A. Brown

CONTRACT TO FURNISH FIRE PROTECTION SERVICE

THIS CONTRACT made this 2ND day of ~~May~~^{July}, 1970,
by and between the CITY OF KODIAK, hereinafter referred to as
"City" and the KODIAK ISLAND BOROUGH, hereinafter referred to as
"Borough", both being municipal corporations organized under the
laws of the State of Alaska.

W I T N E S S E T H

WHEREAS, City is an Alaskan municipal corporation, being
a home-roll or charter city, and as such is lawfully authorized and
empowered to enter into the Agreement hereinafter recited; and

WHEREAS, Borough is an Alaskan municipal corporation of
the second class and has under its powers formed a Fire Service
District as provided by law and therefore is lawfully authorized
and empowered to enter into the Agreement hereinafter recited; and

WHEREAS, Borough is presently without adequate fire
protection in its Fire Service District and desires to have the
services of City's Fire Department and to pay for such services; and

WHEREAS, City is willing to furnish fire protection to
Borough's Fire Protection District provided an adequate payment is
made.

NOW, THEREFORE, City and Borough agree as follows:

SERVICES TO BE RENDERED

FIRST: Subject to the conditions and qualifications
hereinafter recited, the City will furnish to Borough's Fire
Protection District during the period of this Agreement, the
services of City's Fire Department to the same extent as if the
area encompassed within the boundaries of the Borough's Fire
Protection District were a part of the incorporated area of the
City.

TERM OF AGREEMENT

SECOND: The term of this Agreement shall be continuous until terminated by mutual agreement of the Parties or by notice of intention to terminate given in writing not less than ninety (90) days before the intended date of termination when such notice is given and which notice may be given by either Party at any time hereafter.

PAYMENT

THIRD: Borough agrees to pay to City during the term of this Agreement an amount equal to the millage rate levied by City for fire protection service in the City, which amount shall be levied and collected on all properties within Borough's Fire Protection District at the same millage rate. City shall give to Borough, in writing, at the time it sets its millage rate, the millage levied for fire protection within the City and that same millage rate shall thereafter be applied to all properties within the Borough Fire Protection District for the ensuing year and this amount shall be paid to City.

CITY IS NOT RESPONSIBLE FOR CONDITION OF FACILITIES

FOURTH: City assumes no responsibility for the condition of the water mains, adequacy of fire hydrants, water pressure or of any of the facilities to be furnished by Borough's Fire Protection District except to render the best service possible under the conditions which exist at any given time.

RESPONSIBILITY OF FIRE CHIEF

FIFTH: In agreeing to give Borough's Fire Protection District the same type and quality of fire protection service as

that enjoyed by the City, it is understood by Borough that the ultimate decision and discretion as to the method and manner of controlling or extinguishing fires is vested in the Fire Chief of the City. Neither City or Borough shall be allowed any priority in dispatching of fire fighting equipment or personnel, but in any given case, the decision shall be in the discretion of the City's Fire Chief.

FIREMEN TO BE MADE PEACE OFFICERS

SIXTH: City does not agree to furnish any peace officers in connection with the response to any fires within the Borough Fire Protection District unless such powers are conferred upon firemen by the laws of the State of Alaska and in that event the powers and authorities shall be limited to that authority granted.

INSPECTION BY FIRE DEPARTMENT

SEVENTH: The Fire Department of City shall have the same right to make inspections of any and all structures and grounds within the Fire Protection District of Borough and to make appropriate recommendations thereon with the same force and effect as the Fire Department has within the City.

BOROUGH TO ABATE FIRE HAZARDS OR NUISANCES

EIGHTH: Borough agrees to take timely action to abate any fire hazard or nuisance when such is called to the attention of the Borough Chairman or Borough Assembly.

INDEMNITY OF FIRE DEPARTMENT

NINTH: Borough agrees that the Fire Department of the City shall have the same privileges and immunities with respect to liability as said Department has in the City.

ADJUSTMENT OR REVISIONS OF BOUNDARIES

TENTH: Borough agrees that if the present geographical boundaries of the Fire Protection District of Borough are reduced or enlarged or expanded, then and in such event City may either refuse to service such enlarged area or this Agreement shall be amended to provide an added consideration for the additional fire protection to be rendered by City or a reduction in the compensation by reducing the amount thereof by subtracting the millage from those properties withdrawn.

CITY IS INDEPENDENT CONTRACTOR

ELEVENTH: The management, regulation and control of City's Fire Department shall remain the sole obligation of City, and the relationship of City to Borough shall, upon this Agreement taking effect, be that of independent contractor.

IN WITNESS WHEREOF, the Parties hereto have executed these presents by resolution of their respective governing bodies, duly authorizing the same.

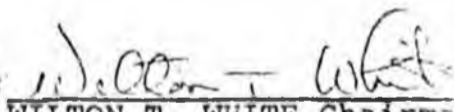
CITY OF KODIAK

KODIAK ISLAND BOROUGH


BY:


PETE RESOFF, Mayor

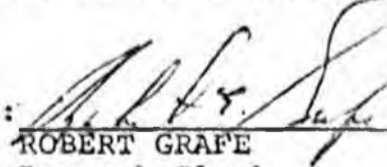
BY:


WILTON T. WHITE, Chairman

ATTEST:


NORMA HOLLIDAY, Clerk

ATTEST:


ROBERT GRAFE
Borough Clerk

ADDENDUM

TO CONTRACT TO FURNISH FIRE SERVICE

Whereas the parties hereto have heretofore entered into an Agreement whereby CITY agreed to furnish to BOROUGH's Fire Protection District, the services of CITY's Fire Department to the same extent as if the area encompassed within the boundaries of the BOROUGH's Fire Protection District were a part of the incorporated area of the CITY and

Whereas BOROUGH agreed to pay to CITY during the term of said Agreement, an amount equal to the millage rate levied by the CITY for fire protection service in the CITY but no provision was made, nor account taken of the Capital Improvements of the Fire Department to date or in the future,

Now therefore, the parties hereto agree that the BOROUGH will transfer, and the CITY will accept the equity of the BOROUGH in its fire truck and equipment as the BOROUGH's contribution to the Capital Improvements of the CITY's Fire Department to date, and to make further contributions to the Capital Improvements of the Fire Department through assessment and taxation at the same time and on the same basis as may be done by CITY in the future.

IN WITNESS WHEREOF, the parties hereto have executed these presents by resolution of their respective governing bodies, duly authorizing the same.

CITY OF KODIAK

KODIAK ISLAND BOROUGH

BY: *Rolland A. Jones*
R. A. JONES, City Manager

BY: *Wilton T. White*
WILTON T. WHITE, Chairman

ATTEST: *Norma Holliday*
NORMA HOLLIDAY, Clerk

ATTEST: *Robert Grafe*
ROBERT GRAFE
Borough Clerk

KODIAK ISLAND BOROUGH

DATE: December 6, 1977
FROM: Borough Assessor/ Ed Haney
TO: Whom It May Concern

At the time of construction in 1973 the cost of building the Kodiak High School gymnasium was One Million One Hundred Fifteen Thousand Dollars (\$1,115,000). Reproduction today would be approximately One Million Six Hundred Seventy Thousand Dollars (\$1,670,000).

The swimming pool complex in 1973 cost One Million Thirty Five Thousand Dollars (\$1,035,000) to build and to reproduce it today would approximately cost One Million Five Hundred Fifty Thousand Dollars (\$1,550,000).

Totaling the two (2) buildings together shows a cost to build in 1973 of Two Million One Hundred Fifty Thousand Dollars (\$2,150,000).

The reproduction of the two (2) buildings together in 1977 would come to Three Million Two Hundred Twenty Thousand Dollars (\$3,220,000).

EH/sv

cc

EXHIBIT D

KODIAK ISLAND BOROUGH SCHOOL DISTRICT
POST OFFICE BOX 886
KODIAK, ALASKA 99615
(TELEPHONE: (907) 486-3131)

JOINT AGREEMENT FOR THE USE & OPERATION
OF GYMNASIUMS & SWIMMING POOL

This agreement entered into this 15th day of November 1977,
by and between the KODIAK ISLAND BOROUGH, hereinafter referred to as the
BOROUGH, the KODIAK ISLAND BOROUGH SCHOOL DISTRICT, hereinafter referred
to as the *DISTRICT*, and the CITY OF KODIAK, hereinafter referred to as the
CITY.

WITNESSETH:

WHEREAS, the *DISTRICT* has under its jurisdiction the operation
and management of three gyms and one swimming pool within *CITY* boundaries,
said gyms being the Kodiak High School gym, the Main School gym, and the
East Elementary gym; and,

WHEREAS, the *BOROUGH* contributes to the *CITY* recreation program
by making school facilities available to the City Parks & Recreation De-
partment for public use; this they do in lieu of providing recreational
funds to the *CITY*; and,

WHEREAS, the *DISTRICT* obligated itself before the election of
February, 1972 to running the pool for the public; and,

WHEREAS, it is inconvenient and costly for the *DISTRICT* to run
a public recreation program; and,

WHEREAS, said swimming pool and gymnasiums are physically con-
venient and capable of being used by the *CITY* and its program conducted

by the Parks & Recreation Department; and, 20

WHEREAS, maximum use can be made of said swimming pool and gym- 21
nasium facilities by the joint use thereof of the DISTRICT and the CITY, 22
and it is in the best interests of the parties hereto and the public that 23
such use be made thereof. 24

NOW THEREFORE, in consideration of the above premises and the 25
undertaking and covenants of each of the parties as hereinafter set forth, 26
it is agreed by and between the parties as follows: 27

1. TERMS:

This AGREEMENT shall be effective for a term of 7 1/2 months, 28
commencing on November 15, 1977, and ending on August 1, 1978. 29
The AGREEMENT may be terminated by either party giving 30 days written no- 30
tice. 31

2. USE OF POOL & GYMS:

The DISTRICT shall have the right of exclusive use of said 32
swimming pool and gymnasiums upon regular school days, Monday through Fri- 33
day of each week during each school year, from 7:30 AM to 5:00 PM of each 34
of the said days, except that the CITY reserves the right to use the pool 35
or gymnasiums for the public if they are not being used at that time by 36
the DISTRICT. The DISTRICT shall also, in addition to the hours specified, 37
have the right to use the pool and gymnasium facilities for school activi- 38
ties and athletic purposes, but the gymnasiums and pool shall not be used 39
by the DISTRICT for any program designed, or by its nature competitive 40
with the recreation program carried on by the CITY. However, the DISTRICT 41

may not retain the gyms or pool for the daily practices of their athletic 42
teams beyond the hour of 7:30 PM. 43

3. FACILITIES:

The *DISTRICT* facilities which are the subject of this agree- 44
ment include the pool, the gyms, the locker rooms, together with a limited 45
amount of office storage space. 46

4. SCHEDULING OF FACILITIES:

The *DISTRICT* shall have first priority in scheduling its ac- 47
tivities. After the *DISTRICT* establishes its schedule, the *CITY* shall make 48
up its recreation schedule. The *CITY* must provide the *DISTRICT* with at 49
least one week advance notice prior to commencement or change of the 50
CITY recreation time schedule. Once the *CITY* established their recreation 51
schedule, the *DISTRICT* must give the City Parks & Recreation director at 52
least one week advance notice before changing their *DISTRICT* schedule, and 53
this schedule change must meet the approval of the City Parks & Recreation 54
director and the School Superintendent. Use of *DISTRICT* facilities by 55
groups outside the realm of the *CITY* or the *DISTRICT*, at times other than 56
during regular school hours, will be scheduled by the *DISTRICT* Community 57
School Coordinator with the approval of the *CITY* Parks & Recreation direc- 58
tor. 59

5. DENIAL OF FACILITIES:

The *DISTRICT* reserves the right to deny the use of their 60
facilities to groups which by their behavior may either do physical harm to 61
the facilities or participants, or by their presence downgrade the moral 62

and ethical standards of the *DISTRICT*.

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6. CITY OPERATIONS:

The *CITY*'s responsibility is restricted to public use of the gyms and the pool as well as daily maintenance of the pool. This means that the *CITY* will:

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a. Hire, terminate, pay, and supervise all *CITY* recreation personnel.

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b. Schedule all *CITY* recreation use programs and activities.

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c. Do the pool vacuuming, filtration, chemical up-keep, and locker room clean-up.

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d. Provide reimbursement to the *DISTRICT* for over-time custodial services incurred when *CITY* recreational activities last later than 10:30 PM, unless prior agreements are made for use of the facility past the allotted time.

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e. Provide supervisory personnel for all *CITY* recreation activities and insure that *CITY* recreation participants have vacated *DISTRICT* facilities prior to the supervisor's conclusion of duties.

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7. DISTRICT OBLIGATIONS:

The *DISTRICT* will at its sole cost and expense:

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- a. Provide heat, light, power, water, chemical supplies, and equipment necessary for both *DISTRICT* and *CITY* use.
 - 83
 - 84
 - 85
- b. The *DISTRICT* will continue to handle all major mechanical work and the annual pool overhaul.
 - 86
 - 87
 - 88
- c. Provide all necessary building maintenance for the gyms, pools, and supporting facilities.
 - 89
 - 90
- d. Provide regular custodial services during the regular school year when facilities are vacated by *CITY* recreation participants and supervisors by 10.30 p. m.
 - 91
 - 92
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8. FEES:

Since *CITY* expense for operating the pool must be met by gate receipts, all gate receipts collected by the *CITY* are to be the property of the *CITY*.

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- 96
- 97

9. LIABILITY INSURANCE:

The *CITY* shall at all times maintain and keep in effect liability insurance covering its use of said facilities.

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- 99

10. PROPERTY DAMAGE

The *DISTRICT* facilities or property thereon damaged or 101
destroyed by reason of the negligence or acts of the *CITY* employees or 102
persons using the *DISTRICT* facilities during the times that said facili- 103
ties are subject to the exclusive use of the *CITY* shall be the responsi- 104
bility of the *CITY*, and reimbursement for replacement or repair thereof 105
shall be made by the *CITY* to the *DISTRICT*; provided, however, that noth- 106
ing herein contained shall be construed to obligate the *CITY* to make 107
repairs for damage which is due to ordinary wear and tear. 108

11. TERMS OF THIS AGREEMENT

The terms of the *AGREEMENT* may be renegotiated to meet 109
the prerequisites of the Community Education Program. 110

CITY OF KODIAK

By Ivan L. Wilson
City Manager

KODIAK ISLAND BOROUGH

By Betty J. Miller
Borough Mayor

ATTEST:

George Rossall
City Clerk

ATTEST:

Shirley Miller
Borough Clerk

KODIAK ISLAND BOROUGH SCHOOL DISTRICT

By Louise Collins
School Board President

By David C. Crowe
School Board Clerk

- D. Resolution 63-5-R Setting Amount Owed by City for Payment on Personal Property Taxes. The resolution was read. Mrs. Hajou inquired why the Borough was just now collecting these taxes from the City for 1967. Mr. Valkama explained that the City could make better use of these funds than the Borough, and so the delay was beneficial to them; and also that the City is just now collecting its 1967 sales tax, out of which this payment is made. Further, the Borough supplemental personal property roll has just been completed for 1967. Mrs. Springhill moved, seconded by Mr. Arndt, that the resolution be adopted. Mr. Burt and Mr. Bullock wished to review the tax returns before any action was taken. Mr. Valkama commented that if further reviews were made, it would probably turn out that the City would owe more money because in 1967 there were no teeth in the law requiring that people living inside the City file for their personal property. Motion carried by unanimous roll call vote.
- E. Approval of Tax Adjustments Nos. R-67-38 and R-67-39. Both of these lots were taken by ASHA in 1966 and should have been in ASHA's name for 1967 instead of John Thevik's. Mrs. Springhill moved, seconded by Mr. Bullock, that adjustments no. R-67-38 and R-67-39 be approved. Motion carried by unanimous roll call vote.
- F. Approval of November 15, 1968, as Delinquent Date for Second Half Payment of 1968 Taxes. It was explained that the ordinance sets November 1 as the delinquent date, but that enough tax bill forms are left from 1967 to use for 1968 if November 15 is again used as the delinquent date for second half payments of taxes. Mrs. Springhill moved, seconded by Mr. Arndt, that November 15, 1968, be approved as the delinquent date for second half payment of 1968 taxes. Motion carried by unanimous voice vote.
- G. Conveyance of Cemetery in US 3511 to City. Mr. Best stated that the cemetery is presently being arranged haphazardly, and suggested that it be conveyed to the City since they have the necessary staff to properly carry out proper arrangements. After discussion, Mrs. Springhill moved, seconded by Mr. Arndt, that the cemetery in US 3511 be conveyed to the City for \$1.00 with the provisions that it be properly laid out for roads and access and in accordance with the Subdivision Ordinance, insofar as practicable for a cemetery. Motion carried by unanimous roll call vote.
- H. Levitt Fields re Anton Larsen Road. Mr. Fields stated that he had been asked by Okey Chandler on behalf of the people of Anton Larsen Bay and Port Lions to meet with the Assembly concerning the restoration of this road, which is covered now at high tide for one mile. He stated that a petition concerning the road had been submitted to the Governor, and that the reply stated that \$500,000 would be required to reroute the road. However, local contractors felt that the road could be sufficiently raised for only \$25,000 to \$30,000. Mrs. Hajou suggested that the State be requested to use maintenance funds for this purpose, that they be informed that cost estimates for the job were less than \$100,000, and that the road is needed by the families in the area and by the people from Port Lions and Ouzinkie who use it, after coming in by boat, as a means of getting to Kodiak. Mrs. Springhill moved, seconded by Mr. Bullock, that a resolution be drawn up by the attorney incorporating the ideas which were suggested in this discussion to take care of the problem of the Anton Larsen Bay Road. It was suggested that copies of the resolution be sent to the Governor and Kodiak's Representative and Senator. Motion carried by unanimous roll call vote.

X CLAIMANT'S REPORT

- A. Legislation of Interest. Mr. Best pointed out the following legislation of special interest:
- SB 375
 - SB 376
 - SB 432 for school construction grants.
 - SB 483--appropriation bill for SB 432.
 - SB 175--providing for State to pay for defaults of local school bonds. This would help to give Alaska a better bond rating and may lower interest rates.
 - SB 243--3% education wage law.
- B. Building Inspector's Vehicle. Mr. Best suggested that since the City furnishes gas for the vehicle, the Borough furnish necessary repairs. The Assembly concurred.

KODIAK ISLAND BOROUGH

M E M O R A N D U M

TO: Stu Denslow/Borough Manager
FROM: Ed Haney/Borough Assessor/Appraiser
SUBJ: Lot 1, Hospital Subdivision, USS 1822
Appraised Valuation
DATE: November 29, 1977

This lot (5.92 acres) was transferred from the Kodiak Island Borough to the City of Kodiak in 1968 to be used as a cemetery, recorded in Book of Deeds 21 at pages 92 and 93.

Comparable land in this area was selling for \$5,000 per acre in 1968. As this is all high and well-drained land the 5.92 acres would have had a value of \$29,600.00.

The 1978 value of this property were it put to it's best use (not a cemetery) would be \$25,000 per acre or \$148,000. If this land were subdivided into residential lots the market value would total \$300,000. This is possible because of adjacent water, sewer and access.

As a cemetery, it's value is almost an intangible, however to purchase land under today's market conditions would come close to the \$300,000 figure.

EH/sv
cc

EXHIBIT G

CONTRACT

THIS AGREEMENT, made this 1 day of September, 1977,
by and between Kodiak Island Borough, herein
called "Borough", acting herein through its Presiding Officer
(Title of Authorized Official)
and Alagnak, Incorporated
STRIKE OUT (a corporation) (a partnership)
INAPPLICABLE TERMS (an individual doing business as _____)
of Kodiak, State of Alaska
hereinafter called "Contractor".

WITNESSETH: That for and in consideration of the payments and agreements hereinafter mentioned, to be made and performed by the BOROUGH, the CONTRACTOR hereby agrees with the BOROUGH to commence and complete the construction described as follows: Road Maintenance and Level - Bells Flats/Bussan Creek Service Area, hereinafter called the project, for the amount specified in the attached bid schedule. And in connection therewith, under the terms as stated in the General Conditions of the Contract; and at his (its or their) own proper cost and expense to furnish all the materials, supplies, machinery, equipment, tools, labor, insurance, and other accessories and services necessary to complete the said project in accordance with the conditions and prices stated in the Proposal, the plans, which include all maps, plats, blueprints and other drawings and printed or written explanatory matter thereof, the specifications and contract documents, all of which are made a part hereof and collectively evidence and constitute the contract.

The CONTRACTOR hereby agrees to commence work under this contract on or before a date to be specified in a written "Notice to Proceed" of the BOROUGH and on a timely call out basis thereafter for the duration of the contract.

The BOROUGH agrees to pay the CONTRACTOR in current funds for the performance of the contract.

IN WITNESS WHEREOF, the parties to these presents have executed this contract in three (3) counterparts, each of which shall be deemed an original, in the year and day first above mentioned.

KODIAK ISLAND BOROUGH

Margaret A. Luss
(Secretary)

BY James E. Roth
Presiding Officer
(Title)

Murley Walker
(Witness)

ALAGNAK, INC.

(Contractor)

[Signature]
(Secretary)

BY Frank C. [Signature]
President
(Title)

[Signature]
(Witness)

Box 176 - Kodiak, Alaska 99615
(Address and Zip Code)

NOTE: Secretary of the Borough should attest. If Contractor is a corporation, Secretary should attest.

JOAN M. KATZ
ATTORNEY AT LAW
1614 HIDDEN LANE
ANCHORAGE, ALASKA 99501
(907) 274-3804

November 21, 1977

Patrick K. Poland
Staff Assistant to the
Local Boundary Commission
Department of Community
and Regional Affairs
511 West Fourth Ave.
Anchorage, Alaska

Dear Pat:

This is simply to confirm our conversation of last Friday, November 18, 1977. At that time I requested that the Kodiak hearing now scheduled for December 12, 1977 be rescheduled for later in that week to enable me to prepare the Borough's brief in sufficient time so that Commissioners would have the opportunity to review it prior to the hearing. You denied that request. The Borough is now proceeding with the case within the time frame you have set forth. Should the short time allowed appear to prejudice the Borough at a later date, the objection will be reiterated at that time.

I look forward to hearing from you later today in regard to the review of Commission precedents we discussed.

Thank you for your consideration.

Sincerely,

Joan M. Katz

BEFORE THE LOCAL BOUNDARY COMMISSION FOR THE
STATE OF ALASKA

Re: Proposed Annexation of)
Certain Lands in the Kodiak)
Urban Area to the City of)
Kodiak)
_____)

BRIEF OF THE RESPONDENT KODIAK ISLAND BOROUGH

Introduction

Annexation entails substantial financial, political and practical consequences for property owners and residents of the lands involved. To assess those consequences in connection with the Kodiak situation, three fundamental questions need to be asked: (1) whether annexation would serve any real purpose so far as the territory to be annexed is concerned; (2) whether the alleged equities on the City's part exist in fact, or have been advanced simply to justify a quest for additional revenues; and (3) whether adverse consequences would befall individuals within the territory, or without, should annexation occur. Respondent's analysis of these questions will address the relevant, specific factors set forth in 19 AAC 05.010, as well as the concerns raised in both the letter of May 1, 1978, from Sheila Gallagher to Stewart Denslow, and in the Preliminary Report from the Department of Community and Regional Affairs, dated May 10, 1978. In light of the fact that this proposed annexation is a legislative one, with no opportunity for the people involved to express their opinions at the polls, abstract theories of symmetry in local government should not be afforded excessive weight. The

JOAN M. KATZ
Attorney at Law
540 "L" Street, Suite 101
Anchorage, Alaska 99501
(907) 274-7634

The final report was not available at the time this Brief was being prepared.

realities of the Kodiak situation need to be examined.

I. What Needs Exist Within The Territory That Could Best Be Met By Annexation?

Annexation makes sense only if services are needed and desired by the people affected which can best be provided by the annexing government. The evidence in this case, however, is that people outside the City's current boundaries are generally content with not only their government, but also the kinds and levels of services they are presently receiving.

An attitudes survey conducted by the Anchorage Urban Observatory last year indicates that the three greatest concerns for residents outside the City are litter, roads and the high cost of goods.² Inside the City, residents are most concerned about the same two priority issues, although roads are placed above litter. The problems of physical isolation and "environment" tie for third place. Outside the City only one person in the sample rated utilities as a top priority; only one identified animal control as such. And not a single person identified police or fire service as the most urgent problem.

These findings are highly significant in reflecting a general, marked absence of desire on the part of people in the affected territory to change the kind, or raise the level, of services they receive - even when no price tag is attached. The only exceptions occur in connection with roads and litter.

a. Roads. Kodiak's roads are essentially State maintained, with only 13 miles of road under City jurisdiction and 15.5 miles within the Borough's authority. Annexation for the purposes of road maintenance would be nonsensical for two reasons. First, the people within the City are more dissatisfied with the condition of their roads than are the people outside the City.

² For more detailed information on this survey see Kodiak Island Borough Economic Analysis, submitted by Drs. Green and Hill as part of the Borough's presentation in this proceeding.

suggesting that the City is hardly the appropriate government unit to undertake further road work. In addition to the findings of the Urban Observatory study in this regard, there is the testimony of City residents like Charles Davidson, who stated at the December 12, 1977 hearing that he was opposed to annexation in light of the City's inability to adequately pave and/or oil the roads within its current jurisdiction.

Second, Borough voters have recently elected to adopt road power within Service District I of the Mill Bay-Monashki Service area. This power will enable the Borough to offer road service to those areas in which the property owners vote to foot the bill. Such an undertaking has previously proven successful in the Bella Flat area, where private contractors provide road maintenance. (See Exhibit H to Respondent's Brief of December 9, 1977, regarding the proposed Mill Bay Road Annexation.)

Comments by the Local Boundry Commission staff concerning the absence of a Borough public works department to provide road maintenance are irrelevant to the Kodiak situation. As indicated previously, the roads at issue here do not cover hundreds of miles, but rather approximately 15.5 miles. Private contractors are not only capable of providing maintenance, grading, snow removal, etc. for this amount of road surface; such contractual arrangements would seem to be a boon to the local economy. Finally, it should be noted that in Fiscal 1978 the people of the Russian Creek and Bella Flat areas voted to spend \$38,000 on road maintenance for nine miles of road while the City spent \$1,110,014 for 13 miles of road maintenance and construction. The people currently living outside the City's boundaries should continue to have the right to choose to spend \$38,000 vs. \$1,110,014 if they are satisfied with the lower level of service. Annexation would deprive them of that right to choose.

b. Litter. Litter, the other major concern of Kodiak residents in and outside of the City, also provides no basis for annexation. The State again has responsibility for maintaining;

its roadways and would be charged with litter removal in those areas. The Borough, pursuant to its planning, road and health powers would similarly be able to undertake this responsibility. To support its case for annexation, the City would seem to have the burden of showing that it could better meet this problem.

c. Sewer and Water. The only additional, significant need that the Local Boundary Commission might want to examine would be that for sewer and water. In some areas of the Borough outside the City, sanitation standards necessitate, and the people desire (although not as a top priority) sewer and water improvements. The analysis submitted by the independent consultants from the Alaska Urban Observatory indicates that there is no reason to believe the City could meet these needs at less cost than the Borough. Unlike the services of roads and police, moreover, sewer and water are public utilities, in the same category as telephones. As such, they must pay their own way. They could, theoretically, be provided by a private corporation. The expansion of sewer and water into the territories in question should, therefore, have no bearing on the issue of annexation. (See Green and Hill, Kodiak Island Borough Economic Analysis, at 7.)

A review of services needed in the affected territory thus reveals that annexation represents a theory without any practical application or rational nexus to the facts of this case. There is no cry for expanded police protection. There is no reason to deprive private contractors of the opportunity to provide road maintenance at the level the people can afford. In his letter of December 16, 1977 to Mr. Strandberg, the City Manager himself acknowledged: "I am certain you are aware that as soon as an area gets water and sewer from the core City they have no need to annex. This is especially true in the Kodiak urban area". (Exhibit A, at 2-3) The point made by Drs. Green and Hill, of

course, is that not even sewer and water requirements create any need or justification for annexation. From the territory's standpoint, annexation is simply not needed in any way, to provide any service.

II. Is the City Entitled To Annexation For Reasons of Equity?

It is arguable, though Respondent would oppose this notion, that even without a need for annexation, such action could be required if the City is presently being placed in an inequitable position by virtue of non-City residents' use and enjoyment of City facilities and services. The City took this position in its Mill Bay Road petition brief; the information presented by Respondent in connection with that annexation is equally applicable here. Respondent's previous brief summarized the facts regarding specific services mentioned by the City in its plea for "equity" as follows:

The City complains that it "provides substantial benefits to residents and owners of properties outside of [its boundaries] without corresponding tax contributions for municipally provided services". (Petitioner's Brief, p.2.) Yet, sewer and water should be provided only upon assessment; fire protection is paid for by the Borough which levies a 2.27 mill rate on property owners within the District; parks and recreation services are in large part made available through the Borough-donated pool and gym; contribution is made by the Borough directly to the municipal library; the cemetery exists on a \$300,000 plot of land given for \$1.00 to the City by the Borough; the cargo dock, boat harbor, ferry terminal and airport are or should be self-supporting through user fees; and garbage collection is currently paid for by those who use it.

Also mentioned in Respondent's previous brief was the highly significant fact of the three percent sales tax levied by the City on all goods and services sold within the City or by City-based businesses. Strong concern with the "high cost of goods" as expressed in the Urban Observatory attitudes survey, indicates the substantial impact of this tax. In a memorandum prepared at the time of the previous annexation hearing in Kodiak,

the Borough Planning Director researched his own financial situation and presented figures establishing that as a non-City resident, he was paying more taxes to the City (as a result of the sales tax) than he was contributing to the Borough through personal and real property taxes. (Memorandum from Planning Director to Borough Manager, December 6, 1977, Exhibit B.)

Local Boundary Commission regulations contemplate that measures such as sales taxes can be used as alternatives, not supplements, to annexation. 19 AAC 05.010(a)(8) provides in part:

In determining whether [property owners in the territory receive the benefit of City services without commensurate tax controls] the Commission will consider alternate methods available to the city for offsetting the cost of providing services to individuals or property beyond its property taxation powers

Through this sales tax (plus the contribution to firefighting equipment, dock user fees, etc.), non-City residents of the Borough more than pay their way. They pay not only for benefits they receive, but for benefits inuring only or principally to City residents. For example, \$60,000 received from sales tax revenues (to which non-City residents contribute as much per capita as City residents) has been used to finance construction of water and sewer facilities within the City in the 1977-78 fiscal year. (City of Kodiak Budget 1977-78 Fiscal year.) Even more significant perhaps, a substantial percentage of the property taxes owed by City property owners are being paid by sales tax receipts garnered from non-City residents as well as City residents. While the appraised value of City property should have netted the City 1.3 million dollars in tax receipts, in fact only \$655,000 is being collected. (City of Kodiak Budget 1977-78 Fiscal year.) Where is the equity in such an arrangement? If City residents are not even paying their own property taxes at this time, what possible justification can there be for seeking to tax people currently outside the City boundaries?

It is apparent, thus, that if any group of people is being treated inequitably, it is the territory residents: they pay City bills through sales taxes while contributing directly through user fees and the like for services that they utilize. The City, in truth, simply wants to spread it's overhead a little thinner - an understandable position, but one decidedly negated by the equities of the situation.

III. Would Annexation Have Any Adverse Effects Upon Territory Residents Or Other Kodiak Citizens?

It is evident that annexation is not warranted because of any need for City services or from any equitable standpoint. It should be recognized, in addition, that annexation could be extremely harmful to territory residents - and ultimately to the Kodiak community at large.

Respondent's previous brief on Mill Bay Road attempted to illustrate the relative costs to territory residents of provision of water and sewer services with and without annexation. On the assumption that territory property owners would pay existing City taxes to acquire such services, it was determined that the price tag for the annexed resident would be 16.3 mills plus \$25.00 per month in assessments, as opposed to 9.47 mills and \$28.75 per month for non-City residents. (Respondent's Brief 12-09-77 at 3.) Drs. Green and Hill have calculated potential mill rates under annexation on the alternative assumption that annexation would simply shift some of the City's cost to the new territory. In that case the mill rate for City residents would be 15.19 mills - as opposed to 9.47 for non-City residents receiving sewer and water. (See Green and Hill at 12.) The difference under either method of calculation, is clearly substantial.

There is another consideration however, which is as important as the economic detriment to be suffered through annexation.

This is the potential effect on this relatively small community of the hostility that would be engendered by the imposition of annexation on a group of people who are adamantly opposed to it. An effort at unification was initiated by the City on October 27, 1977. (Resolution 23-77, Exhibit C.) The Borough responded in good faith, and scheduled a day long workshop attended by members of the public, City and Borough officials, a representative from Community and Regional Affairs and the former attorney of the Anchorage Charter Commission. As a result of that meeting, the Borough Assembly voted unanimously to put the question of unification on the ballot this Fall. (Resolution No. 78-34-R, April 6, 1978, Exhibit D.)

Unification is an appropriate means by which to avoid duplication of government units and promote more efficient government. Most importantly, it is also a means well suited to healing political wounds and allowing citizens to work together toward common goals. If the Local Boundary Commission were to try to design a tool aimed at destroying any hope for unification in Kodiak, it could propose no better means than the contemplated annexation. As testimony at the December 12, 1977 hearing established, many citizens of the Borough outside the City limits are bitterly antagonistic towards the City as a result of actions or inactions attributable to that government. Many citizens, further, are outraged by their lack of opportunity to vote their views on the annexation question. Should City dominion now be imposed upon them, the chances of a harmonious movement towards unification would be destroyed.

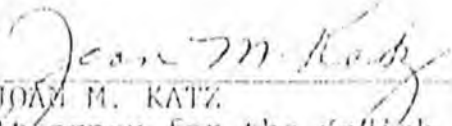
Conclusion

Annexation may have a theoretical appeal along the lines of political neatness. Theory is not reality, however, and the fact is that without annexation there will be service districts.

with annexation, there will probably be differential taxation with inconsistent levels of service, and with unification, there would still -- and again -- be service districts. The difference between the present situation and annexation -- the only two options available to the Local Boundary Commission -- is in the degree of choice to be exercised in the annexed territory. And that choice of course translates into substantial impact on the pocketbooks of the property owners involved.

The Local Boundary Commission is undoubtedly cognizant of its significant power and responsibility in considering legislative annexations. Respondent urges the Commissioners to ask themselves the three questions posed in this Brief while deliberating the merits of this case. The answers, the Borough feels confident, will show no need for services that the Borough cannot provide at a cost comparable to or lower than the City; no inequity done to the City by non-City residents; and adverse effects on both territory residents and other Kodiak citizens alike should annexation be approved. In light of these realities, Respondent respectfully submits that legislative annexation in this case would be an abuse of discretion. Respondent requests that annexation be denied.

DATED this 17th day of May, 1978.

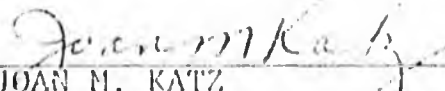

JOAN M. KATZ
Attorney for the Kodiak
Island Borough

BEFORE THE LOCAL BOUNDARY COMMISSION FOR THE
STATE OF ALASKA

Re: Proposed Annexation of)
Certain Lands in the Kodiak)
Urban Area to the City of)
Kodiak)
_____)

CERTIFICATE OF COUNSEL

I, Joan M. Katz, counsel for the Kodiak Island Borough,
certify that a copy of the Brief of the Respondent Kodiak Island
Borough was delivered to the staff of the Local Boundary Commis-
sion for service on the City of Kodiak this 19th day of May, 1978.



JOAN M. KATZ
Attorney for the Kodiak
Island Borough

JOAN M. KATZ
Attorney at Law
540 "L" Street, Suite 101
Anchorage, Alaska 99501
(907) 274-7634



Borough

City of Kodiak

PHONE (907) 486 - 3224
P.O. BOX 1397
KODIAK, ALASKA 99615

December 16, 1977

Mr. Sigvald J. Strandberg
Chairman
Local Boundary Commission
Department of Community and
Regional Affairs
511 West Fourth Avenue
Anchorage, Alaska 99501

Kodiak Island Borough
KODIAK, ALASKA
RECEIVED

DEC 19 1977

U.S. MAIL 1,2,3,4,5,6 PB

Dear Mr. Strandberg:

I do not envy the Commission's position when attempting to relate to the problems such as we have here in Kodiak. I respect your willingness to listen to many statements that are irrelevant; however, I do not believe they should bear much weight in your decision.

When I finished my initial remarks, I asked for an opportunity to reply to the Respondent's Brief. For one reason or another, you did not honor my request. I realize your desire not to prolong the hearing; however, there were many points that were made that were not true. It is too bad that you were not willing to give me an opportunity to clear them up for you and those attending the meeting.

I think it should be made known in what capacity your fellow Commission member, Ms. Gallagher, is working for the Borough. It is obvious that if her employment has anything to do with any of the issues mentioned in the annexation proceedings she should disqualify herself from any court proceedings, as well as Commission activities. Her ability to ask questions during the hearing that would bear on possible litigation would seem reason enough for her to disqualify herself. I would like to hear from you or Ms. Gallagher regarding this issue.

There are several points I would like to make that were brought out in the testimony of the citizens.

EXHIBIT A

Mr. Sigvald J. Strandberg

Page Two

December 16, 1977

1. The City sewage treatment plant is 100% funded by the Federal and State Governments and City of Kodiak. The City's portion is financed in part by general obligation bonds. There are no Borough funds involved in this sewage treatment plant.
2. It is obvious that the City is not going to reap any huge benefits from the annexation proposal. Half of the lots are in public ownership, there are no industries, pipelines, etc. that would constitute a windfall to the City if the annexation did occur.
3. Postponing the decision on this annexation until after the legislature begins is not fair. The merits are quite obvious. I should not have to go into any detail on this.
4. As far as I could ascertain, there was not one registered voter from the area in question who spoke against the annexation. If an election were held rather than the public hearing, none of those people would have been able to voice their opinions. I think it was incumbent upon the Commission to make this clear. One of the items I wished to make known was that no resident of the area spoke on the annexation. The only people involved were property owners and those renting or leasing for business purposes.
5. At the Borough meeting on December 1, I tried to explain that the annexation of the Mill Bay Road area was the only item to be considered at the hearing. The Borough overreacted and sent out notices to all post office box holders as well as the notices in the paper. I feel that it is this kind of activity that turns people off toward government and makes all our jobs more difficult.
6. As I understand it, there are five members of the Boundary Commission and since two can hold a public hearing but three need to make a decision, the other two members that were absent also need to concur in the decision to hold another public hearing on this annexation.

It is quite obvious that the residents of the Borough and City residents who own property in the Borough are against annexation because of the additional financial burden. As far as I am concerned, that is no reason for these people not to be annexed. From your comments, you seem to have similar feelings. I am going to ask the Council of the City of Kodiak to wait six months before meeting with the Boundary Commission again since no annexations can occur until 1979. The Borough will go ahead with their service areas and unnecessary duplication of taxing structures will automatically result. I am certain you are aware that as soon as an area gets water and sewer from the core City they have no need

Mr. Sigvald J. Strandberg
Page Three
December 16, 1977

to annex. This is especially true in the Kodiak urban area.

I would like to take this opportunity to thank you for visiting with us. I really feel that you have quite a burden on your shoulders. I appreciate that fact only too well; however, I still feel that you have accepted your positions of trust and you have a responsibility to the municipalities that are depending on you for proper decisions.

Very truly yours,

CITY OF KODIAK

Ivan L. Widom
City Manager

ILW/lp

cc: Commissioner MacAerny
Governor Hammond
Senator Poland
Representative Snider

KODIAK ISLAND BOROUGH

CONFIDENTIAL MEMORANDUM

TO: Borough Manager
FROM: Planning Director
SUBJECT: Individual Breakdown of City and Borough Taxes
RE: Information Required by Counsel
DATE: December 6, 1977

During our discussions with Mrs. Joan Katz, she requested I prepare a breakdown of my estimated Kodiak Island Borough Real and Personal Property Tax as well as the amount of Sales Tax collected by the City for goods and services.

The following reflects the assessed valuation of the real property I lease:

| <u>Land</u> | <u>Building</u> | <u>Total</u> | <u>KIB Mill Rate</u> | | <u>Amount of Tax</u> |
|-------------|-----------------|--------------|----------------------|---|----------------------|
| \$8,900 | \$32,890 | \$41,790 | \$9.50 | = | \$397.00 |

Personal Property:

| <u>Description</u> | <u>Valuation</u> | <u>Mill Rate</u> | <u>Amount of Tax</u> |
|---|------------------|------------------|----------------------|
| 1965 Dodge $\frac{1}{2}$ Ton P.U. w/Cap per | \$ 500 | | |
| 1974 Buick 2 Dr. H.T. | 2,975 | | |
| 1973 Chevrolet K5 Blazer | 2,900 | | |
| 1969 5-HP Outboard Motor | <u>50</u> | | |
| Total | \$6,425 | x \$9.50 | <u>\$ 61.04</u> |
| Total Amount of Tax Revenue Collected by K.I.B. | | | <u>\$440.04</u> |

The following reflects the estimated Sales Taxes I pay:

CONFIDENTIAL MEMORANDUM

To: Borough Manager
From: Planning Director
Subject: City and Borough Taxes, Individual Breakdown
Date: December 6, 1977

Page 2

Sales Taxes:

| <u>Item</u> | <u>Amount of Tax</u> <u>(Month)</u> |
|--|--|
| Food | \$ 21.00 |
| Telephone | 2.25 |
| Electricity | 2.55 |
| Fuel Oil (Furnace) | 7.50 |
| Clothing | 3.00 |
| Automobile Gas and Oil | 1.80 |
| Tire Repair | .54 |
| Cosmetics | 1.00 |
| Water | .42 |
| Dry Cleaning | .60 |
| Cable Television | .51 |
| Entertainment (Movies) | .75 |
| Appliances (Large & small, Replace & repair) | 1.05 |
| Cards, Gifts, Candy | 1.50 |
| Books, Magazines, Newspaper | 1.00 |
| Meals Out | 6.00 |
| Beverages | 5.00 |

Average Amount of Sales Tax Paid to City of Kodiak, \$ 56.47 per Month;

Total Yearly Amount Sales Tax Paid to City (x 12), \$ 677.64

Average of Combined City and Borough Taxes for non-City Resident, \$1,117.68

Percentage of Total Tax Paid to the City of Kodiak, 60.629%

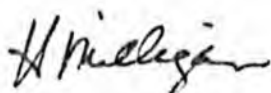
Percentage of Total Tax Paid to Kodiak Island Borough, 39.370%.

Of the \$440.04 paid to the Borough, 2.27 Mills or \$109.44 were paid over to the City of Kodiak for fire protection, thus leaving the Borough with a net tax collected in the amount of \$330.60, and the City of Kodiak with a total \$787.08.

Percentage of Adjusted Total Tax Paid to the City, 70.421%,

Percentage of Adjusted Total Tax Paid to the Borough, 29.579%.

Respectfully submitted,



Harry Milligan

CITY OF KODIAK
RESOLUTION NUMBER 23-77

A RESOLUTION OF THE COUNCIL OF THE CITY OF KODIAK REGARDING
THE ESTABLISHMENT OF A JOINT COMMITTEE TO STUDY UNIFICATION

WHEREAS, major changes are occurring in the entire Kodiak Island
Borough, and

WHEREAS, the tax base is not sufficient to support excessive government
and

WHEREAS, the relationships between the City of Kodiak and the Kodiak
Island Borough demand close cooperation and coordination, and

WHEREAS, unification of the two governments might be in the best interest
of the residents of the Kodiak Island Borough;

NOW, THEREFORE, BE IT RESOLVED that the Council of the City of Kodiak
wishes to participate in a study task force along with the Borough Assembly
members and private citizens to study the advantages and disadvantages of
unification and to recommend whether or not unification would be in the best
interest of the residents of the Kodiak Island Borough. The Council respectfully
requests the Borough Assembly to participate in this task force and to meet
with the Council in worksession to determine how best to implement this study
group.

PASSED AND APPROVED this 27th day of October, 1977.


MAYOR

ATTEST:


CITY CLERK

EXHIBIT C

KODIAK ISLAND BOROUGH
RESOLUTION NUMBER 78-34-R

A RESOLUTION PLACING BEFORE THE VOTERS OF THE KODIAK ISLAND BOROUGH THE QUESTION OF ELECTION OF A CHARTER COMMISSION TO PREPARE A UNIFICATION CHARTER.

WHEREAS, Alaska Statute 29.68 provides a method whereby a borough and the cities within it may be united into one government under a home rule charter, and

WHEREAS, the Assembly has determined that the voters of the Kodiak Island Borough should be given an opportunity to determine whether they wish to create a charter commission to prepare a home rule charter to be approved or disapproved by separate vote of the voters within and outside first class cities at a subsequent election.

NOW THEREFORE BE IT RESOLVED by the Kodiak Island Borough Assembly:

Section 1. The following proposition shall be submitted to the voters at the next regular Borough election to be held on October 3, 1978, which is at least 90 days after adoption of this resolution:

Shall a charter commission be formed (and charter commission members be elected as elsewhere provided on this ballot) to prepare, adopt and submit to the voters for their approval or rejection a proposed charter uniting Kodiak Island Borough and all cities within it as a single unit of home rule government having the powers, duties, and functions of a unified government as authorized by law?

Yes () No ()

Section 2. Effective upon the adoption of this resolution, a call is issued for nominations of charter commission candidates, specifying the filing deadline, and outlining the procedures for making nominations as follows:

- (a) Eleven qualified voters shall be elected to a charter commission. Three (3) at large and eight (8) from (1) cities, or (2) the area outside cities. The number of members elected from cities and from the area outside cities shall be proportionate to the respective populations, as determined by the Department of Community and Regional Affairs.
- (b) Charter commission candidates shall be nominated by petition signed by at least 50 qualified voters of the area from which the candidate seeks election, or by a number of qualified voters from that area equal to at least 10 per cent of the number of votes cast from that area in the last regular Borough election, whichever is less.
- (c) Nomination petitions shall be filed with the Borough Clerk not later than September 1, 1978, which date is at least 30 days after notice of the call for nominations has been given through the Borough. Nominating petition forms shall be provided by the Borough Clerk.

- (d) Procedures for acceptance of petitions, withdrawal of petitions and other election matters shall comply with all requirements of State law, and with the requirements of Title 2 of the Code of Ordinances of the Kodiak Island Borough to the extent consistent with State law.

Section 3. The vote on the proposition stated in Section 1 shall be tabulated in two separate classification.

One classification shall consist of all votes cast in the (first class and home rule cities) of the Borough. The other classification shall consist of all votes cast in the remaining areas of the Borough. In order for unification to be approved, it is necessary that a majority of the votes in each classification favor unification.

If unification is approved, those charter commission candidates who received the highest number of votes from their respective areas shall serve as members of the commission.

PASSED AND APPROVED by the Assembly of the Kodiak Island Borough this 16th day of April, 1978.

KODIAK ISLAND BOROUGH

BY Betty J. Wallin
Mayor

ATTEST:

Shirley Miller
Borough Clerk-Treasurer

G. Hayden Green, Ph.D, MBA

University of Alaska, Anchorage
3221 Providence Dr.
Anchorage, Alaska 99504

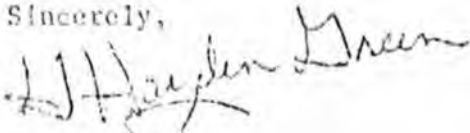
Betty Wallin, Mayor
Kodiak Island Borough
Kodiak, Alaska

Honorable Betty Wallin:


In accordance with your request, Dr. P.J. Hill and I conducted an analysis to determine the economic consequence with regard to the matter of annexation of portions of the Kodiak Borough by the City of Kodiak. To facilitate the study, we have thoroughly dissected the annual operating budgets of both governmental entities, that is, the Borough and City, and analyzed a substantial amount of information contained in reports produced by other consultants and government entities.

We have generally concluded that the residents in the area being considered for annexation will not derive appreciable economic benefit from the City's proposed boundary expansion. From an economic perspective, the only justifications for expanding the governmental and taxing authority of the City are: (1) if the residents outside the City are dissatisfied with the level of service they are receiving, (2) if the City can provide services more efficiently and economically than the Borough and (3) if residents inside the City are carrying a disproportional burden for service shared by area-wide residents. Relevant information suggests that none of these conditions exist; therefore, annexation is not warranted. The basis for these conclusions are summarized in numerical order throughout the remainder of this report.

Sincerely,



G. Hayden Green, Ph.D.



P.J. Hill, Ph.D.

KODIAK ISLAND BOROUGH ANNEXATION ECONOMIC ANALYSIS

1. Borough residents level of satisfaction with existing services:

Members of the Anchorage Urban Observatory research staff were commissioned to conduct a survey of attitudes of residents in the Kodiak Borough as part of an OCS impact study in 1977. As part of that study, respondents were asked questions regarding their level of satisfaction with services received. A total of 472 individuals completed the survey. To determine if the level of satisfaction with services received varies between residents within the City and those residents in the proposed annex area, some additional computer and statistical analyses were conducted of the original questionnaire responses.

Individuals living in the village who responded to the questionnaire were omitted. The balance of the respondents were separated into two groups, that is, those people within the City limits and those in the proposed annex area. One question asked was, "What do you dislike about your area?" Of the 199 respondents living within the City, 15.1% listed roads; and 13.1% listed litter as their main area of dissatisfaction. Of the 119 individuals responding to the questionnaire who live in the proposed annex area, 12.6% listed roads; while 13.4% listed litter. This was the area with which residents registered their greatest level of dissatisfaction (roads and litter). In the Table attached, it can be seen that very little difference exists between the level of dissatisfaction with services between individuals living within the City limits and those living outside. In fact it should be noted that, while 2.5% of the respondents living within the City listed police and fire protection as their number one concern, not one person living outside the City listed it as an area of dislike. (See Table 1)

In another question residents were asked to rank several factors which they considered major problems facing the Kodiak Borough. In Table 2 the percentage of individuals listing various factors as their number one concerns are shown. It should be noted that only 5 percent of the respondents living outside the City listed inadequate public facilities and services as a primary concern.

A third question queried residents about those areas they felt were the communities' most pressing needs. Again, we separated respondents within the City and those in the proposed annex area. The factors listed as being the most pressing need were housing and roads by both sectors of the areas' population. Nine percent of the City's residents listed public services, water and sewer as a pressing need; while only 4.2 percent outside the City listed it as their first concern. (See Table 3)

G. Hayden Green, Ph.D, MBA

In a subsequent question, residents were asked to rate community facilities and service as either presently being adequate, needing upgrading at the present time or needing upgrading in the future. A perusal of Table 4 suggests that residents outside the City have equal concerns with the level of services they receive. (See Table 4)

Several important implications pertinent to the issue of annexation are gleaned from the survey data:

1. Individuals within the City limits and those persons outside the City have similar attitudes towards the level of service they receive, that is, a comparable level of satisfaction with regard to public goods in relation to their cost.
2. The services of greatest concern to both City and Borough residents are roads and litter conditions. According to state records, the City maintains 13 miles of roads; while the Borough maintains 9 miles of roads. The remaining road system is state or privately maintained. The survey results suggest that residents do not perceive the City as doing a better job maintaining their road systems than the Borough is with its roads.
3. The survey results clearly suggest that the City is not more astute at providing services to local residences than the Borough government. There is some dissatisfaction among City residents with some services provided by the City of Kodiak, i.e. law enforcement, animal control, airport, parks, and roads. Within those services provided area-wide by the Borough, there exists a relatively high level of resident satisfaction, i.e. medical service and education.
4. The survey results indicate that individuals in the outlying areas are satisfied with the level of service they are receiving. This would suggest that the initiative to expand the boundaries of the City limits originated within the City or from a minority group.

TABLE 1

KODIAK ISLAND BOROUGH COMMUNITY ATTITUDE SURVEY

WHAT RESIDENTS DISLIKE MOST ABOUT AFMA

| CATEGORY LABEL | RELATIVE FREQ (%) CITY | RELATIVE FREQ (%) BOROUGH |
|--------------------|------------------------------|---------------------------------|
| NR | 3.5 | 1.7 |
| Environment | 6.5 | 6.7 |
| Roads | 15.1 | 12.6 |
| Litter | 13.1 | 13.4 |
| Utilities | 1.5 | 0.8 |
| Poor Govt. | 2.5 | 2.5 |
| Animal Control | 1.5 | 0.8 |
| Pub. Transport. | 0.5 | 0.8 |
| Police-Fire | 2.5 | 0 |
| Lack Recreation | 2.0 | 1.7 |
| Trans. Facilities | 1.5 | 0 |
| Planning-zoning | 1.5 | 4.2 |
| Devpt.-Growth | 3.0 | 3.4 |
| Oil Devpt. | 0.5 | 0 |
| High Costs Goods | 5.5 | 10.9 |
| High Cost Land | 2.0 | 0.8 |
| High Taxes | 0.5 | 0 |
| Inflation | 3.0 | 2.5 |
| Lack Housing | 5.0 | 5.0 |
| Physical Isolation | 6.5 | 6.7 |
| Pop. Growth | 4.5 | 7.6 |
| Alcohol Abuse | 3.5 | 1.7 |

TABLE 2

MAJOR PROBLEM FACING THE KODIAK BOROUGH

| | City Residents | Outside City Residents |
|--|-------------------|---------------------------|
| Inadequate Public Facilities and Services | 10.6 | 5.0 |
| OCS Impact | 13.1 | 21.8 |
| Shortage of Housing | 48.2 | 41.2 |
| Conflicting Land Use | 13.1 | 15.1 |
| Preservation of Cultural Diversity | 4.5 | 4.2 |
| Preservation of Natural Environment | 8.5 | 10.9 |
| Other | 9.0 | 5.0 |

TABLE 3

COMMUNITIES' MOST PRESSING NEEDS

| | RELATIVE FREQ. (%) CITY | RELATIVE FREQ. (%) BOROUGH |
|--------------------|-------------------------------|----------------------------------|
| NR | 8.5 | 8.4 |
| Housing | 36.7 | 42.9 |
| Jobs | 1.0 | 0.8 |
| Roads | 6.0 | 3.4 |
| Road Maintenance | 1.0 | 1.7 |
| Road Constr. | 0.5 | 0 |
| Better Govt. | 1.5 | 1.7 |
| Open up Land | 1.5 | 4.2 |
| Land for Building | 2.0 | 1.7 |
| Boat Harbor | 1.5 | 0.8 |
| Env. Protection | 0.5 | 0 |
| Alt. Energy | 0.5 | 0.8 |
| Protect Fishing | 0.5 | 0.8 |
| Plan Slow Growth | 4.5 | 5.0 |
| Control Oil Devpt. | 1.0 | 1.7 |
| Interethnic Coop. | 1.0 | 0.8 |
| Enforce Zoning | 1.0 | 0 |
| Public Services | 3.0 | 1.7 |
| Water-Sewer | 6.0 | 2.5 |
| Pest Control | 1.0 | 0 |
| Alc-Drug. Rehab. | 3.0 | 0 |

TABLE 4

ATTITUDE TOWARD COMMUNITY FACILITIES AND SERVICES

| ATTITUDE TOWARD | PERCENT WHO RESPONDED PRESENTLY ADEQUATE | | PERCENT WHO RESPONDED NEEDS UPGRADING NOW | | PERCENT WHO RESPONDED WILL NEED UPGRADING | |
|-----------------------|--|---------|---|---------|---|---------|
| | City | Outside | City | Outside | City | Outside |
| | Water Utility | 30.2 | 16.8 | 37.2 | 39.5 | 25.6 |
| Sewer Utility | 29.1 | 14.3 | 40.7 | 47.9 | 20.6 | 16.0 |
| Electric Utility | 23.1 | 19.3 | 42.2 | 40.3 | 29.1 | 31.1 |
| Refuse Collection | 42.7 | 35.3 | 27.6 | 23.5 | 23.6 | 26.1 |
| Telephone Utility | 15.6 | 21.8 | 63.3 | 54.6 | 15.1 | 17.6 |
| T.V. and Radio | 25.6 | 22.7 | 53.8 | 58.8 | 12.1 | 13.4 |
| Highway and Roads | 11.1 | 10.1 | 72.9 | 79.0 | 9.5 | 5.0 |
| State Airport | 30.2 | 42.0 | 41.7 | 36. | 20.6 | 19.0 |
| City Airport | 18.1 | 26.1 | 44.7 | 47.9 | 13.6 | 9.2 |
| Kodiak Dock | 37.2 | 45.2 | 31.7 | 26.1 | 21.1 | 21.8 |
| State Ferry | 52.8 | 55.5 | 28.6 | 22.7 | 11.1 | 17.6 |
| Law Enforcement | 25.1 | 31.1 | 51.8 | 45.5 | 16.1 | 17.6 |
| Fire Protection | 55.8 | 43.7 | 17.8 | 25.2 | 18.1 | 23.5 |
| Animal Control | 29.6 | 21.8 | 48.2 | 51.3 | 10.1 | 10.9 |
| Emergency Medical | 45.2 | 52.9 | 24.1 | 26.9 | 20.6 | 15.1 |
| Court System | 30.2 | 35.3 | 44.7 | 45.4 | 16.1 | 10.9 |
| Elementary School | 40.7 | 36.1 | 33.2 | 31.9 | 18.6 | 21.8 |
| Secondard Education | 36.2 | 32.8 | 37.7 | 37.0 | 18.1 | 20.8 |
| Community College | 44.7 | 47.9 | 23.6 | 25.2 | 21.1 | 20.2 |
| Medical Service | 43.2 | 50.4 | 35.2 | 28.6 | 16.1 | 12.6 |
| Sanitation | 29.1 | 23.5 | 45.7 | 47.9 | 15.1 | 18.5 |
| Public Assistance | 26.1 | 25.2 | 52.8 | 50.4 | 6.0 | 9.2 |
| Employment | 46.7 | 42.0 | 28.6 | 28.6 | 11.6 | 17.6 |
| Social Services | 43.2 | 44.5 | 31.2 | 26.9 | 12.6 | 16.0 |
| Parks | 28.6 | 28.6 | 41.2 | 47.1 | 22.6 | 13.4 |
| Recreation Facilities | 23.6 | 21.8 | 46.2 | 49.6 | 20.1 | 12.6 |
| Open Space | 44.7 | 37.0 | 27.6 | 31.9 | 11.1 | 10.9 |
| Museum | 67.3 | 62.2 | 12.1 | 19.3 | 16.1 | 12.6 |
| Library | 69.3 | 68.9 | 8.0 | 14.3 | 18.1 | 13.4 |
| Postal | 14.6 | 17.6 | 62.8 | 70.6 | 14.6 | 10.1 |

2. Can the City provide services more efficiently and economically than the Borough?

One other area upon which the annexation decision should be predicated is the cost of providing public services. The City asserted in the original petition that it could provide services to the area in question more efficiently through annexation than otherwise.

In discussing this, several things need to be well defined. First, it is desirable to separate public goods from public utilities especially with respect to governmental finance. There are some goods that local governments provide that are, in reality, public utilities. Sewer and water systems fall under this category. Those who receive the benefits from these goods are easily identified; and these systems should, if possible, be supported by user fees. These facilities should not be financed by general taxes.

Secondly, with respect to the financing of public goods, it is possible to go the service district route efficiently. All that is required is an institutional arrangement whereby those who receive the benefits can be assessed in proportion to the costs. (The costs would include some prorata share of the fixed plant, not just thin marginal cost.) There is no loss in efficiency in doing this through service districts, and there is no economic reason for necessitating annexation. Expansion of services may produce some economies of scale (the larger the operation, the lower is the cost per unit of output); yet these can be realized without annexation. The service district would seem a more desirable route because of the ability of the residents to choose which public utilities they want.

Public goods are those types of goods which must, by necessity, be provided through taxation (police, planning, general administration, parks, etc.); yet there is no reason to believe that they require the annexation process. They could be provided on the basis of service districts and differential taxation. It should be remembered that the benefits of the service (public good) do have geographical limitations.

Further, it is doubtful than any particular government has a unique advantage in terms of production costs. Both the Borough and the City have to buy their resources in the same market, and they face the same types of technology. There is probably no economic rationale for having a service provided by one government over another.

G. Hayden Green, Ph.D, MBA

To provide a basis for comparing the cost and operating efficiency of the two governments, we used the 1977/78 operating budgets of the two entities. (See Table 5)

It should be noted that several duplicated positions exist within the Borough and City governments. These will not be eliminated if the City boundaries are expanded.

A preferable alternative to annexation would be unification. If the two governments were unified, the positions listed in Table 6 could be eliminated. It should be noted, however, that the historical experience of unification efforts have not resulted in substantial cost savings. Where costs are saved in one area, they are often absorbed in others. The primary advantage of unification is the elimination of the conflict that often arises where two governments serve the same citizenry.

TABLE 5

BOROUGH AND CITY BUDGETS

| GENERAL COST Executive & Clerk | City | Borough |
|--|--------|---------|
| 1. Travel & Per Diem | 6,870 | 8,780 |
| 2. Compensation Mayor council | 2,760 | 4,800 |
| 3. Legal | 55,000 | 16,500 |
| 4. Capital Expenditures Office Machines, etc. | 10,100 | 10,000 |
| 5. Manager's salary | 39,500 | 42,462 |
| 6. Manager's Secretary | | 13,687 |
| 7. Clerk/Treasurer | 27,687 | 18,331 |
| 8. Secretary | 13,810 | 13,687 |
| 9. Bookkeeper | | 15,741 |
| 10. Benefits | 24,319 | 6,103 |
| 11. Dues | 6,190 | 4,200 |
| 12. Expenses (Mayor & Council) | 4,800 | 2,000 |
| 13. Overtime | 100 | 1,200 |
| 14. Supplies | 5,350 | 8,000 |
| 15. Professional Services | 7,000 | 5,000 |
| 16. Professional Development | | 5,000 |
| 17. Insurance & Bonding | | 2,500 |
| 18. Group Insurance | | 1,089 |
| 19. Communication, Adv. | 4,490 | 6,790 |
| 20. Printing | 8,000 | |

G. Hayden Green, Ph. D, MBA

TABLE 5 (continued)

BOROUGH AND CITY BUDGETS

| GENERAL COST | City | Borough |
|-----------------------------|-------------------------|----------------------------|
| Executive & Clerk | | |
| 21. Repairs and Maintenance | 500 | 2,000 |
| 22. Rentals | 4,805 | 1,500 |
| 23. Equipment | | |
| 24. Vehicle Allowance | | 3,000 |
| 25. Post Audit | | 25,500 |
| 26. Election | | 7,000 |
| 27. Boards and Commissions | | 500 |
| 28. Termination Reserves | | 3,000 |
| | <u>Expenses</u> 221,281 | <u>241,870</u> |
| | | 86,648.48 |
| | | <u>328,518.48</u> |
| | | 102,575.00 |
| | | <u>Expenses</u> 431,193.48 |
| Revenues | | |
| earned | 60,514 | 305,050 |
| shared | 36,546 | 750,000 |
| taxes | 124,221 | 51,143 |

TABLE 5 (continued)

CITY

| | | |
|--------------------------|----------|---------|
| Tax Collecting - Finance | Revenues | |
| Expenses | Earned | 31,492 |
| 223,270 | Shared | 36,873 |
| | Tax | 154,904 |
| Police Department | Revenues | |
| Expenditures | Earned | 251,330 |
| 813,379 | Shared | 172,635 |
| | Tax | 389,414 |
| Fire Department | Revenues | |
| Expenditures | Earned | 59,150 |
| 333,241 | Shared | 55,042 |
| | Tax | 219,048 |
| Public Works | Revenues | |
| Expenditures | Earned | 296,142 |
| 631,401 | Shared | 144,279 |
| | Tax | 190,979 |
| Parks & Recreation | Revenues | |
| Expenditures | Earned | 20,500 |
| 128,946 | Shared | 21,295 |
| | Tax | 87,151 |
| Library | Revenues | |
| Expenditures | Earned | 15,000 |
| 137,351 | Shared | 22,935 |
| | Tax | 99,416 |
| Museum | Revenues | |
| Expenditures | Earned | 0 |
| 18,000 | Shared | 2,973 |
| | Tax | 15,027 |
| Engineering | Revenues | |
| Expenditures | Earned | 32,100 |
| 112,159 | Shared | 18,524 |
| | Tax | 61,535 |

TABLE 5 (continued)

| | | |
|--------------------------|-----------------|--|
| Non Departmental | | |
| Expenditures | | Revenues |
| 1,450,239 | | Earned 471,034 |
| | | Shared 239,518 |
| | | Tax 739,687 |
| | | Taxes (including tax on city utilities) |
| | | 2,081,385 |
| | | Earned and Shared |
| | | 1,987,882 |
| BOROUGH | | |
| Assessing Department | | |
| Expenditures | | Revenues |
| 102,386 | | Taxes & |
| | | Reserves 102,386 |
| Planning and Zoning | | |
| Expenditures | | Revenues |
| 173,949 | | Earned |
| | | Shared 15,800 |
| | | Tax 158,149 |
| School Support | | |
| Expenditures | | Revenues |
| 851,498 | | Shared 248,033 |
| | | Tax 603,465 |
| Health | | |
| Expenditures | | Revenues |
| 226,850 | | Shared 162,000 |
| | | Tax 64,850 |
| Building and Maintenance | | |
| Expenditures | | Revenues |
| 191,344 | | Earned |
| | | Tax 191,344 |
| | Taxes & Surplus | 1,171,337 |
| | Earned & Shared | 805,883 |

3. Are residents inside the City carrying a disproportional burden for services?

Kodiak is particularly concerned that they (City residents) are paying for many "public goods" that are used by people who live outside the City boundaries. The charge is that these non-city residents are "free riders." It would be useful to examine sources of revenue for the City and identify revenues that are paid by City residents and by non-residents.

The population of the respective areas (City and surrounding area) is computed as follows: The total population of the City (official population figures used by the State of Alaska for revenue sharing) and the Borough in 1977 is 4,960 and 7,901 respectively. The population of the five second-class cities in the Borough (these are Akhiok, Larsen Bay, Port Lions, Ouzinke and Old Harbor) totaled 940. It will be assumed that there are approximately 200 persons living in other areas (areas outside cities). Therefore, the total population living in the greater Kodiak (City) area is 7,901 less 1,140 or about 6,761. Of that total, 4,960 live in Kodiak city; and about 1,800 live in the surrounding area. Therefore, of the total resident population in the greater area, City residents account for approximately 73 percent which implies that the surrounding area holds about 27 percent of the population.

Additionally, the migratory labor force accounts for a significant portion of those people who are hit by sales taxes. Accounting for a trend, it would appear that, on average, the labor force is 13 percent higher than the permanent residents would support. This is due to the cyclic nature of employment.

Thus, there would appear to be a significant portion of the population that would be hit by the sales tax who are not permanent residents of Kodiak city. Assuming that there are not wide differences in the distribution of income between residents (of the City) and non-residents, it would not be unreasonable to assume that people would pay the same amount in sales taxes to the City, no matter where they lived either within the City, the surrounding area or were transient labor force. Conceivably, what I can account for would seem to indicate that residents of the surrounding area and transient labor force (in covered employment) would probably account for about 40 percent of the total sales taxes collected. Additionally, there are others who pay sales taxes who are not accounted for by this figure (any sales that are made to Borough residents outside the greater Kodiak city area which would include all the outlying villages and any purchases made by the U.S. coastguard personnel). Also, there are significant sales taxes paid by people who work in Kodiak in the summertime who are not in covered employment; this would include all the sales made to fishing boats from the outside. Thus, the portion of sales taxes paid by non-city residents is probably greater than 50 percent.

One of the traditional arguments for a sales tax, at least in this instance, would seem to hold true. Sales taxes can be levied to tax people who might otherwise escape taxation, notably, tourists, transients, and non-residents of a political jurisdiction.

Other taxes of the city that are ultimately paid by non-city residents would include their portion of the property taxes that are shifted forward by commercial businesses within the City. Traditionally, across the U.S., businesses account for about 50 percent of property taxes (see Advisory Commission on Intergovernmental Relations, Federal-State-Local Finances: Significant Features of Fiscal Federalism, 1973-74 ed., Washington, D.C., p. 173). It is commonly believed that businesses shift large portions of the property tax on to the consumer in the form of higher prices. For example, the Port of Kodiak included \$83,000 as a payment to City government in lieu of property taxes. This payment was included as part of the rate base in calculating charges for use of the terminal. This shifting is especially true in non-competitive market structures which is characteristic of the Kodiak economy. Thus if 50 percent of total retail sales which are made in Kodiak are made to non-city residents and are passed along in the form of higher prices, then it would be possible to conclude that approximately 25 percent of the property taxes paid to the city are, in fact, paid by non-city residents.

In terms of the total tax revenue Kodiak city collects, the City residents collect a significant portion of their taxes from people who do not reside in the City. Of total property taxes paid, we can attribute \$163,750 to non-residents; and, of the total sales tax revenue (\$1,250,000), approximately half (\$625,000) can be attributed to non-residents. Thus it would seem as though non-residents pay as much as \$788,000 into the purse of Kodiak city which accounts for almost 41 percent of total tax revenue. It can hardly be said that there is a significant "free rider" problem.

It is interesting to examine what would happen to property taxes in the area to be annexed if annexation were to take place and the City spread its property taxes out over a larger tax base. Currently, there are four service areas where differential taxation is imposed. These include: the City (TCA1), the fire district (TCA8), the road district (TCA9) and the villages (TCA9). The fire district and the road district property would be added to that of the City upon annexation; both of these areas hold about 12.85 percent of the total property in the Borough. The City, on the otherhand, contains 81.17 percent of total property in the Borough.

G. Hayden Green, Ph.D., MBA

By using the mill rate and the tax base of the areas to be annexed along with the City, it is possible to examine what would happen if the property tax of the City were spread over the whole area. Currently the City is taxed at a 16.33 mill rate; the surrounding area mill rate is 7.23 with an additional assessment of 0.75 mills in the road district and 2.27 mills in the fire district. If the focus of annexation were to simply shift some of the cost to the outlying areas, the same total amount would be collected with the mill rate of the various areas being equalized. The overall mill rate would be 15.19 mills -- a decrease of 1.14 mills in the City (a decrease of \$85.5 on a \$75,000 home), an increase of 5.69 mills in the fire district (a \$426.00 increase in property taxes on a \$75,000 home), and an increase of 7.21 mills in the road district (an increase of \$540.75 on a \$75,000 home) for residents outside the City.

Further, it might be noted that the area to be annexed includes the U.S. Coast Guard base. Thus the retail sales on the base would be subject to the City sales tax which would add to the City revenues significantly. It is difficult to know how much this will add to the City revenues. The Office of non-appropriated fund for the Coast Guard reported that this total operation was approximately \$3.5 million. While most of that was the BX and similar activity, the precise amount that would be hit by a retail sales tax would be difficult to determine. If, for example, \$2.0 million were covered by the retail sales tax, the City would collect \$60,000. This is about five percent of the total tax revenues for the City.

2/1/79

Ms. Kimberly Steven and
Mr. Randolph Davela
P.O. Box 3166
Kodiak, Alaska 99615

Mr. Dick Juelson, Chairman ✓
Borough Residents for Autonomy
P.O. Box 286
Kodiak, Alaska 99615

Mr. Norman D. Wooten
P.O. Box 3016
Kodiak, Alaska 99615

Mrs. June Juelson ✓
P.O. Box 286
Kodiak, Alaska 99615

Mr. and Mrs. D. Pistorese ✓
P.O. Box 37
Kodiak, Alaska 99615

MR. Bob Brooke 2/5/79
P.O. Box 232
Kodiak, Alaska 99615

Mr. and Mrs. Steven Olsen ✓
P.O. Box 1574
Kodiak, Alaska 99615

MS. Janet Wente "
P.O. Box 2791
Kodiak, Alaska 99615

Ms. Melissa Newton ✓
P.O. Box 773
Kodiak, Alaska 99615

MR. B.E. Nachtweih "
P.O. Box 1247
Kodiak, Alaska 99615

Mr. Ron Matsuoka ✓
P.O. Box 2078
Kodiak, Alaska 99615

Mr. John Morton ✓
P.O. Box 44
Kodiak, Alaska 99615

Ms. Sandy Kavanaugh ✓
212 Birch
Kodiak, Alaska 99615

Ms. Lorna-Lee Arndt ✓
P.O. Box 2069
Kodiak, Alaska 99615

Mr. Okey Chandler ✓
P.O. Box 1635
Kodiak, Alaska 99615

Ms. Margaret D. Duros ✓
P.O. Box 867
Kodiak, Alaska 99615

Ms. Jo Hajdu ✓
P.O. Box 627
Kodiak, Alaska 99615

Mr. and Mrs. Louie Horn ✓
Box 15
Spruce Cape Road
Kodiak, Alaska 99615

Sent 2/1/79

The Senate and House Community and Regional Affairs Committees have scheduled a Joint Committee Hearing in Kodiak on February 10, 1979. Subject of the meeting will be "Recommendation for Annexation of Territory to the City of Kodiak, Alaska" as submitted to the Eleventh Legislature by the State of Alaska Local Boundary Commission; Senate Joint Resolution No. 12 and House Joint Resolution No. 10 relating to the Local Boundary Commission Recommendation of January 23, 1979 for annexation of territory to the City of Kodiak.

For your information, both Resolutions, plus a list of Senate and House Committee members are being sent to you. I wanted to give as much advance notice as possible. Arrangements are being made to hold the Joint Public Hearing at the East Elementary School Auditorium at 2:00 P.M., February 10, 1979.

We will have a sign-in sheet at the Hearing for all individuals and groups wishing to testify.

Sincerely,

Arliss Sturgulewski
Senator, District 10-H

Enclosures (3)

15 January, 1979
Box 3016
Kodiak, Alaska
99615

Chairman
Senate Committee on Community
and Regional Affairs
Pouch V
Juneau, Alaska
99811

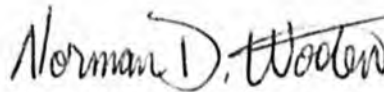
Dear Sir:

I am writing to request that you hold hearings on the attempt of the city of Kodiak to annex certain areas into the city.

I urge you to vote against this proposal. I am confident that if the residents of the area are allowed to testify at a hearing that your vote will be against the annexation.

Thank you for your consideration of this matter.

Sincerely yours,

A handwritten signature in cursive script that reads "Norman D. Wooten". The signature is written in dark ink and is positioned above the typed name.

Norman D. Wooten

16 January, 1979
Box 3016
Kodiak, Alaska
99615

Alaska State Legislature
Pouch V
Juneau, Alaska
99811

Dear Sirs:

As a resident of the Kodiak Island Borough I am appealing for your support in helping us to overcome a problem. The city of Kodiak is attempting by legislative action to annex the area in which I live into the city. The Local Boundry Commission is reccomending to the Committee on Community and Regional Affairs their approval of the proposal. I strongly urge that you vote against this proposal.

I am opposed to this annexation for the following reasons:

1. The residents of the area had their wishes totally ignored by the Commission. At the hearings in Kodiak on 16 August, 1978, not one resident testified in favor of this action. In fact, there was overwhelming opposition. If for no other reason I feel this fact should have a bearing on the decision.
2. I do not believe that we are urban in nature which is one of the criteria for annexation. The standard lot size is one acre or larger with one-third of the land being undeveloped.
3. I do not believe city services are required. The roads in the area are state or privately maintained. Police protection is provided by the State Troopers. Water is available through wells or user paid water lines. Sewer service will be obtainable at less expense through a service district plan.

Once again I ask that you cast your vote against the annexation proposal. Thank you for your time and consideration of this matter.

Sincerely yours,

Norman D. Wooten

Norman D. Wooten

1/32/79 - In my file - Please to give ~~copy~~ to Peggy for
Distribution to other Senators. Thanks a/

Kodiak ~~Post~~
#111111
Issue

P. O. Box 37
Kodiak, AK 99615

Chairman,
Senate Committee on Community & Regional Affairs
Pouch V
Juneau, AK 99801

Dear Sir:

In this day and age when the American government is supposed to be going back to the original ideals of our founding fathers of government for the people, by the people, of the people, Alaska seems to be somewhere back in the Dark Ages.

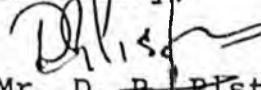
Recently here in Kodiak a local boundary commission was appointed to look into the annexation of several borough areas. For this purpose a hearing was held at which several residents of these areas in question participated. Every resident who testified at the boundary commission hearing was against annexation. Yet despite that fact, the boundary commission decided to go through with the annexation.

What does all this have to do with you and the Alaska State Legislature? You can set right this injustice by disapproving the annexation in this legislative session, otherwise we will have annexation forced down our throats.

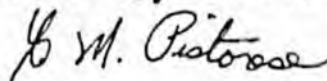
We are totally against annexation - if for no other reason than the way our "local government" went about the procedure, disregarding the wishes of those citizens who are effected.

Hopefully, the Alaska State Legislature will demonstrate what democracy is all about by disapproving this forced annexation.

Sincerely,



Mr. D. R. Pistorese



Mrs. C. M. Pistorese

cc: Chairman
House Committee on Community & Regional Affairs

President
Alaska Senate

Speaker
Alaska House of Representatives

Chairman,
Senate Committee on Community
and Regional Affairs
Pouch V,
Juneau, Alaska 99801

RE: FORCED ANNEXATION IN KODIAK

January 15, 1979

Dear Sir:

We live in the sub-division known as Woodland Acres. It has come to our attention that this area is one of the areas that the Boundary Commission feels should be incorporated into the City of Kodiak.

A few months ago the Boundry Commission came to Kodiak and residents of the proposed areas of annexation by the City met in a public meeting. Of the more than 100 people present, the only person in favor of annexation was the City of Kodiak's City Manager. This should speak out as the view of the people involved in this annexation. Apparently, the Boundary Commission was blind and deaf for they still want to annex these areas into the City. How can this happen in a democracy? That is why we are writing this letter.

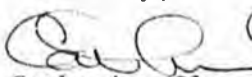
The reason we live in the area we do is for the privacy full acre lots afford. This is not our opinion alone, but shared by many of the people who live here. If our property was annexed into the City, we would be forced to sub-divide our property, or the taxes would be too costly for us to pay.

We have lived on our property for two years. In order to build our house, we had to spend \$6,000 for a well and \$1500 for our sewage system. Now the City wants to incorporate us and make us pay more money for sewer assessments and water assessments, both of which we probably won't see for 10 years. The City cannot even provide these services to all the residents within the City as the boundries stand now, how can they afford them for new residents.

The services the City says that it will provide are already received through the Borough. 1) Roads are presently State maintained or privately maintained. The City proposes to maintain only 2½ miles of road in the entire area. The City cannot even maintain roads that are within a half mile from City Hall! 2) Fire protection is presently provided through a service district. 3) Police protection is currently provided by the State Troopers.

WE DO NOT NEED OUR TAXES INCREASED!! WE DO NOT WANT TO BE INCORPORATED INTO THE CITY OF KODIAK!! Please hear our plea since the Boundary Commission ignored it!! Please do not force us from the land and privacy we, the residents of these proposed areas, want and need. Please hold a hearing on the Kodiak City annexation.

Sincerely,


Catherine Olsen
Steven Olsen
PO Box 1574
Kodiak Alaska 99615

January 27, 1979
Box 2069
Kodiak, AK. 99615

Arliss Sturgulewski
Chairman, Senate Community &
Regional Affairs Committee
Pouch V
Juneau, AK. 99811

Dear Ms. Sturgulewski:

I am against FORCED ANNEXATION. We in the area that the City of Kodiak and the Boundry Commission are trying to force into the City moved in this area to be outside the City, and enjoy the wide open spaces. If we wanted to live in the City we would have built a home there 15 yrs. ago and not where we all chose to live. Also I would have moved to Russia if I wanted to live under dictatorship.

Our Great Borough Government gave us an opportunity in Service District #1 to vote for or against a Service District and what improvements we wanted. The first was water; the second was sewer and the third was roads. The Borough was not biting off a bigger chunk than they can chew, like the City wants to. The Borough had Engineers draw up Plans and Specs for our Water and Sewer Service District and we are all set to go and then the City Convinces the Boundry Commission to Force us in as the City is broke and needs our tax money to bail them out; but we will not get the Services.

Furthermore no one wants to live under the City Charter as it reads now, as it is not according to Alaska State Statutes and someone in Juneau should look into this.

Please give us some consideration of "freedom to vote" as this is very important to all of us. Thank you for listening.

Sincerely,

Lorna-Lee Arndt

Lorna-Lee Arndt
Block 1 Lot 12B
U.S.S. 3219

*I own a total of 12 Big lots in this
same area and my married son owns
13 lots next to mine.*

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.

PHONE: 586-8442

JUNEAU, ALASKA 99802

#

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14006 NL KODIAK ALASKA 31 01-17 200P AST

PMS SENATOR ARLISS STURGULEWSKI

POUCH V

JUN 99811

PLEASE TAKE THE NECESSARY ACTION IMMEDIATELY TO DEFEAT THE
ANNEXATION PROPOSED BY THE CITY OF KODIAK AND RECOMMENDED BY THE
BOUNDARY COMMISSION. GIVE THE PEOPLE A VOICE IN THEIR OWN DESTINY.

SANDY KAVANAUGH

January 26, 1979

Honorable Jay S. Hammond
Governor
State of Alaska
Pouch A
Juneau, Alaska 99811

Attn: Bill Parker, Chairman
House Community & Regional Affairs Committee

Hon. Arliss Sturgulewski, Chairman
Senate Community & Regional Affairs Committee

Re: Opposition to City of Kodiak Annexation Attempt

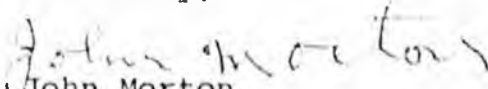
Dear Governor Hammond:

In 1965, I lived in the La Lande Addition, adjacent to the City of Kodiak. The lots were 50 X 100 feet and there was a trailer court in our vicinity. We petitioned the City of Kodiak to be annexed that year because of the need for sewer services. We were annexed in 1966.

We have a City water system that was installed with antique fittings. So poor is the City's public works capabilities that the Fitzgerald Welding Shop had a fire and was gutted because the fire department did not have the tools available to open the hydrants. It was only after the disastrous fire that modern hydrants were installed by the City. I continued to live in the same location until 1969, and the requested utilities had still not been installed. During the period of residence the only thing that I ever received were several tax increases from the City. The records of the City Public Works Department will show that the sewer was not installed until fall of 1973. The City of Kodiak's total lack of public works capability is not only well known, but easily documentable.

The City says they are broke and that they need the taxpaying participation of citizens outside the City to help underwrite the cost of services being rendered to City residents. The only thing that I can see that I will receive from the City of Kodiak are tax increases, as their past record shows. I request that you and your Administration and our Legislative representatives work aggressively against this forced annexation.

Sincerely,


John Morton
PO Box 44
Kodiak, Alaska 99615

cc: Hon. Bob Mulcahy, Alaska State Senate
Fred Zharoff, Alaska State House of Representatives
Community & Regional Affairs Committee Members -
State House & Senate
Alaska State Legislature

mw
2/6/79

Tim & Diane Haigh
1119 Mission Rd. (Box 34)
Kodiak, Alaska

99615
January 31, 1979

The Honorable Arliss Sturgulewski
The Honorable Bill Parker

Dear Senator and Representative,

I'm writing in the concern of our land which is in the area which Kodiak is trying to annex. We are in the process of building our house and hope to move into it by this spring. We bought this land because we wanted to live outside of the city. We do not want to be apart of the city. So we are making our voice heard.

Thank you for your concern on this matter.

Sincerely,
Mrs. K. Diane Haigh
Timothy A Haigh

Box 15
Spruce Cape Road
Kodiak, Alaska 99615

The Honorable Arliss Sturgalewski
Alaska Senate
Pouch V
Juneau, Alaska 99801

Dear Senator Sturgalewski:

This letter is in regard to the annexation of Spruce Cape, Mill Bay, and Island Lake into the City of Kodiak. We do not wish to be annexed as we do not feel the city can provide us with any better service than we presently have. We have voted against annexation twice but this time we were not allowed to vote. We feel we are being forced to become part of the City of Kodiak against our wishes.

I would urge the Legislature to overturn the decision of the Local Boundary Commission. I would also ask that a hearing be set so that testimony can be heard. Thank you for your attention.

Most sincerely,

Beverly R. Horn

Beverly R. Horn
Louie J. Horn

Samuel J. Horn

cc: Sen. Pat Rodey
Sen. Tim Kelly
Sen. Terry Stimson
Sen. Bob Mulcahy

TAX CONSULTANT
ACCOUNTANT

PHONE: 486-5359
BOOKKEEPER

"Jo" Hajdu

P. O. Box 627
Kodiak, Alaska 99615

January 25, 1979

Dear *Senator Stungulewski:*

I am greatly concerned about claims made by the City of Kodiak in the past several months concerning the underlying "necessity" for its annexation efforts. The City has alleged that annexation is required if it is to provide utility services sought by residents outside the municipal limits.

In fact, the City has every right to provide these services right now, without any annexation. Under Title 29 of the Alaska Statutes, municipalities owning or operating utilities are specifically authorized to extend their services outside the municipal limits. The City's own charter grants the identical power.

In addition, it is the Borough's position, currently being pursued in the courts, that the City not only has the "right" to provide these residents with water and sewer services, but is actually under an obligation to do so in light of agreements negotiated previously with the Borough and conditions attached to sewer and water funds provided the City under Federal and State grants.

Since utility funds are self-supporting, with the full costs paid by the users, there would be no cost to the residents of the City. I think it could be documented that the surcharge on the present water users outside the City results in a profit to the City. Further, until such time as sewer service is provided outside the City boundaries, the entire costs of the very expensive new sewerage treatment plant are being borne by the residents of the City, so it would be to the benefit of the users inside the City to expand the user base.

It is hard to believe that a municipal government such as the City of Kodiak would deliberately mislead the people of this area. Yet it is my opinion that such deliberate misrepresentation is precisely what has taken place. It is hoped that the municipal body which would seek to achieve annexation through such means will not be afforded the opportunity to govern those citizens it has attempted to deceive. Perhaps this is one of the reasons that the majority of the people living outside the City have elected to form service districts to take care of their needs as they perceive them.

Sincerely,


JO HAJDU

January 19, 1979

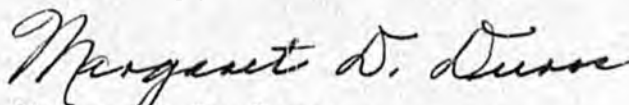
Honorable Arliss Sturgulewski
Chairman Community & Regional Affairs
Committee for the Senate
Pouch V
Juneau, Alaska 99811

Dear Sir or Madam:

I wish to state my opposition to forced annexation
by legislative action.

As a resident of Spruce Cape Road, Lots 8 and 9,
U. S. Survey 3100, Kodiak, Alaska, I am against
being annexed by the City of Kodiak.

Sincerely,



Margaret D. Duros
Box 867
Kodiak, Alaska 99615

29 January, 1979

Box 3016

Kodiak, Alaska

99615

The Honorable Arliss Sturgulewski
Alaska State Senate
Pouch V
Juneau, Alaska
99811

Dear Senator Sturgulewski:

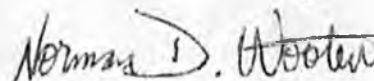
As you are chairman of the Senate Committee on Community and Regional Affairs I am appealing to you to overturn the decision of the Local Boundry Commission to annex a large portion of the Kodiak Island Borough into the city of Kodiak.

In my letter to you on January 16, 1979, I stated some of the reasons I was opposed to this action. The longer this issue goes on the more I feel as if I am being "railroaded" into something undesirable. If an election were held in the affected area and the majority were for annexation I would abide by that decision. However, having been in contact with most of those residents I find that the desire is to remain outside the city.

I am very concerned that our state system allows and encourages a five member commission who are not residents of an area to come in and make a decision so against the wishes of those who reside in that area.

I respectfully ask that you use your position as chairman of the reviewing committee to vote against the annexation into the city of Kodiak.

Sincerely yours,



Norman D. Wooten

23 January 1979
Kodiak, Alaska

The Honorable Arliss Sturgulewski
Alaska State Senate

Dear Senator:

I have been an Alaskan resident in Kodiak for 31 years and am in total opposition to the forced annexation of my area to the City of Kodiak for the following reasons:

1. The area is still very suburban in nature due to large lots, most of which are over one acre in size, one has 67 acres. In order to pay taxes and assessments on this size lot at this time, many of us would have to subdivide and sell part which would defeat the reason we moved out here.

2. The Antiquities Act -- Proposition 13 --- so many issues are showing us that people, yes Alaskans too do care "how" they are governed and when "enuff is enuff".

The people & their wishes should be important in decision making where their property and well-being is concerned. If people are so full of apathy that they don't express their opinions & wishes that is one thing. They deserve what they get. However, expressing such and being able to change inequitable laws and/or reverse decisions not representative of the people affected, is our right as citizens.

3. We know the City of Kodiak is in financial trouble - an article in our local papers now and again verifies this but must we pay for their mistakes and get nothing in return? We pay the city sales tax on everything we purchase in the city and everything that is delivered to us such as oil, propane, etc.... We also pay the Borough Personal Property Tax which city residents don't.... The Borough contributes to the city library on our behalf, swimming pool and gym are Borough. we who have city water pay a higher usage rate and we have and pay for a fire district.

People in the Borough recently voted for new service districts in the event they are needed, and only one area is in need of any particular service at this time which can be taken care of without being annexed. The Borough and City has an agreement contract stating the city will supply non-residents with services they are willing to pay for and want. Otherwise, the majority of the people are content with things as they are.

4. We residents organized and have circulated petitions in the affected areas and in the City. For myself I have had one person refuse to sign saying he was involved with the city over property he owns. Within the City I've only had two people not sign. Most people are well aware that the revenue the City would derive from our property couldn't pay for much service. I sincerely believe they only want us as a tax base for bonding purposes.


I am very suspicious of people or governments that go behind my back in order to get something done which affects me and mine so deeply.

If and when a majority of the people in my area by a vote feel it best to annex I would go along peaceably. None of the people in the City or in the affected areas were consulted on this matter - but treated like we weren't old enough to blow our own nose!!

Would much appreciate your careful consideration in helping to reverse the Boundary Commissions decision in this matter. Thank you for "listening".

ENC: Flyer put out & paid for
by organized residents
of affected areas.

Sincerely,


Mrs. June Juelson
Box 286, Kodiak, Ak. 99615

CAN YOU AFFORD FORCED ANNEXATION?

Despite what the City of Kodiak says, annexation will cost you money . . .

. . . The present City mill rate is 16.1; the mill rate outside the City is 7.0. The proposal for differential tax zones in the annexation area is only a recommendation of the City's annexation committee--six residents of the area to be annexed. The City Council is not obligated to accept the recommendation. AFTER ANNEXATION TAKES PLACE, THE CITY COUNCIL CAN LEVY ANY TAX RATE IT WISHES--REGARDLESS OF THE WISHES OF AREA RESIDENTS.

. . . Fire insurance rates will not decrease because of annexation. Insurance rates are set by a national rating association. Lower rates would require a fire substation and fire hydrants as well as fully maintained roads, higher water pressure and more fire equipment and personnel for the larger area.

. . . Assessments for water and sewer, to be based on the square footage of each lot, will be inequitable. A homeowner on a 200' x 150' lot will pay five times more for water and sewer than a homeowner on a 60' x 100' lot. Unimproved lots will also be assessed for water and sewer.

. . . New trailers will not be allowed in the area, causing housing costs to rise.

. . . Costs of government will increase. The Borough government will continue its present functions so its costs won't decrease, BUT the City's costs will increase with a larger area to be serviced.

Borough residents already pay for the services they use. Almost half the City's revenue comes from sales tax; only about 9% comes from property taxes. It has been estimated that more than half of the sales tax is paid by non-City residents. Why should you be forced to pay more money?

ANNEXATION WILL NOT NECESSARILY IMPROVE SERVICES

. . . The City's record on road service is poor. Many roads inside the city are unpaved and poorly maintained. Just a few examples: Cope Street, High Street, Baranof Heights, Russell Estates, East Addition, Leite Addition.

. . . The City plans to improve sewer and water service only in certain parts of the annexation area.

. . . Recreation facilities are already available through the Borough-donated swimming pool and gym. The Borough contributes to the support of the A. Holmes Johnson Library for use by Borough residents.

. . . The City police force may be adequate for the present city area, but it would not be able to cover the large area to be annexed.

. . . "Early and special representation" allowing a resident of the area to be a non-voting member of the City Council is an empty promise. Any person may attend Council meetings, and the inequity of not having a vote is the central issue in forced annexation.

WHAT CAN YOU DO?

This forced annexation can be overturned by the Alaska State Legislature if it acts to disapprove the annexation in the legislative session beginning January 15. If the Legislature does not act, the annexation will take place. YOU CAN INFLUENCE THE LEGISLATURE:

1. A petition opposing forced annexation is presently being circulated. Both residents of the area to be annexed and city residents may sign the petition.

2. Write to the Chairman, Senate Committee on Community and Regional Affairs and the Chairman, House Committee on Community and Regional Affairs, Pouch V, Juneau, AK. 99801. Request that the committees hold a hearing on the Kodiak City annexation and urge them to recommend that the Legislature disapprove the annexation.

PLEASE TURN THE PAGE FOR MORE STEPS YOU CAN TAKE TO DEFEAT FORCED ANNEXATION

Kodiak
Annexation

18 January 1979
Kodiak, Alaska

The Honorable Arliss Sturgulewski
Alaska State Senate

Dear Senator:

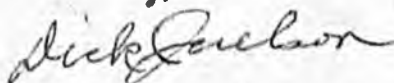
I am writing you as chairman of the committee for Community and Regional Affairs, to ask that your committee investigate the apparent loss of citizens right to be heard as regards the Boundary Commissions position on the forced annexation of the approximately 2,000 acre's north of the City of Kodiak. As a resident of Kodiak for over 31 years, I have never seen a more flagrant disregard for the people than this.

Although permitted by Alaska Statutes, the intent of the Legislature could not have been to put the residents of the whole community at the mercy of commercial interests and a few misguided local politicians.

As chairman of "Borough Residents for Autonomy" for the past two months, I have discussed this issue with hundreds of local residents. My findings to date are that 95% of those residing outside the city oppose this forced annexation and at least 85% residing inside the city also oppose it. If it's against the wishes of the majority of the people, why should it be allowed to happen?

Thank you for your careful consideration of this matter.

Sincerely,



Dick Juelson, Chairman
Borough Residents for Autonomy

DJ:jj

copy to committee members

R. D. "Dick" JUELSON
P. O. Box 286
Kodiak, Alaska 99615

26 January 1979
Kodiak, Alaska

The Honorable Arliss Sturgulewski
Alaska State Senate
Juneau, Alaska 99811

Dear Senator Sturgulewski:

Please place the names of: Dick Juelson, Okey Chandler, Lonna Arndt, and Nick Szabo as persons to be heard for testimony at any hearing held to investigate and/or gather information about the opposed forced annexation here in Kodiak.

Respectfully,

Dick Juelson
Dick Juelson, Chairman
Borough Residents for Autonomy
Box 286
Kodiak, Alaska 99615

Copy to: Bill Parker, Chairman CRA
House of Representatives

Kodiak Annexation

January 22, 1979

Honorable Guy Hammond
Governor
State of Alaska
Pouch A
Juneau, Alaska 99811

Dear Governor Hammond:

I am circulating a petition that opposes forced annexation. I have several hundred signatures from the proposed annexation area. Ninety-five percent of those contacted signed the petition. The remaining five percent did not sign for religious reasons and other affiliations.

About eighty-five percent of City residents contacted have signed the petition opposing annexation.

We solicit your assistance in defeating this issue.

Sincerely,

Okey Chandler

Okey Chandler
P.O. Box 1635
Kodiak, Alaska 99615

cc: Hon. Arliss Sturgulewski
Hon. Tim Kelly
Hon. Bob Mulcahy
Hon. Patrick Rodey
Hon. Terry Stimson

I think Mr. Chandler is trying to tell us something. I will have to write Kodiak this week but still prefer some action by Mulcahy. I will phone regarding



*File
Kodiak*

Ron Matsuoka
Box 2078
Kodiak, Alaska 99615

Melissa D. Newton
Box 773
Kodiak, Alaska 99615

January 22, 1979

Alaska State Senate
Pouch V
Juneau, Alaska 99801

Dear Sirs;

Although time is running short this letter is intended to bring about some action on the part of the State Legislature to help defeat forced annexation with the City of Kodiak. We are only two individuals living within the involved area, however we most certainly are not alone in our protest to this annexation.

To begin with let it be known that the wishes of area residents were totally ignored by the local boundary commission. Every resident of the area who testified at the boundary commission hearing spoke *against* forced annexation! It seems to us that our feelings and interests are being ignored by more powerful individuals who stand for annexation in the hope to gain a great deal for their own self-interests.

Another pertinent fact is that the area does not meet the standards for annexation. The area is not urban: the standard lot size in the area is one acre or larger, and one third of the land area is undeveloped.

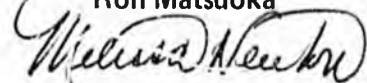
City services are not required in this area. Fire protection is presently provided through a service district; roads are presently State-maintained or privately maintained; police protection is provided by the State Troopers; water is presently available to the majority of the area and is paid by user fees; sewers can be provided through service districts in those areas where sewers are needed.

We have signed a petition opposing forced annexation and hope that it will give you some idea how many individuals hope to stop annexation. We need your help! Please act on the behalf of the residents of this area by overturning forced annexation.

Sincerely,



Ron Matsuoka



Melissa Newton

cc: Chairman, Senate Committee on Community and Regional Affairs
Chairman, House Committee on Community and Regional Affairs
President, Alaska Senate
Speaker, Alaska House of Representatives (copies for the Senate and House enclosed)

Ron Matsuoka
Box 2078
Kodiak, Alaska 99615

Melissa D. Newton
Box 773
Kodiak, Alaska 99615

January 25, 1979

Arliss Sturgulewski
Senate Chairman Committee on Community and Regional Affairs
Pouch V
Juneau, AK 99801

Dear Chairman;

Although time is running short this letter is intended to bring about some action on the part of the Community and Regional Affairs Committee to help defeat forced annexation with the City of Kodiak. We are only two individuals living within the involved area, however we most certainly are not alone in our protest to this annexation.

To begin with let it be known that the wishes of area residents were totally ignored by the local boundary commission. Every resident of the area who testified at the boundary commission hearing spoke *against* forced annexation! It seems to us that our feelings and interests are being ignored by more powerful individuals who stand for annexation in the hope to gain a great deal for their own self-interests.

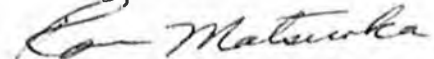
Another pertinent fact is that the area does not meet the standards for annexation. The area is not urban: the standard lot size in the area is one acre or larger, and one third of the land area is undeveloped.

City services are not required in this area. Fire protection is presently provided through a service district; roads are presently State-maintained or privately maintained; police protection is provided by the State Troopers; water is presently available to the majority of the area and is paid by user fees; sewers can be provided through service districts in those areas where sewers are needed.

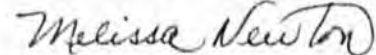
We have signed a petition opposing forced annexation and hope that it will give you some idea how many individuals hope to stop annexation. We need your help! Please act on the behalf of the residents of this area by overturning forced annexation.

Sincerely,

Ron Matsuoka



Melissa Newton



cc: Terry Stimson
Bob Mulcahy
Margaret Branson
Patrick O'Connell
Fred Zharoff
Bill Parker

Patrick Rodey
Tim Kelloy
Ray Metcalfe
Charles Parr
Patrick Carney

January 31, 1979

*ans
2/5/79*

The Community & Regional Affairs Committee
Arliss Sturgulewski: Chairman
Fouch, V.
Juneau, Alaska 99801

Attention: Arliss Sturgulewski;

This letter is to inform you and your Committee that the vocal minority, that is opposing annexation does not reflect the feelings of the majority in the city or the areas to be annexed. Nor do they offer an alternate solution to bringing about the badly needed services that Kodiak needs.

I am hopeful that in your wisdom or knowledge that you will base your support on the issue of facts in your inquiry, and not on the very vocal minority, as the majority is usually passive and not very vocal. Annexation is the last tool at our disposal to bring about the needed services, as a proposition to elect a unification charter commission and, or a proposition to grant service districts powers to the borough was voted down in our last election.

I leave the question to you; what other choice do we have other than annexation?

Sincerely,

Bob Brooks

Bob Brooks
Box 232
Kodiak, Ak.
99615

Resident: Spruce Cape area

c.c. to: Clem Tillion Pres. of the Senate
 Bob Mulcahy Senator, Vice Chairman of the Committee

 Terry Gardner Speaker of the House
 Bill Parker Chairman of the Committee
 Fred Zharoff Representative

January 31, 1979

The Community & Regional Affairs Committee
Arliss Sturgulewski: Chairman
Pouch, V.
Juneau, Alaska 99801

Attention, Arliss Sturgulewski;

This letter is to inform you and your Committee that the vocal minority, that is opposing annexation does not reflect the feelings of the majority in the city or the areas to be annexed. Nor do they offer an alternate solution to bringing about the badly needed services that Kodiak needs.

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Sincerely,



Bob Brooks
Box 232
Kodiak, Ak.
99615

Resident: Spruce Cape area

c.c. to: Clem Tillion Pres. of the Senate
 Bob Mulcahy Senator, Vice Chairman of the Committee

 Terry Gardner Speaker of the House
 Bill Parker Chairman of the Committee
 Fred Zharoff Representative

3 January 1979

ans 2/5/79

RE: Local boundary commission proposal for Kodiak annexation

Dear Legislature:

I would like to go on record expressing my objection to the proposed boundary commission proposal for annexation to the city of Kodiak. In 1946, I obtained title to my homestead and have had continuous residency there since 1950. In 1973, I subdivided 19-one acre lots and have sold 12 of these lots. In 1973, I sold 100 acres to Mr. Al Schafer, who in turn, subdivided about 30-one acre lots. The remaining 67 acre parcel has been advertised for sale for six or seven months. However, the costs of development and the pending threat of annexation have discouraged buyers.

If there is a need for the development of this property, it can be developed through the Borough sewer, water and road service district, which we in the area voted for, without annexation, or the additional improvement, assessments and 9 mill city tax.

There is a 40 acre tract in USS 3515 adjoining my property with only one house. There are only 10 houses on my 160 acre homestead in US Survey 1682.

At this time, we feel the proposed annexation is premature. It should be postponed a few years until the need for full city services exists and the area has the population base necessary to support those services. Forced annexation to the city would leave me in dire circumstances, as I am 85 years old.

I think the members of the legislature should visit Kodiak prior to letting this happen. On that visit, I am sure you will discover many parts of the city which need and pay for city services, but are still waiting to receive them.

I respectfully request your support of a resolution rejecting this proposed annexation. If I can provide you with more information on this matter, please let me know.

Sincerely,

B.E. Nachtweih

B.E. Nachtweih, Alaskan
P.O. Box 1247
Kodiak, Alaska 99615

8 March 1978

no address

To Whom it may concern,

The purpose of this letter, is to illustrate, through relating a series of past events, what I perceive to be a general lack of concern for the other guy or what could be termed an "every man for himself," attitude.

I had heard of Russell Estates and their "sewer problems" but was assured that my new house (Jim Smith's old house-Lot 3 Block 3) had already experienced the local problems and through a new pump and line that was installed, should have no further problems. We moved into the house on the twelfth of August 1977.

Everything was going smoothly until November 17th when my neighbor's (John Pirak) and my sewer line froze, breaking my grinder pump and I assume his also. The history on the open sewer lines that froze is somewhat unclear to me but I shall give you an account as best I can determine.

When Jim Smith lived in the house the plastic sewer line was apparently shattered from the main line back-pressure. This caused my contractor, Richard Carr, and Tac Plumbing to arrange to have a copper line installed to withstand the high pressures introduced by the less-than-sufficient sewage system laid by Russell Estates. Perhaps a one-way check valve would have been in order, at the street connection. I don't believe this was done, as I have street pressure on my house line even now.

The new copper line rests mostly on John Pirak's land and is a common line for both our houses, with each house tapping into the system through a "Y" type connection to the single line. This single line concept was probably adopted in order to reduce the high costs of the special materials involved in the fix.

Now we know how and why the open copper sewer lines were there, but not why they were left uncovered or whose responsibility it was to cover them, nor has anyone involved accepted the responsibility.

It should also be mentioned at this point that John Pirak's grinder pump and lead-in lines were open to the elements and unprotected from any possible freezing situation. Sometime after the sewage line replacement and before I bought the house, my grinder pump lines had also blown and had been replaced by Tac Plumbing with copper lines. As can be confirmed by Bradley Plumbing, the heat tape previously installed on the plastic lines was left laying on the bottom of the pump housing and consequently those lines were frozen. No indication of these problems was related to me by Jim Smith so I had assumed they did not exist.

So much for the background. Now that my pump has quit and I have water all over my house (Nov 17), I called my contractor (Richard Carr) note- (house still under warranty) and explained the situation to him; careful to mention that I'm sure the line is frozen and the pump broken, and requested that he, as the contractor, make arrangements through the responsible parties, to repair the problem. The reason I suspected a broken pump is that I had the complete service manual and trouble shooting guide on loan from the neighbor on the other side of me (who had recently experienced a similar problem), which clearly explained that a blocked line would most likely cause the pump to fail.

Richard Carr called Bradley Plumbing and they arrived at the house some time later and examined the problem. He said, "the sewer line was frozen"!!! He then called his supervisor who apparently called Marine Welding Service to come and thaw the lines. Even though the line was then thawed, my pump, as suspected, failed to work: For that visit I was charged \$36.05 by Bradley Plumbing for the service call and \$30.90 by Marine Welding for thawing the line.

Bradley Plumbing ordered the repair parts for the pump; and I, as a back up, ordered them also. Our parts arrived at the same time about the 18th of December. This was for us, one month with no sewage. Not a pleasant experience when you've just bought an expensive house and its the holiday party season.

I had, in the meantime, talked with Richard Carr, still seeking his assistance in placing the bills in the hands of the responsible people.

I made arrangements with Bradley Plumbing to have the pump repaired the afternoon of 20 December but was greeted by the work crew at 08:30 a. m. when I was returning home from work. The men had just turned the circuit breakers off in the house and were ready to begin repairs. The next thing they did was cut the two electrical wires leading to the pump. One line was still hot and on the same line with my refrigerator. In my opinion a very dangerous and non professional approach. I mentioned I had the step-by-step instructions for pump removal and repair but they chose not to use them. They did remove the pump, take it to the shop, repair it, replace it, and it worked. The cost was \$200.87 for two men for three hours minus \$24.02 for parts. My neighbor indicated that he could do it in from one to two hours.

Incidentally, I covered the sewer lines myself to prevent freezing. Bradley Plumbing, after replacing the broken parts in the pump, re-installed the heat tape on the lead-in lines and confirmed it was working. These lines later refroze, even with the heat tape on, indicating the initial installation was not adequate to withstand the winter environment we experience in Kodiak.

Meanwhile, John Pirak's contractor (Mr Nylund), had put some heat tape and insulation on his pump and lines. They were, quite obviously, inadequate as their pump and lines refroze. John Pirak has had his problems too. After returning to Kodiak after his Christmas Vacation, he discovered his sewage system was not working properly. I don't know just what series of events led up to the present day situation, but I do know that about the fourteenth of February he began dumping raw sewage between our houses. The City was notified of this that day and a Mr. Herman Beukers came out and evaluated the situation and talked with John Pirak and myself. I had thought that this would be sufficient to "get the ball rolling" and clear up this problem. I was wrong, as I found out when I had returned home from an extended trip to Seattle on the 25th of February. Raw sewage was still being dumped between our houses routinely, and in its flow to Lily Lake was passing under my house. The stench was, and is, terrible. On Monday, the 27th of February, I called the City Manager and explained the situation to him and my displeasure that the situation had progressed unchecked. I had called John Pirak first to find out if anything was being done, to which he replied "no". It should be noted that even though I would not, and did not dump sewage during the month my system was out, there are people with different values, and under these circumstances, they cannot be faulted entirely in this matter. At least this time my phone calls prompted some action and the following day his system was again hooked into the sewer system and "magically" worked. If you should check with the weather bureau you would notice the temperature had been above freezing for several days and had undoubtedly thawed the lines allowing his pump to again work. I believe this whole evolution is based on the simple fact that liquids freeze when not properly insulated from the cold.

Everyone is again happy and contented for the moment but; wait a minute, are John's pump and lines freeze-protected? No! they aren't and he is gone out on another Crabbing trip. Effectively there has been no long term solution introduced and the situation is likely to occur again at any moment.

Although I discussed, in detail, all the aforementioned circumstances with each person involved, no one would acknowledge and accept the responsibility for the occurrences or admit to a lack of professionalism. The common putoff was "I'll look into it", "The City is responsible", or "The other guy should have done it".

I intend to send a copy of this letter only to the people mentioned on the distribution list for now and will hold my final judgements until everyone has had ample time to respond to this and possibly bring new light on the situation and work out a reasonable answer to why this has happened, and correct those discrepancies that now exist.

I have decided that the financial responsibility for my above mentioned problems, rests with Richard Carr and that he, in turn, should redeem whatever monies he feels he is due from the responsible individuals.

I would hope to have more pleasant relations with everyone in the future but realize few people are appreciated by those who bring them to task. It should also be noted that throughout this affair I have not lost my temper and my primary concern has always been to correct those faults that should never have occurred in the first place.

Sincerely yours,

D. R. Jeffs
D. R. Jeffs

Distb:
Richard Carr
Bradley Plumbing
Tac Plumbing
City Manager
John Pirak

December 13, 1978

Legislator
Pouch V
Juneau, Alaska 99811

Dear Legislator:

On October 6th the Local Boundary Commission made a decision to propose the annexation of *Island Lake, Spruce Cape and Mill Bay to the City of Kodiak. As you know, this method of annexation does not give the affected resident a voice in that basic decision.

** all affected area*

When you take away someone's right of choice, even if sanctioned by State law, you had better have a good reason, a dire need. Because you have taken away something you can't give back.

I am the chairman of a group formed by a large number of residents in the area that has been recommended by the Local Boundary Commission. We will be forwarding information, facts and reasons why we feel so strongly that the Alaska State Legislature should disapprove that recommendation.

We request your serious consideration of this issue, as on the face it appears to be just an annexation, but in reality it threatens for us the very essence of representative government.

Sincerely,

Dick

Dick Juelson,
Chairman
Borough Residents for
Autonomy

cc: Governor Jay Hammond
Commissioner, CRA
Chairman, Local Boundary Commission

file

December 21, 1978

Dear Legislator:

On behalf of the residents of the Spruce Cape, Monashka Bay, Mill Bay and Island Lake areas, I am seeking your assistance and that of your colleagues in the State Legislature in requesting that you support a joint Senate/House resolution, overturning the Local Boundary Commission's recommendation that these areas be annexed into the City of Kodiak.

As expressed in the attached letter to the Boundary Commission, the residents of this annexation area have not voted for annexation. They feel they do not need and cannot afford the full range of City services at this time. They recognize the need for sewer, water and road services as expressed by their vote when they approved a Borough service area to provide these services.

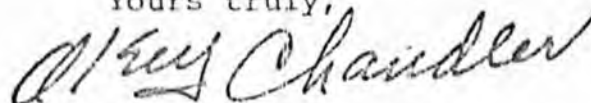
As you know, following that election the City of Kodiak took legal action to enjoin the election, even though their efforts to obtain a restraining order to bar the election were overruled by the Kodiak Superior Court. A final decision on this issue is still pending.

We recognize the State Constitution and the State laws of Alaska allow the Boundary Commission the power to annex areas regardless of the citizens' wishes; therefore, we ask your assistance in exercising your constitutional power to overturn this decision, by allowing free people the constitutional rights guaranteed by the U. S. Constitution to express themselves in a free election the type of local government they wish to represent them, and the types and levels of service from government they feel they need and can afford.

I am sending a copy of this letter to Governor Jay Hammond and each member of the Alaska State Legislature. I will also be forwarding additional materials to you during the discussions on this issue as I am sure other citizens of this area will also be doing.

Again, I ask your assistance and vote to undo what is about to be done to those of us who will be included in this annexation area.

Yours truly,



Okey Chandler

ANNEXATION HEARING

MAY 20, 1978

The Boundary Commission should not consider forcing anyone to be a part of the City before City government is in the framework of the U. S. Constitution.

October, 1977 City voters voted for everyone to pay their own personal property taxes instead of the City paying them. December, 27, 1977, several of the biggest businessmen, millionaire boat owners, etc., appeared before City Council and requested they override the referendum and they did. The City will pay their taxes until January 1, 1979.

Most cannery workers are paid \$4.00 to \$4.50 per hour. About 8 years ago, it was voted to tax rent. Labor in the City is taxed.

Last summer City Manager, Mr. Widom, stated that the City was going broke and found new things to tax: lawyer fees, Sears orders, freight and parcel post. A Sales Tax Inspector and Collector was hired.

At the last Council meeting, it came up to raise the sales tax \$.02.

After looking at tax assessments and large businesses in the core area, it is obvious that most of them are paying taxes on 1965 valuations. Land values have risen 5-30 times as much in outlying areas.

Approximately 20 years ago, residents of the Mission Road area voted to be annexed to the City. Lots in the area were 1,000 to 6,000 square feet. Land value doubled in a year or two. In 5 to 6 years, the assessed value went up 20 times more than they were when annexed to the City. Allman Addition was annexed in 1965. Several

hundred people lived in both of these areas.

Area: Catholic School - 80 Acres, Annexed 1967.

Area: Kodiak Community College - 80 Acres, Annexed 1965.

Area: Hospital and Graveyard - 50 Acres, About 1966 Annexed.

Sealand Cargo Dock was annexed in 1977. They were paying \$17,000 taxes and now pay no taxes.

Gibson Cove was annexed in 1976. No one lives in this area. The Borough is losing money.

There have been 15 to 20 other annexations. For various reasons quite a few were to keep from paying taxes on inventory and equipment.

The real property tax amounted to \$677,116 in the City in 1977. Sales tax was \$1,200,000. More than half of this was paid by people living outside of the City. Over 1/3 of City taxes are paid by people living outside of the City.

The Police Department is budgeted for \$813,379 which is \$136,000 more than all real property taxes collected in the City.

There were 3800 people living in the City in 1970. This is \$214.00 for every person living in Kodiak to support the Police Department. People living outside City limits do not need City Police protection. There hasn't been an act of violence that I have seen in the newspapers outside of the Kodiak area.

The City Manager is grossly exaggerating the facts about services. He stated that 40% of library services were for people living outside of the City. There are about 3 times as many people living in the City as in the immediate vicinity. He stated there were 26 fires outside the City in 1977. There have been 2 trailer fires in the Spruce Cape area since December 12, 1977.

The cemetery was public land which was given to the City. The

City doesn't dig any graves. There is another cemetery.

The Ram site is a community project. The City is paid for everything that is landed at the City Dock. I am sure the City makes out.

All of the land in the Monashka Bay area was bought from the Borough or BLM on contract. 70-80% are buying in new subdivisions on installment. Monashka Bay has about 300 acres and 15-20 houses. USS 1682 has 160 acres about a mile from Island Lake. It is very irregular to be included in Island Lake area and has about 12 houses on it.

USS 3219 - 10 acres, 30-40 houses. Lots are 50 x 100. Many lines were put in 20 years ago and were not buried deep enough.

Any areas that wants an improvement district petitions the Borough and it is placed on the ballot. All water and sewer lines are installed by the City and Borough and are done by contract.

I came to Kodiak February, 1946. There were 2,600 people here then. In 32 years it has grown to 3,800. The projected population growth in the various areas are pipe dreams.

The airport is 5 or 6 miles from Sealand Dock. This is several hundred acres in this area that belongs to the Federal government. No one lives on it. Wien Airlines has a contract for security check. The City is paid, if this is annexed the City will probably tax freight, and tickets and everything else they can tax.

The only government we have in Kodiak that abides by the U. S. Constitution and common law is the Borough government. If this vast area is annexed to the City it will destroy what is left of democracy in this area.

The City is broke and seeks this large annexation to bail them out. The City Manager and City Council that sent for you never spent a day on the firing line to keep democracy alive. I request that you deny this petition for annexation.

A handwritten signature in cursive script that reads "Okey Chandler". The signature is written in dark ink and is positioned above the typed name.

Okey Chandler

"Jo" Hajdu

P. O. Box 627
Kodiak, Alaska 99615

December 19, 1978

Dear Legislator:

I am a long-time resident of the area recommended by the local Boundary Commission to be forcefully annexed to the city of Kodiak.

I request your assistance in overturning the decision of the Boundary Commission. At the public hearing held by the Boundary Commission in Kodiak the only testimony offered in support of the annexation was given by members of the city council and the city manager, while the meeting place was jammed to overflowing with residents in opposition.

The city of Kodiak has not documented any threat so grave as to deprive the citizens of Alaska of the right of self-determination. The main reason advanced by the city seems to be the need for water and sewer in the area to be annexed, but they have not furnished a time table (or costs) for the provision of these services. Further, I'm sure you are well aware that these services can be provided by the city without annexation. In fact, some parts of the area already have city utilities and pay a surcharge for the privilege.

Utilities are force-fund accounting, paid for by the users, so there is no cost to residents of the city for us to have this service.

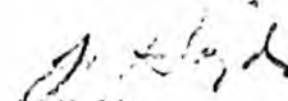
It appears to me that the real reason for the city's request to the Boundary Commission is that the city council fears that the Borough Assembly represents a threat to its' power structure. The hapless residents are therefore caught in the middle of this power struggle.

If the decision is allowed to stand, the taxes of the people in the existing city limits and the taxes of the residents outside the city will be increased to provide services which have not been requested and are not desired.

I would also appreciate your support in making statutory changes so that no other citizen of the state will ever find himself arbitrarily placed under a form of government without a majority vote of the persons affected.

Thank you very much for any assistance you may be able to render.

Very truly yours



Jo Hajdu

JH/smf

file

Chairman
Senate Committee on Community and Regional Affairs.
Pouch "V"
Juneau, Alaska
99801

Dear Sirs:

did like to request the committee hold a hearing
on the Kodiak city annexation.

I urge you to recommend that the legislature
disapprove of this annexation.

Thank you,

Randolph Powell &
Kimberly Stever
Box 3164

Kodiak, AK,

99615

X Kimberly Stever

*Ans
2/6/79.*

Mr. and Mrs. Louis B. Lindsey
Box 951
Kodiak, Alaska 99615
February 1, 1979

The Honorable Arless Sturgulewski
Chairman
Alaska State Senate
Pouch "V"
Juneau, Alaska 99811

Dear Senator Sturgulewski:

We are taking this opportunity to express our feelings against being annexed to the city of Kodiak. We have lived in Kodiak 30 years--most of that time living in the Spruce Cape area-- on a homesite which we had "proved-up". There have been several attempts during the last few years to take us into the city. These attempts have been made more in the form of threats and untruths than in a co-operative workable arrangement.

Very truly yours,

Mrs. Lindsey
Mr. and Mrs. Louis B. Lindsey

cc: Clem Tillion, Pat Rodey, Tim Kelly

23 January 1979
Kodiak, Alaska

The Honorable Clem Tillion
Alaska State Senate
Juneau, Ak 99811

Dear Senator Tillion:

I have been an Alaskan resident in Kodiak for 31 years and am in total opposition to the forced annexation of my area to the City of Kodiak for the following reasons:

1. The area is still very suburban in nature due to large lots, most of which are over one acre in size, one has 67 acres. In order to pay taxes and assessments on this size lot at this time, many of us would have to subdivide and sell part which would defeat the reason we moved out here.

2. The Antiquities Act -- Proposition 13 --- so many issues are showing us that people, yes Alaskans too do care "how" they're governed and when "cruff is cruff".

The people & their wishes should be important in decision making where their property and well-being is concerned. If people are so full of apathy that they don't express their opinions & wishes that is one thing. They deserve what they get. However, expressing such and being able to change inequitable laws and/or reverse decisions not representative of the people affected, is our right as citizens.

3. We know the City of Kodiak is in financial trouble - an article in our local papers now and again verifies this but must we pay for their mistakes and get nothing in return? We pay the city sales tax on everything we purchase in the city and everything that is delivered to us such as oil, propane, etc.... We also pay the Borough Personal Property Tax which city residents don't.... The Borough contributes to the city library on our behalf, swimming pool and gym are Borough. we who have city water pay a higher usage rate and we have and pay for a fire district.

People in the Borough recently voted for new service districts in the event they are needed, and only one area is in need of any particular service at this time which can be taken care of without being annexed. The Borough and City has an agreement contract stating the city will supply non-residents with services they are willing to pay for and want. Otherwise, the majority of the people are content with things as they are.


4. We residents organized and have circulated petitions in the affected areas and in the City. For myself I have had one person refuse to sign saying he was involved with the city over property he owns. Within the City I've only had two people not sign. Most people are well aware that the revenue the City would derive from our property couldn't pay for much service. I sincerely believe they only want us as a tax base for bonding purposes.

I am very suspicious of people or governments that go behind my back in order to get something done which affects me and mine so deeply.

If and when a majority of the people in my area by a vote feel it best to annex I would go along peaceably. None of the people in the City or in the affected areas were consulted on this matter - but treated like we weren't old enough to blow our own nose!!

Would much appreciate your careful consideration in helping to reverse the Boundary Commissions decision in this matter. Thank you for "listening".

ENC: Flyer put out & paid for
by organized residents
of affected areas.

Sincerely,

Mrs. June Jackson
Box 286, Kodiak, Ak 99615 -

an Senator Tillion:

P.S.

1-25-79

Rec'd your letter tonight & will answer your question now as best I can.

Spruce Cape: Has City water line put in by ASHA after '64 earthquake. We pay higher user fee. ASHA sold line to City for a very nominal cost. Sewer line is out as far as the treatment plant but no one is hooked up on that new line. A couple residents are hooked up from old line due to City moving out for the school or I believe. They had the chance to hook on & did. No immediate need for sewer but service district has been voted in it & when need arises. Island Lake - has temporary city water line, no sewer. A definite need in this area - that is why they voted for a service district recently. Property owners would be assessed for the line no matter who put it in. We feel the Borough is in better condition to get bonding than the City. Compact area around the lake only.

Mill Bay & Monashka - mostly very low density - have our wells and sewer systems. Content as they are. So is Spruce Cape.

We watch Capitol '79 and find it very interesting - sure helps to see you all in there doing your job. We feel closer to you and you must feel closer to us knowing we're watching.

Thanks for your care in this matter. *David Johnson*

P.O. Box 232
Kodiak, Alaska 99615
1 February 1979

The Community & Regional Affairs Committee
Bob Mulcahy, Senator
Vice Chairman of the Committee
Pouch V
Juneau, Alaska 99801

Dear Bob,

I feel the annexation of Spruce Cape, Island Lake and Millbay to the City is the only practical way to bring about the needed services; sewer, water, police protection and a better utilization of the land in these areas.

In a small community such as ours, two overstuffed governing bodies are both costly and unnecessary. Unifying these areas can and will reflect an overall improvement making these areas a better place to live.

Service Districts under the Borough would be too costly which when realized by the people in these areas would be turned down thereby continuing the unhealthy and undesirable conditions that exist.

Sincerely,



IRIS M. BROOKS

cc: Clem Tillion, President of the Senate
Terry Gardner, Speaker of the House
Arliss Siurgulewski, Chairman of the Committee ←

Note: Spruce Cape Resident

*ans
2/5/79*

June 2, 1978

TO WHOM IT MAY CONCERN:

From March of 1974 to September of 1976 I lived on Cope Street, the street that ascends the side of Pillar Mountain from the Sheffield House.

The conditions of the public works and utilities on Cope Street are poor. The road is very narrow allowing only one way traffic. It is seldom graded, and has very limited parking. Occasionally while I lived there the garbage truck could not make it up the road due to heavy snow or ice. This limited the service.

The water pressure on Cope Street is also very poor. Many times I had absolutely no water pressure when my neighbor was using water. This was most inconvenient when I was in the shower and my neighbor flushed his toilet.

Janet Wente
Janet Wente
P. O. Box 2791
Kodiak, Alaska 99615

Phone 486-5725 (office)
486-4991 (home)

E. Neseth

Box 456

Phone: 486 5681

TO WHOM IT MAY CONCERN

Mr. Neseth and I have lived at the end of Cope Street since the 1930's when the area was away out of town. Many homes have filled in the area since end Cope Street simply grew in by general use. It is grossly inadequate for the amount of traffic on it, especially in the winter when it is too hazardous to drive as serious icing occurs. The overflow from ditching (or whatever) has nowhere but the road to get on, and is an every winter condition. Such a vehicle as the garbage truck has great difficulty manuevering for a turn-- this is winter and summer. Our private steps from the Base Road level to the Cope Street level past our kitchen window becomes a public thorofare for foot travel at this end. This is naturally a nuisance besides an invitation to who-knows-what mischief in this day. We don't like it.

E. Neseth

Tempe Berestoff
Box 2196
Kodiak, Alaska 99615

June 2nd, 1978

TO WHOM IT MAY CONCERN:

I lived on High Street for five (5) years in house #306. The garbage truck and two wheel drive vehicles cannot travel up this road when deep snow or ice conditions prevail. The road is very narrow with no place to park. One house has no City water.

Sincerely,

Tempe Berestoff

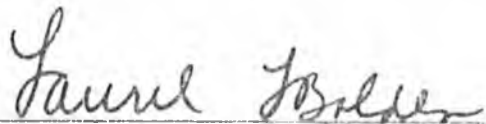
Tempe Berestoff

Phone # 486-5922

June 5, 1978

TO WHOM IT MAY CONCERN:

As a resident on Cope Street from November 1, 1975 to January 4, 1976, I found the public works facilities in very poor condition. There was no water pressure and at best of conditions was not able to wash clothes or shower without being inconvenienced by poor water pressure. During our residency there we found that most times we had to park on Rezanoff and walk up the hill carrying groceries, etc., because there was no parking facilities available on the street. Snow removal activities prevented any parking during that period of time. Because of these conditions my family and I moved to another area.



Laurel L. Bolden
Box 172
Kodiak, Alaska 99615

C. B. Radio Channel 11, call number KAIH 1687
Work Phone, 486-5725

February 2, 1979
P.O. Box 2683
Kodiak, Alaska 99515

House and Senate Community and Regional Affairs Committee
Pouch V
Juneau, Alaska 99311

Dear Committee Members;

The City of Kodiak's current taxation policy includes levy of sales tax on goods ordered directly from a point outside Kodiak (i.e. Seattle) when that firm has a representative in Kodiak. They justify this stand on a City Statute which permits such taxation when the goods involved are solicited for within the City proper. This policy results in City sales tax being charged for orders placed directly with the Sears-Roebuck office in Seattle. The City contends that Sears Roebuck catalogs and a Sears Catalog store being in Kodiak constitute sufficient solicitation to support such taxation.

I find this tax policy objectionable and question whether catalogs or the presence of a catalog store in Kodiak qualifies as solicitation - especially for those of us who live outside the city limits. It seems unfair that we Borough residents who live outside, but near the Kodiak City limits should have to pay this tax, whereas persons living elsewhere in the Borough do not.

I learned of this tax in April, 1978 when I placed a fairly large order directly with the Sears Roebuck office in Seattle. Even though I paid for this order (including freight) in advance, I was billed an additional 3% by Sears Roebuck for Kodiak City Sales Tax prior to delivery.

I would appreciate your assistance as a member of the Community and Regional Affairs Committee in looking into the propriety of this taxation. Hopefully, your upcoming visit to Kodiak may provide an opportunity to look into this matter in greater depth.

Your time concerning this matter is appreciated.

Cordially,



Peter B. Jackson

February 3, 1979

Senator Arliss Sturgulewski
Community & Regional Affairs Committee
Juneau, AK. 99811

Dear Senator Sturgulewski:

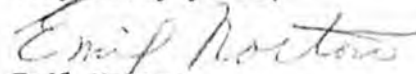
The anxiety and activity being generated by the Boundary Commissions annexation statement for an area in Kodiak is touching a lot of people. The flurry seen on top of the pile against annexation does not reflect the thinking of all of us residing in the area affected.

Our elected officials made a statement that they were going to abide by the majority of the voters they heard from. What they should have said is that they would act responsible to the needs of the area to be annexed. Both of our elected officials have lived in Kodiak a long time and are aware of the health problem in the Island Lake area. The Spruce Cape area also has a sewage problem. It is as critical as the Island Lake area but has not had the publicity. A lot of the effluent goes over the bank onto the beach or into swampy or creek areas. I am sure your group deserves a close look at this situation to make an intelligent judgement.

The State Health Department is acutely interested in what will happen. If this area is not annexed and the Borough government attempts to provide the service of sewer and water there could be legal problems to overcome. The services could be delayed and no telling how long it will take the court to come to a decision. Problems like this the officials are aware of and should be paying attention to and not just appeasing the voting public. The animosity against the city a few are carrying in the fight against annexation might cost us all a lot more than just taxes.

I truly think that your group coming to Kodiak and surveying and listening to the people will help the health and welfare of our neighbors. Thank you for your interest.

Very truly yours,



Emil Norton
Box 1002
Kodiak, AK.
99615

cc: Clem Tillion, Pres. of Senate
Bob Mulcahy, Senator & Vice
Chairman
Terry Gardiner, Speaker of the
House
Bill Parker, Chairman of the
Committee
Fred Zharoff, Representative

RESIDENCE: Cliffside Road
Miller Pt. 2nd Sub Div
Blk #1, Lot #7

February 2, 1979

The Honorable Governor Jay Hammond
Juneau, Alaska

Dear Governor:

We are opposed to the forced annexation being proposed by the City of Kodiak, and the specially appointed Committee on Annexation.

We own three lots within the affected areas and are very disturbed that we are not being allowed to vote on this issue or be taken seriously when we say we are not interested in being annexed into the city. Two of our lots are vacant and our home is on the third. We were planning to build a larger home to accommodate the needs of our family more adequately, but if we are forced into the city it is extremely likely that we could not afford the taxes and other assessments that would be required for sewer and water services (which it seems very unlikely we would receive within a reasonable amount of time). Forced annexation would very possibly force us to sell our larger lot and the hopes of a larger home.

Please take all due action to see that those persons affected by this action on the part of the Kodiak City Council will have their opinions and desires heard, and that an equitable solution be implemented.

Thank you for your interest in these matters and your subsequent intervention as needed.

Sincerely,

Mr. & Mrs. Glenn Dick

Mr. & Mrs. Glenn Dick

cc to all Community & Regional Affairs Comm. Members

Kodiak, Alaska

Feb. 3, 1979

Dear Sav. Hammond;

I am writing in regards to annexation. We have lived out of the city of Kodiak on Spruce Cape Road for 14 years. If we had wanted to be in the city we would of lived in the city. But we ~~pre~~ prefer to live in Box.

So would you please help us people on Spruce Cape + Island Lake.

Thank You
We Remain
Don + Mary Mack
P.O. Box 2108
Kodiak, Alaska
99615

P.O. Box 1114
Kodiak, Ak. 99615
3 Feb. 1979

The Honorable Governor Hammond
Pouch "A"
Juneau, Ak. 99811

Dear Governor :

I am a long time resident of Kodiak. I am unable to work due to a broken hip four years ago. My only income is a small Social Security check. My grandson lives with me and pays my taxes and helps with the groceries.

If this area is annexed to the City of Kodiak, I will have to go on welfare. I request your help in defeating the proposed annexation to the City of Kodiak.

Sincerely yours,
Tennie Riley
Tennie Riley

cc: CRA Committee members of
both Senate & House

Kodiak, Alaska

Feb. 3, 1979

Dear Sav. Hammond;

I am writing in regards
to annexation. We have lived
out of the city of Kodiak on
Spruce Cape Road for 14 years.
If we had wanted to be
in the city we would of
lived in the city. But we
~~you~~ prefer to live in Box.

So would you please
help us people on Spruce
Cape + Island Lake.

Thank You
We Remain
Don + Mary Mack
P.O. Box 2108
Kodiak, Alaska

99615

Kodiak Alaska.

Jan. 30. 1974

Governor Hammond.

Dear Sir:

I wish to object to the annexation of the lands outside of the City of Kodiak.

I am a 34 year resident of Alaska, all in Kodiak. I have lived in the same place for 30 years.

We, the resident voters, voted for a Service district, which will take care of our need for many years.

Most of us have spent many dollars developing our own utilities, and are happy as things are.

If we weren't we would move on.

Being dictated to goes against the grain, and our democratic way of life.

I believe the same as most of the people in the concerned areas, that this is only a way for the City, "Kodiak" to get more bonding base, and if the same holds true as in the past, they would not do any improvements for 5-10, meanwhile collecting taxes for which we would get nothing.

Please give this matter some serious thought.

Sincerely

E. E. Erwin

Box 1247

Kodiak Alaska

99615

P.S. I am almost 65 and have voted for you each time

E. E. Erwin

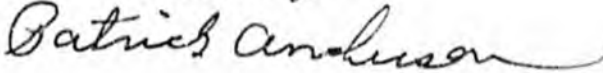
P.O. Box 1673
Kodiak, Ak. 99615
3 Feb. 1979

The Honorable Governor Hammond
Pouch "A"
Juneau, Ak. 99811

Dear Governor Hammond:

I am a life-long resident of Kodiak Island and I am opposed to being forced to join the City of Kodiak against my wishes.

It would cramp my life style as the City has too many restrictive ordinances. I would be very grateful if you would do what you can to stop this Forced Annexation.

Yours truly,

Patrick Anderson

cc: Committee on Community & Regional Affairs

Kodiak, Alaska
Jan. 31, 1979

Ans - 1/19/79

Senator Arliss Sturgulewski, Chairman
Senate Community & Regional Affairs Committee
Touch V
Juneau, Alaska 99811

Dear Arliss:

Again annexation has stirred up the Kodiak community. I am not sure that I will be in town when your committee comes to Kodiak so thought it best to drop you a line as to my feelings as a citizen of Kodiak. I am a resident of the City, and I believe this matter concerns all citizens of the Kodiak area. We are one community and should function as such.

It is my strong belief that the Boundary Commission has bent over backwards to accomodate the residents of the area to be annexed. I do not believe that the Kodiak area can have proper sanitation or land management until annexation takes place.

You have really been handed a "hot potato", but I'm sure with your experience on the Anchorage Assembly you can handle it very well.

I'm sure you are enjoying your Senate work. Best of luck.

Sincerely,

Kay
Kay Poland

kep/ns

3 Feb 79

Honorable Governor

List No. a a city resident that is against the annexation to the rest of Kodiak what the boundary commission has proposed for the following reasons

A. It is my personal belief that is not legal at least morally to force annexation on any party that is opposed or otherwise without a vote of those concerned

B. Here in Kodiak our city council has a long history of destroying truths to the betterment of big money or for personal gains. It shows in the sewer system's within our city where different contractors have not been forced and built to standards that hinge on criminal neglect

Besides the lunch street problem that I'm sure you are aware of my own home on Rezangoff was not properly connected. Instead of making the contractor put in a 4ft stub to rise the affluent 4 to 6 ft he ran across & adjoining lots without easements. The line has no fall to it or at least very little causing many cloggings of the line. It is a normal procedure for us to have to pressure force the line open. I've been told by a friend of mine (one of the local plumbers) that this type of problem is common

throughout the city having to
pressure flush peoples sewer pipes
as long as this type of problem
has been allowed to continue to
exist makes me think it will
always be so.

C. as a city resident there
is a far overriding area that
I am interested in, and that is
my taxes I visualize them being
increased greatly with the appropriation
the police force has be proposed by
30%, the fire department by 20%
the city Public works by 25%, with
increased in vehicles for police
fire trucks a new fire station and
a larger and new city public works
maintenance shop. The tax base of
the area concerned could only
support a 6.7% which means that
the rest the city would have to
make up the rest.

D. I hope you will support
legislation that will take away
the power that is now given to
the boundary commission

E. I hope you will check
the reasons of the minority of those
wanting this appropriation a sample
is Hugh who has only a small
real property tax base compared
to a large personell property base that
as a city resident he wouldn't have
since the city pays it for its
citizens

Let me thank you for at
least making this list of
former members of the Pollock
Island Borough. I'll be happy
to give you any assistance

Thomas E. Logan
THOMAS E. LOGAN
Box 1483

1513 REZANOK

KODIAK . 99615

February 6, 1979

Honorable Jay S. Hammond
Governor
State of Alaska
Pouch A
Juneau, Alaska 99811

Dear Governor Hammond:

After further discussions with more citizens of the Kodiak community, we wish to further advise as to some of the alarming shortcomings of the current City of Kodiak utility system. About eighteen or twenty years ago, the City installed a sewer system with engineering so poor that it was necessary in some instances to install the piping above ground to obtain gravity flow. More than a year passed after the installation before the City would accept hookups to the installed line. People living at the site were without sewer and in the presence of an above ground line, requested that the City cover the sewer line to keep it from freezing. The City advised that the residents should cover it themselves as it was on their property. The City of Kodiak installed two neoprene couplings on the pipe so it could be steam heated when freezing occurred. The line is made of asbestos material which is cracked, a fact which can be examined visually at 1520 Mission Road, next to the Kingdom Hall Church.

The sewer treatment plant which was completed last year, never has worked properly. I doubt if it ever will. I have enclosed a newspaper article describing the technical difficulties resulting from poor design and bad construction. I live about 1/4 mile from the sewer treatment plant and observe the traffic on the road near the plant daily. A tank truck is required to make regular pickups of undried sludge since the very beginnings of the plant's operations.

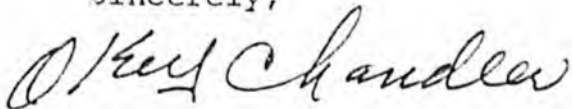
A friend and acquaintance, Mr. Van Hulle, who lives at 1315 Ismailov, has said that his sewer line backs up into his house every year or so without any explanation as to the technical problem by the City. Mr. Van Hulle can be reached for personal testimony on the problem at 486-4791, his place of employment, or his home number, 486-3418.

Honorable Jay S. Hammond
February 6, 1979
Page 2

The La Lande Addition petitioned the City of Kodiak for annexation in 1965. The lots in the subdivision were approximately 50 X 100 feet. They were interested in having sewer service. The neighborhood was annexed in 1966 and did not receive any utility service until the fall of 1973.

The above comments and the enclosed printed material give further evidence that the City of Kodiak isn't capable of taking care of what they have now, let alone considering expansion of systems into other areas.

Sincerely,

A handwritten signature in cursive script that reads "Okey Chandler". The signature is written in dark ink and is positioned to the left of the typed name.

Okey Chandler
P.O. Box 1635
Kodiak, Alaska 99615

Enclosure

****PLEASE NOTE****

THE ORIGINAL FILE CONTAINS AN OVERSIZED DOCUMENT THAT IS UNSUITABLE FOR FILMING. PLEASE REFER TO THE ALASKA STATE ARCHIVES TO VIEW THE ORIGINAL.

DESCRIPTION:

POLAROID PHOTOGRAPH SHOWING A SEWAGE LINE AND BACK OF A HOUSE. CAPTION READS "1520 MISSION ROAD"

Sludge pollutes stream:

City's multi-million dollar sewage plant not working right

City maintenance personnel are still being confounded by the multi-million dollar sewage treatment plant, and the problems have led to serious concern by several local residents.

Apparently secondary waste material, better known as sludge in the sewage treatment

business, is being dumped at the landfill site off of the Monashka Bay Road and is polluting a nearby stream.

An investigation by Kodiak Times confirmed reports of the leaking sludge ponds, and Wednesday city maintenance supervisor Herman Beukers said his department is aware of



SLUDGE PONDS AT DUMP — Resident Jerry Burns looks over a pond of sludge material from the sewage waste treatment plant. Several cells or ponds have been built to store the sludge, however, some of the waste is leaking into a nearby stream.

the problem.

Beukers said the sludge being dumped at the landfill site has an 80 percent water content which is causing it to run off from the ponds. He explained the treatment plant's centrifuge and other necessary equipment used to extract water from treated waste is not operating properly.

Consequently he said, the sludge contains far more water than it is supposed to. "Only 20 percent of the sludge is solid waste," Beukers said. He said the city plans to find another spot at the landfill site to dispose of the sludge in order not to further pollute the nearby stream.

The city had planned to dispose of the secondary waste material at Swampy Acres off of the Base-Town Road, however, that area is tied up by Native land claims.

Beukers said that his department knows what is wrong with the centrifuge, the problem is trying to find someone to fix it. He said it could be another two months before the problems can be ironed out.

Ordinarily some 600 gallons of sludge must be disposed of daily, however, the city has been dumping more because of a backlog.

The sewage treatment plant went into operation last May.

Officials say Libby Presnall will quit post

Kodiak City Clerk Libby Presnall has indicated she intends to resign from that position sometime next month, according to reports from city officials yesterday.

Mayor Gary Stevens said Wednesday he has not received anything official to date, however, according to conversations with Ms. Presnall she told the mayor she intends to resign by March. City manager Clair Harmony confirmed that report.

Ms. Presnall could not be reached for comment before press time Wednesday. She has been employed by the city for nine years, Harmony said.

Harmony said Presnall's resignation was not scheduled for discussion at tonight's regular city council meeting.

FISHERMEN

Do you have some high quality 35 mm black and white photos relating to fishing you would like to share with our readers? Please call the editor at 486-3190. We pay a nominal amount for photos used. (They must be 35 mm b & w.)

POOL VOTE

(Continued from Page 4) should be done on a weekly basis.

She calls voter disinterest in Kodiak "a state of mind." But, also, "We've got to be sure that the absentee voter is well-informed as to where and when they can vote absentee. This is very important for Kodiak due to our large number of fishermen at sea."

Kodiak has state's worst voter turnout

| District | Key Town | % eligible voters |
|----------|---------------------|-------------------|
| 1 | Ketchikan | 49.4 |
| 2 | Wrangell/Petersberg | 48.6 |
| 3 | Sitka | 46.7 |
| 4 | Juneau | 56.6 |
| 5 | Seward/Cordova | 45.1 |
| 6 | Palmer/Wassila | 56.7 |
| 7 | Anchorage, downtown | 39.7 |
| 8 | Anchorage | 43.3 |
| 9 | Anchorage/Spenard | 37.0 |
| 10 | Anchorage | 52.1 |
| 11 | Anchorage | 49.2 |
| 12 | Anchorage | 55.4 |
| 13 | Kenai/Homer | 56.6 |
| 14 | Kodiak | 32.9 |
| 15 | Aleutians | 39.5 |
| 16 | Dillingham | 52.8 |
| 17 | Bellevue | 46.7 |
| 18 | Galena, etc. | 49.4 |
| 19 | Central/Nenana | 49.7 |
| 20 | Fairbanks | 44.5 |
| 21 | Kotzebue | 46.0 |
| 22 | Nome | 57.8 |

LETTERS

(Continued from Page 4) which they are not entitled to.

Now it is also a fact in land starved Kodiak that all unclaimed lands would belong to the Borough; that is, to the people of Kodiak. In other words, if the Natives did get title to lands which they should not have, they would be stealing from all of us.

My question is, what is the Borough doing to protect the interests of all of us? The Citizens Action Group using their own money are investigating the claims of several possibly fraudulent villages and apparently grounds to continue the case. However their funds are limited and they are fighting Native groups funded by enormous amount of federal (taxpayers) money. If they should loose their fight, it should be because their cause is wrong rather than they were outspent!

I hope this letter will be answered publicly by the responsible Borough official; what is the Borough doing to ensure that the villages contested by the CAG are legitimate? Should not the Borough be doing just what the CAG is doing?

Whether one agrees with it or not, the Native Land Claims Act is law. Yet the Native should get only that to which he is entitled. If no one protests, he could steal it all. What is the Borough who is most concerned doing about this? We taxpayers would like to know!

Sincerely,
Earl Fischer



Photos by Dennis A. Johnson

SLUDGE POLLUTES STREAM — Borough resident John Attaway kneels beside a stream running near the landfill site off Monashka Bay Road. Problems at the sewage treatment plant have forced city maintenance personnel to dump sludge with 80 percent water content at the landfill site. City personnel say they are aware of the problem, and are coming to terms with it.

AUCTION

(Continued from Page 1)
parcel 4 is Lot 10B and minimum bid is \$38,500.

Road access to parcels 5, 6 and 7 has been platted, and Denslow said funds are expected to be appropriated this year under the Borough local service roads and trail program for construction. Parcels 5 and 7 front Lake View Road are 3.35 acres and 2.41 acres respectively.

Parcel 5 is located in Block 4, Lot 20 of Monashka Bay Subdivision; minimum bid is \$27,000; parcel 7 is located in Block 8, Lot 5 of the subdivision and minimum bid is \$20,500 -- the lowest of any of the lots.

Parcel 6 is located in Block 7, Lot 9 of the Monashka Bay Subdivision on Sawmill Circle, a cul-de-sac. The lot is 3.91 acres and minimum bid is \$31,500.

Parcels 8 and 9 front Cliffside Road off of Monashka Bay Road in the Miller Point Subdivision. Parcel 8 is 1.35 acres located in Block 5, Lot 7A; minimum bidding price is \$21,000. Parcel 9 is the only beachfront property up for sale, and is located in Block 1, Lot 4 of Miller Point second addition; minimum bid for the .70 acre lot is \$30,000.

Any parcels remaining unsold after the auction will be up for sale after 60 days. Buyers will be restricted to purchasing one parcel only. More information, including a land sale specification sheet, can be obtained from the borough clerk in the borough office building.

Ted Nelson's mother dies

Maureen Nelson, the mother of local resident Ted Nelson, died Saturday evening in Muskegon Heights, Mich. where she has lived since moving to the United States from Dublin, Ireland.

Mrs. Nelson, 75, had recently visited her son and his wife, Norma Nelson, in Kodiak, and had made a trip here in 1977. Maureen Nelson was born Sept. 5, 1903 in Dublin and moved to this country when she was 21.

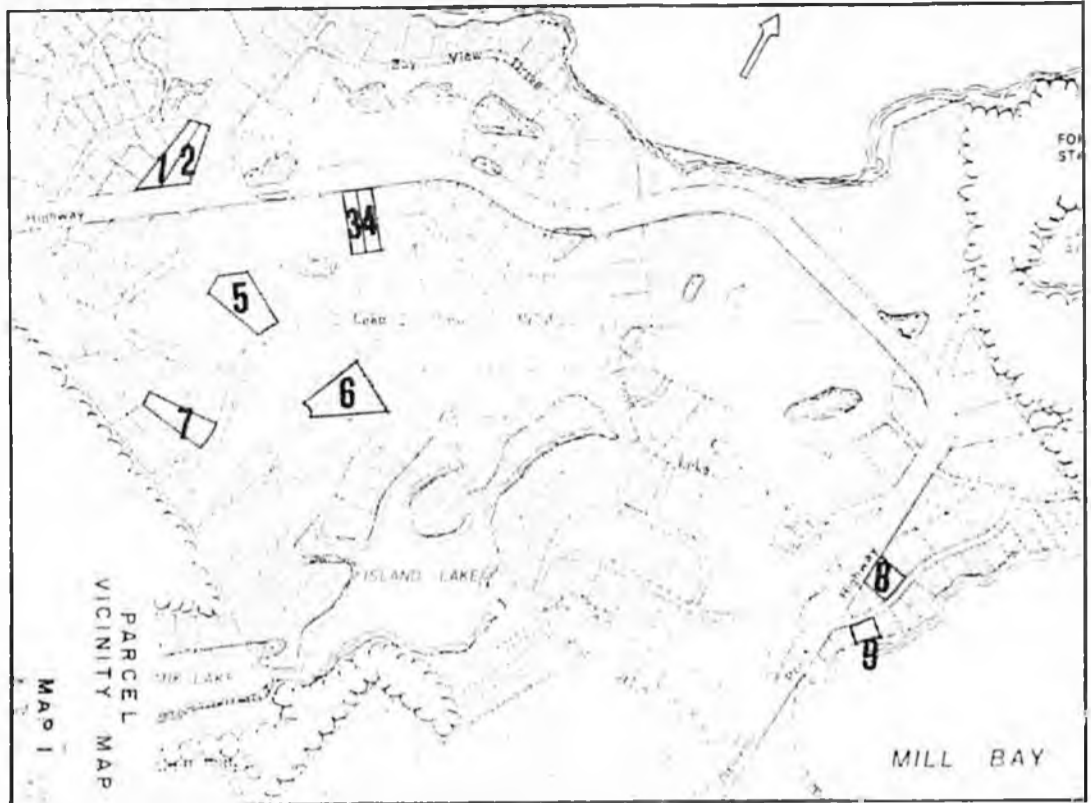
Later Mrs. Nelson met Joseph E. Nelson, and eventually the couple were married. She is survived by two daughters, two sons, 17 grandchildren and five great grandchildren.

Funeral services were held in Muskegon Heights yesterday. Burial will be in Muskegon Heights as well.

Ted Nelson and his wife have lived in Kodiak since 1974. Nelson is employed by the State of Alaska, Department of Transportation.

FLIK

Film Lovers in Kodiak (FLIK) has scheduled a well known Humphrey Bogart movie (a sea epic) at East School this Saturday (Jan. 27) at 7:30 p.m. FLIK is for members, and donations will be requested from visitors.



LAND AUCTION SET — Above map shows location of parcels to be sold by the Kodiak Island Borough. (Story on Page 1.)

Long Distance Calling Problems?

TELE-HELP

8 AM - 5 PM, MON-FRI

ZENITH 5100

In Anchorage call 272-3922



We hope it never happens. But, if you ever have a long distance calling problem, Tele-Help is here. Just dial the long distance operator and ask for RCA Alascom's new TELE-HELP number: Zenith 5100. It's free. It's fast. And it means help is on the way.

RCA

Alaska
Communications

We listen.

If you prefer, drop us a line. Write TELE-HELP, RCA Alaska Communications, Inc., Pouch 6607, Anchorage, Alaska 99502

February 4, 1979

The Community & Regional Affairs Committee
Bob Mulcahy: Senator, Vice Chairman of Committee
Pouch, V.
Juneau, Alaska 99801

Dear Sir,

We live in the Bells Flat area where the borough furnishes road services, which consist of snow removal only, costing us 7.2 mills, a total of 14.2 mills. Considering the cost of this one service, we feel service districts for other services; water, sewer and police would be too high.

We feel the city could and would be able to furnish the needed services much cheaper and sooner. The areas up for annexation now would be wise to annex to the city, realizing full services for 16.2 mills.

Sincerely,

cc : Clem Tillion Pres. of the Senate
 Arliss Sturgulewski Chairman of Committee

 Terry Gardner Speaker of the House
 Fred Zharoff Representative

F · 1633
Kodiak, Alaska 99615
February 4, 1979

The Honorable Arliss Sturgulewski
Chairman, Senate Committee on
Community and Regional Affairs
Pouch V
Juneau, Alaska 99811

Dear Senator Sturgulewski:

My husband and I live at Island Lake, Kodiak, in the area affected by the proposed City of Kodiak annexation. We are both opposed to the proposal.

The wishes of area residents were ignored in the Boundary Commission's recommendation. At the well-attended Boundary Commission hearing not one area resident spoke in favor of the proposed annexation; in fact, only the Kodiak City Manager testified in favor of the proposal. A petition opposing the annexation has been circulated among residents of the affected area; at this time over 600 of the area's 800 adult residents have signed the petition.

Prior to the City's proposal, the Kodiak Island Borough had, at the request of area residents, studied providing services to the area through Borough service districts. In an election area residents voted for the establishment of Borough water, sewer and road service districts. The Borough had previously negotiated agreements with the City of Kodiak to make possible this service district approach. Progress stopped, however, when the City sued the Borough and petitioned for annexation of the area.

Now, however, instead of looking toward the provision of services, City officials have stated that they cannot afford to provide sewer, road or improved water service to areas like the one in which we live. We live on a one-acre lot reached by a small privately maintained road. City officials have explained that because the area is sparsely populated and present roads inadequate, the City would not be able to provide services to us. But our situation is not unique in the area proposed for annexation. A one-acre lot is the standard lot size in the area, one-third of the area is completely undeveloped, and two-thirds of the area is sparsely populated.

As justification for recommending the annexation, the Alaska Department of Community and Regional Affairs in its May 17, 1978, Report to the

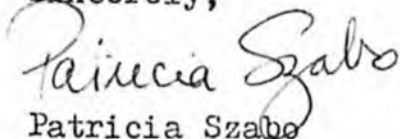
The Honorable Arliss Sturgulewski 2

February 4, 1979

Local Boundary Commission, cited Article X Section 5 of the Alaska Constitution that " . . . a new service area shall not be established . . . if the new service can be provided . . . by annexation to a city." But if the City of Kodiak disavows any intention until some time in the distant future of providing services to the vast majority of the area, doesn't that negate the preference for annexation over a service district?

We urgently request you to recommend the Senate defeat the proposed City of Kodiak annexation, both because the merits of the case argue against annexation and because forced annexation would strip the citizens involved of their right to have a voice in their own fate.

Sincerely,



Patricia Szabo

cc: Senator Tim Kelly
Senator Bob Mulcahy
Senator Pat Rodey
Senator Terry Stimson

February 1, 1979

The Community & Regional Affairs Committee
Bob Mulcahy: Senator, Vice Chairman of Committee
Pouch, V.
Juneau, Alaska 99801

Dear Bob,

We live in the Island Lake area that is up for annexation. We have this to say. Our area is in bad need of sewer and water, as we are sure you have been aware of.

After considering what it could cost under a service district using Bells Flats area as an example, where a service district for minor road service cost, 7.2 mills, for a total of 14.2 mills in the borough we feel that annexation to the city would be far cheaper at 16.2 mills for all services.

Sincerely,

c.c. to: Clem Tillion
Arliss Sturgulewski

Terry Gardner

Pres. of the Senate
Chairman of the Committee

Speaker of the House

February 1, 1979

The Community & Regional Affairs Committee
Fred Zharoff: Representative
Pouch, V.
Juneau, Alaska 99801

Dear Fred,

We live in the Sruce Cape area, that is up for annexation and we wish to convey these facts to you. Even though a number of us in this area is not vocal as some of the anti annexation crowd, we feel the unifying of our area, Island Lake and Millbay is the only practical way to bring about the improvements that is sorely needed and shall be expecting, your effort toward the conclusion, that will benefit the areas as a whole.

It is said you indicated in conversation with two or more people on your departure, that you agreed that annexation was our last and best hope at this point, but you felt you owed a political debt, to certain election support. We would feel that you would be doing a great disservice to the whole community if your efforts reflected these facts.

Sincerely,

| | | |
|----------|---------------------|-------------------------------------|
| c.c. to: | Clem Tillion | Pres. of the Senate |
| | Bob Mulcahy | Senator, Vice Chairman of Committee |
| | Arliss Sturgulewski | Chairman of the Committee |
| | Terry Gardner | Spoked of the House |