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5618 HOUSE COMMUNITY & REGIONAL AFFAIRS

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Superintendent Hill: The answer to Joy's statement of about if there is only 14 or 16 communities, why not have a 14 or 16 member Assembly. The one man, one vote rule, as Jim Sanders told us back in March, does not allow that. In other words, the one person from Egegik might be representing 60 people. The person from Iliamna or Nondalton represents 230 people. Is it fair? So Nondalton will say if you have 60 people for one vote, I want four votes for Nondalton. You will end up with a 200 person Assembly pretty quick. That's the one man, one vote rule.

Marvin William: How about taxes then? If you're going to tax one place, suppose it only does have a little bit of place but it brings in a bigger revenue than most places? So which way are you going to look at it?

Superintendent Hill: It's going to be all of them.

Dennis Niedermeyer: I've heard the comment a lot of times and that relates to the North Slope Borough and their assumption is that they generate all the revenue for the State and all the revenue should stay in the North Slope Borough. The same argument is made everywhere and I don't know how you reconcile that, but the tax revenue is generated where it's generated and law says how it's distributed. You're right, it's a problem.

Jim Stevens (Nondalton): Why not compromise for them, based on service districts, as far as the apportionment goes. Speaking for the City of Nondalton, with a population of 247, rather than the 195 listed here, as recognized by Revenue Sharing, we feel we should have our own seat because we have such a large population base. But if that is not workable to everyone of us here, then I would suggest that we go more seats than the seven (7) based on the Service District idea, rather than individual communities. The way it is right now, I see a lot more divisiveness coming out of this than any kind of cohesion.

Superintendent Hill: I don't have any problem with a twenty (20) member Assembly, but you have to remember that one of the things we are trying hold down is cost, and as soon as you start to try to come up with representatives from all the communities and adjusting the assembly by population, it really becomes a problem.

Jim Stevens: You're Brian supporting it shows a half-million dollar surplus at the end of each fiscal year. I see the cost of a couple

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Dennis Niedermeyer: The anticipation was that the borough government would be as transparent as possible, and wherever possible those would flow back to communities.

Jim Stevens: Yes, but you're also talking about local control. And instead of having seven (7), maybe ten (10) and I think we would have more local control, and I thought the purpose of this meeting was to have all these communities decide on it, what sort of apportionment we would have in this Petition.

Superintendent Hill: Let me explain; the number of people that each of the borough Assemblymen would represent was decided on by the DCRA in conformance with what is going on with the rest of the State. We were trying to make it small enough and invisible enough that it wouldn't have that much influence. If it's a big issue, it certainly can be something that can be looked at and if possible, something we can accommodate. At this point we could go to another population study and start the process of changing the representation.

Joy Abalama: I was under the impression that we could add to the Charter whatever we wanted and fix the glitches.

Superintendent Hill: I'm saying it just takes time, and I'd dearly love to have one that had no glitches in it. This is, again, one that we had to put out for you to look at that was fairly complete. I'd like to ask Jim Clark how the representation breaks out in the Bristol Bay Borough, as an example. What is the approximate number of people each seat represents?

Jim Clark (Bristol Bay Borough Manager): We have no districts here. They (assembly) are elected at large. One thing I would like to mention though, 1990 is coming up and each place has to be given the opportunity to vote (on whether to elect by district). If there was a Lake and Pen Borough in 1990, and you would have to give all the people a chance to determine whether they want (to elect by) districts or not. We ran into that in 1980 on the situation, it (approval) wasn't given at that time and we got in a little legal hassle and had to have an election in April to give the people an opportunity of whether they wanted to vote their elected officials in districts or at large. At that time, they voted to keep them at large. Another thing I'd like to address, I hear people talking about population factors. I know that in 1980 the Bristol Bay Borough population by the United States Census was down to what we considered

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much lower and to get our Revenue Sharing funds and federal funds at that time, it was listed at 1,064 for the Borough. The State allowed us for (the purposes of) Municipal Assistance and Revenue Sharing, to do our own (census) under certain circumstances, which I'm sure it will allow again. And to take that number (population) and each year a(n additional population) percentage is added. What may happen in 1990 is a place may find that it has less population than it has been allowed to use. We found we were able to use our 1981 survey, that we did locally, and we went beyond 1100, through the percentage years to increase that population count, and in our case it was 2% a year, so you can see what will happen. Now I've seen conflict of numbers even within the borough. We can use 1326 population, but in 1990 it may turn out that it may not be that and we'll have to go through the same thing again. Now if we use more, we have to go through the legal ramifications that show that on your Revenue Sharing forms show that you rectified how you had more population.

Superintendent Hill: I think the State is trying to recognize essentially the same standard of population count statewide. If they let everybody set their own standard then we would be all over the board in terms of what it was. I'm not refuting anyone's standard, I'm saying we had to have something to go on and we felt the number given us from 1980 was way too low, and that was the last official census. Mr. Stevens, your proposal was then to increase the Assembly by

Jim Stevens: By establishing about 9 - 11 service districts and have an Assemblymember from each district. This would be along the lines of a service district along with the rest of the Charter.

Superintendent Hill: I'm sure it's entirely possible. One of the things I wanted to point out too, when we said this was like the Constitution, this Charter, there is provision in there to change it. It's tough to do it, but there is provision to change it. It requires 66% of voters voting on the question of change. Once it's in, it's pretty hard to change but it can be changed. If we can, Mr. Stevens, take these different issues and maybe carry them with our thinking and as we get closer to the recap and seeing how the rest of the group feels about all the other issues and if these are things that all of you feel are issues that would make this whole process less painful and more agreeable to everyone, then possibly we can get all these changes built in. I said possibly, I don't know. In order to get it all in, and filed within the time frame that we need, that process must be expedited.

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Jim Stevens: Just to let you know, I feel we should do this right from the start. If we're going to have to be out of here by 2:00 p.m., I don't want to be rushed through the whole thing within 15 minutes. I think everyone here would agree that seven (7) isn't quite enough, and I think we need a higher number, and I'd just like to see some of these things incorporated or taken seriously by the petitioners.

Marvin Williams: We've got to change our lifestyle to fit into this.

Superintendent Hill: I understand that. I know some of you think maybe I'm watching this like somebody's kicking my baby. And in a way, that's true. I want to make sure that nobody ever tells anyone else that this is "Frank Hill's Borough", this is something that you all decided on. And if this is an issue that you all feel strongly about, then perhaps the Board would entertain a motion, something doing these as each comes up rather than recapping at the end. How would you prefer doing it? This is a School Board Meeting and it's up to you.

Annie Christensen: I think as an issue would come up, it would be easier to handle it up front.

The Board recessed at 11:58 a.m. and reconvened at 12:20 p.m. with the same members present.

Superintendent Hill: We're discussing the expansion of the Assembly to more representatives and ran into this problem we discussed earlier. In order to do that you have to meet a variance standard in terms of the number of residents that each Assemblyperson represents. It turns out that the larger you make the Assembly, the harder it is to meet that variance. The smaller the number, the easier it is, and that's how the Boundary Commission explained it to me back in March. In other words, you can't have one representative representing a whole lot more people than another representative, and there is a variance percentage that is allowed. The larger the number on the Assembly, the harder it is to meet that variance standard. What was suggested by someone was perhaps you could do what is currently being done by Aleutians East, where each community in the area of the borough is allowed to have a nonvoting representative at the Assembly meetings. I don't know if that means that the borough would necessarily pay for the travel or the attendance of each of those representatives. I don't know if that would be a reasonable solution. That might be a possible solution, having one representative from each of the

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meetings. You wouldn't necessarily be able to vote, but you sure could yell at the person who is supposed to be representing you. To try to track what we were talking about earlier then, do you want to try to settle this issue?

David Wilder: I just want to add a little bit to it. I think an expanded Assembly might be appropriate, and I don't know how much is involved in it. I think it would give us a little better representation and if it was feasible, I could support a nine (9) member Assembly, as opposed to a seven (7) member Assembly. I do get concerned when we start talking about somewhat fractionalizing the borough. The idea is to get seven (7) or nine (9) good people who look at the borough as a whole and not as Port Alsworth, or as Egegik, or as any given area as being their point of concern. The point of concern for that Assembly is going to be the borough. We want to protect the borough and we want to keep it what the people of the borough want. I think that if we were to sectionalize it or make improvement districts or something of that type with one member from each area, representing their area, it might tend to make factions instead of making a cohesive force. The other thing that I was going to mention too was just from being on the School Board I noticed a lack of involvement or lack of concern from a lot of communities to get involved. When we get to a borough Assembly, we need some really good people, business-minded people, people that are interested and able to run a business, to be involved in that. That's the way we're going to have an economically viable operation that's meeting the needs of the people. We need involvement. We need involvement on the School Board and more-so on that borough Assembly if and when it does come. I think that's going to be a real key to the success of it.

Superintendent Hill: Well, where are we then? We decided to settle the issues as they come along.

David Wilder: How hard would it be to change to a nine (9) member Assembly as opposed to what we have now, a seven (7) member Assembly. What's involved?

Superintendent Hill: What's involved is you would take the number of members and figure out where they would come from in the different districts. You would have to set up districts to have those nine (9) people representing. Then you would have to figure out how many communities or votes that each of those nine represent. Then you would have to look at this variance factor. Is it within the tolerances that is allowable in that way?

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David Wilder: What's the time frame? Can we do it in the next week?

Superintendent Hill: Yes.

Bob Arce: Maybe what you could do, Frank, is add one seat to the south and one seat to the north and that would give you nine (9), and leave the at large seat. But the thing I keep coming back to is that I don't think that the voting should be borough wide. I think it should be split off, however you want to split it off, either north just vote for the north and south just vote for the south. But I don't think it should be just total district because the people that are going to run for the seat, they're going to have to work together to become a cohesive borough and I don't think you're going to have a person consistently representing south or he's going to be out of there, because the other villages are going to get upset with that. But I am concerned about the voting and the seats, I think it should be split off. I don't think it should be district-wide; one is the expense of running a campaign, if you're interested in it you have to go from one end of the area down to the south end of the area, and secondly, people in the south know, generally, the people running in the south and the same within the north.

Superintendent Hill: I think that is an option that is easy to satisfy because it is provided for as an option in the formation. The nonarea-wide voting in fact is an option for School Board representation. When the School Board initially set up, they opted to go on an area-wide, District-wide vote. If it would help satisfy some of the concerns, we could certainly go to a nonarea-wide vote, in other words, whatever district that you got your petition out of, where you live, and whatever other community that signed your petition, then only the people in that community would vote for you.

Annie Christensen: When you are elected to a seat, you're supposed to represent the whole District.

Superintendent Hill: That's right. And once you're elected to the Assembly, you represent everybody in the whole borough.

Bobby Jo Kramer: I don't see how we can have people only voting for Assemblymen out of their north or south district and expect them to represent everyone in the district. I don't want someone telling me what to do in a borough if I don't have the ability to elect them or not. I think that I have that right to be able to vote for or against everyone who is on the Assembly. And what you're saying

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Bob Arce: Well, my feeling is we send representatives to the State Legislature, and the entire Legislature represents the whole State, even though they come from a particular area. If they just represent their particular area, and everyone does that, the whole thing breaks down and then we have another election the next year or next following year. The whole borough idea is a new thing, at least for us, and people are concerned that at least they have an option or someone, or a couple of people, they know are specifically supposed to represent their area and it is easier to have access to those people. It's also a lot easier that if you're dissatisfied with what the person is doing, it is a lot easier to go around to seven (7) or nine (9) villages in an area and try to get someone on there then to try to go down to Ivanof Bay and Perryville and Port Heiden and take it from there. That's always been what's happened in the past sometimes, people that are running from one specific area win in that area, but the people from the other area vote the incumbent in, and the challenger, even though he may have been supported, doesn't get in. The people may have concerns they want voiced and I don't think that those concerns will be addressed adequately if we have district-wide voting.

Patty Alsworth: I can see your point with the voting, but one of the things, I think, that we're concerned about often in our School Board meetings, one of the other members will say "Remember, you don't represent Port Alsworth, you represent the District". I think that's what we have to remember, every Assemblyman should be just as concerned. It's natural to know what your village needs and it would be wrong not to represent that, but when it comes to the whole thing you have to disengage yourself from your village and your personal needs and what's going to happen and realize how it's going to affect the whole District. It's not easy to do, but that is what you have to do.

Bob Arce: I think that's when the people get on the seat, when the borough starts to function, I think that's what in fact starts to happen.

Agnes Rychnovsky (Newhalen): I agree with Bob, too, because to get good people on the Assembly, how do we know that the people down south are good people or not. If we don't know them, and if they don't campaign, we don't know who to vote for. How do we know what kind of political people they are if we don't know anything about them.

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Bobby Jo Kramer: But that doesn't mean that you shouldn't vote on whose going to represent all of the borough. I wish I could remember how I used to think because I used to think that too, and I can't remember when my thoughts changed. Every person who is on the School Board, and that is what we have in place, and at one point I thought, too, that, yeah, we should have separate voting in the north and the south. And probably, I guess, before I got elected to the School Board I changed my thinking. I was elected by the people of the District, I wasn't elected just out of the south. I don't know how to communicate with you how important I think it is that everyone have the opportunity to vote for every person that is on the Assembly, who is going to be representing you. One thought that I agree with is that we expand the Assembly to nine (9) members and that each village that is not represented, have a representative come from that village and have the borough pay for that person to be there, and that they be allowed to speak and attend the meetings, as nonvoting members, and I think Aleutians East had a real good idea to do that. I just really think that if someone is going to represent me in the borough, I want to be able to vote for them or not.

Superintendent Hill: I'm really happy that you're all getting into this, and I don't want to push the issue way past where our interest is. I think the way I see the problem here that needs to be resolved and for us to move on to other issues that may not be quite so important, yet need to be addressed, is whether or not you want this Charter to provide for an election for Assemblymembers on a nonarea-wide basis, in other words, you would only be elected by the people of the district that you represent. That's one issue. The other issue is whether or not the Assembly would be expanded beyond the seven (7) members. Those are the two issues needed to be addressed. I think the first one is one that can be done just by everyone here saying "Yes, I think we ought to do that". The second one really has some hinges on it, some legal requirements that need to be looked at. If you said provide a nine (9) member Assembly, either we have to invent more people in some of those places or drop some people off in order to make it work, or we'll have to have the option by you that says if it doesn't work, stay with the seven (7) member Assembly and provide for non-voting members from the other communities. There are a bunch of options that I don't like that I think in order to get the thing done, need to be addressed. However you want to deal with this, perhaps the easiest to deal with first, is the vote.

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Superintendent Hill interrupted the proceedings to introduce Dennis Shargin, Perryville LSAC; Glenn Kalmakoff, Ivanof Bay LSAC; and Ella Kalmakoff, Ivanof Bay Village, who had arrived. Superintendent Hill briefly explained where the group was at in discussion.

The first issue can be done pretty quickly, if you want to go ahead and vote on it.

Annie Christensen: I think we can have a show of hands.

President Annie Christensen asked, by show of hands, who wanted to have nonarea-wide voting for the Assemblymembers. A question of terms was asked: nonarea-wide meaning only the people in the district that you represent would vote for you, instead of everyone in the whole District. The vote was four (4) for nonarea-wide voting and 34 against. The vote did not carry by majority vote. The voting will remain area-wide.

Superintendent Hill: The next issue is whether or not we can expand the Assembly to nine (9) members without messing up the variance.

Myra Olsen: Or you could have the seven (7) members with the inclusion of nonvoting members from other communities.

Superintendent Hill: So that would be the two issues you are going to vote on next. You're going to have a choice between, if it is possible, a nine (9) member Assembly or adding to the Assembly as described with a nonvoting representative for the communities that are not already represented on the Assembly. There are the two choices.

A show of hands was asked for those in favor of the nine (9) member Assembly. The vote were four (4) for the expanded Assembly and 34 against.

Superintendent Hill: The rest of you are agreeing that a seven (7) member Assembly with nonvoting representation at the Assembly meetings for those communities that don't have an Assemblyperson. Can we proceed then to whatever the next issue might be to your interest?

Jim Stevens: Is the sales and use tax two (2) separate taxes?

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Superintendent Hill: In order to meet the requirements, that's how it's set up. That really means it's not a sales tax, only on the sale of raw fish is the way it's set up.

Wassie Balluta: Raw fish and sport fishing.

Superintendent Hill: Yes, and then the other is the sale and use on activity relating to recreational fishing, sport hunting, and air taxis, guiding and lodges.

Jim Stevens: Thank you for the clarification.

Superintendent Hill: This Petition does not propose to allow or issue a property tax. The reasoning for this is from everything we can find out the total assessed valuation of all the personal and real property in this area of Lake and Peninsula amount to somewhere just over \$32,000,000. If you run a property tax, you first have to get a professional assessor and go around to each of the communities and assess all of the property, personal and real, and then figure out what the tax rate will be, and then collect it. The cost of collecting a tax on \$32,000,000 would probably be more than what you would collect, from what everybody is telling us. We could have a property tax, it could be allowed, but the main value is going to be on personal property where that relates to your boats and fishing gear. There isn't a lot of high value, real property in the area, except for the few canneries that are around. The DCRA advised us that it would be impractical to assess a property tax in this proposed borough because of the low value. If we had \$200,000,000 tax base, then it would be different. Then it would be worth it. But you don't.

Bob Arce: On the "Proposed Borough Revenue Summary" on page 9 of the Incorporating Petition, there is a proposal for the borough fish tax and then there is a proposal for the recreational fisheries. Where did the figures come from and who's going to be taxed out of the recreational fisheries? Is it a head tax for all the air taxis and lodges for all the people they have coming in?

Superintendent Hill: Basically, yes. To give you an idea of the source, it was proposed at the last meeting to look at this impact to the area. All the lodges and guiding do impact what happens to these communities, and in the north area of the District, especially, there is a tremendous amount of business undertaken relating to recreational fisheries and sport hunting, all flying in and out. We are involved in way

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to generate revenue in the middle and northern area of the District that was also separating some of the potential viability of the borough from being so dependent on commercial fishing. We found a study that was done by the Alaska Sport Fishing Association, that studied the Nushagak drainage and I used the idea from that, along with additional information to try to generate a figure for what might be happening on this side of the Nushagak. In conversation with Department of Sport Fish and Fish and Game, we came up with a number in the order of \$25 to \$30 million annually is spent by people in this area for recreational sports fishing, hunting, and air taxis and lodgings. And basing our assumption that we're only going to be able to chase down about half of these people in the collection, that's where the figures come from.

Bob Arce: Are you only taxing fishermen, or are you taxing hunters too?

Superintendent Hill: It says "fisheries" but it should be recreational fisheries, hunting, whatever. In the assumption of raw fish tax, if you look at the schedule carefully, you will see that we assume being able to collect roughly 75% of the revenue that you might be eligible for the first year and then it would take you a couple of years to chase down the other 25%. I know in conversation with Jim Clark and Bristol Bay Borough, they run pretty close to 100% but it takes them several years sometimes and trips to the courts to make people to pay up. Another issue that you will notice that there is a capital reserve account amount that starts to develop pretty fast after the first couple of years. We've set up in the Charter a reserve account, trying to leave it open enough to address the possibility of a borough permanent fund or an investment fund for capital projects related to the communities. If expanded services are voted on, you'll have something to work with. It won't become part of the operating budget.

David Wilder: One of the reasons for that is we do depend a lot on fishery and that is an unstable source of income.

Superintendent Hill: As any of you who pulls a net, knows, some years you feel real good going to the bank, and other years you might not. We tried to create the reserve fund to allow the borough services to continue in the years that you don't have a high tax return.

Dan Salmon (Igiugic): Based on the School District staying at the operating level it is now. I understand that under the Charter, there

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going to fund the School at the present rate it is now. Is that it?

Superintendent Hill: That's the assumption.

Dan Salmon: Does that leave an avenue for stuff like sports?

Superintendent Hill: The local government, once incorporated, by the way, this is one of the reasons this is all happening. The Legislature is saying that people out here should start paying for some of their own costs of education. So the borough is required to contribute a certain amount, a minimum amount. But that is an assumption for keeping the same level of operation. Of that \$7 million dollar budget, approximately \$4 to 5 of it is School District operating funds. Most of that still would be paid by the State, not by the borough

Wassie Balluta: But every year, after the borough is formed, the School District does submit a budget to the borough and it has to be approved. If you need more revenue to operate the school, then the School Board requests that from the Assembly.

Superintendent Hill: Most boroughs that have the money find it difficult to deny projects if they have the funds to do it. If the borough doesn't have the money, they can't agree to do it.

Melvin Trefon: The level of services that the community currently provides for their own community will remain the same?

Superintendent Hill: Yes, in order to be a minimal impact we tried to make sure that communities that already perform planning functions and all that, either incorporated or not, would assume that those communities would provide their own ordinances to adopt the planning responsibilities for their communities. In a second class city, that's already your requirement and the borough would transfer that option to you.

Superintendent Hill introduced Ron Bowers, Chignik Bay, who had arrived.

Ron Bowers: In the Charter, how planning is written, the borough has to adopt a resolution saying that legal authority will be given back to the cities. There are some concerns there.

Superintendent Hill: If it's an incorporated city, the option is almost automatic, I would think.

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Superintendent Hill: Then that's why you get your Assembly person and make sure that that happens. It's not an automatic, you're right, but it is provided for. And there are some communities may not want it. That's why it's an option both ways.

Joy Abalama: Who decides where the borough seat will be? It can't be King Salmon, because it's not in the borough.

Superintendent Hill: The current Petition proposes to locate the borough seat in King Salmon, only for the reason that right now, the District office for Lake and Peninsula is in Bristol Bay Borough. It would become the property of the Lake and Peninsula Borough once it was incorporated, whether it's in Bristol Bay Borough or not. The borough seat can be decided upon by the Assembly, too. The proposal is more of expediency than anything else and trying to recognize again this idea of minimal influence. I've been told if you put it in one of the other communities of the Lake and Pen area, that you'll get everyone else mad. I don't know if that's true.

Ella Kalmakoff (Ivanof Bay): Why not put it half-way between all the villages?

Superintendent Hill: It is approximately half-way. We're just about 400 miles from Ivanof to Port Alsworth. If there are some real strong feelings, then this needs to be addressed. The City of Chignik hires a manager who lives out of the City for most of the year. The idea of managing of a region from a remote area is not new to us, maybe it's not preferred, but that seems to be what's happening. The idea of centrally locating a borough seat is really important. If you want to try make it work with people managing the area have access to all the areas of the borough equally, then it's important to try to centrally locate it in an area that you can get in and out of, get the services and the technical help that you need on a consistent basis. King Salmon seems to be a logical point for that reason, along with the fact that there exists a borough building with property and available office space. If it's a point that needs to be voted on or change, I need to do it.

Joy Abalama: If the Assembly wants to change it, they can.

Superintendent Hill: Okay. One of the other things we tried to write in on the Assembly meetings was whether or not the Assembly meetings should be held in King Salmon. Maybe they ought to be rotated around. One of the things you will notice in the Charter was we provided for attendance by teleconference. If you're on the Assembly:

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and the Assembly is meeting and you can't make it, we provided for the opportunity to attend by teleconference. You can pick up the phone and legally register your votes at the Assembly meeting. There's ways to try to provide for this remote access question.

The Board recessed for lunch at 1:05 p.m. and reconvened at 1:40 p.m. with the same members present.

Superintendent Hill: We have pretty much gone through all three of these things alternately, so if you want to continue to express your concerns, if you will also let us have a few minutes at the end to do what we think really needs to be done, which is for the School Board to bring up the motion to officially direct the Administration to file the Incorporating Petition.

Ron Bowers: I don't want to be a spoiler, but I've really been studying the borough issue quite thoroughly and I've only been in Alaska for ten years, but it's the big thing they're pushing and to save what we've got and to keep the educational level up and hopefully there will be other things. We really looked at this closely at Chignik, and I can't speak for the other Council members, but I just wanted everyone to know we've looked at this inside and out, I've read through this Charter and it took me two days, and I don't know how many people here have read through that whole Charter. When the borough becomes a borough, and I think it probably will, and the City of Chignik will lose half of our raw fish tax take in a period over five (5) years. Any city that gets money from raw fish tax within our borough will be affected the same way. There is no way to get around that with the way it is set up with the State. I want people to be aware that there are some major sacrifices there. The other big issue is that bottomfish, many people in this area are making money off the bottomfish industry that is just getting started because of a change in a tax policy. According to the Charter, there is a 1 $\frac{1}{2}$ Sales Tax that could be instituted by the Assemblymembers to decide what is going to be taxed. Bottomfish in Chignik is barely making a profit. We are just getting started down there and if we aren't careful, you're going to lose a revenue source not just for the borough, but for people with the Alaska Peninsula Corporation.

Superintendent Hill: You're right, there are many sacrifices that we have discussed many times, but what other choices do we have if we don't face those issues right now? I would prefer that we didn't have to make these choices. In terms of those services that the City of Chignik now provides with that tax that is a rebate from the State for the borough, the services could easily be provided by the borough.

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that are lost if the City of Chignik loses the revenue to the degree that you stated. Whether or not you want the Charter to guarantee that those services wouldn't diminish, I don't think that that's the point of this organization or the Petition, or the Charter itself right now. I think that communities ought to allow the Assembly to address these issues, because then you're into the actual business of running the government and setting up the operations. Someone asked how we're going to collect that recreational tax; that's really up to the Assembly and the Manager to come up with a plan. Again, I resent the immediacy we are facing in terms of having to get this done without having all these issues addressed, but I believe that the provision in the Charter for the Assembly to set up those structures once it's in place will take care of all those concerns you all have. Certainly, more government than we have now is not as desirable as what we would like to see. Like someone said at the last meeting, if we could stay forever like we are now, we probably would. But we don't think that that's a possibility anymore. If we can get a start here, the voters will have a chance to say "yes" or "no", once the Boundary Commission approves the Petition. Someone asked the question, suppose Kodiak's annexation is allowed as presented, would Lake and Pen be denied? That would not be an automatic no. The Boundary Commission could say they think Lake and Pen could exist without what Kodiak wants, Kodiak deserves it, and give Kodiak a yes answer and Lake and Pen a yes answer, less the land that Kodiak took. That's a possibility. Or they could say take Levelock, or they could tell Kodiak to take Chignik. We don't know what the Boundary Commission is going to do. What we're trying to do is to make the strongest proposal to maintain the educational program that is now being provided in the area, nothing else. All those other issues is really up to the Assembly and who you elect to the Assembly.

David Wilder: It might be a good time to mention the fact that during these hearings in early December, between now and then we need to get a policy statement from each city council, native council, and representatives to substantiate our standing.

Superintendent Hill: The Kodiak Island Borough Annexation Proposal is out for public notice, and they are inviting comment. I would encourage any community that has any feelings about what Kodiak is proposing to get on the record officially, whether you support what they're doing or not. The same thing will happen with the Lake and Peninsula Borough. You will have to do likewise with that. Just to point out something I didn't earlier, we talked about whether it would be possible to return the revenue sharing and the municipal

assistance monies that the incorporated and unincorporated cities now receive from the State. If you look on page 24 of the Charter, Section 15.21, it addresses municipal assistance and revenue sharing.

Ron Bower: You might point out that is a very, very small part of what cities take in around here, based mostly on population.

Superintendent Hill: I understand that, and you have to also understand that in some of the unincorporated cities that is the only money they get from the State.

Ron Bower: When I read through the proposal, under capital improvement projects, the Assembly submits a request for capital improvement projects and they are bonded for these projects. The voters then must approve the bonded indebtedness. The way I read this, eventually the borough takes in less funding and they need another tax revenue source to pay off this bonded indebtedness, which the public has approved, then the Assembly can enact property tax without the general electorate ever saying yes or no. That is a very, very hot issue with a lot of people.

Superintendent Hill: In lieu of an ordinance, it is no less stringent this method than it is in any other way. It still has to be voted on.

Ron Bowers: No, an ordinance does not have to be voted on by all the people of the borough, whereas the bonded indebtedness does. So seven (7) people could be determining whether they are going to initiate a property tax.

Saul Friedman: What this says is that if the voters of the region of the new borough approve a bond issue to build new facilities, then by approving the bond issue they are agreeing that there is going to be a certain debt that the borough has. And everybody has to know that if you approve a \$10 million bond issue to build a public safety building in one of the villages to house an areawide police force, then you have to pay for it. And it gets paid by taxes. What this is saying is that the voters cannot approve and indebt the borough in a bond and then refuse to approve a property tax if it is necessary to pay for that. You can't put the borough into a bankruptcy situation. That's what that's talking about. Once you've voted on that bond you've said to yourselves that you're going to pay for it. That's all that this means.

Ron Bowers: I take it that you're saying that

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Saul Friedman: Yes.

Ron Bowers: I understand bonded indebtedness, and obviously in Anchorage you understand it because every proposed capital improvement project, or bonded indebtedness issue that went before the voters in this recent election was turned down because they know the economy is bad. Maybe those people have a grasp on things, but when you say to people can we go ahead and build this new school that we need, or add on a gym, people say "Yeah! That's great." But most people don't really realize what bonded indebtedness is, this is all new to people out here. They don't realize, according to the Charter, their property could be taxed if the borough Assembly says hey, we need extra money and we're going to have to do something. And it has to be made quite clear what bonded indebtedness can do to them. Everybody wants the plum but very few people want to know how to pay or know how they're going to have to pay for it.

Superintendent Hill: If during the election process to approve the bond, which is an areawide vote, I would think that the opponents and proponents of the bond issue are going to come forward and explain very carefully what that means. I wouldn't think that they are going to throw it out there and expect that people are going to vote blindly, anymore than they do now. You're assuming that no one is going to pay any attention to the issues and I don't believe that that's so. We're going through a developmental phase here and we've learned alot about local government, and I would hope that once that the proposal comes up, that the Assembly will go to great efforts to make sure that that issue is well understood before people vote. If it has a price tag, someone is going to pay attention to it. I've lived here all my life and I don't know if I know what bonded indebtedness is. But when someone tells me that it's going to cost "X" number of dollars if I vote for this, then I'll probably really pay attention. Yes, it is something that people need to be aware of.

Ron Bowers: If there is someway to change the Charter or make it more clear to people, because I read through this thing two (2) days and it finally grabbed me. And I was real concerned, not trying to all be negative, because there are a lot of good, positive things here. But it took me a while to dig this out, and as an average citizen, I just wonder how many people will read that and then understand that. It needs to be made clear to people.

Dennis Niedermeyer: Let me explain, in the Charter, we were concerned about the same things, specifically what was included in the Charter before a bond was ever issued was the borough was required to tell how much taxes needs to be raised per capita to pay that bond, and published and conformed to legislature and debt services. I know a little bit more about bonds than other people, but if I see in the newspaper that it's going to cost me "X" number of dollars in tax monies if I vote yes, I think I can figure it out.

Ron Bowers: I don't know the answers to how you can make it more clearer, but bonded indebtedness and these local propositions in Anchorage are a thing that they do all the time. This is something new out here, that's never been done before, so it's not going to go real smoothly at first.

Wassie Balluta: It will be before the voters of the borough.

Ron Bowers: The bonded indebtedness will. But if they need money in the future to pay for their debts, they have a revenue shortfall, there's a bad salmon season or something, then the borough Assembly could initiate a property tax.

Superintendent Hill: But the people have told them that, when they approved the bond, they understand that and we'll only let you do that if you need it. I think the issue's been covered adequately.

Jim Stevens: If we didn't have this provision to impose taxes, then we wouldn't even be able to market a bond. Whenever we have our first bond issue, I know that everybody is going to sit up and take notice because it is a new and completely different thing. I imagine that if the Assembly does the first bond issue correctly, the people are not as ignorant with their pocketbook, as you may allege. As a matter of fact, I did read this, as you did allege that hardly any of us read this. . . .

Ron Bowers: No, no I said I wonder if everybody has.

Jim Stevens: I'd like you to know that not only did I read it, I understood it on the first reading. I'm sure that there are other people, ordinary citizens, such as myself, that would understand that.

Annie Christensen: Well, I think that the Assembly will educate the people as they go along.

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Superintendent Hill: The advice of this group they asked us to make sure that in this seven (7) member Assembly, the Charter would also provide for nonvoting representation by the communities that don't have voting Assembly members seated. Anytime the Assembly is meeting, you're going to have people from the other communities sitting there listening to it, and if it is not a good idea, I think you will hear about it at that level first, and then as it gets back to the communities. Ron, I don't want you to think that anything I'm saying is antagonistic towards your comments, what I'm trying to do is expedite the process and I do appreciate your comments.

Ron Bowers: I don't want you to think it's just mine, I'm representing other people that have brought this up to me and needs to be pointed out.

Superintendent Hill: I would like to point out something with the revenue. Would you look at pages 9, 10, 11, and 12 of the Incorporating Petition. One of the requirements is to provide a budget for the first full fiscal year of operation. We tried to paint a picture of the first three (3) years of operation. If you track those numbers, some of the things you're going to notice, is the first year of operation, if this thing is approved as expected, it could be approved and be a borough as soon as July 1, 1989. If that's so, we would expect that this borough would incur some expense for part of that time and we're going to start out in debt. But as soon as you become a borough, then you are eligible for funding and you start picking up on it. We built into this revenue forecast the assumption that we're not going to be 100% efficient in collecting taxes or being rebated by the State. We've been very, very conservative. For instance, we're estimating the cost of the fish product in the raw fish tax issue, at \$1.00/pound average on salmon, when we know it's quite a bit different than that. In terms of revenue forecast, you're talking about a very conservative stance. It's not something that we're hanging on a matter of a few cents. Maybe some of these fears of not having enough money to continue some operations won't be a problem. It certainly could be, and that's one of the reasons why we feel Kodiak should not be allowed to annex because it takes away the possibility that if this borough does find out it needs every resource area, including that area of the Kodiak proposed annexation, then we're going to need it. We can't give it away before we know whether we're viable or not. This is all paper, we don't know what you're going to collect. You'll notice that we didn't build in any projects to build swimming pools or roads or anything like that. We'll let the

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Assembly deal with the reserve account and you have your shot at the Assembly once they're in place.

Wassie Balluta: The State does give us some start up monies for starting a borough. So we start out with some money from the State.

Superintendent Hill: The forecast that we made is that the first year we will ask for the \$500,000 we will be eligible to request.

Dennis Niedemeyer: You'd be eligible for \$300,000 the first year, which is this current year. If the Legislature appropriates it, it takes until the end of the year to get it. You really don't get it till the following year and you basically double up in one year. \$300,000 the first year, \$200,000 the second year, and \$100,000 the third year.

Superintendent Hill: You have to go in and ask for it, it's not an automatic appropriation.

Dan Salmon: I just wanted to make one comment that I looked into recently. I was told by a Levelock administrator, that they, for one, would like to be in this borough or entertain the thought; and two, they had looked into the possibility and voted on becoming a second class city feeling that they'd accrue more benefits being that versus being what they already are. So I looked into what it is to be a second class city and I ran into some technicalities. One, which really doesn't relate to the borough, but it's the future possibility of solving the sovereignty issue or coming to some grips with it. Kind of the way the State is selling out bargaining chips, they say if you're a city, you'll have less clout than if you remain where we are today. Taking Igiugig, for example, it's a traditional council. You compromise your position somewhat by becoming a city. What they told me is to what extent is that council recognized and what powers will it have? These are things the State was talking about at the AFN Convention. Once a village becomes a city, they might compromise, somewhat, their position in defining the role of sovereignty issue itself. This is a push within the State itself, a lot of these communities are looking into the feasibility of second class cities. Frank pointed out that DCRA had mentioned to him that a large number were looking into it or already in the process. Another thing Frank mentioned today, is that it is still possible to become a second class city even after borough formation. I'd hate to see a parish, a village, to become second class cities, just because of this borough formation. I don't think the need is there for

c. Recap/Review by Board and Superintendent

Superintendent Hill again called for more comments from the visitors. There were no additional comments.

d. Board Action -

Wassie Balluta moved and Patty Alsworth seconded to direct the Administration to file the Petition for Incorporation for the Lake and Peninsula Home Rule Borough with the Local Boundary Commission with the change in the Assembly being composed of seven (7) members being retained and a provision for attendance of nonvoting members from other communities without voting members on the assembly.

Discussion followed. Jim Stevens said he had some problems with the technical aspects of the Charter, he doesn't want to leave everyone with the impression that he is against the borough, especially since the focus of the government and their efforts is on education of our children. Having three children of his own who are just now entering the school process and is very concerned that the District does not have the resources to give his children the quality education that they can receive in the urban areas. He feels that a home rule borough will be able to generate additional revenues to supplement those supplied by the State, and he hopes that that is the focus of the borough as it forms. Mr. Stevens appreciates the opportunity the District has given the City of Nondalton to come and discuss their concerns.

The Board thanked Mr. Stevens for his comments.

Ron Bowers thanked the Board for allowing Chignik Bay to come and discuss their concerns, too. He appreciates the input that community members have been able to give.

The Board thanked Mr. Bowers for his comments.

The question was called for, and the motion carried unanimously by roll call vote.

AYES

Roy Skonberg
Wassie Balluta
Patty Alsworth

Bobby Jo Kramer
David Wilder
Annie Christensen

NAYS

None

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5. ADJOURNMENT

Wassie Balluta moved and Roy Skonberg seconded to adjourn the meeting
at 2:20 p.m. The motion carried unanimously by voice vote.

Annie Christensen
President

12-9-88
Date

Babette Kramer
Clerk

12-9-88
Date

ORDER OF TESTIMONY

IN JUNEAU

1. Representative Jacko
2. Representative Davidson

(ON TELECONFERENCE)

IN ANCHORAGE

- ✓ 1. *Frank Hill - Lake & Peninsula School District*
- ✓ 2. *Sue Flensborg - Bristol Bay*
- ✓ 3. Saul Freidman - Attorney for Lake & Peninsula School District
- ✓ 4. David Wilder - Spokesman for the Lake & Pen. School Board

IN KODIAK

5. Mayor Jerome M. Selby
6. Linda Freed, Planning Director Kodiak Island Borough

IN DILLINCHAM

7. Bruce Baltar, Attorney Bristol Bay Native Association

IN JUNEAU

8. Any other members of the public

HJR 23

In the last several weeks I have been made well aware of a variety of problems surrounding the process by which the Local Boundary Commission reviews proposals for annexations and borough formations. We have in our committee at this time HB 131 which would make changes to the statutes which govern the commission. There have been allegations made that the commission does not consistently follow its own guide lines. There has been public out cry that areas adjacent to proposed annexations are not adequately being made aware of these proposals. I do not want to imply that the commission has not tried to do the best job possible, but I believe the decisions being made by the commission are too important to occur in a piecemeal fashion or without plenty of time for deliberation and response of all parties concerned. The importance of borough formation has been recognized by the legislature. Legislative resolve #52 which was passed during the 1988 session asks that the commission postpone borough annexation procedures until after Dec. 1, 1989 in areas where the formation of an organized borough is being studied. This area recommended for annexation to the Kodiak by the commission was included in a draft proposal for borough formation by the Lake and Peninsula REAA. I am going to vote in favor of this legislation because I believe we should respect the intent of LR 52 to postpone annexation proposals until proposed boroughs in the areas have been sufficiently studied.

2/15

HOUSE COMMITTEE REPORT

(5)

Date Referred: February 8, 1989

FURTHER REFERRALS: FINANCE

Date of Committee Action: _____

The COMMUNITY & REGIONAL AFFAIRS Committee considered:

HJR 23

HOUSE JOINT RESOLUTION NO. 23

[DISAPPROVE KODIAK ISLAND BORO ANNEXATION]

Disapproving the Local Boundary Commission's recommendation for annexation of territory to the Kodiak Island Borough.

RECOMMENDS:

- [] replacing with _____ [] the same title
- [] the attached amendment(s) [] a new title
- [] do pass
- [] do not pass
- [] no recommendation
- [] individual recommendations
- [] additional referral to the _____ Committee

ADOPTS: _____ letter of intent

ATTACHES NEW FISCAL NOTE(S):

- [] fiscal impact
- [] zero fiscal note C+RA
- [] zero with analysis

APPROVES PREVIOUS:

- [] fiscal note(s) published: _____
- [] zero fiscal notes(s) published: _____

SIGNING DO PASS:

SIGNING OTHER THAN DO PASS:
(Do Not Pass, No Recommendation, Amend)

Eileen P. MacLean MACLEAN
Richard J. Foster FOSTER

Bette Cato - No Rec. CATO
Pettyson PETTYSON
Cheri Davis No Rec. C. DAVIS

Eileen P. MacLean
 Chairman's signature

A

2/14/89 P. 03

TESTIMONY ON HJR-23 (KODIAK ANNEXATION)

By Bruce Baltar, Bristol Bay Native Association
House Community and Regional Affairs Committee
February 14, 1989

Thank you, Chairperson Maclean. My name is Bruce Baltar and I'm an attorney employed by the Bristol Bay Native Association, which is the regional non-profit corporation for the 30 villages of Bristol Bay. Our address is Box 310, Dillingham, Alaska 99576.

I'd like to first respond to the remarks made by the folks from Kodiak. All the 'taxation without representation' rhetoric is a smokescreen utterly irrelevant to the issue at hand. It's a prime example of how throughout this process Kodiak has succeeded in diverting attention away from the actual standards for annexation. While I can understand that Kodiak-based fishermen don't want to be taxed by Lake and Pen, at most that's a public policy argument against Lake and Pen's proposal that says nothing at all about Kodiak's.

The issue in these competing proposals has never been a mere balancing of interests under identical standards. Lake and Pen had only to meet the standards for original incorporations while Kodiak had to meet those standards plus the ones for annexation. Kodiak's claim has to stand on its own merit regardless of what Lake and Pen is doing. The taxation argument is a red herring because blocking another community from taxing an area is not, by law, a justification for annexation.

Even as public policy the the taxation without representation argument doesn't bear scrutiny. By Mayor Selby's reasoning we should never have let the North Slope Borough incorporate and tax Prudhoe Bay. After all, the oil companies and most of their workers don't come from Barrow. Fishermen travel all over the place. Most Bristol Bay permit holders, for example, come from outside the region. Should we let Anchorage or Seattle annex Bristol Bay? Kodiak is such a large fishing port it could end up with much of western Alaska under that logic.

Mr. Selby's scoffing of the 'contiguous' argument also diverts attention from the actual issue. No one argues, of course, that non-contiguous areas can never be part of a borough. But Kodiak is trying to annex territory under regulations which specifically apply only to contiguous territory. Different standards - which Mayor Selby knows Kodiak can't meet - have been established for non-contiguous annexations. As for the Attorney General's opinion on contiguity, it was made in a different factual context and in my view supports a legislative vote because it required the

LBC to make findings of fact that it never made. The LBC did not even consider the issue.

I'd also like to point out a basic geographic fact that Kodiak prefers to ignore. The Shelikof Strait is 30 miles wide, while this annexation will take in only three miles of waters along the Alaska Peninsula. The rest will remain outside the borough because it is outside the territorial limits of Alaska. Kodiak's arguments relating to the growth of the bottom fishery and offshore processing speak to the strait as a whole and it is impossible to call from those arguments how much, if any, of this activity occurs within the annexation area.

Another point is that while most of Kodiak's arguments are based ultimately on the commercial fisheries, the bulk of the annexation area is land, to which those arguments don't apply. And in any event the commercial fisheries will remain under the exclusive management authority of ADF&G.

I'd like to bring us back to reality by focusing on the contested territory as it relates to the actual standards for annexation. All the annexed land is within Katmai National Park or the Becharof and Alaska Peninsula National Wildlife Refuges. More than half is in Katmai. All of this part of Katmai is Congressionally-designated wilderness. All of the relevant part of Becharof is also wilderness or proposed wilderness, and the Alaska Peninsula Refuge lands are classified for "minimum management," which is the next most restrictive category. Federal management plans are already in place and basically prohibit development, including fishery support services, mineral development, most types of fish enhancement - you name it. The plans are designed to keep fish and wildlife resources in the natural state under the maximum possible protection.

While of less significance given federal control, the state's coastal management and area land use plans are also in place and make protection of fish top priority.

The enclaves of state and private land where development could theoretically occur are insignificant. None of the rivers have been identified as navigable, so the water columns and stream beds are federal. There are three undeveloped parcels of a few acres each in Katmai, all owned by the Russian Orthodox Church. Within the refuges are a couple of Native allotments and about a half-section of patented state land at Hide Bay, which contains a landing strip for an abandoned exploratory oil well.

Although there are other state selections, and Konlag has selected about 80 sections of oil and gas subsurface interests, federal authorities say these have not been conveyed. The state lands, at least, probably will never

will be. (The patented Konlag oil and gas interests Mayor Solby referred to are outside the territory.) Considered in total the inholdings are miniscule given the scale of the annexed area.

There are no inhabitants in the area, no lodges, no mineral entries, no canneries or other fishery infrastructure. Although there are some lands identified as "mineral," none have high potential. The federal management authorities are not aware of a single development project of any sort in the annexation territory and every single one that Kodiak mentions is outside the annexed territory.

In short, the justifications raised by Kodiak and relied upon by the LBC don't make a bit of sense when the annexation standards are applied to this territory. Looking briefly at the three regulatory standards the LBC found met, the first states: "the territory is in need of municipal services which the organized borough can provide more efficiently than another municipality or the state." 19 AAC 10.120(a)(3).

The LBC said this standard was met because the area needs "planning, economic development and solid waste collection and disposal services." That's absurd given the total lack of actual or planned onshore development, the unavailability of land for development, exclusive federal planning jurisdiction over the lands, the level of planning already in place, and ADF&G's authority over commercial fisheries. There is no need for municipal services, and Kodiak would not have the power to provide them if there was.

The only possible borough-sponsored economic development activity cited by Kodiak or the LBC is "salmon enhancement." But to this day no one has identified a single salmon enhancement project that is actually needed. The experts at ADF&G say that enhancement projects in this area are not biologically justified due to the nature of the runs and spawning grounds. Even if Kodiak could identify practical projects, to meet the standard it would still have to show that they would be allowed under the federal plans and that Kodiak is better able to perform them than ADF&G.

As for marine waste disposal and MARPOL, that whole argument is a kind of sleight-of-hand. Kodiak hasn't even suggested it would actually provide this service within the annexed territory as required by the standard. Nor could it, because there is no available site. Instead, Kodiak says it meets the waste disposal needs of the region at disposal sites on Kodiak Island. Logically, if that is true the annexation standard cannot be met because there is no need for the service in the annexed territory.

Kodiak has not come up with a single way in which annexation will affect waste disposal. Rather it implies

that because of fishing activity in the annexation area it incurs waste disposal costs without compensation. But Kodiak already receives the raw fish taxes from the annexation territory and other areas outside the borough because the fish are processed on Kodiak Island. And if compensation is a problem, Kodiak can always charge for the service.

The next standard relied upon is that "there is a reasonable likelihood that future growth and development will occur within the territory and annexation of the territory will enable the organized borough to plan for and control that development." 19 AAC 10.190.

Again, it is difficult to conceive of any area less likely to meet this standard than the area Kodiak annexed. The LBC merely cited generally "a potential for development of mineral, oil and gas and fishing activities," and more specifically the planned federal oil lease sale and "the growth of offshore processors."

It seems obvious that "a potential for development" is a far cry from a reasonable likelihood that development will actually occur, which is what the standard says. The only "development" in the area is commercial fishing, which is beyond the power of a borough to control.

The migration of processing offshore just isn't happening. According to ADF&G the salmon and herring harvested in this area are delivered exclusively to shore-based Kodiak processors. While there is growth of offshore bottomfish processing in southwestern Alaska, there is nothing in the record showing this is happening in the waters Kodiak actually annexed and no indication the borough could realistically "plan for and control it" if it does.

In regard to the federal offshore lease sale scheduled for 1990, it will take place in federal waters outside borough control, and there is no site or infrastructure for onshore support services in the annexed area. Besides which, the U.S. Minerals Management Service says there is only a 3% probability of finding oil in commercially recoverable quantities. For the life of me, I can't see how a 3% probability that they won't find oil constitutes a "reasonable likelihood" that they will.

As for other possible development, the only land area not locked up is Kodiak's small area of oil and gas selections near Wide Bay which are not yet conveyed. Exploration took place there 30 years ago, and nothing was found. According to the federal resource assessments, the places with highest oil and gas potential are on the other side of the peninsula outside the annexation territory, and even those are not particularly promising. Any other mineral development is absurd since there are no mineral entries and no mineral lands with which high potential.

The LBC also found a three standard test, that the "annexation is otherwise necessary for a valid public purpose." 19 AAC 10.190(b). It based this conclusion on the growth of offshore processing and said, without explanation, that the annexation would mitigate the negative effects of that growth. That makes no sense whatsoever for the reasons previously mentioned. The only conceivable "mitigation" would simply do in the form of increasing the borough's revenue base, which alone is not to be a valid basis for annexation.

To sum up, it is absolutely clear that this annexation does not come close to meeting the standards under any rational interpretation. Common sense tells you the standards were meant to apply to adjacent areas where there is growth and development requiring the expansion of municipal services. No significant growth is even possible in this area, much less likely. No additional services are needed, and Kodiak will not provide any.

From today's testimony it is apparent that the real reason Kodiak wants the area is simply to keep anyone else from getting it. Like everyone else, Kodiak fishermen don't like to pay taxes. But that is not a valid public purpose and certainly is not legally a justification for annexation. And while Mayor Selby is correct that Kodiak will not immediately derive additional revenue from this territory, the fact remains that it is a potential revenue source that Kodiak wants to lock up.

These annexation disputes are not just local squabbles of no statewide concern. It is bad public policy to continue concentrating resources in relatively wealthy and politically powerful communities at the expense of villages with few jobs and no tax base. Moreover, the LBC decision approving the Kodiak annexation exemplifies the LBC's practice of disregarding its own legally constituted standards. A standards system was established at a time when there is more and more political and economic pressure to form or expand boroughs. A statewide planning process is in the making, and that should be of profound concern to the legislature.

So far, no one has held the LBC to account. But their decisions are so bad in terms of analysis as to almost guarantee that they will be litigated, at untold cost to the state. The constitution gives the legislature oversight of annexation decisions, and it could and should send a clear message that the LBC must clean up its act. HJR-23 should be passed.

House Resolution #23

February 14, 1989

Recently the Local Boundary Commission approved the annexation of a large area on the Alaska Peninsula to the Kodiak Island Borough (KIB). On shore territory consists of all those lands on the Alaska peninsula which drain into the Shelikof Strait and/or the Pacific Ocean extending from the Kenai Peninsula Borough boundary on the north to three geographical miles south of Sutwik, Semidi and Chirikof Islands. (See the attached map.)

The area contains no permanent residents and is in the jurisdiction of the Lake and Peninsula Regional Education Attendance Area. It is the resolve of HJR 23 to disapprove the annexation decision of LBC ruling in favor of the Kodiak Island borough.

It is my contention that the process and the reasoning behind the decision is flawed and incomplete. This is corroborated by the Report and Recommendation by the Dept. of Community and Regional Affairs Municipal and Regional Assistance Division dated November 1988, which states that the stated area be not annexed by the KIB. Furthermore Legislative resolve 52 states, that the LBC is requested to take into full consideration the desire of the residents of an area in the unorganized borough to be self-governing and give them reasonable time to study the concept of self-government. Taking into mind that also during this time period the Lake & Peninsula Borough had filed for Incorporation also including the lands adjacent to the Shelikof straits, it is impossible to see compliance with this legislative intent by the Local Boundary Commission.

The time frame involved from the acceptance of the petition on Oct. 14, 1988 to the LBC decision on Dec. 4, 1988 spanned seven weeks. The Lake & Peninsula Borough Incorporation proceedings took even less time. From Nov. 10, to Dec. 4, all of four weeks. It is inconceivable that all factors relevant in applying all the standards to all the boundaries can be adequately weighed in those time frames.

It is equally impossible for an opponent of a borough proposal to adequately respond in the time allowed. The petitioners may spend months or years preparing their proposal, and an adequate response could require considerable time and effort, and as you very well know, the marshalling of facts and evidence and legal arguments can take considerably more time in the bush areas.

FINANCIAL CONSIDERATIONS

The potential for revenues from a municipal sales and use tax on commercial fishing in the contested area is relatively more significant to the proposed Lake and Pen Borough. Currently the Kodiak Island Borough levies no sales tax.

The Lake and Pen Borough will levy a 1 percent sales and use tax. The Dept. of Community and Affairs has conservatively estimated the value of the annual harvest of salmon in the area to be \$6,000,000.

Since the Kodiak borough levies no sales taxes, these fish offer no sales tax to the borough. However at a 1 percent sales and use tax the Lake & Pen borough will garner 60,000 in revenues.

The potential revenues represent ~~6.9%~~ of the locally generated, and 8.8% of total revenues of the Lake and Pen Borough, and only 1.2% of the Kodiak Borough revenues.

The area offers relatively little to either municipality in raw fish tax returns since the salmon are already being processed within the boundaries of the Kodiak Island Borough.

The Alaska Dept. of Fish and Game has indicated that fish processing may occur on floating processers (there are no shorebased processers in the contested area) but it would be limited to bottomfish catcher/processers. Any raw fish tax revenues from this activity would be relatively insignificant since the bottomfish stock have been extensively harvested and there is very little activity at this point.

The Dept. of CRA considers neither of boroughs to be seriously damaged if the proposed area was to be left out of the respective boroughs but considers the area to be more valuable to the Lake and Pen Borough than the KIB. Therefore, the Department concludes that the Lake and Pen Boroughs arguments is definitely more persuasive and meritorious than the KIB in this regard.

CONCLUSION

Borough decisions are quite important and have long-range implications not fully understood by the Local Boundary Commission . This is particularly true in regards to land and resource management and local input on which should be one of the major incentives for forming boroughs. Judging from our region's experiences, the LBC process seems to result in short-sighted and arbitrary decisions. It is astounding that any agency would think that it can rationally make decisions redrawing the map of southwestern Alaska in a process taking less than two months.

Furthermore ~~I must~~ remind you that the process and implication of borough formation are poorly understood by the public in Bristol Bay. This factor along with procedural impediments imposed by the LBC diminishes the ability of the local people to have a meaningful voice in the process. Without understanding what is taking place and without a proper time-frame to consider the ramifications a great deal of divisiveness has resulted.

It seems a further review of the LBC's decision making capabilities is in order because the current situation can only serve to harm the state in long run.

Bobby Jo Kramer
P.O. Box 435
Pilot Point, Alaska 99649
(907)797-2213
February 20, 1989

Senator Fred Zharoff
Alaska State Legislature
P.O. Box V, Mall Stop 3100
Juneau, Alaska 99811

Re: Open Letter - State Borough Annexation Policy

Dear Senator Zharoff:

One of the reasons for this letter is to let you know how much the people of our area appreciate your efforts to involve each community in your constituent audioconferences on a regular basis. Your office has always been very responsive and concerned about the problems we face here in Bristol Bay as traditional village governments and small rural cities in the unincorporated areas of Alaska.

Your previous commitment to important issues is the reason why we are now so puzzled by your attitude of nonintervention regarding the recent Local Boundary Commission's ill-advised decision to annex territory away from the people in a region who want to incorporate as a borough. It is our understanding that the state legislature serves as our borough assembly until we incorporate. If that is true, how can you as our representative in the Senate stand back and say you "have no opinion" about our tax base being taken away? The fourteen villages in our area who attended the regional borough meeting and voted to file the incorporation petition need to hear your explanation. The people of Alaska need to hear the state legislature's reasons if they take no action.

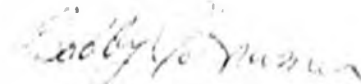
It is apparent through the passage of House Joint Resolution 23 by the House of Representatives, that the removal of the tax base out of unincorporated boroughs into incorporated ones is a practice which will make it impossible to form viable, active incorporated areas throughout the state. By your silence on this issue of statewide importance Senator, you are saying to your constituents that it is okay for this unfair and harmful practice to continue; and that you even approve of it in your own district.

Senator Zharoff, in the past you have helped us build our roads and docks, improve our airfields, address our public safety needs

Senator Zharoff
February 20, 1989
Page Two

and enhance our fisheries to list just a few programs which benefit not only all your constituents, but all of Alaska. So in that spirit we, the people of the Lake and Peninsula Region and residents concerned about the State of Alaska as a whole, ask you to now help build the Alaska Foreseen by the writers of our State Constitution through the vigorous support of House Joint Resolution 23, which sets aside the Local Boundary Commission decision regarding annexation of an unincorporated borough territory.

Sincerely,



Bobby Jo Kramer

cc: Representative George Jacko, Jr.
The Borough Post
The Anchorage Daily News
Representative Eileen McClean
Senator Al Adams
Senator Arliss Sturgulewski
The Lake and Peninsula School District

Low

BRISTOL BAY NATIVE ASSOCIATION
P.O. BOX 310
DILLINGHAM, ALASKA 99576
(907) 842-5257

To: Members of the Alaska State Legislature

Date: February 24, 1989

Re: HJR-23, Veto of Kodiak Island Borough Annexation

We urge the legislature to veto the Kodiak Island Borough's annexation of part of the Alaska Peninsula for the following reasons:

1. The decisional process was grossly inadequate in that it lasted less than two months from the filing of the petition to the LBC decision and involved little public input and virtually no research and analysis of Kodiak's proposal. You cannot rationally redraw the map of southwestern Alaska on the basis of a few teleconference hearings.
2. The annexation gives a valuable revenue source to a borough with an immense revenue base and a thriving economy at the direct expense of REAA villages with little taxable property and astronomical unemployment. If the state wants rural areas to assume more of the cost of government services such as education, it is imperative that the means to pay for them not be locked up by pre-existing boroughs.
3. The unorganized borough should not be carved up piecemeal and without serious study. Decisions should be made on the basis of sound planning principles and with due attention to the regional and statewide implications of a particular proposal. In particular, assertions in support of a proposal should be investigated rather than accepted at face value. None of this occurred in Kodiak's case.
4. Any errors are much easier to correct now than after the annexation goes into effect. A great deal of public attention has been focused on the LBC process and changes are likely to be made. It is unfair to let Kodiak's proposal squeak by before this occurs.
5. If the Kodiak annexation becomes precedent there are no longer any meaningful annexation standards or constraints. The existing legal standards for annexations are based on growth and development and the need for municipal services in the annexed area. If the Kodiak annexation meets these standards, then so does any proposal any time, any place. (The area involved is uninhabited National Park and National Wildlife Refuge land where development is prohibited, plus a much narrower segment of state water where commercial fishing - likewise beyond a borough's control - occurs. No real municipal services are even possible, much less likely.)

By: *Burr Baltas*

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~~HR 23~~
Testimony
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Dillingham Legislative Information Office

Office - (907) 842-5319 Fax - (907) 842-5105

TO: House of Representatives FAX: _____ PHONE: ~~445-~~
Senators Fred Zharoff, Sinkley, Adams

FROM: See Flensburg, B. Casa, Dillingham Ala PHONE: 842-2666
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SENT BY: D. Lawson



Coastal Resource Service Area

P. O. Box 849, Dillingham, Alaska 99576

(907) 842-2868-842-2867

To : House of Representatives
Alaska State Legislature

The Bristol Bay CRSA urges you to veto the Local Boundary Commission's (LBC) decision to approve the Kodiak Island Borough annexation by supporting HJR 23. We believe this action is warranted for the following reasons:

- * The LBC's decision willfully ignores Legislative Resolve 32 directing the LBC to "postpone borough annexation procedures until after 12/1/89 in an area where the formation of an organized borough is being studied..." The Lake & Pen School District formally agreed to begin studying the concept of borough formation in March of '88 with the intent of filing a petition the following year.
- * The annexation territory presently is part of the Lake & Pen REAA boundaries and of greater financial importance to the future borough. The proposed Lake & Pen Borough would be deprived of \$60,000 in annual tax revenues if the contested territory is allowed to be annexed by Kodiak. If the annexation is disapproved, the KIB would still continue to derive a substantial amount in raw fish taxes as most of the commercial fish harvest (salmon and bottomfish) in the annexation territory is processed by shore based canneries in Kodiak.
- * The scheduling of proceedings sanctioned by the LBC on the KIB and Lake & Pen competing petitions was unjustifiably accelerated simply to accommodate Kodiak's request for legislative action by this session. The KIB petition was filed on 10/13/88 and the Lake & Pen school district informed they had to file their petition shortly thereafter to be considered concurrently with Kodiak's. While legislative review is required by law, the statute does not compel the LBC to submit a petition to the legislature by the next regular session. Furthermore, the regulations on competing petitions state that to be considered concurrently by the LBC, competing petitions must be received within 90 days of each other (19 AAC 10.833)
- * The rapid pace of the proceedings on both petitions sanctioned by the LBC precluded any kind of meaningful public involvement or the expertise of state and federal agencies which were not even solicited. The LBC's decision on the matter from the time the Lake & Pen petition was filed on 11/10/88 took less than 3 and 1/2 weeks. In fact, the proceedings were so rushed that the LBC scheduled their public hearings on both petitions before the Lake & Pen petition was officially filed. This aborted process violated the LBC's statutory responsibility of conducting a fact-finding mission on the merits of both petitions thus precluding a reasoned decision.

Based on the above, the Bristol Bay CRSA believes there are ample reasons for the legislature to support HJR 23 if only to remand the annexation decision back to the LBC for a proper review and analysis based on the statutory and regulatory requirements set forth in AS 29.05 and 19 AAC 10. Enclosed also is our written testimony.

TESTIMONY ON HJR-23 (KODIAK ANNEXATION)

Before the House Finance Committee

**By Sue Flensburg, Bristol Bay Coastal Resource Service Area
P.O. Box 849
Dillingham, Alaska 99576
842-2666**

February 23, 1989

My name is Susan Flensburg and I am testifying on behalf of the Bristol Bay Coastal Resource Service Area (CRSA) Board which is a locally elected board responsible for developing and implementing a coastal management plan for the region including the annexation area. Our CRSA Board has been actively involved in resource management planning since 1982 and has an approved coastal management plan which is recognized by the state and federal governments. There are a number of important reasons why the legislature should act to disapprove the Kodiak Island Borough annexation. I would like to touch on just a few of these reasons.

As required by law, the Local Boundary Commission (LBC) must make a decision based on the statutory and regulatory standards for borough incorporation and annexation as well as the recent regulations governing competing petitions. The LBC's justification to show how Kodiak met two of these standards was not based on any substantive analysis and are good examples of why their decision should be overturned by the legislature.

The LBC's written decision states that the annexation area is in need of economic development services which Kodiak would be better able to provide. This conclusion was based on Kodiak's testimony that they would be prevented from undertaking any salmon enhancement projects on the Alaska Peninsula mainland if this area was not included as part of the annexation territory. The need for expanded waste disposal services from fish processors was also cited as another service Kodiak would be responsible for providing.

The need for or even the feasibility of undertaking salmon enhancement projects needs to be put into perspective. Virtually the entire coastline of the annexation area is congressionally designated wilderness located in the Katmai National Park and Preserve and Becharof National Wildlife Refuge. Enhancement projects involving facilities such as hatcheries or habitat manipulation such as fish ladders and stream alteration, are rarely permitted in designated wilderness areas. According to the managers of these federal reserves, salmon enhancement projects have not been identified by the ADFG to their knowledge. According to the FRED Division of ADFG in Anchorage, the need for salmon enhancement or restoration projects is extremely limited and not very feasible since salmon spawn in the lower reaches of streams and inter-tidal areas. Given that over 90% of the total salmon production and harvest in the Kodiak fishing district occurs off of Kodiak Island, well outside of the annexation area, the likelihood of the Borough sponsoring salmon enhancement projects along the Alaska Peninsula mainland appears pretty doubtful.

The need for solid waste disposal services also needs to be put into perspective. First, Kodiak has not indicated that they would be willing to provide a waste disposal site on the Alaska Peninsula which would not be legally possible given the protected status of

Bristol Bay CRSA
Testimony on HJR 23
Page Two

federal lands. Second, the City of Kodiak and the KIB are already providing this service as they should be since virtually all of the salmon and herring caught along the Alaska Peninsula mainland are processed by shore based canneries in Kodiak for which the Borough and City receive a substantial amount of money in raw fish taxes. Although the number of offshore floating processors for bottomfish in the Shelikof Straits fluctuates with the fish harvest, during the 1988 pollock season approximately 89% of the harvest was taken by shore-based canneries for which raw fish taxes were also received by the KIB.

The LBC's decision states that "based upon the following facts, the Commission concludes that there is a reasonable likelihood future growth and development will occur and that annexation will enable the borough to plan for and control that development."

The so called facts which the LBC relied on were based solely on the unverified testimony of KIB officials relating to mineral, oil and gas development, and fishing activities. Once again, it is important to put into perspective the likelihood of economic development which would necessitate land use planning and controls by the KIB. As previously noted, all 2,130 square miles of land in the annexation area lie within federal reserves most of which is designated wilderness. It is clear that no shore based development will be permitted on these federal lands or mining allowed since there are no valid existing mining claims in the annexation area, and new mineral entry is prohibited by federal law. The few tiny parcels of private land are targeted for acquisition by the federal government and most of the limited state land selections in the southern portion of the annexation area also to be relinquished to the federal government.

Koniag Corporation does have limited oil and gas subsurface rights in the area around Wide Bay, however, this is the only area on the mainland that could conceivably be developed in the distant future and is a highly speculative proposition at best. In fact, the last exploration activity in this area was in 1959. While more current exploration activity on Koniag's lands is occurring, it is farther south and outside of the annexation territory.

The potential impacts of a federal oil and gas lease sale 114 scheduled for 1990 discussed in the decision also are of little consequence. Industry interest in this area is so low that a previous sale for this area was cancelled and the exploratory wells drilled from past sales have all been plugged and abandoned. The Minerals Management Service has estimated that the resource potential for the Gulf of Alaska/Cook Inlet which extends from Shelikof Straits to Yakutat - a huge OCS planning area - is extremely low. The hydrocarbon potential in the Shelikof Straits itself is so negligible that MMS doesn't even assign an estimate for this area.

Finally, the LBC was swayed by Kodiak's claim that annexation of the Alaska Peninsula is necessary to influence planning and decision-making on federal lands in order to ensure protection of the fisheries resource. The proposal for additional wilderness in Katmai NP&P was cited as an example of a federal action which Kodiak was not informed about. This is somewhat of a moot point as the wilderness proposal did not even include lands within the annexation area. Furthermore, management plans for the federal reserves which include the annexation area have long since been developed and

Bristol Bay CRSA
Testimony on HJR 23
Page Three

emphasize the importance of protecting fish and wildlife populations. At last week's hearing before the House DCRA committee, KIB officials testified that the general management plan for Katmai NP&P proposed a major park support facility and sportfishing lodge by Kukak Bay which would have adversely affected the commercial fishery. The major support facility (which has never been developed) consisted of a single cabin seasonal ranger station and, according to federal managers, no sportfishing lodge has been proposed to date.

As I stated in the beginning of my testimony, there are a number of reasons why the legislature should disapprove the Kodiak annexation petition. The LBC has the responsibility of conducting a fact-finding mission instead of relying solely upon the supporting information provided by a petitioner. None of the federal or state resource agencies noted above were ever contacted for their expertise or opinions on the legal obstacles to the proposed development scenarios cited in the LBC's written decision or KIB's petition. The LBC clearly has not fulfilled its statutory responsibility and, as a result, their analysis and basis for deciding in favor of Kodiak's petition (which was contrary to DCRA's recommendation) is flawed and should be overturned.

Thank you for the opportunity to testify.



RECEIVED
FEB 07 1989

THE
LAKE AND PENINSULA
SCHOOL DISTRICT

P.O. Box 498
King Salmon, Alaska 99613
Phone (907) 246-4280



January 31, 1989

The Honorable Cliff Davidson
Alaska State Legislature
P.O. Box V
Juneau, Alaska 99811

Dear Representative Davidson:

Recently, the Local Boundary Commission approved Kodiak Island Borough's petition to annex the waters of Shelikof Strait and uplands on the Alaska Peninsula across from Kodiak Island. The land area and the waters seaward to the extent of state jurisdiction of the area annexed have been a part of Lake and Peninsula REAA since 1975.

The residents of the Lake and Peninsula region began to incorporate as a home rule borough last year. The viability of the proposed borough is dependent on the ability to utilize all of the resources and tax base available. The loss of the area by annexation to Kodiak Island Borough severely limits the economic viability of the proposed borough. Even though the Local Boundary Commission staff of the DCRA recommended that the contested area be allowed to remain within the proposed Lake and Peninsula borough the Commission approved the annexation.

We understand that the annexation must be approved by the legislature before it becomes official. If no joint Senate and House legislation disapproves the annexation within 45 days of its introduction in the legislature, the annexation will become official.

The Lake and Peninsula School District requests that you initiate legislation to disapprove the annexation proposed by Kodiak Island Borough. If successful, the legislation will help guarantee the viability of the fledgling borough. Also, the voters would be more inclined to approve a borough if it were stronger financially.

A financially strong regional government would help in maintaining the unique local program of instruction. If the

region's resources are allowed to continue to be diminished by annexations such as this, financial independence from State revenues for education will never be possible in this region.

We look forward to your assistance on this matter of great importance to the educational and long term economic stability of the Lake and Peninsula region.

Sincerely,

Frank W. Hill

Frank W. Hill
Superintendent

cc: Sen. Fred Zharoff
Rep. George Jacko Jr.
Village Council President
Lake and Peninsula REAA Villages
President, Levelock Village Council
Mayor, City of Chignik
Mayor, City of Port Heiden
Mayor, City of Newhalen
Mayor, City of Nondalton
Donald F. Nielsen, Senior Vice President, BBNC
Jim Clark, Manager, Bristol Bay Borough
Saul Friedman, Attorney, Lake and Peninsula School
District



THE
LAKE AND PENINSULA
SCHOOL DISTRICT

P.O. Box 498
King Salmon, Alaska 99613
Phone (907) 246-4280



January 31, 1989

The Honorable George Jacko Jr.
Alaska State Legislature
P.O. Box V
Juneau, Alaska 99811

Dear Representative Jacko:

I am writing on behalf of The Lake and Peninsula School District Board of Education to request your assistance on a matter of great importance to the long-term stability of educational services in the The Lake and Peninsula region.

As you know, the Local Boundary Commission recently approved Kodiak Island Borough's petition to annex the waters of the Shelikof Strait and uplands on the Alaska Peninsula across from Kodiak Island. This area has been included within The Lake and Peninsula REAA since 1975. The Local Boundary Commission staff of the DCRA recommended that the contested area be included within the proposed Lake and Peninsula Home Rule Borough instead of the Kodiak Island Borough.

For the reasons cited above, The Lake and Peninsula School District requests that you initiate legislative action which would disapprove the annexation by Kodiak Island Borough of the contested area. Without such legislation the annexation will be approved 45 days after being introduced in the legislature.

The Lake and Peninsula School District makes this request because we believe that the long term stability of the educational program of the District is at stake. If the region and its resources is allowed to be parcelled out to other boroughs, the quality of the education program will be diminished.

We look forward to your assistance in this very important matter.

Sincerely,

Frank W. Hill

Frank W. Hill
Superintendent

cc: Sen. Fred Zharoff
Rep. Cliff Davidson
Village Council Presidents, Lake and Peninsula
REAA Villages
President, Levelock Village Council
Mayor, City of Chignik
Mayor, City of Port Heiden
Mayor, City of Nondalton
Mayor, City of Newhalen
Donald F. Nielsen, Senior Vice President, BBNC
Jim Clark, Manager, Bristol Bay Borough
Saul Friedman, Attorney, Lake and Peninsula
School District



THE
LAKE AND PENINSULA
SCHOOL DISTRICT

P.O. Box 498
King Salmon, Alaska 99613
Phone (907) 246-4280



RECEIVED

FEB 07 1989

January 31, 1989

President
Village Council

Dear President:

I am writing on behalf of The Lake and Peninsula School District to request your assistance and support on a matter of extreme importance to the long term stability of the educational program of the District.

The Lake and Peninsula region is currently in the process of forming a home rule borough. The current educational program as operated by The Lake and Peninsula School District would eventually become a part of the services that the new borough would provide. We are concerned that the quality and level of educational services will be diminished if the resources of the proposed new borough are less than adequate.

The annexation of Lake and Peninsula area by Kodiak Island Borough threatens the viability and stability of the proposed Lake and Peninsula Borough. The educational programs could then be threatened also.

Alaska regulations require that all annexations like the one proposed by Kodiak Island Borough be subject to the legislative review process. We have written to the elected representatives in the legislature that represent the District communities. We are asking them to assist the region's residents by introducing legislation that would deny the annexation by Kodiak Island Borough. Copies of these letters are enclosed for your review.

We are urging you to write or contact your legislators to support the request by the District. With your support, perhaps the annexation will be denied, and the long term stability of the educational programs of the District will be allowed to continue. Also, you will have contributed to the enhancement of the viability of the proposed Lake and Peninsula Home Rule Borough.

We would appreciate copies of letters you write in support of this important educational matter.

Sincerely,

Frank W. Hill

Frank W. Hill
Superintendent



RECEIVED
FEB 07 1989
THE
LAKE AND PENINSULA
SCHOOL DISTRICT

P.O. Box 498
King Salmon, Alaska 99613
Phone (907) 246-4280



January 31, 1989

The Honorable Fred Zharoff
Alaska State Legislature
P.O. Box V
Juneau, Alaska 99811

Dear Senator Zharoff:

The Lake and Peninsula School Board Members that were in Juneau last week appreciate the time spent with you in your office. The School Board is aware that there are many important legislative issues that must be dealt with this session including funding for school operation, forward funding, binding arbitration, education endowment fund, school capitol projects, borough formations, etc. All these face us when State revenues are declining. The School Board thanks you for your support of education issues in Alaska and particularly rural Alaska.

There is another issue on which The Lake and Peninsula School District requests your support. As you know, the Local Boundary Commission recently approved Kodiak Island Borough's annexation of the waters of Shelikof Strait and upland of the Alaska Peninsula across from Kodiak Island. The annexation will become official unless both houses of the legislature disapproves it within 45 days after it is introduced.

The Lake and Peninsula School Board requests that you introduce legislation that would disapprove the annexation by Kodiak Island Borough. The area annexed from The Lake and Peninsula School District and proposed Lake and Peninsula Home Rule Borough severely limits the viability of the borough. The people of the region should have the opportunity to vote on the borough incorporation question with every confidence that a borough would be viable if it is approved.

The District School Board views this request as one of great importance to the long term stability of the educational program of the District. If the region's resources and area are allowed to be parcelled out to other boroughs, the unique local program of instruction that has been developed will not be allowed to continue.

We look forward to your assistance in this important matter.

Sincerely,

Frank W. Hill

Frank W. Hill
Superintendent

cc: Rep. George Jacko
Rep. Cliff Davidson
Village Council President
Lake and Peninsula REAA Villages
President, Levelock Village Council
Mayor, City of Chignik
Mayor, City of Port Heiden
Mayor, City of Newhalen
Mayor, City of Nondalton
Donald F. Nielsen, Senior Vice President, BBNC
Jim Clark, Manager, Bristol Bay Borough
Saul Friedman, Attorney, Lake and Peninsula School
District

EGEGIK VILLAGE COUNCIL

Box 29
Egegik, Alaska 99579

REC'D OCT 21 1988

Dan Buckworst
Comunity and Regional Affairs
949 E. 36th Avenue
Anchorage, Alaska 99508

October 14, 1988

Dear Sir,

We listened to the teleconferance on october 11th 1988 concerning Kodiak anexing the east peninsula coast and the Chignik fishing grounds. We are opposed to this annexation for the Following reasons.

1. This area includes our old village of Kanatuk, No one lives there in the winter now. but in the summer it is still used as a camping sight for people from Egegik. And some day may be a town again. This area also includes the Federal Becharoff refuge. Which if we became part of a Bourough ourselves we will want because of the Tourist Hunting and mineral potentials it holds. The people of Kodiak have never lived in this area so they have no right to this land as ground base or economic base. It should be part of the Lake and Peninsula Bourough when Formed soon.

2. The Kodiak Island Borough should not be allowed to take a communities Fishing area with out taking also the City itself, that will rob Chignik for future potencial revnue for the Lake and Peninsula Borough when Formed.

3. We want the potential revenue producing Land and water in our area to remain ours. Not be divided up between other districts that are not even conected to us by any land base, or historical conection.

4. The Communities in the Lake and Peninsula are striving to form our own Borough and should be allowed the time to vote on it before you chop it up and give it away to other boroughs. We as a community are not opposed to being part of a Borough, But we have just found out that we need to form our own in the last 6 months and Community and Regional affairs is presently in the process of doing a study to help us form our own Borough at this time. So we do not think you should allow Kodiak to have what we are asking for also.

Sincerely,

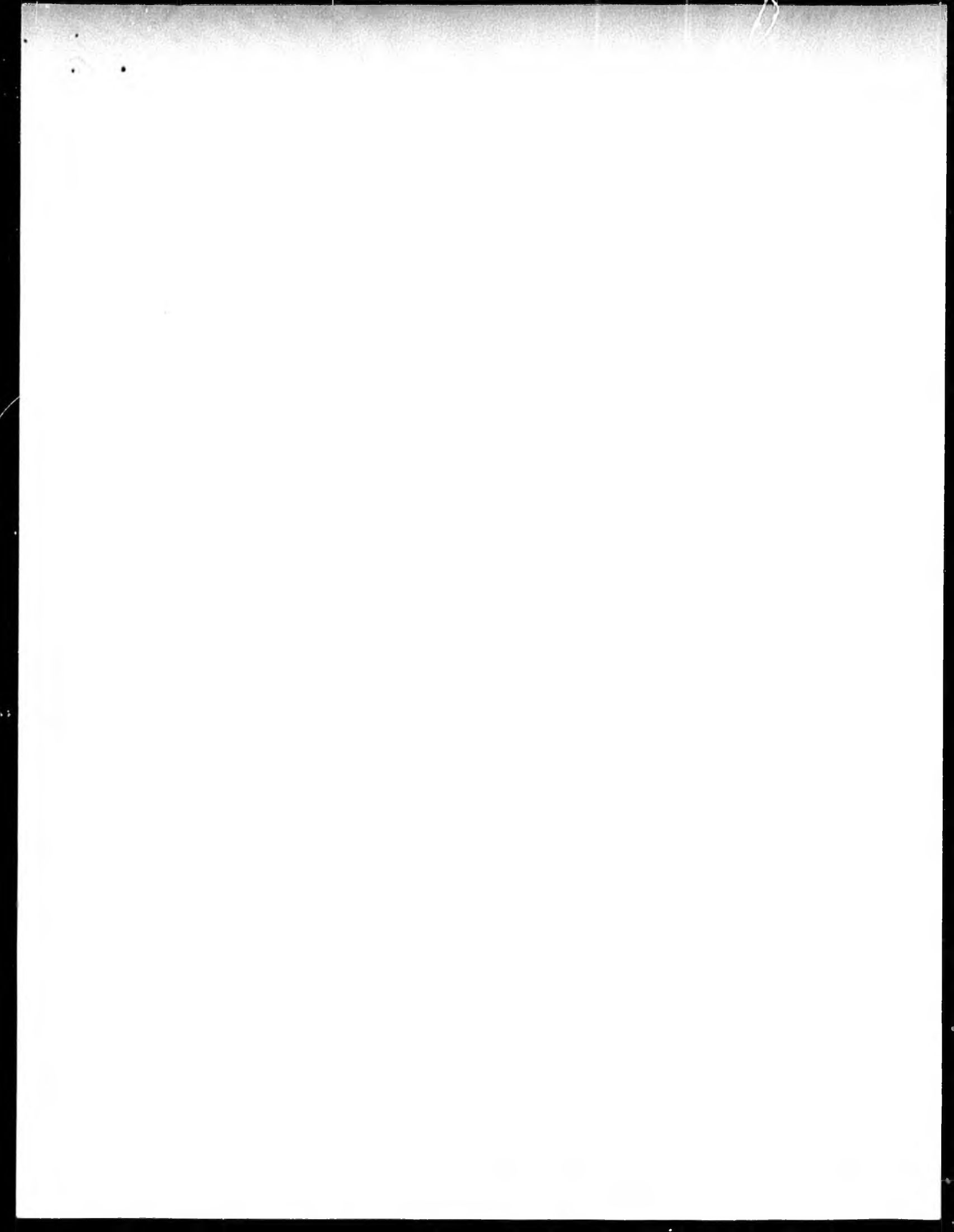
Richard E. Deigh

Richard E. Deigh, President

cc: Local Boundry Commision
Chow Taylor, Com&Reg. Dillingham
Lake and Peninsula School District

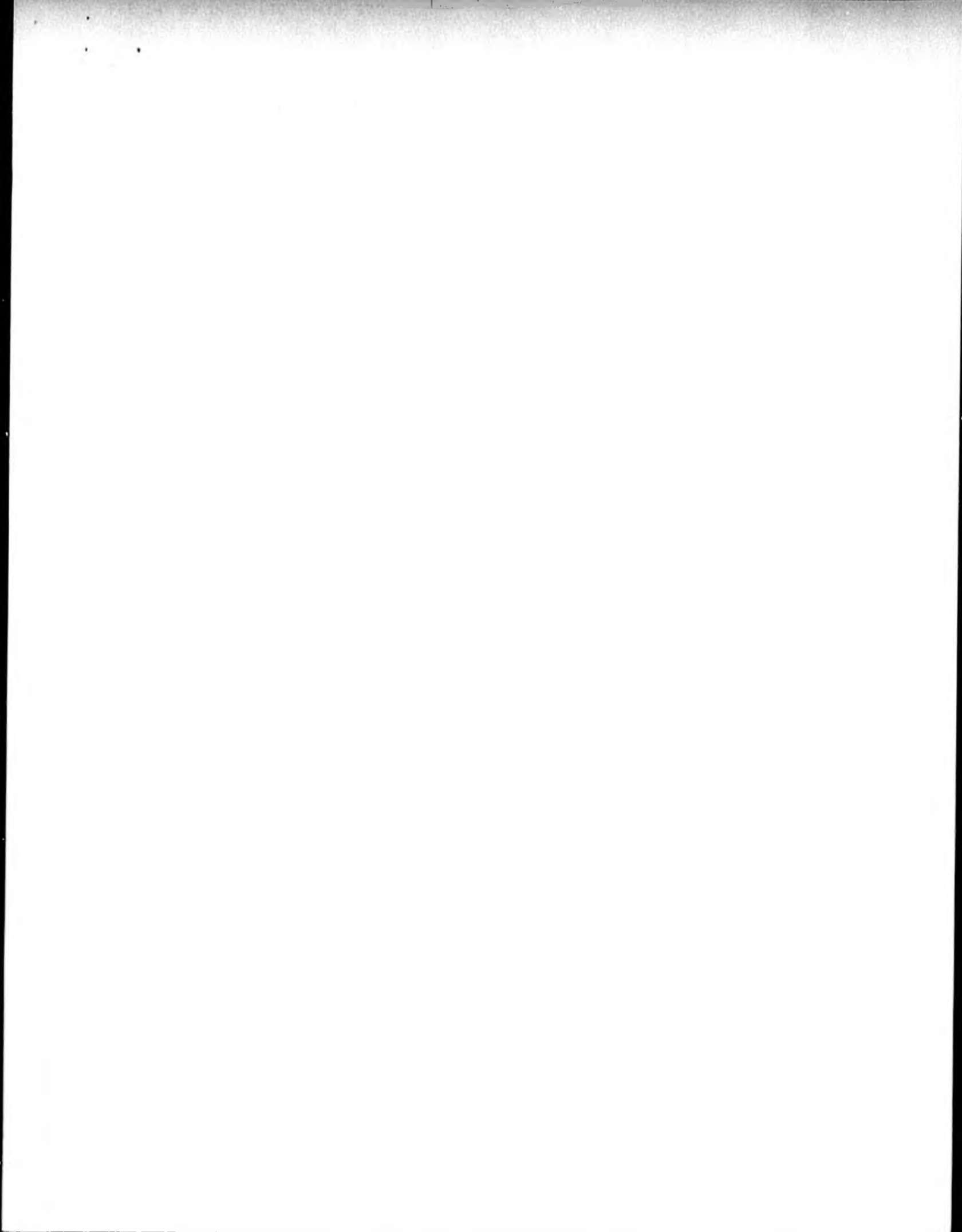
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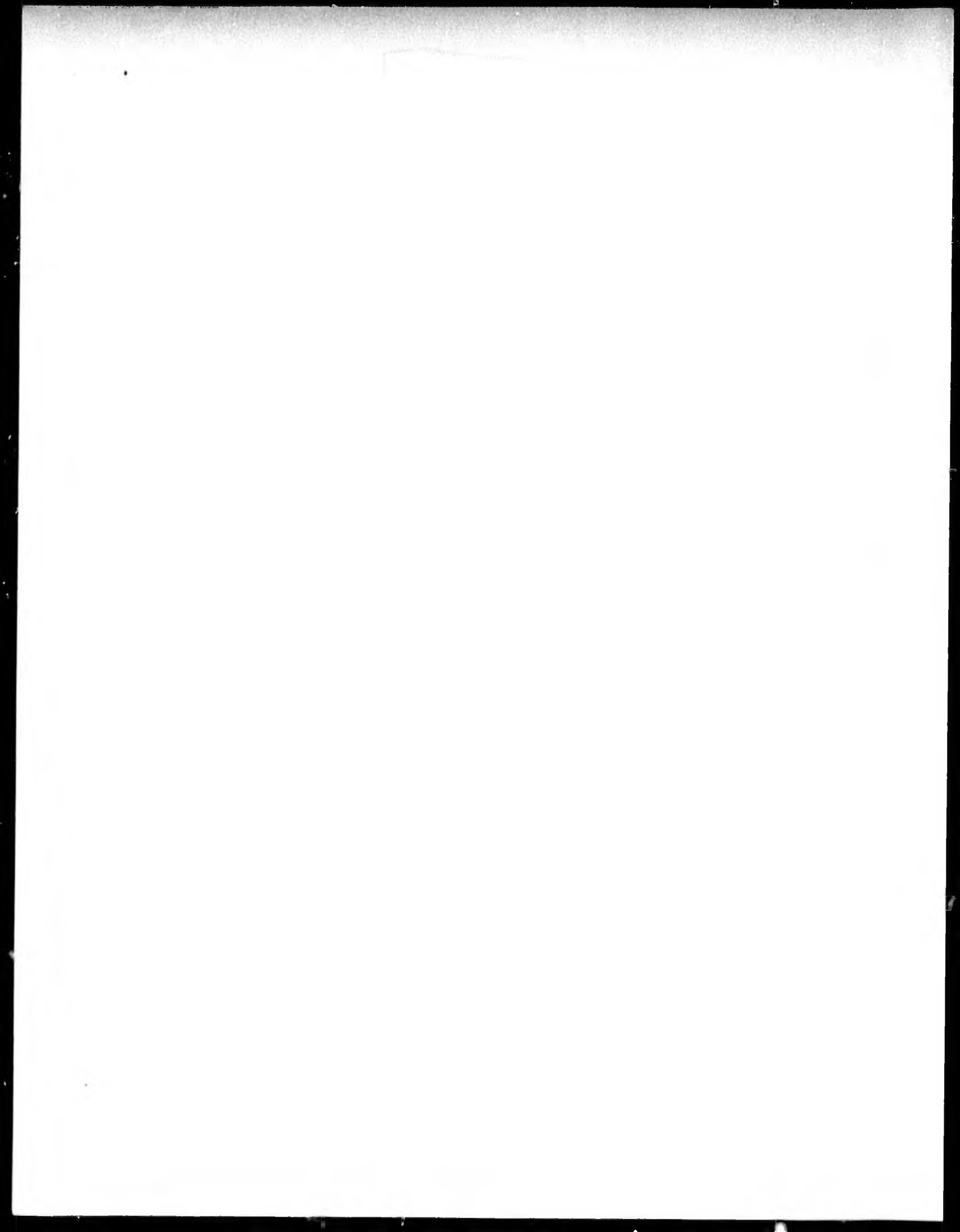
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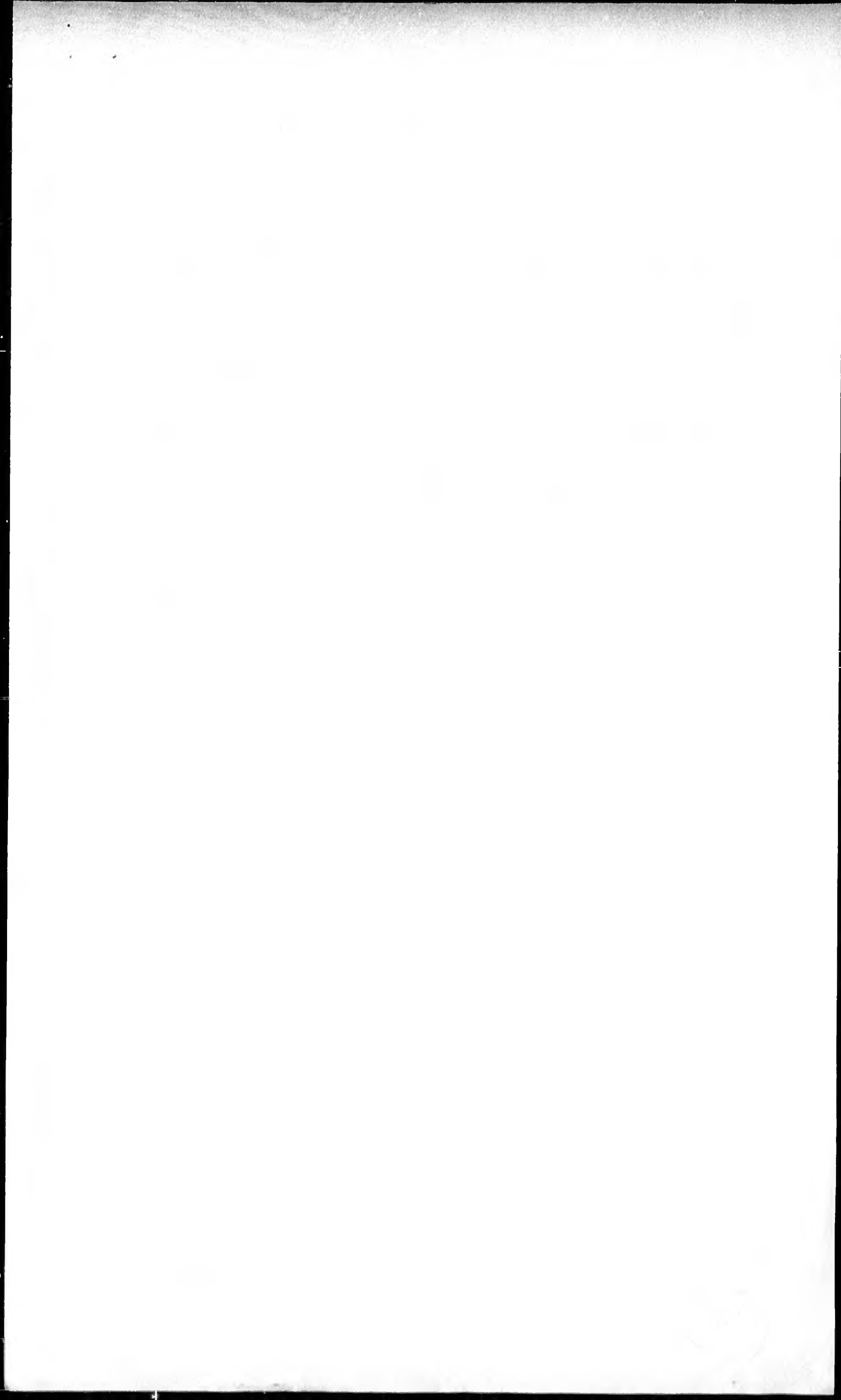


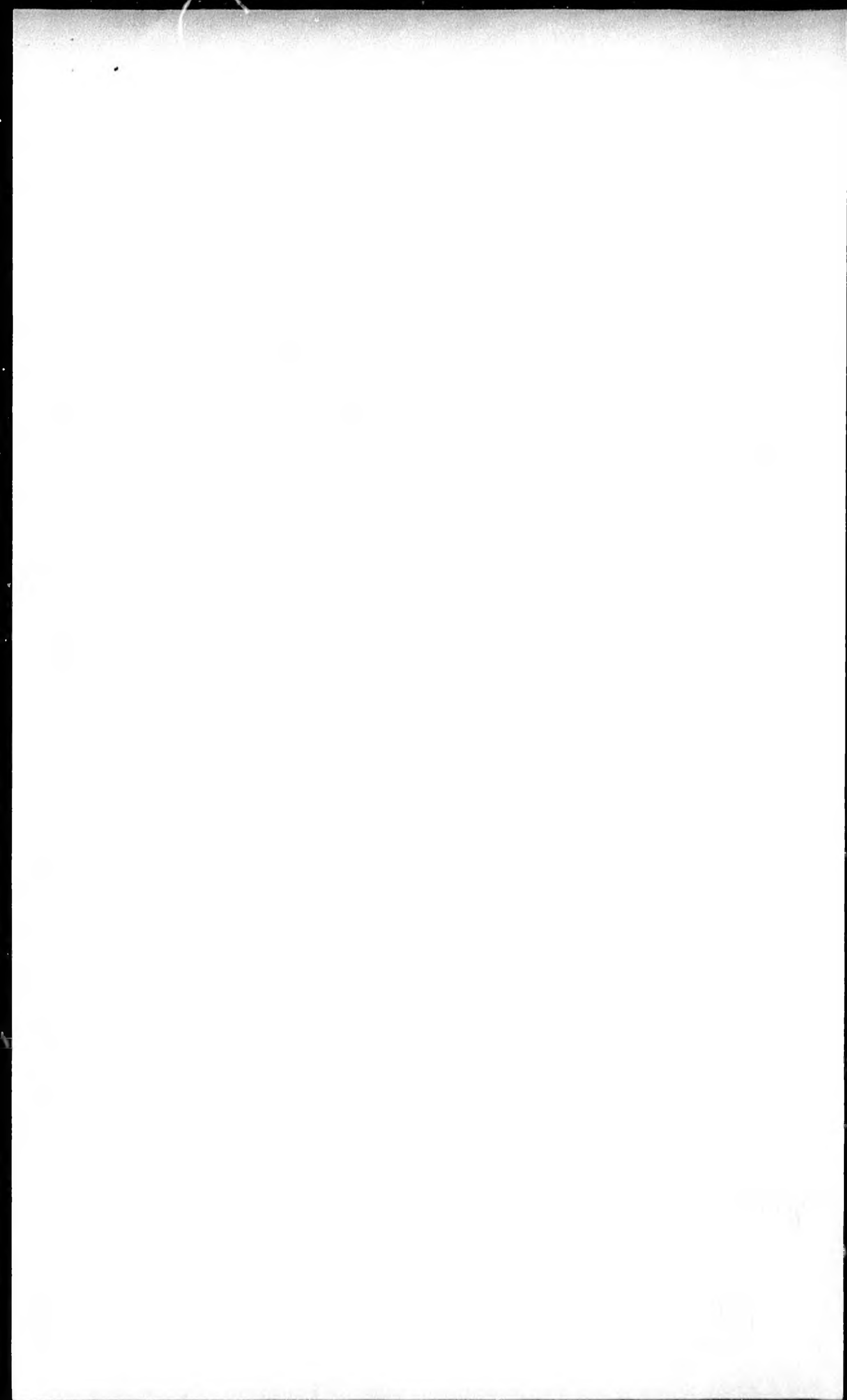
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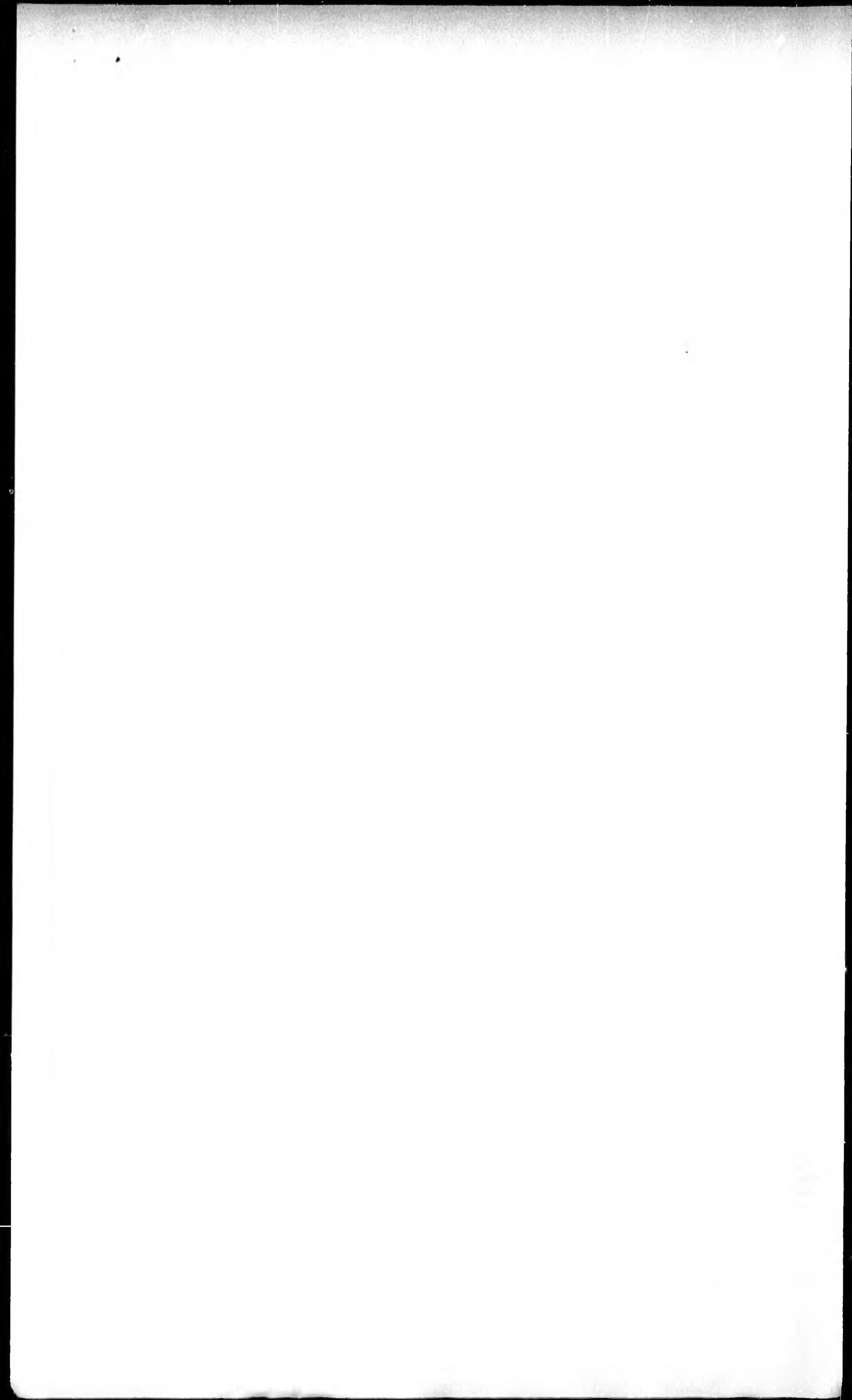
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GD Report
Pittsford
215207
99653

Dave Childers

HJR

26

HOUSE COMMITTEE REPORT

(5)

Date Referred: February 13, 1989

FURTHER REFERRALS: JUDICIARY

Date of Committee Action: _____

The COMMUNITY & REGIONAL AFFAIRS Committee considered:

HJR 26

HOUSE JOINT RESOLUTION NO. 26 [POWERS OF LOCAL BOUNDARY COMMISSION]
Proposing an amendment to the Constitution of the State of Alaska relating
to powers of the local boundary commission.

RECOMMENDS:

- [] replacing with CS HJR 26 C-RA the same title
- [] the attached amendment(s) a new title
- do pass
- [] do not pass
- [] no recommendation
- [] individual recommendations
- [] additional referral to the _____ Committee

ADOPTS: _____ letter of intent

ATTACHES NEW FISCAL NOTE(S):

- fiscal impact Div of Elec
- zero fiscal note C-RA
- [] zero with analysis

APPROVES PREVIOUS:

- [] fiscal note(s) published: _____
- [] zero fiscal notes(s) published: _____

SIGNING DO PASS:

Richard Storey
Meri Davis
Eileen P. MacLean

SIGNING OTHER THAN DO PASS:
(Do Not Pass, No Recommendation, Amend)

None Butte Note no Rec.

Eileen P. MacLean
 Chairman's signature

The Division of Elections is preparing a fiscal note to reflect the cost of the ballot proposal should this resolution pass. We will receive that fiscal note while the resolution is in subcommittee.

Here to speak on behalf of this legislation is the Sponsor Representative Shultz -or his staff person - Dave Stancliff.

Eileen

Here is a question we can ask in committee or subcommittee;

- If the area is in a "relatively integrated socioeconomic unit of the municipality would you not still want approval of a majority of the people in the area? This would alleviate the need to determine if the area is an "integrated socioeconomic unit."

Eileen,

I do not favor this legislation for the following reasons:

1. It addresses only areas which contain a population.

One of the main problems with the recent annexations is that boroughs have purposely tried to annex areas without population in order to add revenues to their borough without the additional cost of services or without the necessary process of convincing residents of the benefits of annexation. I think this amendment would only encourage the continual annexations of pieces of an area for economic gain. If anything I would add to statute that annexations must contain a population base and that that population must approve.

2. The constitutional drafters felt that annexations should take into account the well being of the entire state. That is why they gave

Tim Plazman - CRA
Linda Edgworth - Division of Elections
will speak on HIR 26

the authority to the LBC based upon legislative approval. I feel that this is better addressed through statute and regulation than as a constitutional amendment.

3. It puts the burden of determining if the area is within a relatively integrated socioeconomic unit of the municipality. This language I believe would leave the state open to litigation on virtually all annexation proceedings.

ALASKA STATE LEGISLATURE

Representative Eileen Panigoo MacLean
P.O. Box 290
Barrow, Alaska 99723



Chairman
Community & Regional Affairs
Committee

Vice-Chairman
State Affairs Committee
Bush Caucus

Member Finance Subcommittee
Community & Regional Affairs
Education
Corrections

WHILE IN JUNEAU

Box V
Juneau, Alaska 99811
465-4525
465-4833

HOUSE OF REPRESENTATIVES

A G E N D A

HOUSE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE
Tuesday, February 21, 1989, 1:00 p.m.

HJR 26 "Proposing an amendment to the Constitution of the State of Alaska relating to powers of the Local Boundary Commission." - SHULTZ

District 22

Ambler
Anaktuvik Pass
Atkasuk
Barrow
Buckland
Deering
Kaktovik
Kiana
Kivalina
Kobuk
Kotzebue
Noatak
Noorvik
North Slope
Borough
Northwest Arctic
Borough
Nuiqsut
Point Hope
Point Lay
Selawic
Shungnak
Wainwright

HJR26

SHULTZ

House Joint Resolution 26 would require that a majority of the residents of an area to be annexed approve the annexation before the commission could recommended it to the legislature, if the land is not within a "relatively integrated socioeconomic unit of the municipality".

The committee currently has in subcommittee HB 131 - An Act relating to the Local Boundary Commission. It is the intention of the chair to place this resolution in the same subcommittee so that they can address these issues together. It is also the intention of the chair to allow the Local Boundary Commission to speak to this resolution during the subcommittee process since the chair and vice-chair are currently out of state.

There is a zero fiscal note issued from the Department of Community and Regional Affairs.

The Division of Elections is preparing a fiscal note to reflect the cost of the ballot proposal should this resolution pass. We will receive that fiscal note while the resolution is in subcommittee.

Here to speak on behalf of this legislation is the Sponsor Representative Shultz -or his staff person - Dave Stancliff.

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THOUGHTS ON SELF GOVERNMENT -- Rep. Dick Shultz

In laying out the Alaska Constitution, drafters intended that citizens benefit from the formation of local governments.

Since that time some of our organized governments have seen fit to bless their residents with Performing Arts Centers, Sales Taxes, multi-million dollar swimming pools, and art work that no one can recognize.

In many instances, the services provided are no more efficient and certainly no less costly than state services. As an example, the regulations imposed on an Anchorage home builder would stagger the imagination, and any assembly member can tell you about the numerous zoning battles waged by warring neighbors.

Is it any wonder Alaskans in unorganized areas are reluctant to wrap themselves in more government ?

A MATTER OF DIFFERING PHILOSOPHIES

Of course there are many types of people with many types of interests who live in Alaska, however those who choose to live in populated areas tend to want more amenities than do those who live elsewhere.

The reason for this is really quite simple. It seems to reflect an attitude of those who want to pursue happiness versus those who want to preserve it.

Not every Alaskan wants progress in the normal sense of the word. Indeed some may want to halt it entirely, but it has been my experience in rural Alaska that citizens, Native and non-Native alike, live there because they relate to the environment. Is it really good public policy to allow a Commission of five members (absent local or Legislative approval) to alter an environment that Alaskans are happy with ?

Before I run the risk of plunging the reader or listener any further into this deep and complicated philosophical inquisition, let me take this issue to a different plane.

I feel Alaskans can and should determine if and when they want more government. This is what the Constitutional drafters intended and we have strayed far from it. Furthermore, I feel existing governments should not have the Local Boundary Commission acting as their personal kingdom builder. The powers embodied by the Commission need to be used as they were originally intended, on a broad basis for the socio-economic benefit of the State at large.

CORRECTION

**THIS DOCUMENT
HAS BEEN REPHOTOGRAPHED
TO ASSURE LEGIBILITY**

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For this reason, I believe we as Legislators need to establish in statute, better guidance for the Commission. We must require the Commission to go beyond the word "government" in their decisions to adjust lines (and consequently lives) on maps. I feel the Commission would be willing to accept our guidance in meeting this social challenge and we should welcome their ideas.

In undertaking the task of setting such sensitive social criteria, it is my hope that we as Alaskans respect each others choice of lifestyles and material values. It has always been the great diversity within our state that has kept us strong. We all have a Constitutional duty to protect each others right to choose an individual lifestyle. Nowhere else in the free world can one experience the independence of life in rural Alaska. If we do not work to preserve it who will ?



Alaska State Legislature

REPRESENTATIVE DICK SHULTZ

Member
Finance Committee

P.O. Box V
Juneau, Alaska 99811
(907) 465-4040
Home: P.O. Box 487
Tok, Alaska 99780

MEMORANDUM

TO: MEMBERS OF THE BUSH CAUCUS
FROM: REP. DICK SHULTZ *DS*
DATE: FEBRUARY 14, 1989
RE: POWERS OF THE LOCAL BOUNDARY COMMISSION

I have just now introduced HJR 26 to require a public vote when unfriendly annexations are attempted by organized governments.

Prior to HJR 26, I introduced HB 131 to beef up our statutes and give the Local Boundary Commission more guidance in their activities. It is presently being heard in the House C&RA committee. In researching HB 131, I found that the LBC has been given broad constitutional authority which can not be substantially changed by the Legislature, so a normal bill can not be used to give voting rights to the people.

If in our ambitions, we go too far in HB 131, the courts may invalidate our actions or the Governor may veto the bill.

What we can and probably should do, is to move HJR 26 along and test the waters so to speak. Since the changes to the constitution would only apply under limited conditions, I for one, would like to hear arguments against it.

In summary, HJR 26 would apply only if an organized government proposes to annex an area which has a different social and economic character. If that is the case, the people in the area proposed for annexation, would have to approve it by majority vote.

Together, we can give citizens a larger say in their future. I am anxious to work toward this goal with each and every one of you.

I have attached two items for your information. They are both pages from the Alaska Constitution.

Item "A" shows where the phrase " Relatively integrated socioeconomic " occurs in the Constitution.

Briefly this is the language the Courts used to determine that Cordova was to be removed from an election District where it did not belong.

Item "B" is the section of the Constitution that needs to be amended. HJR 26 would allow people living in an area proposed for annexation (that is different in terms of socioeconomic) to determine by vote whether they wish to be annexed.

**** Note

It is important to keep in mind that while the phrase "Relatively integrated socioeconomic" seems awkward, it has the strength of prior interpretation by the courts and therefore is probably the best choice for describing social and economic differences.

ARTICLE VI

LEGISLATIVE APPORTIONMENT

Election Districts

SECTION 1. Members of the house of representatives shall be elected by the qualified voters of the respective election districts. Until reapportionment, election districts and the number of representatives to be elected from each district shall be as set forth in Section 1 of Article XIV.

Senate Districts

SECTION 2. Members of the senate shall be elected by the qualified voters of the respective senate districts. Senate districts shall be as set forth in Section 2 of Article XIV, subject to changes authorized in this article.

Reapportionment of House

SECTION 3. The governor shall reapportion the house of representatives immediately following the official reporting of each decennial census of the United States. Reapportionment shall be based upon civilian population within each election district as reported by the census.

Method

SECTION 4. Reapportionment shall be by the methods of equal proportions, except that each election district having the major fraction of the quotient obtained by dividing total civilian population by forty shall have one representative.

Combining Districts

SECTION 5. Should the total civilian population within any election district fall below one-half of the quotient, the district shall be attached to an election district within its senate district, and the reapportionment for the new district shall be determined as provided in Section 4 of this article.

Redistricting

SECTION 6. The governor may further redistrict by changing the size and area of election districts, subject to the limitations of this article. Each new district so created shall be formed of contiguous and compact territory containing as nearly as practicable a relatively integrated socio-economic area.

Each shall contain a population at least equal to the quotient obtained by dividing the total civilian population by forty. Consideration may be given to local government boundaries. Drainage and other geographic features shall be used in describing boundaries wherever possible.

Modification of Senate Districts

SECTION 7. The senate districts, described in Section 2 of Article XIV, may be modified to reflect changes in election districts. A district, although modified, shall retain its total number of senators and its approximate perimeter.

Reapportionment Board

SECTION 8. The governor shall appoint a reapportionment board to act in an advisory capacity to him. It shall consist of five members, none of whom may be public employees or officials. At least one member each shall be appointed from the Southeastern, Southcentral, Central and Northwestern Senate Districts. Appointments shall be made without regard to political affiliation. Board members shall be compensated.

Organization

SECTION 9. The board shall elect one of its members chairman and may employ temporary assistants. Concurrence of three members is required for a ruling or determination, but a lesser number may conduct hearings or otherwise act for the board.

Reapportionment Plan and Proclamation

SECTION 10. Within ninety days following the official reporting of each decennial census, the board shall submit to the governor a plan for reapportionment and redistricting as provided in this article. Within ninety days after receipt of the plan, the governor shall issue a proclamation of reapportionment and redistricting. An accompanying statement shall explain any change from the plan of the board. The reapportionment and redistricting shall be effective for the election of members of the legislature until after the official reporting of the next decennial census.

ject to the provisions of law or charter. A new service area shall not be established if, consistent with the purposes of this article, the new service can be provided by an existing service area, by incorporation as a city, or by annexation to a city. The assembly may authorize the levying of taxes, charges, or assessments within a service area to finance the special services.

**Unorganized
Boroughs**

SECTION 6. The legislature shall provide for the performance of services it deems necessary or advisable in unorganized boroughs, allowing for maximum local participation and responsibility. It may exercise any power or function in an unorganized borough which the assembly may exercise in an organized borough.

Cities

SECTION 7. Cities shall be incorporated in a manner prescribed by law, and shall be a part of the borough in which they are located. Cities shall have the powers and functions conferred by law or charter. They may be merged, consolidated, classified, reclassified, or dissolved in the manner provided by law.

Council

SECTION 8. The governing body of a city shall be the council.

Charters

SECTION 9. The qualified voters of any borough of the first class or city of the first class may adopt, amend, or repeal a home rule charter in a manner provided by law. In the absence of such legislation, the governing body of a borough or city of the first class shall provide the procedure for the preparation and adoption or rejection of the charter. All charters, or parts or amendments of charters, shall be submitted to the qualified voters of the borough or city, and shall become effective if approved by a majority of those who vote on the specific question.

**Extended
Home Rule
Powers**

SECTION 10. The legislature may extend home rule to other boroughs and cities.

SECTION 11. A home rule borough or city may exercise all legislative powers not prohibited by law or by charter.

Boundaries

SECTION 12. A local boundary commission or board shall be established by law in the executive branch of the state government. The commission or board may consider any proposed local government boundary change. It may present proposed changes to the legislature during the first ten days of any regular session. The change shall become effective forty-five days after presentation or at the end of the session, whichever is earlier, unless disapproved by a resolution concurred in by a majority of the members of each house. The commission or board, subject to law, may establish procedures whereby boundaries may be adjusted by local action.

**Agreements:
Transfer of
Powers**

SECTION 13. Agreements, including those for cooperative or joint administration of any functions or powers, may be made by any local government with any other local government, with the State, or with the United States, unless otherwise provided by law or charter. A city may transfer to the borough in which it is located any of its powers or functions unless prohibited by law or charter, and may in like manner revoke the transfer.

**Local
Government
Agency**

SECTION 14. An agency shall be established by law in the executive branch of the state government to advise and assist local governments. It shall review their activities; collect and publish local government information, and perform other duties prescribed by law.

**Special
Service
Districts**

SECTION 15. Special service districts existing at the time a borough is organized shall be integrated with the government of the borough as provided by law.



Alaska State Legislature

House of Representatives Community & Regional Affairs

MEMORANDUM

TO: ALL MEMBERS
HOUSE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

FROM: REPRESENTATIVE EILEEN P. MACLEAN, CHAIRMAN
HOUSE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

DATE: March 14, 1989

RE: Sectional Analysis of CS HJR 26 C&RA

Sec. 1 New language in CS HJR 26 C&RA would give constitutional authority to the legislature to establish standards to guide the commission in its review of boundary changes.

The date the recommendation would become effective is changed from 45 to 60 days after the Local Boundary Commission presents the recommendation to the legislature.

Se. 2 Requires that upon passage of the resolutions that the question be placed before the voters at the next general election.

FISCAL NOTE

REQUEST:

Revision Date: _____
 Title: "Proposing..amendment..Constitution
..powers..local boundary commission."
 Sponsor: Shultz
 Requestor: _____
 Agency Affected: Community & Regional Affairs
 BRU: _____
 Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

FULL-TIME	-0-	-0-	-0-	-0-	-0-	-0-
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

SEE ATTACHED

Prepared by: Jim Plasman, Deputy Director Phone: 465-4750
 Division: Municipal & Regional Assistance Date: _____

Approved by Commissioner: [Signature] Date: 2-21-89
 Agency: Community & Regional Affairs

Distribution (by preparer) :

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

House Joint Resolution No. 26
Fiscal Note Attachment

While the Department has reflected a zero fiscal note, it should be noted there will be fiscal impacts from this legislation in terms of the cost of putting the matter on the ballot. Division of Elections should be contacted on this. If the constitutional amendment is adopted there would be additional costs for the cost of elections in annexations where the area to be annexed is not within a relatively integrated socioeconomic unit of the municipality. It is assumed the state will bear the cost of those elections. By adopting a standard for determining when such elections should or should not be held, a certain potential for additional litigation based upon that standard is raised, although such costs must be regarded as speculative.

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: Const. Amend. relating to powers
of the local boundary commission
Sponsor: Shultz
Requestor: Shultz

Agency Affected: Office of the Governor
BRU: Division of Elections
Components: 1 Elections

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL	-0-	-0-	2.2*	**	**	**
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	2.2*	**	**	**
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND	-0-	-0-	2.2*	**	**	**
FEDERAL FUNDS						
OTHER						
TOTAL	-0-	-0-	2.2*	**	**	**

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

* Costs included cover 2 to 3 pages in each Official Elections Pamphlet, for printing and typesetting, and costs estimated to cover computer program-ing requirements for vote (Continued)

Prepared by: Linda Edgeworth
Division: Elections

Phone: 465-4611
Date: 2/21/89

Approved by Commissioner: [Signature]
Agency: Division of Elections

Date: 2/22/89

Distribution (by preparer):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

CONTINUATION OF FISCAL NOTE ANALYSIS

For Bill/Resolution No. HJR 26

* Continued

counting purposes. However, these costs are based on the assumption that all candidates and issues will fit on three ballot cards, which is the norm. It should be noted, however, that should the inclusion of this issue require a 4th ballot to be printed, the cost increase would have to be calculated at 16 cents per box x approximately 320,000 voters. The total cost of printing the additional ballot card would be \$51.2.

Under these circumstances the fiscal impact would be:

53.4

** While not directly stated in the text of the resolution, there is an assumption that an election would have to be conducted to determine if a majority of the residents of the area to be annexed, actually approve of the annexation. Because the actual frequency with which these types of elections would be required can only be speculated, and because there is no way to know the number of voters or precincts which might be involved at any given time, it is difficult to anticipate the total fiscal impact on the Division of Elections. However, as a rough estimate, elections of this type would generally run from 3.5 to 8.0.

It should also be pointed out, that if the area is part of a Rural Educational Attendance Area (REAA) or Coastal Resource Service Area (CRSA), and if it is ultimately annexed into an incorporated community, it might be necessary to reapportion the REAA or CRSA involved. Often such reapportionments require a special election to elect new board members based on the new apportionment plan. These types of elections could be costly because they often involve several precincts and lots of voters. An election of this type generally costs from 5.5 to 9.0.

HOUSE JOINT RESOLUTION 26

TABLE OF CONTENTS

- ITEM 1: Fiscal Note - Department of Community & Regional Affairs.
- ITEM 2: Position Paper - Department of Community & Regional Aff.
- ITEM 3: Memo - Rep. Shultz with Attachments

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

POSITION PAPER

RE: House Joint Resolution No. 26

SPONSOR: Representative Shultz

Program Effects of Proposed Resolution:

This proposed resolution would, upon voter approval, amend the State Constitution concerning annexations to municipal governments which are subject to review by the legislature. In cases where the "land" proposed for annexation is "not within a relatively integrated socioeconomic unit of the municipality", it would be necessary to obtain the "approval of a majority of the residents of the area to be annexed".

Comments:

The department does not support the amendment proposed by the resolution.

The theme of local control is a pervasive and powerful element of the local government article of the Constitution of the State of Alaska. However, 33 years ago, the delegates to the State Constitutional Convention concluded, after considerable study and debate, that establishment and revision of local government boundaries should be primarily the responsibility of the State. Shortly after statehood, the Alaska Supreme Court articulated the considerations which led the delegates to this conclusion, (Fairview Public Utility District No. 1 v. City of Anchorage, 368 P.2d 540):

An examination of the relevant minutes of [a series of 31 meetings held by the Committee on Local Government at the Constitutional Convention] shows clearly the concept that was in mind when the local boundary commission section was being considered: that local political decisions do not usually create proper boundaries and that boundaries should be established at the state level. The advantage of the method proposed, in the words of the committee -- "lies in placing the process at a level where area-wide or statewide needs can be taken into account. By placing authority in this third-party, arguments for and against boundary change can be analyzed objectively."

- P.O. BOX B
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- 949 E. 38TH AVENUE, SUITE 400
ANCHORAGE, ALASKA 99508-4302
PHONE: (907) 563-1073