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SCRA MUNICIPALITY OF ANCHORAGE - PETERSBURG



File. How. How.

ANCHORAGE
SCHOOL DISTRICT

4600 DeBarr Road - Anchorage, Alaska

99504

AREA CODE 907-333-9561

January 27, 1978

The Honorable Joseph L. Orsini
Alaska State Senate
Fouch V
Juneau, Alaska 99811

Dear Mr. Orsini:

During the current legislative session, your committee will be dealing with a number of bills affecting public education.

Since the Anchorage School District enrolls one half of Alaska's public school students, we feel that many of these proposals are of vital importance to us.

Would it be possible for your staff to alert us to committee hearings on bills dealing with these matters? We are most interested in proposals on public employment practices affecting teachers and school employees, educational programs and school finance.

Your assistance in this matter would be appreciated.

For your information, we are enclosing copies of the Anchorage School District's Facts and Figures Digest. This booklet contains a summary of the District's financial activities and student enrollment patterns and may help you place some perspective on the size of our system.

Thank you in advance for your time and cooperation.

Sincerely,

John B. Peper, Ed.D.
Superintendent



ANCHORAGE
SCHOOL DISTRICT

4600 DeBarr Road - Anchorage, Alaska

99504

AREA CODE 907-333-9561

December 22, 1977

*Ben
Also return*

Senator Joe Orsini
2912 Alder Drive
Anchorage, AK 99501

Dear Senator Orsini:

The enclosed is a statement of legislative priorities of the Anchorage School Board as presented at the Chamber of Commerce Legislative Forum.

We apologize for not having a written statement at that time.

Please feel free to call upon Dr. Peper, the Superintendent of the Anchorage School District, or any member of the Board if you have any questions or need further clarification on any of the issues.

Thank you for your time and attention.

Sincerely,

Heather Flynn
Legislative Chairperson
Anchorage School Board

pa

enclosure

cc: Anchorage School Board Members



ANCHORAGE
SCHOOL DISTRICT

4600 DeBarr Road - Anchorage, Alaska

99504

AREA CODE 907-333-9561

December 17, 1977

TO: Anchorage Chamber of Commerce Legislative Forum
FROM: Anchorage School Board
SUBJECT: Legislation

The Anchorage School Board has a limited number of priorities. Our primary goal is to prevent an erosion of the constitutional and statutory authority and responsibility vested in the School Board.

To that end the Anchorage School Board and the entire Alaska Association of School Boards is firmly opposed to any form of binding arbitration including last best offer arbitration, or binding arbitration which includes a local referendum on the results. The financial impact on school districts could be disastrous.

Perhaps more important than the financial aspects are the issues of management rights and local control. The legislature, through Title 1 and 29, has wisely determined that the local school board is an autonomous organization, locally elected, and self-determining, subject to federal and state statutes and regulations. The legislature reaffirmed this autonomy with the creation of the regional attendance areas and locally elected regional school boards. Imposing further restrictions upon how locally elected bodies must bargain with unions which enjoy a statewide power base would do violence to the local control the legislature attempted to create in the REAA's.

A local referendum on the results of binding arbitration is the ultimate in buck-passing. It offers insulation of the legislator who finds it a comfortable compromise. And it removes from the local board the accountability to which they should be held.

Management rights, especially in the public sector, is a developing and complex area. We wish to note the recent decision of the Alaska Supreme Court affirming the position of the Anchorage School Board that by allowing some items to be negotiable, we are abrogating our constitutional responsibility of policy making. Quoting from the opinion, "If teachers' unions are permitted to bargain on matters of education policy, . . . the autonomy of the School Boards could be severely eroded, and the effective control of educational policy shifted from the school boards to the teachers' unions".

The line between educational policy and financial control is merely semantic. If we allow educational policy to be bargained, we allow control of our budget to a union which is not accountable to the taxpaying public. We implore the legislature to respect the direct accountability of the School Board to the public.

Both state and federal statutes require that the ASD provide a full range of services to the physically and mentally handicapped, as well as assistance in becoming English language proficient to children who are non-English speaking or bilingual. But while these services are mandated, little or no financial assistance has been provided to support their implementations.

The new PL 94-142 mandates more services to the handicapped than ever before. The current foundation funding ratio of 1.5% is proving inadequate in two ways. It takes more than 1 1/2 times the amount of money to serve handicapped children, ages 3 - 20, as it does normal children, and while Anchorage has 43% of the student population in the state, it has a far greater percentage of special education children largely because of the physical and psychological facilities. State tuition charges do not cover the costs. Our projected increase in costs is between \$900,000 and \$1.7 million. Currently, the deficit is being borne by the local tax dollar. We suggest an increase in the ratio of funding to 1.75% or 2.0%.

In addition to federal mandates, A.S. 14.30.410 dictates a State program of bilingual education. The program is a necessary one in order to meet the needs of our diversified and cosmopolitan population in Anchorage. We are currently funding the bilingual program with \$340,000 in local funds. We request that the State fund at least part of this expense under the foundation formula.

While Anchorage has made some financial headway, we are still penalized for the size of our district by the way in which average daily membership (ADM) is computed to create a foundation unit. We recommend a consistent formula applied more fairly throughout the state.

Parenthetically, we continue to urge the legislature to provide planning time and a phase-in period for any changes in Teachers Retirement System, Public Employees Retirement System or Workmen's Compensation which would impact our budget. Our budget is formalized and sent to the Assembly by April 1. Any legislative changes in the aforementioned programs, without lead time, must be borne by local tax revenues.

Anchorage is looking forward to a unique year of local property tax relief. Thanks to 100% funding of a bond indebtedness for past construction, we will realize approximately a \$6 million increase in State funding. This, of course, is predicated upon full appropriation of the amount, which has not always been the case in the past.

This increase could translate into as much as 1.5 mill reduction to local property taxpayers except that we are obligated to fund both special education for the handicapped and bilingual from these same monies. Nevertheless we anticipate a reduction of approximately one mill.

The problem arises in Sec. 43.18.100(c) which clearly says the State may appropriate funds annually. Last year we were shorted over \$450,000. Because our budget is finalized prior to the close of the legislature, any funding shortfall must be taken from our program budget.

Anchorage needs a commitment not only to the continuance of 100% bond retirement for school construction debt, but a commitment to full funding for that debt.

The Anchorage School District supports legislation which would deed state lands currently used for educational purposes to the Municipality. Public use may be insured by an automatic reversion clause should the Municipality no longer use the property for educational purposes. The legislation would eliminate costly yearly paperwork and rents.

Finally the Anchorage School Board continues to support the concept embodied in CSSB 30, currently in Senate Rules, which would increase parents' liability to \$5,000 for vandalism done by their minor child.

pa

Municipality of Anchorage



ANCHORAGE ASSEMBLY

POUCH 6-650
ANCHORAGE, ALASKA 99502
(907) 274-2525

F. Anderson

MEMORANDUM FOR: All Anchorage Legislators

FROM: Dave Rose

DATE: January 27, 1978

During the 1976 legislative session, Chapter 256 "An Act Relating to Motor Vehicles; and providing for an effective date" was enacted into law. This act amended AS 28.10 by adding a new section providing for an Annual Motor Vehicle Registration Tax.

The Municipality exercised its local option and substituted this tax in lieu of personal property taxes on automobiles and trailers.

It was believed that more tax revenue would accrue to the municipality's benefit because all owners would be paying the tax rather than a lesser number (many did not file tax forms and were not discovered). At the same time it was believed that the tax imposed would be less, on an individual basis, than the personal property tax because the sliding scale provided in AS 28.10.255 would seem to generate a lower amount due. Additionally, it was assumed that the auto registration tax would be an allowable deduction for Federal and State income tax purposes in the same manner as the personal property tax which it was being substituted for.

Problems have developed. My telephone has started to ring and I suspect that yours will also. The problem is twofold:

1. Some people pay more under this scheme than they did under the personal property tax option. This happens because older vehicles (5th year and over on the chart) pay a constant rate. Thus, an old clunker worth virtually nothing pays the new tax at \$20.00 while it would have paid far less under the old tax. To make things worse, the new law violates the 30 mill rule which adequately applied under personal property tax. Eg: any vehicle worth less than \$666.67 which is taxed the minimum \$ 20.00 converts to a millage in excess of 30.
2. The personal property levy was income tax deductible whereas the new tax may not be deductible. I have seen an opinion from Anchorage IRS which indicates that that office is of the opinion that the tax may not be deducted. I hope legislative files can produce a contra opinion.

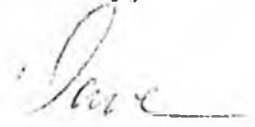


Allow me to recommend the following actions. Research the original proposed bill. I believe that it had a sliding scale beyond the five year point. Lower taxation in the \$15-\$10-\$5 range might prevent future inequity. You might wish to investigate the approach that cuts the chart off at the five year point thus making the assumption that all vehicles older than five years have little value for taxation purposes. In any event, you may wish to consult with the municipality assessing department for comment and input. By copy of this letter I am advising the Assessor that you might contact him.

Secondly, seek resolution at the State level of the tax deduction question. Research the record to see what representations were made at the time the bill was introduced, heard in committee, amended, and passed. Perhaps the State could be an advocate for us with the IRS.

Sorry to be the bearer of bad news but thought you might want to be kept abreast of the situation.

Sincerely,

A handwritten signature in cursive script, appearing to read "Dave", followed by a horizontal line.

Dave Rose

City
of

FBX

RESOLUTION NO. 78-2

A RESOLUTION OF THE FAIRBANKS NORTH STAR BOROUGH REQUESTING
LEGISLATIVE SUPPORT FOR INDICATED ISSUES OF PARTICULAR
INTEREST TO THE BOROUGH

WHEREAS, the Fairbanks North Star Borough Assembly requests that the
members of the 1978 Congressional Delegation of the State of Alaska support
items of particular interest to the Borough, and

WHEREAS, some of these items relate to pending legislation in the House
of Representatives and in the Senate, and

WHEREAS, other topics will require the introduction of legislation to
accomplish our purpose;

NOW THEREFORE, BE IT RESOLVED by the Assembly of the Fairbanks North
Star Borough that the following be considered as a list of issues of interest
to the Fairbanks North Star Borough during the 1978 Legislative Session:

Flood Control - we request funding in the amount of \$4,500,000
per AS 35.07.010 to fund the remaining State share to complete
the Chena River Lakes Project.

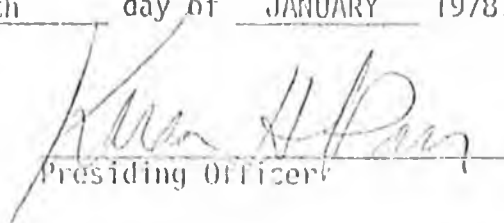
Chena Wayside - we support conveyance of Chena Wayside Park
facility to Borough provided necessary safety and health up-
grading is done by the State.

(Borough Land Selection - we support the concept of fixed acreage
allocations to Borough similar to that contained in CSHB 133,
we also strongly favor the cooperative selection provisions.

Alaska Railroad Connection to Midwest - we support the study of
accelerated development of a rail connection to the midwest
which will benefit consumers and business by opening new markets
for both purchase and sale.

School Facility Maintenance - we support the concept that the
responsibility for school facility maintenance, with the exception
of that which can be performed by custodians, should rest with
Borough General Government, who in turn may delegate this
responsibility if it chooses to do so.

PASSED AND APPROVED this 12th day of JANUARY 1978.

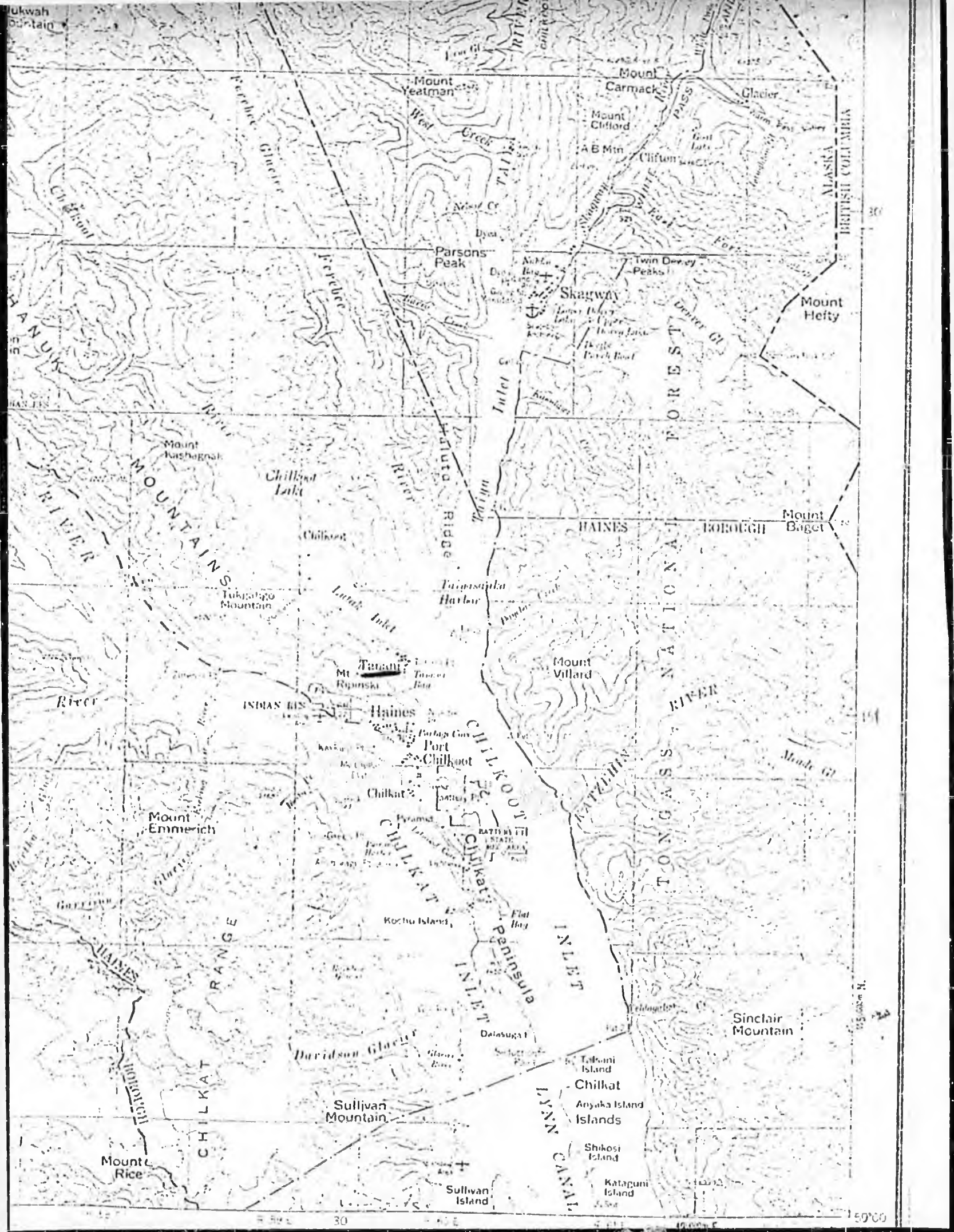

Presiding Officer

ATTEST:


Clerk of the Assembly

HAINES

BOROUGH



Yukon
River

YANUK
RIVER

River

HAINES

Mount
Rice

Mount
Kashagnak

Mount
Emmerich

Mount
Rice

Partridge
Glacier

Chilkot
Lake

INDIAN
ISLAND

Davidson
Glacier

Sullivan
Mountain

Mount
Yeatman

Parsons
Peak

Chilkot

Mount
Tatami

Chilkot

Sullivan
Mountain

West
Creek

Parsons
Peak

Chilkot
River

Tanana
Harbor

Mount
Tatami

Chilkot

Sullivan
Island

Mount
Carmack

Skagway

Chilkot
River

Mount
Villard

Flat
Bay

Chilkat

Sullivan
Island

Mount
Clifford

Skagway

Chilkot
River

Mount
Villard

Flat
Bay

Chilkat

Sullivan
Island

Glacier

Skagway

Chilkot
River

Mount
Villard

Flat
Bay

Chilkat

Sullivan
Island

ALASKA
BRITISH COLUMBIA

Skagway

Chilkot
River

Mount
Villard

Flat
Bay

Chilkat

Sullivan
Island

59°00'

59°30'

130°00'

130°30'

NOTE ON HAINES BOROUGH SUPPORT FOR BOUNDARY COMMISSION RECOMMENDATION

This afternoon I spoke to Ray Menaker, Haines Borough Mayor, regarding the Local Boundary Commission recommendation in Senate Joint Resolution number 39.

Menaker said that the Haines Borough "very much" supported the recommendation.

According to Menaker, the area proposed for annexation is approximately 80 acres in size and contains a military tank farm. If this land were annexed, it would not affect the status of the tank farm.

Menaker said that the tank farm area is now an island completely surrounded on all sides by the Haines Borough.

The Haines Borough believes that the proposed annexation recommendation is not opposed by any Haines residents nor by the military. It does not plan to send a representative to the legislative hearings.

Ben Harding

2-6-78

STATE OF ALASKA

LOCAL BOUNDARY COMMISSION

Haines Borough Petition for
Annexation of Petroleum
Distribution Office Haines Depot

Statement of Decision

Whereas, on June 3, 1976, the Haines Borough submitted a petition to the Local Boundary Commission through the Department of Community & Regional Affairs in accordance with Title 29 of the Alaska Statutes requesting annexation of the area commonly known as the Department of Army Petroleum Distribution Office, Haines Terminal & Pumping Station; and

Whereas, the Haines Terminal & Pumping Station, identified as a U.S. Military Reservation, had been excluded from the boundaries of the Haines Borough at the time of the borough's incorporation in 1968, to remain as an exclusion until such time as the area was no longer subject to military reservation status; and

Whereas, the Department of the Army has decommissioned the Haines Petroleum Distribution Office facility and governmental control of the area has now been turned over to the General Services Administration; and

Whereas, the General Services Administration has indicated no objection to the inclusion of the area within the Haines Borough;

NOW THEREFORE, the Local Boundary Commission makes the following findings and enters its decision thereto:

The petition territory meets the regulatory standards for annexation as follows:

19 Alaska Administrative Code 05.110(a)(1): The territory is entirely surrounded by the Haines Borough.

19 AAC 05.110(a)(4): The location and configuration of the territory, together with the improvements thereon, make the Haines Terminal & Pumping Station a likely location for future development should Haines be somehow tapped as a terminus for a gas line carrying Arctic gas.

19 AAC 05.110(a)(8): The Local Boundary Commission's action in this case formalizes an action called for in the Haines Borough incorporation document; namely, the inclusion within the Borough of the Haines facility once it was no longer subject to military reservation status.


19 AAC 05.120(1): The Local Boundary Commission finds that the Haines Borough has demonstrated that it is capable of and willing to extend its services and jurisdiction into the area.

On the basis of the foregoing, the Local Boundary Commission affirms its decision to include the Haines Depot territory within the Haines Borough with the resultant new boundary description eliminating the present military reservation exclusion.

LOCAL BOUNDARY COMMISSION

January 30, 1978

Approved:


Sigvald J. Strandberg, Chairman

Sheila Gallagher

Edward Hopson

Absent & excused:

James Dodson

Josephine Anderson

STATE OF ALASKA
LOCAL BOUNDARY COMMISSION
JUNEAU, ALASKA

RECOMMENDATION FOR ANNEXATION OF TERRITORY TO THE BOROUGH OF
HAINES, ALASKA

SUBMITTED JANUARY 18, 1978

RECOMMENDATION FOR ANNEXATION OF TERRITORY

TO THE
HAINES BOROUGH

WHEREAS, petitioner, the Haines Borough has requested that certain territory be annexed to the Haines Borough, to wit; the base proper of the Petroleum Distribution office, Haines Terminal and Pumping Station, an area within the Haines Borough presently excluded because of its former military reservation status; and

WHEREAS, subsequent to giving proper notice, the Local Boundary Commission conducted a public hearing in Haines on Thursday, June 23, 1977, to hear testimony of the public concerning the proposed annexation; and

WHEREAS, upon conclusion of the public hearing the Local Boundary Commission convened a public decisional meeting at which it reviewed the Haines Borough's petition, supporting brief and all testimony received prior to and during the June 23, 1977 public hearing; and

WHEREAS, the Local Boundary Commission has determined that the territory sought to be annexed meets the standards for annexation in that the subject territory is no longer a military reservation; and

WHEREAS, the exclusion of the subject territory serves no useful or rational purpose;

NOW THEREFORE, the Local Boundary Commission recommends that pursuant to Article X, Section 12 of the Alaska Constitution and Alaska Statute 29.68.020, that the petition to annex territory to the Haines

Borough be approved and that the following be the official description of the boundaries of the Haines Borough:

IN accordance with Article X, Section 12 of the Alaska Constitution, this recommendation shall become effective forty-five days after presentation to the Legislature or at the end of the Session, whichever is earlier, unless disapproved by a resolution concurred in by a majority of the numbers of each House.

Beginning at Eldred Rock Light at Latitude $58^{\circ}58.3'N$ and Longitude $135^{\circ}13.2'W$; thence in a straight line east to Mt. Nesselrode, Boundary Peak No. 98 at Latitude $58^{\circ}57'44.96''N$ and Longitude $134^{\circ}18'42.03''W$; thence northerly at the Alaska-Canada Boundary line on a meander line to Mt. Bagit at Latitude $59^{\circ}21'N$ and Longitude $135^{\circ}02'W$; thence due west on a straight line to a point in the center of Lynn Canal on Taiya Inlet at approximately Latitude $59^{\circ}21'N$ and Longitude $135^{\circ}22.5'W$; thence northwesterly to Monument No. 124 on the Alaska-Canada Boundary at Latitude $59^{\circ}44'N$ and Longitude $135^{\circ}43'W$; thence in a meandering westerly line following the Alaska-Canada Boundary to Mt. Harris; thence in a southeasterly and southerly manner along the Glacier Bay National Monument Boundary to a point due north of Porpoise Island Light at Latitude $58^{\circ}22.1'N$ and Longitude $135^{\circ}27.2'W$; thence south to Porpoise Island at Latitude $58^{\circ}19.1'N$ and Longitude $135^{\circ}27.2'W$; thence southeasterly to the southern tip of the Sisters Islands at Latitude $58^{\circ}10'N$ and Longitude $135^{\circ}15'W$; thence southeasterly to Hanus Reef at Latitude $58^{\circ}07.9'N$ and Longitude $134^{\circ}59.8'W$; thence north to a point midway between Lincoln Island on the east and the mainland on the west, at Latitude $58^{\circ}30'N$ and Longitude $135^{\circ}04.15'W$; thence north paralleling the boundary of the City and Borough of Juneau to Eldred Rock Light the point of beginning, containing 2,620 square miles more or less.

Save and excepting therefrom: (1) the lands comprising Klukwan Indian Reservation established by Executive Order numbered 1764 dated April 21, 1913 and amended as to the boundaries thereof by Executive Order numbered 3673 dated May 15, 1922 and further amended by the Act of September 2, 1957, Public Law 85-271, 71 Stat. 596,

particularly described as follows: Lots 1, 2 and 3 of Section 32; all of the north one-half of Section 33, Lots 1, 2, 3 and 4 of the south one-half of Section 33; Lots 1 and 2 and the northeast one-quarter of the southwest one-quarter of Section 34, Township 28 South, Range 56 East, CRM Alaska (and Lots 2, 3 and 4 of Section 5, and Lots 1 and 9 of Section 6, Township 29 South, Range 57 East, Copper River Meridian).

STATE OF ALASKA

LOCAL BOUNDARY COMMISSION

In the Matter of the Petition)
for Annexation of Territory)
to the Haines Borough.) Docket No. 76-
_____)

PETITIONER'S BRIEF

COMES NOW Petitioner, HAINES BOROUGH, through the Borough attorney, and submits the following brief in support of the local government boundary addition to the Borough.

I

GEOGRAPHICAL REASONS

The area proposed by Petitioner for annexation is within the Haines Borough boundaries in Lutak Inlet, about four miles northerly of the City of Haines, and is a logical addition, now that Alaska law permits annexation of military reservations, pursuant to AS. 29.68.020.

II

ECONOMIC REASONS

The fuel storage and distribution system and the personnel employed therein are an integral part of the Haines' economy and have been for many years, since it was constructed in or about 1953 for supplying Eielson Air Force Base near Fairbanks with fuel. Now that the General Services Administration is trying to dispose of the facility it is all the more compelling to include it within the mainstream of Borough influence.

III

TRANSPORTATION REASONS


The area is four miles from Haines on the paved Lutak

Highway and is within one mile of the Haines Ferry Terminal.

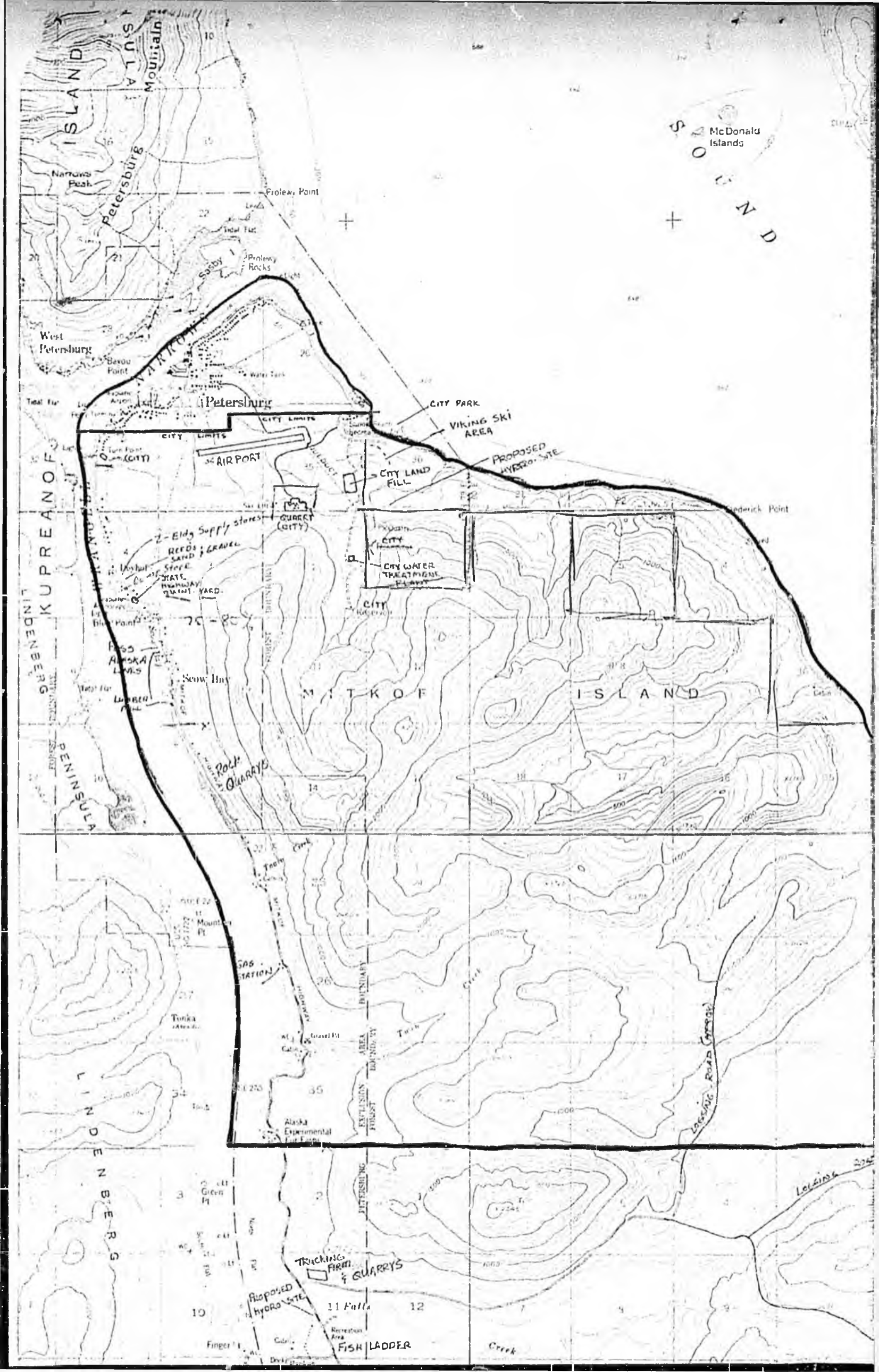
It is respectfully requested that the Haines Borough
Petition be granted.

DATED: ^{June 3} May 1976 in Haines, Alaska.

HAINES BOROUGH


By: Richard C. Folta
Borough Attorney

PETERSBURG



McDonald
Islands

ISLAND
Narrows
Peak
Petersburg
Narrows
West
Petersburg
KUPREANOF
LINDENBERG
PENINSULA

Froley's Point
Tidal Flat
Penley
Rocks
Sagby
Water Tank
Petersburg
CITY LIMITS
AIRPORT
CITY LAND FILL
CITY PARK
VIKING SKI
AREA
PROPOSED
HYDRO-SITE
Fredrick Point
CITY
CITY WATER
TREATMENT
PLANT
CITY
CITY
2- Eldg Supp/ stores
REFS
SAND
& GRAVEL
STATE
HIGHWAY
QUANT. YARD.
Scow Bay
Rock
Quarries
Tush
Creek
Loring
Road
Creek
Loring
Creek
FISH LADDER
Creek
11 Falls
12
Finger Pt
Diver

January 4, 1978

Lars Eide
P. O. Box 942
Petersburg, Alaska 99833

Dear Mr. Eide:

This acknowledges receipt of your letter stating opposition to the City of Petersburg's proposal for annexation of the entirety of Mitkof Island. Be assured that your comments will be considered by the Local Boundary Commission prior to its entering a decision in this matter.

Sincerely,


Erik J. Simpson
Local Government Specialist

January 4, 1978

Enid Magill
Box 444
Petersburg, Alaska 99833

Dear Ms. Magill:

This acknowledges receipt of your letter stating opposition to the City of Petersburg's proposal for annexation of the entirety of Mitkof Island. Be assured that your comments will be considered by the Local Boundary Commission prior to its entering a decision in this matter.

Sincerely,


Erik J. Simpson
Local Government Specialist

6 January 1978

Mr. L. B. Jacobson
Attorney
City of Petersburg
Petersburg, Alaska 99533

Dear Mr. Jacobson:

I, Emily V. Merriam, Clerk, City of Kupreanof, hereby attest that the City of Kupreanof was in receipt of the petition of the City of Petersburg in the Matter of Annexation on or about November 23, 1977.

Sincerely,

CITY OF KUPREANOF

Emily V. Merriam

Emily V. Merriam
Clerk

Emily V. Merriam personally appeared before me, Notary Public, and subscribed and swore to the above statement, at Petersburg, Alaska, on this 6th day of January, 1978.

Harry R. Merriam

Harry R. Merriam

Notary Public



*My Commission Expires
4/20/79*

ROBERTSON, MONAGLE, EASTAUGH & BRADLEY

A PROFESSIONAL CORPORATION

ATTORNEYS AT LAW

200 NATIONAL BANK OF ALASKA BUILDING

PHONE (907) 586-3340

CABLE: ROMEA

TELEX 099-45-376

P. O. BOX 1211

JUNEAU, ALASKA 99802

ANCHORAGE OFFICE

510 THE FINANCIAL PLAZA

P. O. Box 679

ANCHORAGE, ALASKA 99510

PHONE (907) 277-6893

TELEX: 30-26-486

R. E. ROBERTSON (DOB 1961)
F. O. EASTAUGH
J. B. BRADLEY
W. G. RUDDY
L. B. JACOBSON
R. B. BAKER (ANCHORAGE)
M. T. THOMAS
L. J. BARKER (ANCHORAGE)
J. F. CLARA
P. M. HOFFMAN
J. P. TANGEN
L. G. BERRY (ANCHORAGE)
C. R. RICH (ANCHORAGE)
D. A. HOLBROOK
J. D. MILLER (ANCHORAGE)
T. A. SOFO
W. R. HULEN (ANCHORAGE)
D. E. CUADRA (ANCHORAGE)

OF COUNSEL
M. E. MONAGLE

Erik Simpson
Local Government Specialist
Dept. of Community & Regional
Affairs
Pouch B
Juneau, Alaska 99811

January 11, 1978

Re: Petersburg Annexation Proposal
L.B.C. Supplemental Information

Dear Mr. Simpson:

This office as legal counsel for the City of Petersburg has been requested by members of the Local Boundary Commission to furnish additional data to supplement the hearing record. This letter constitutes a best-efforts basis to furnish that information and it should be mentioned that since a quorum of members were physically present for the hearing, the City of Petersburg waives any objection to the participation in the deliberations by absent member Sheila Gallagher conditioned on her reading of the documentation and listening to the tapes of proceedings at the hearing.

1. Lost School Revenue. The \$47,000 figure submitted by the City of Petersburg as revenue lost from the State for payment of non-resident student tuition is accurate. The figure of \$53,000 mentioned by the protestants at the hearing is based on the last school year (when enrollment was slightly up), coupled with failure to consider that five of the non-resident students are from Kupreanof in which case the non-resident payment from the State would continue in any event.

2. Sales Tax Revenues. The afternoon of January 10, I resolved to follow through the best I could on the request for additional sales tax data. Unfortunately, I report that my worst suspicions about obtaining hard information were confirmed. I instructed Patty Curtiss, secretary to

Erik Simpson
January 11, 1978
Page Two

the City Manager, to call out to all of the businesses and ascertain an estimate of gross sales tax revenues from each of them assuming that they were subject to the City's jurisdiction and imposing a 5% sales tax with a \$1,000 transactional ceiling. She reported back to me mid-morning of January 11, 1978 and advised that her responses fell into three categories. The first category was the "no contacts" where she was unable to contact the proprietor. The second and largest category was composed of those businesses who said they would call back later and one who requested that Patty call them back later. The third category, including the liquor store, flatly refused to divulge any information. The City of Petersburg is not in a position to obtain from the Alaska Department of Revenue the gross revenue figures reported by the various enterprises since that is privileged information. I am not sure that that would do too much good anyway, because I doubt if all of them file business license returns. For example, and the only enterprise on which I can furnish concrete data, specifically the Petersburg Consumer's Co-op, does not file a business license return notwithstanding that our litigation with them over the sales tax revealed that they order four or five shipments per year varying in range from \$14,000 to \$24,000 each. The lumber mill reported that it had no retail sales. The proprietors of the building stores were in the "call-back" category, and Sonny Hicks the owner of the Beachcomber could not be located by Patty. We are unable to furnish any meaningful data on the volume of business in the territory outside of the City to justify either an upward or downward adjustment in the original sales tax revenue estimate of \$149,000.

3. Property Valuation. Taxes on the total real property were calculated at a 7 mill levy against \$6,790,000 on real property and \$250,000 on personal property. As indicated in the earlier submitted "Affidavit re Information Sources", the real property was estimated by the City Clerk's taking and updating an appraisal submitted by Mr. Erroll Simmons in 1975. She used an inflation factor of 5% per year. The personal property valuation was predicated on an estimate of equipment owned by the two major logging companies, Reed Brothers and Olsen & Sons, Ltd. The personal property valuation is conservative. No attempt was made to adjust the real property valuation for senior citizen exemptions and leases of government property which would now be subject to tax.

Erik Simpson
January 11, 1978
Page Three

4. Bonded Indebtedness. The City of Petersburg's figures submitted on a separate sheet reciting the general obligation and revenue bond indebtedness are accurate. There have been no bond issues of either kind since June, 1977.

5. Financial Data Generally. To the extent that the City of Petersburg is remiss in submitting financial data to the Commission respecting the fiscal repercussions of the proposed annexation, the broad brush can be attributed to the fact that the City of Petersburg does not have a finance director, and secondly and more importantly, to me as the City's attorney who did not instruct the City Administration to be prepared on that issue any further than the documentation submitted. The reasoning for that was in the three annexation matters which I have previously participated or followed, such data was not requested, nor was I of the opinion that the financial viability of an annexation proposal was one of the standards promulgated in 19 AAC 05.010 or the Alaska Constitution. Inasmuch, however, as an annexation proceeding is a quasi-legislative or political act in contrast to a judicial proceeding, the Commission's concern on that issue is at least understandable.

6. Start-up Costs. The Commission is apparently concerned about the possibility that cost of extending general services circa March 1978 when the Alaska Legislature would approve any proposal would create a financial drain on the City of Petersburg's general fund which was unforeseen, unbudgeted, and could not be made up until the 1979 tax levy. I am strongly inclined to agree with that assessment about a short-term negative cash flow but similarly inclined to discount its magnitude predicated on the knowledge that many of the general services, including extra-territorial fire, police protection and ambulance service have been provided heretofore. In the event of annexation approval and the incurrence of a deficit later in calendar year 1978 and the first part of 1979, the City may issue bond anticipation notes at the time of incurring the deficit according to AS 29.58.070. Alternatively, the City of Petersburg, being a home-rule municipality is not limited to the conventional financing procedures enumerated in the statutes and Sec. 14.1(a)(3) of the City Charter expressly authorizes the issuance of revenue or tax anticipation notes. Moreover, that might not even be necessary since the Legislature's prospective approval of the annexation would be known by the end of February 1978, there is ample time for the City to accommodate any additional expenses foreseen as stemming from the additional services in the annexed area prior to formulation of its budget and adoption of such budget by the June 15 date mandated by Statute.

Erik Simpson
January 11, 1978
Page Four

7. Fifty Percent Tax Levy. The differential tax zones as originally proposed drew a close parallel to those utilized in Wrangell's annexation. Subsequently the Council at a meeting on January 3, 1978 determined that it did not want the tax levy pegged to the utility services afforded since they were at least in theory financially self-sustaining. The City accordingly submitted an Addendum dated January 6, 1978 deleting the tie-in of the tax levy to the utility services, and keeping the 50% tax levy for basic general services and administration. This seemingly comports with the question raised in the January 4, 1978 report to the Local Boundary Commission by the Department of Community & Regional Affairs Local Government Assistance Section wherein it stated:

"The Department raises the question of whether it would be appropriate for the City to collect property tax for the utility functions. The utilities would normally be considered an enterprise function which would be self-supportive from the user rates or surcharges associated with the particular utility."


The first year 50% figure is admittedly somewhat arbitrary and would invoke some isolated cases of unfairness. Working from the general 50% zone as a starting point, it was felt by the Council that it would be appropriate for the newly-enfranchised taxpayers to participate in the adjustments and fine tuning respecting the establishment of differential zones in tax year #2 (1980).

I apologize for not being able to furnish you with better data respecting the projected sales tax revenues, but please advise if you think I may be of further assistance.

Respectfully submitted,

ROBERTSON, MONAGLE, EASTAUGH & BRADLEY

By:



L.B. Jacobson

Of Attorneys for the City of Petersburg

LBJ:ss

cc: David Moffat
City Manager

Statement on Annexation - 1977-78

There are many aspects to be considered on annexation of the balance of Mitkof Island to the City of Petersburg before a final decision is made. As the ordinance now reads, if I understand it, I'm absolutely opposed to it.

Firstly, I'm opposed to annexation on a moral basis in that the residents of the area in question do not have any say-so in the process. In fact, even the citizens of the town itself, have no direct vote on the issue. It is a decision of six people on the council controlling the destiny of not only the people now living inside the present city limits, but also those living without. I am quite sure that if a poll were to be taken, those people living outside of the present city would vote 90% to 95% against annexation. To be not able to control your own destiny, is not the democratic way of life as we have known it in this great land of ours.

Now for the hard facts of the cost of this monstrosity. I'm quite sure that in the final analysis, it will actually cost the present residents of Petersburg more than if the area in question is not annexed.

As I understand it, the schools would lose about \$53,000.00 in state funds, which is paid to the schools for those children living outside the city. This is a considerable amount, and if the grapevine telegraph is correct, the present school administration is opposed to the move because of the loss of such a sum.

If we were to be annexed, there are services that must be provided. The two main services involved are water and sewer. Looking at the present high cost of construction, I'm quite sure that these two services can not be provided for less than \$7,000,000. And these are the two main services of any city!

Another service that must be provided is fire protection and there is not any way under the sun to give fire protection without an adequate water system, with hydrants located within reasonable distances of all homes. Also there must be a fire engine located within the area involved. Even though the City of Petersburg has the best volunteer fire department in the state, it is impossible to get true protection where the fire engines are located 1½ to 38 miles from the areas to be protected.

While on the subject of protection, let us go into police protection. To be properly policed and patrolled in the area that we are talking about, another police car would be needed, as well as three or four patrolmen. I'm sure that all we could get in the line of patrol, would be one or two tours per night if the police force were not increased and another police car not added to the fleet. Then also, while this area was being patrolled, the City itself would not be having any protection whatsoever. Now all of these so-called services would be costing you and I, the tax payer, more money.

Now if this business of annexation is to increase the tax base in order for the city to go in debt farther through bond issues, then I'm very much opposed to

annexation which I'm sure all clear thinking citizens of Petersburg would also be. It must be realized that all bond issues must be re-paid and the only way to repay those debts is by higher taxation. It must be very clear that the residents of Petersburg are highly incensed and opposed to paying more taxes.

In another area of services that are rendered, let us take the hospital for instance. From what I've been made to believe, it is on a paying basis. Perhaps it is not making a huge profit but nevertheless it is paying its own way. I'm quite sure that the Scow Bay residents who use this facility pay for the care given them and that because of the added revenue that is brought in, they help support and make this a going and profitable operation.

Now we will go into the operation of the power and light department. If we are to be annexed, the city will lose the surcharge that is added to our monthly bill. This alone will amount to a considerable amount of monies when added up at the end of the year. It must be remembered that the power lines from the Blind Slough hydroplant go through this area. Also if the area is annexed, I would presume that the city would put in street lighting of sufficient luminosity that we would have a well lighted street at all times. Personally, I would hate to pay for the capital expenditure plus the cost of energy on this operation.

It has been noted by some people that we would not receive all of the services and that we would be taxed only in proportion to the services that we receive. If so, what services will we receive? And also, will the taxes be arbitrarily set on these services? And will the taxes to pay for the administration and clerical work of these services be in proportion to the taxes paid by the city residents. If, for instance, we do not receive sewer or water, will we be taxed for administration of those services within the present city?

As another item of interest, it might be well to remember that the businesses that are bringing new monies into the area at all times, are the businesses that would be hardest hit by these taxes. With the timber industry in its present unsettled state, it would be almost criminal to saddle an industry with new taxes. Something like this might be the "straw that broke the camel's back" and there would be 40 to 50 men on unemployment rolls. And if that should happen there would be no monies coming in with which to pay taxes.

Again let me impress upon you the loss of state school funds, the added capital costs and maintenance of the services if and when provided. Also bear in mind that those people living outside of the present city limits did so at their own choosing, which is the great American way of life. Let us have a democracy where people control their own destiny and way of life. This is a moral issue concerning the very roots of democracy.



Lars Eide, P. O. Box 842, Petersburg, Alaska

Rec'd by
LBC 1/9/78
@ Petersburg Public Hearing

Dr. Richard Walsh
Box 652
Petersburg, Alaska 99833

December 21, 1977

Ms. Lee McAnerney, Commissioner
Community & Regional Affairs
Pouch B
Juneau, Alaska 99811

Dear Ms. McAnerney,

I am writing to let you know that I oppose the annexation of the remainder of Mitkof Island by the City of Petersburg.

For a municipality of just over 2000 people to try controlling all functions on a land area this large seems utterly ridiculous. The city provided services we would receive after annexation are minimum. We already have electricity for which we pay a 15% sur-charge. The extension of water and other services would be prohibitive in cost. We now provide these services on our own. Without a large piped water system fire protection, as provided by city trucks, is of little value. Sea water would provide a water source of limited value only at extreme high tide and then only a small number of houses are close enough to the water to be affected. Police protection would be limited unless new cars were purchased and more officers hired.

It is my understanding that we would lose our State Patrol Officer if the entire island was within the city limits. We would also lose about \$50,000.00 of state financial support to our schools.

Perhaps most important is the fact that many, living outside of the city limits on Mitkof Highway, have done so by choice. The annexation, if passed, would place a basically rural area under numerous rules and restrictions designed to help urban business and residential areas run smoothly. These rulings would only frustrate current out of town residents.

In a past election the voters of Petersburg turned down annexation. The vast majority of us, living outside of town, want no part of it. I really don't know who the main backers of this petition are or what they hope to gain.

Let me close by saying that I and all my neighbors are opposed to this petition. I hope it will not be passed in haste to the legislature without careful consideration of all the facts and the opinions of those affected.

Sincerely yours,
Richard J. Walsh, D.V.M.
Richard J. Walsh, D.V.M.

Electric System:
Self Sustaining

Fire Protection:
VALUABLE
(1) SAUNA LIVES
(2) SAUNA PROPERTY

Water System
Revenue Sustaining
(100% Assess back)

Police: admitted
to be of value
although @ add'l
cost.

P#3, Uniform
building code
fire code

RECEIVED
JAN 6 1978

DEPT. OF COMMUNITY
AND REGIONAL AFFAIRS

Wrangell, Alaska
January 4, 1978

Dept. of Community & Regional Affairs
Div. of Local Government Assistance
Pouch B
Juneau, Alaska

Dear Sirs,

I am writing in regards to the proposed annexation of Mitkof Island. As part owner of U. S. Survey 1226 situated on the East side of Wrangell Narrows, Mitkof Island, Alaska. R.60E T61S abuts sections 20, 21, 28 and 29. I am opposed to the annexation of the Southwest portion of Mitkof Island in which the above survey is located. The area is not connected by road and I doubt if it will be in the foreseeable future. It does not require any municipal services nor does it put any demands on the municipality. My only information on the proposed annexation is from a legal notice in the Dec. 28, 1977 issue of the Petersburg Pilot, which I purchased on Jan. 2, 1978. I feel with my limited information that the area does not meet the requirements of annexation 19AAC 05.010.

I am also speaking for the other part owners in USS 1226. They are Lynne Campbell, Wrangell and Carolyn Buseman, Seattle, Wash.

Respectfully,

Kenneth C. Mason

Kenneth C. Mason
Box 229
Wrangell, Alaska 99929

Copy to City of Petersburg

January 6, 1978

Kenneth C. Mason
P. O. Box 229
Wrangell, Alaska 99929

Dear Mr. Mason:

This acknowledges receipt of your letter stating opposition to the City of Petersburg's proposal for annexation of the entirety of Mitkof Island. Be assured that your comments will be considered by the Local Boundary Commission prior to its entering a decision in this matter.

Sincerely,


Erik J. Simpson
Local Government Specialist

RECEIVED
DEC 16 1977

DEPT. OF COMMUNITY AND REGIONAL AFFAIRS
December 12, 1977

Ms. Lee McAnerny, Commissioner
Department of Community & Regional Affairs
Pouch D
Juneau, Alaska 99801

Dear Ms. McAnerny:

This letter is to inform you of the strong opposition in this area to the actions of the Petersburg City Council in the matter of the annexation of Mitkof Island to the City of Petersburg. It is in the records that the people of Petersburg (this does not include those people living outside the present boundaries) voted overwhelmingly against annexation of any more lands to the City. This vote was taken at a general or city election only about two and one half years ago. When talking to residents of the City, it seems that their opinions on the matter have not changed in the slightest. As no vote was taken with the people living outside the City boundaries, there is not exact figure that can be set on those that are "for or against" in that area. But in talking to these people, it appears that over 90% are not in favor of annexation but are in favor of leaving the area as it is.

The passing of the annexation ordinance was a "railroading" job of supreme political engineering. The whole process took about two weeks with only one public hearing immediately preceding the 2nd and 3rd reading, and passage of the ordinance. The public hearing, the 2nd and 3rd reading and vote for passage all took place within a time space of about 2½ hours!

We people who live outside of the present City boundaries and who would be most affected by annexation feel that our constitutional rights have been abridged in that we have no vote in the matter. If the area to be annexed were contiguous to the City in respect to homes and businesses, then perhaps there would be good cause for annexation. If such were true, I'm sure that there would not be the violent opposition to annexation as there is now.

The City Council and those people who are in favor of this annexation are jealous of the position that we outsiders are in. We chose this life style of living in a rural atmosphere. We do not have many of the amenities of living in a city but that is our problem and should not concern those within the city environs as long as we are not a menace to their health and safety.

We feel that we will receive no benefits from this annexation without huge costs, not only to those living within the proposed annexation area but also to those who are presently living within the City. It is almost a certainty that no water or sewage facilities would be provided in years and then only with a

huge outlay of monies obtained by bonding, which is nothing more than a note of indebtedness which must be repaid through taxes or high utility rates. As to other services that would be rendered, there will be huge costs involved as to police protection; another patrol car would be needed plus three or more patrolmen to insure proper patrol and protection. An Alaska State Trooper is stationed in this area at the present time and is doing an adequate job and if past history bears us out, as in the case of Wrangell annexation, he would be gone within a month.

If this annexation becomes a reality, the City of Petersburg would become one of the largest area wise cities in the State of Alaska and at the same time it would be one of the smaller cities, population wise. It seems that this would be nothing but a huge "albatross" tied around the necks of not only those who would be annexed but also of those who are presently residing within the City of Petersburg.

Another service that would be "so-called" provided, would be fire protection. How can there be fire protection without hydrants within suitable distance of buildings and dwellings? Fire insurance companies do not recognize any protection unless there are adequate hydrants within 1,000 feet of a building. In order to get this protection, a whole new water system would have to be constructed. There is absolutely no promise of such construction for the future.

There are many, many more reasons against annexation, too many to enumerate in fact.

It is hoped that you and your cohorts in Community and Regional Affairs will give your utmost consideration to the problems involved in this matter. (Again, let me say that this involves not only the "outsiders" but also the "insiders" of Petersburg.

Very truly yours,



Lars Eide
Post Office Box 942
Petersburg, Alaska 99833

Ms. Lee McAnerny
Commissioner of Community & Regional Affairs
Pouch B
Juneau, Alaska 99801

Dear Ms. McNerny:

I would like to point out a few things I feel have not been adequately studied, pertaining to the proposed annexation of Mitkof Island by the City of Petersburg.

The school presently receives \$53,000 from the state for tuition per year for the kids living outside the city limits. This revenue will cease when annexation takes place. Assuming that the city figures are correct and that the assessed valuation outside the city is approximately \$7,000,000, at 50% the mill rate this amounts to \$49,000. This money will have to be made up by increased taxes. Assuming that the city will collect an additional \$25,000 from sales tax, if they are going to provide 24 hour police protection they will have to hire 4 additional patrolmen to adequately give this service. Any less will not afford the same protection the city now enjoys, this would add a minimum of \$60,000 per year in payroll plus one or two cars. Again the difference has to be made up in increased taxes.

I understand that many people are concerned about the people outside the city limits getting a free ride. Let's think about this for a moment, after long thought on this subject I can only think of one "the dump". I understand that is going to change shortly.

We may consider the Fire department or fire protection. I'm sure the people outside appreciate the fire department responding to their calls of fires, but in all fairness and honesty, using common sense it is only a token gesture by mere fact of the distances involved, if and when the city is financially prepared to run fire hydrants out to the proposed annexed area should they be thinking of annexation.

Let us consider for a moment the ambulance. Anyone using this service must pay for that service whether they live in or out of the city. This service is not provided for free to anyone.

Let's talk about the school for a moment. Yes, it is true the kids outside use our schools, however, the state pays the tuition for these kids in the amount of \$53,000 per year. The money comes from the state taxes that everyone pays whether they live inside or outside the city. If they don't work for a living chances are they aren't going to pay any taxes at all any way. The state pays 96% of the revenue the school uses now, again coming from state taxes. 4% comes from

a local effort. This 4% in the case of Petersburg, comes from sales tax, this means that those who live outside the city limits and shop inside do in fact contribute to the local effort for schools.

Let us consider water & sewer. The people who receive these services living outside the city limits are paying for these services. I understand that the people receiving water are paying 50% more for thier water than those living inside the city.

Last but not least is electricty. First it must be pointed out that the city did not run the lines out the M₁tkof Highway to service those pœple living out there, but in fact, ran the lines from 19 mile back to service the epole in town. It is only natural and goob business to supply those pœple on the way back to town. Especially, when you consider they charge them 15% more for their electricity.

Again, I would like to point out after annexation this lost revenue will have to be made up somewhere. I would think in increased power rate.

I would like to sum up by giving some figures I have compiled.

INCREASED INCOME		INCREASED COST	
Real & Personel property tax	\$49,000	Additional polic3	\$60,000
Sales tax	25,000	Capital Expenditures	6,000
Stumpage	838	Tuition	53,000
		Electric surcharge	29,780
		Water surcharge	<u>3,633</u>
TOTALS	<u>\$74,838</u>		<u>\$152,413</u>
NET LOSS	\$77,575		

These monies will have to be made up in increased taxes or a raise in power and or water rates or a combination of all three.

E. D. Lapierre
Box 852 PG5, AK

January 2, 1978

Ms Lee McAnerny
Commissioner of Community & Regional Affairs
Pouch B
Juneau, Alaska 99801

Dear Ms McAnerny,

This letter is regarding the proposed annexation of Mitkof Island by the City of Petersburg. While my comments shall generally be negative in nature concerning the annexation I must admit that I do not totally oppose the idea. However it seems to me that annexation should be of mutual choice and of substantial benefit to all groups involved. For the second time this does not seem to be the case. Once before while I have been living here annexation came before the people, who live in the city of Petersburg it was turned down. Now neither the citizenry of Petersburg or the rest of the people who live on Mitkof Island, who have never had the opportunity of choice, are not being given a voice via the ballot box. This one reason for my opposition. I do not like other people deciding what they think is best for me without my consent. Let the issue again be decided at the ballot box where it should be.

While I am a member of the group to be annexed my membership was not decided by having some strong desire to be on my own in the wilderness for there are far better places in Alaska to fulfill that desire than "Out the Road" in Petersburg. I simply purchased the first home that met my families needs after arriving in Petersburg three years ago. I am quite willing to pay my fair share for service received. But so far nobody has been able to tell me what my fair share is or will be or what services I might receive. This is my second reason for annexation opposition. At this time I get the feeling that annexation is being used as a bitter pill to cure our ills both in and out of town. Yet the reasons why have not fully been placed before the people who must take the pill. If I knew the answers to some of the following questions then maybe I could make a decision in favor of annexation, but until I have some answers I must remain opposed.

What type of fire protection will the community have? What is the cost now and after annexation? Will fire protection reduce my fire insurance.

What kind of police protection will I and the rest of the community receive? What is this protection going to cost me and the other tax payers. Will we continue to have a state trooper based here?

What will the tax structure be for those who will not receive full service from the community.

I could go on and on for there are I think the more unanswered questions come to mind. I thank you for your time and hope that you will also seek the answers before you act on this matter.

RECEIVED
JAN 6 1978

DEPT. OF COMMUNITY
AND REGIONAL AFFAIRS

Sincerely yours,
John G. Egeland
John G. Egeland
P.O. Box 251
Petersburg, Alaska 99833

Petersburg, Alaska #4
Dec. 30, 1977

Mrs. Lee Mc Anisny,
Commissioner of Community & Regional Affairs
Pouch B,
Juneau, Alaska 99801

Dear Mrs Mc Anisny,

I am writing this letter in opposition to
the City of Petersburg Annexing Matkal Island to
the City of Petersburg. My wife and I have lived
in the same place two and one half miles out of town
on Matkal Highway and have enjoyed our freedom and
yet have earned our living in town and spent our money
there. About a year and a half ago they had a poll
vote by ballot in town to see if the town wanted to
annex Seaw Bay and the vote was a very strong No.

Last weeks paper, The Petersburg Pilot, had a half
page ad against annexation paid for by City Residents
against annexation, P.O. Box 857, Petersburg, Alaska 99833.

Please leave us alone as we have been for over
forty years.

Yours truly
Royal B. Dunsal
Box 7-73
Petersburg, Alaska 99833

RECEIVED
JAN 3 1978

DEPT. OF COMMUNITY
AND REGIONAL AFFAIRS


January 6, 1978

Royal E. Duval
Box 273
Petersburg, Alaska 99833

Dear Mr. Duval;

This acknowledges receipt of your letter stating opposition to the City of Petersburg's proposal for annexation of the entirety of Mitkof Island. Be assured that your comments will be considered by the Local Boundary Commission prior to its entering a decision in this matter.

Sincerely,


Eric J. Simpson
Local Government Specialist

Ms. Lee McAnerny
Commissioner of Community
& Regional Affairs
Juneau, Alaska

January 3, 1978

Dear Ms. McAnerny:

This letter is in reference to the annexation of the Scow Bay area by the City of Petersburg.

I have lived in Petersburg for many years and watched the council attempt to annex this area by the vote of the people. This so far has failed and now they ignore this vote and attempt to do as they please.

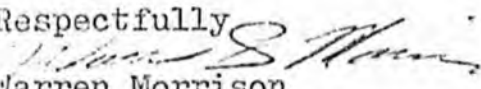
I realize I work in Petersburg and also spend most of my money there. I also pay the taxes except for the property tax. I also pay a penalty charge on any service I get from the city, such as power, because I live outside the city limits.

I also realize that in the near future I will probably have to pay a property tax to the state and I have no complaint on that.

The point I would like to make is that just last year I bought property and built a house in Scow Bay so as not to be controlled by the city council and now they want to annex us.

I don't believe this is quite right and I hope you will look at this situation very close before you make your decision.

Respectfully


Warren Morrison
Box 524
Petersburg, Alaska 99833

RECEIVED
JAN 5 1978

DEPT. OF COMMUNITY
AND REGIONAL AFFAIRS

January 6, 1978

Warren Morrison
P. O. Box 524
Petersburg, Alaska 99833

Dear Mr. Morrison:

This acknowledges receipt of your letter stating opposition to the City of Petersburg's proposal for annexation of the entirety of Mitkof Island. Be assured that your comments will be considered by the Local Boundary Commission prior to its entering a decision in this matter.

Sincerely,



Erik A. Simpson
Local Government Specialist

Subject Annexation of Mitkof Island by City of Petersburg

MAGILL TRAILER PARK
BOX 444
PETERSBURG, ALASKA 99833
Dec 29, 1977

RECEIVED
DEC 29 1977

DEPT. OF COMMUNITY
AND REGIONAL AFFAIRS

Mrs. Lee Mc Anerny
Commissioner of
Community and Regional Affairs
Pouch B
Juneau, Alaska

Dear Mrs. Mc Anerny:

In 1975 the Citizens of Petersburg voted No to annexation of areas outside their boundaries. Those of us adjacent the City were relieved. We were aware the Petersburg City Council wished annexation to occur to provide a broader property base, to be able to sell more bonds, for projects not necessarily approved by the Petersburg voters. We knew the City was already bonded to capacity and suffered a poor credit rating.

Once again annexation is being attempted by the City Council of Petersburg. This time they are not consulting the voters.

When a hearing was held by the council recently, the citizens outside of town were told they would receive no new services in the foreseeable future. Any services we now receive are revenue producing services. Some of which are very lucrative for the City. In the case of electricity for our Trailer Park, we have paid for both the poles and wires the City sells electricity from for eight customers.

All out of City people pay 50% more for water than City dwellers as well as a 15% surcharge on electricity. Since we put in our own water lines and maintain them, this is a lucrative water tax. Less than twenty out of City families are on the City Sewer system, and since Petersburg itself has large sections without sewer connections to the new sewer system, it will be years before additional sewer service can be granted out of town citizens. When the new sewer plant was built we asked to have our Trailer Park included in the plan, grant Federal funds were available. However the Petersburg City Council refused to give us this additional sewer service. Now the cost of putting in the lines and pumps would be prohibitive.

MAGILL TRAILER PARK
BOX 444
PETERSBURG, ALASKA 99833

Our property lies adjacent the southern boundaries of the City of Petersburg and there is vacant land surrounding ninety per cent of this area. We had planned to leave undeveloped seven or eight acres of our fifteen acres, possibly build some trout ponds, in this ravine filled area. We wonder how our plans would fare with a City planning and zoning board.

Mainly we do not feel we are being treated as American citizens when those with more power than we have, can simply annex our property. If we should be paying taxes, more than we do, with water and electricity tax, then let it be to the State of Alaska.

A small town always is prey to local politics. A small town on the end of an Island the size of Pitkof should not be allowed to make the major Coastal Management decisions for such a large area.

I was present when the Boundary Commission gave freedom to the people of Kuperanof. I still feel this was a grand decision, People should be free to choose their own destiny.

Respectfully,

Eric Magill
Eric Magill

27
Box 463.
Petersburg.
Ak. 99833

Mrs Lee Mc. Anony,
Commissioner of Community
and Regional Affairs,
Juneau, Ak.
99833.

RECEIVED
DEC 20 1977
DEPT. OF COMMUNITY
AND REGIONAL AFFAIRS

Dear Madam, I am writing you in regard
to the annexing of Seal Bay.

We feel the city is so in debt, all they
need is sur tax base. When we ask
what we can expect in return, their
answer is we don't know yet. All they
do know is we shall be charged 65% tax.
So all we will receive is the tax bill.
Anything we receive now we pay for
plus a sur tax too.

Our fire insurance which is now over \$500 a yr
will not go down, as there is no way we
can receive their protection.

We choose to live outside the city
30 yrs ago and hope to continue.

Sincerely,
Stanley W. Paul

January 4, 1978

Stanley D. Reid
Box 463
Petersburg, Alaska 99833

Dear Mr. Reid:

This acknowledges receipt of your letter stating opposition to the City of Petersburg's proposal for annexation of the entirety of Mitkof Island. Be assured that your comments will be considered by the Local Boundary Commission prior to its entering a decision in this matter.

Sincerely,

Erik J. Simpson
Local Government Specialist

Palmer McCarter, Director
Local Government Assistance

January 6, 1978

Erik Simpson
Local Government Specialist

Petersburg Trip Report
December 19-21, 1977

Monday, December 19, Doug Griffin and I left Juneau at 2:00 p.m. on Alaska Airlines, arriving in Petersburg at 2:30 p.m. Dave Moffet, the Petersburg City Manager, met us at the airport and drove us to the City offices. We talked informally with Dave, and several council members joined us in our discussion.

They had a few questions regarding borough formation, annexation procedures, loss of State school support for students outside present City boundaries and property taxes that can be gained from the annexed residents. The Department of Education estimated that the City of Petersburg would lose \$47,800 in tuition foundation support during the next fiscal year. However, an additional \$10,000 - \$15,000 in PL 874 payments would approximate 1 percent of the State foundation support for those children whose parents live or work on federal property. This means Petersburg could lose between \$32,800 and \$37,800 in school support monies as a result of the proposed annexation.

The estimated value of the real and personal property in the area proposed to be annexed is \$7,040,000. The initial proposed tax differential zone for basic general services at 7 mills would not bring additional tax revenues of \$49,280 until FY 78 - 79; however, an additional \$17,220 for State Revenue Sharing will be realized. The estimated loss for the first year would be between \$15,580 and \$20,580. Although sales tax has generally been used for purposes of providing local educational support, the effects of the proposed annexation may only be considered a trade off after FY 78 - 79.

The council members seemed a bit unsure of what annexation involved and were hesitant when it came to concrete budget figures to support annexation. This is primarily because the basic general services and administration costs have not been further enumerated. Doug explained that annexation of all of Mitkof Island would give the City more coastal zone management plan authority, strictly speaking, and that could be seen as an advantage for annexation. However, the City of Petersburg has not undertaken a coastal zone management plan primarily due to the problem of being able to determine what any of the federal guidelines might be.

Doug and I attended the City Council meeting at 7:30 p.m. and answered the same type of questions from the audience that was asked by the

Council earlier. Approximately 20 people were at the meeting, and none of the citizens were adamantly opposed to annexation. It was clearly stated at the meeting that we were there to answer questions and not to take testimony on the proposed annexation. The questioning was not as rough or as indepth as we had anticipated. Mayor Ted Smith did ask a question as to whether the Department of Education would continue to provide bussing of those students outside the City.

On Tuesday, December 20, Doug and I visited with Dave Moffet, City Manager and Ed Lapeyri, owner of the lumber yard - saw mill outside the City limits. Ed favors formation of a borough and is opposed to the proposed annexation. I explained to Mr. Lapeyri that the proposed changes in the regulations would preclude formation of a borough unless another incorporated area was included in the borough boundaries. Mr. Lapeyri said he would propose that Kake, Kupreanof, Petersburg and Wrangell be included in a proposed borough. It would provide adequate school support and municipal selection of land for private ownership which the timber industry could take advantage of.

We could not get out of Petersburg at 11:25 p.m. as scheduled due to the heavy snowfall. This gave Doug and me a chance to post additional notices about the local boundary hearing, and, we drove out the road to be annexed. We visited Alaska State Trooper Bowlington and Wildlife Protection Officer Russell to discuss how annexation would affect providing police protection. They concluded that, if the area proposed was annexed, at least 3 or 4 additional officers plus an additional patrol car would be needed to provide adequate patrol for the area. Trooper Bowlington explained that AS 18.65.010 of the Troopers Manual requires that State Troopers are also required to enforce municipal ordinances. The area proposed to be annexed would not preclude him doing the job for the entire region, which includes an area much larger than Mitkof Island.

We spent most of the afternoon driving out the Mitkof Road to inspect the area to be annexed. Due to the road and weather conditions it took a couple of hours just to drive to Mile 18 and back. We noted that there was no residential housing beyond Mile 7 1/2. On the way back we stopped to talk to Roy Sokol, the owner of the liquor store outside the present City limits. Mr. Sokol explained that people living outside the area would be opposed to annexation because they are presently contributing their local sales tax to support any municipal services they take advantage of while in the City limits. He feels strongly about having any organized government forced upon them.

Wednesday, December 21, I contacted the Planning and Zoning Commission to determine its involvement with any coastal zone management plan or State land selection. The local Planning and Zoning Commission was not involved in the decision for annexation and would be opposed to annexing all of Mitkof Island. We had an opportunity to look at a map of the

State land selection for the City of Petersburg. Dennis Murphy, a U. S. Forest Service employee and member of the Planning and Zoning Commission, provided us with this information. After Alaska Airlines overheaded for the second day in a row, Doug and I chartered out of Petersburg on Alaska Island Air. We left Petersburg at approximately 12:15 p.m. and arrived back at the office at 1:30 p.m.

Observations

Although we estimated that the City may receive \$49,280 in real and personal property taxes, this money could not be collected during the upcoming fiscal year. An assessment would first need to be provided of the actual real and personal property valuation in January 1978. The City Clerk, Jerry VanBleck, provided me with a copy of the estimated taxable property in the territory and the estimate of population based upon an actual enumeration prepared under the supervision of the City Clerk.

In talking with those people outside the city limits, they were opposed to annexation because they feel they are supporting Petersburg through their sales taxes and do not believe they will receive any additional services than they now have. Some feel that their 7 mill property tax will be used to bail Petersburg out of its financial problem and not provide them with a significantly higher level of service. At the present time the City of Petersburg does provide police protection, fire protection and ambulance service beyond the City limits despite any legal liability problems.

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JUNEAU, ALASKA 99802

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ANCHORAGE OFFICE

510 THE FINANCIAL PLAZA
P. O. Box 679
ANCHORAGE, ALASKA 99510
PHONE (907) 277-6693
TELEX: 090-26-486

PLEASE REPLY TO

JUNEAU OFFICE

ANCHORAGE OFFICE

OF COUNSEL
M. E. MONAGLE

December 20, 1977

C
O
P
Y

Mayor or City Clerk
City of Kupreanof
P.O. Box 50
Petersburg, Alaska 99833

Re: Petersburg Annexation
Mailing of Petition and Brief

Dear Mayor or City Clerk:

This office is legal counsel for the City of Petersburg which is currently in the process of petitioning for extension of its municipal boundaries by annexation. We have a problem in connection with the annexation and its origin was right in this office.

On November 22, 1977, this office filed the City of Petersburg's Annexation Petition and Brief with the Department of Community and Regional Affairs. On that date copies of the Petition were mailed by regular mail to Kake, Wrangell, and Kupreanof. The next day, realizing that the regulations prescribed that the mailing shall be by registered or certified mail, this office again mailed copies of the Petition and Brief to Kake, Wrangell and Kupreanoff -- this time by certified mail. The problem was that, for reasons which remain unknown to me, the envelope addressed to Kupreanof was sent out without postage. Then to aggravate the problem, the Petersburg Post Office sat on it from receipt in late November until the present time, it not being returned to this office until December 20, 1977.

These factual circumstances give rise to major concern on the part of the Local Boundary Commission because notice to adjoining municipalities is a jurisdictional

Mayor or City Clerk
of Kupreanof
December 20, 1977
Page Two

precondition to the convening of a valid Local Boundary Commission proceeding. In yesterday's mail you probably received a copy of a letter which I addressed to Mr. Erik Simpson of the Department of Community and Regional Affairs which recited the problem which I was having with the return receipt of mail addressed to Kupreanof. With today's return of the envelope which was "returned for postage", I am perfectly aware of what the problem was and its origin. And now I convey my sincere apologies for having to trouble you.

It is my considered opinion that this defect can be remedied in either of two ways. The first is to have the Mayor or Clerk of the City of Kupreanof prepare a letter addressed to me which acknowledges receipt of Petersburg's Annexation Petition, Brief and Exhibits postmarked November 22, 1977, stating the approximate date on which they were received, probably around November 24 or 25, 1977, then have your letter notarized either by a Notary Public for the State of Alaska or by the U.S. Postmistress. It is essential that your statement be either notarized or sworn to by the postmistress. I would ask that you then send the letter back to me. That is the preferable procedure, I believe. The other alternative would be to have the City of Kupreanof take formal action in the form of a resolution waiving the requirement that the petitioner send copies of the Annexation Petition, Brief, and Exhibits to the adjoining municipality of Kupreanof at or about the time the petition was filed with the Department of Community and Regional Affairs. In such event, the resolution should also acknowledge that notice of the Petition had in fact been received by the City via mailing postmarked November 22 (or perhaps it was possibly even November 23 if the mail was picked up here in Juneau late that day).

I solicit your prompt attention and favorable cooperation.

Enclosed is another copy of the Petition, Brief, and Exhibits taken from the envelope which was returned to this office for postage.

Very truly yours,

ROBERTSON, MOLLAGE, EASTAUGH & BRADLEY

By:



L.B. Jacobson

LBJ:ss

cc: Dave Moffat
Erik Simpson, CR & R

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JUNEAU, ALASKA 99801

TEL. 586-2210
AREA CODE 907

December 6, 1976

JAN VAN DORT
LAWRENCE T. FEENEY
CHARLES N. DRENNAN
PATRICK E. MURPHY
TOM BATCHELOR

Local Boundary Commission
Department of Community and Regional Affairs
Pouch B
Juneau, Alaska 99811

Re: In the Matter of Annexation by City of Skagway, Alaska

Gentlemen:

This letter supplements the Brief of Pacific and Arctic Railway and Navigation Company filed in the above entitled proceeding.

Wherever throughout the railroad's Answering Brief reference is made to the distance from the northern boundary of the City to the U.S./Canada international border as "almost 20 miles", this should be amended to read "approximately 12 miles". However, where throughout the Answering Brief, reference is made to the distance from the City to the border via the railway, this remains "almost 20 miles".

In reply to the petitioner's Errata and Addenda filed the 26th day of November, 1976, the railroad submits the following:

1. Reference to a topographic map of the area submitted herewith shows that the only land which is not very steep hillsides is the valley of the Skagway River including the White Pass Fork and the Warm Pass Valley. The White Pass Fork is in a steep gorge. The Warm Pass Valley has steep hillsides and is boulder-strewn along the river. There is a small amount of land capable of being developed at the confluence of these two streams. Downstream the river is in a gorge all the way to the East fork within a distance of three miles from the northerly limits of the City of Skagway. There is a small amount

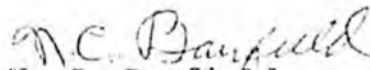
of land near the mouth of the East fork capable of development. From there down to the northerly boundary of Skagway there is an area of flat land occupied by the numerous channels of the Skagway River, which is a braided stream in this area. Its course changes constantly and only at a few places along the banks is there any chance of development. U. S. Survey 3312 is in one of these few places approximately two miles from the City's north boundary. The mountain sides are too steep for any development. Although the City is entitled to select 10% of the land owned by the State within its boundaries, it appears there is very little land which is of any value for development. In fact, the City could select all of the land suitable for development with little or no extension of its boundaries.

2. When the Legislature allowed the cities and boroughs to select 10% of the State land within their boundaries, it would have resulted in every municipality in Alaska extending its boundaries in order to create a right to selecting more land whether it needed the land or not, except for the fact that the local Boundary Commission had the duty to protect the State from such unnecessary acquisitions beyond the needs of the communities. If the City of Skagway is allowed to acquire an additional 106,000 acres and to select 10,600 acres in addition to the selections to which it is already entitled, then a city like Juneau should be allowed to annex Admiralty Island and all of the mainland half way to Petersberg and half way to Haines and Skagway. If such practice was allowed, the State would lose almost 10% of all its lands because there would be no end to the amount of land various communities would claim they are entitled to. It is your duty to protect the State while giving the city what lands it needs, if any.

The City of Skagway has not shown how the services will be provided to the territory it proposes to be annexed or when they will be commensed to be furnished or fully available although it plans to start taxation in 1978. 19 AAC 05.020 requires as a condition precedent to granting annexation that the services will be provided within a reasonable time or differential tax zones will be established. No such showing has been made so

therefore the application should be denied. Although the Commission may find that some services are needed and can be furnished under some plan which the City may furnish later, the fact remains that there is no need for any extension of municipal services more than one and one half miles from the corporate limits of the city. There must first be a need and then a plan capable of being implemented. Without a need the plan should be confined to the area which the Commission finds is in need of these services.

Respectfully submitted



N. C. Banfield

Attorneys for
Pacific and Arctic Railway and
Navigation Company

NCB/bf

Nov. 24, 1977

Ladies and Gentlemen of the Local Boundary Commission:

On the evening of Monday, November 21, 1977 I was one of several out-of-city residents of Mitkof Island who attended the public hearing and Petersburg City Council meeting. The subject of the hearing was the first item on the agenda of the city council: A petition by the city council of Petersburg to annex Mitkof Island. The out-of-city residents had numerous questions concerning this important matter--unfortunately the city council was not prepared and so were unable to supply anything except vague generalizations.

Whereas the city council of the city of Petersburg has had two years in which to study the feasibility of the aforementioned annexation (two years having elapsed since the last time the city council tried to petition for annexation of the island), and whereas the city council of the city of Petersburg has by its own admission no idea whether such annexation is feasible, I therefore submit that the aforementioned petition is premature at best, and that until an in depth feasibility and impact study have been undertaken and completed and presented to the public, such a petition is at best ridiculous.

I further submit that whereas the overwhelming majority of the out-of-city residents of Mitkof Island are opposed to the aforementioned annexation, and that whereas many out-of-city residents of the island favor alternative methods of incorporation of the area, further feasibility and impact studies should be undertaken; to wit:

1. The creation of a unified first class borough, to include the city of Petersburg and Mitkof Island.
2. The creation of a unified second class borough, to include the city of Petersburg and Mitkof Island.
3. The creation of a second class borough, to include Mitkof Island and to exclude the city of Petersburg.
4. The creation of a first class borough, to include Mitkof Island and to exclude the city of Petersburg.
5. The creation of a first class borough to include Mitkof Island, the city of Petersburg, Kupreanof Island, Kuiu Island, the northern half of Prince of Wales Island and the southern half of Admiralty Island.

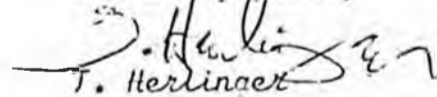
6. The creation of a second class borough to include Mitkof Island, the city of Petersburg, Kupresnof Island, Kuiu Island, the northern half of Prince of Wales Island and the southern half of Admiralty Island.

7. Further alternative methods of incorporating that part of Mitkof Island which lies outside the city limits of the city of Petersburg.

During the public hearing it became evident that while the city council of the city of Petersburg wants the taxes of the out-of-city residents of the island, they want to give these same residents no services. When asked how they could pay for the extra services which would be demanded by the residents of the area being considered for annexation the council seemed surprised that we should want or need any services beyond those now available. It should be noted that the services now available are inadequate for the area for which they are legally responsible, let alone the area being considered for annexation. If the area in question were annexed the State Troopers who now protect the island would almost certainly be withdrawn, and the present city police department of the city of Petersburg cannot even protect the post office, (which is across the street from the police department) from vandals; therefore the lobby of the post office must be locked after 6:00 P. M. Although the city has a fine volunteer fire department, it is physically impossible for them to protect more than the city proper--last Saturday they arrived at Sandy Beach (two miles from downtown) just in time to see Bill and Joyce Jenkins' house metamorphose into an excellent site for a wiener roast. While Sandy Beach is outside the city limits, the department, although it has no legal responsibility has a moral obligation which it cannot fulfill; if the area were annexed they would have a legal responsibility but lack the physical resources necessary to fulfill this responsibility.

In closing I should like to make a subjective observation: The city council of the city of Petersburg reminds me of a third class juggler, who unable to handle the objects now in motion, deigns to turn the act into a comedy by calling for more objects.

Sincerely yours,



T. Herding

P. O. Box 378

Petersburg, Alaska 99833

DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS

In the Matter of Annexation)
by City of Petersburg, Alaska)
_____)

PETITION

1. PETITIONER'S NAME. The petitioner's name is City of Petersburg, Alaska, and mailing address is P.O. Box 329, Petersburg, Alaska 99833; Phone: 772-4511.
2. ATTORNEY. Petitioner's attorney is Robertson, Monagle, Eastaugh & Bradley, P.O. Box 1211, Juneau, Alaska 99802; Phone: 586-3340.
3. BOUNDARY DESCRIPTION. The legal description of the territory all in the First Judicial District, State of Alaska sought to be annexed is:

The entirety of Mitkof Island and contiguous waters extending a distance of 1,000 feet from line of mean high tide excepting in Wrangell Narrows which distance shall be the mid-points between Mitkof and Kupreanof Islands.
4. LAND QUANTITY. The quantity of land in the territory proposed for annexation is 211 square miles, excluding the tide and submerged lands and present municipal limits.
5. VALUATION. The estimated value of real property in the proposed territory is \$6,790,000, valuation of personal property being estimated at \$250,000.
6. POPULATION. The number of residents in the territory proposed to be annexed is 514.
7. PROPERTY TAX. There is no real or personal property tax levied against the property.

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8. SALES TAX. There is no sales tax levied by or collected in the territory.

9. BONDED INDEBTEDNESS. There is no outstanding bonded indebtedness for which the territory to be annexed is currently responsible.

10. EXHIBITS. Incorporated by reference are the following exhibits:

- A. Legal description of present municipal boundaries.
- B. Map of existing boundaries.
- C. Map of proposed territory sought by annexation.
- D. Certified ordinance authorizing annexation procedures.
- E. City Attorney's affidavit respecting information sources.
- F. Attorney's certificate of service.

DATED this 22nd day of November, 1977.

CITY OF PETERSBURG, ALASKA

By



L.B. Jacobson
Of Robertson, Monagle,
Eastaugh & Bradley
Attorneys for Petitioner

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