

## CITY OF DILLINGHAM, ALASKA

## ORDINANCE NO. 2014-13

**AN ORDINANCE OF THE DILLINGHAM CITY COUNCIL AUTHORIZING THE DISPOSAL OF MUNICIPAL PROPERTY, IDENTIFIED IN THE ORDINANCE AS PARCEL A, FOR USE AS A PUBLIC DRIVEWAY AND ACCESS EASEMENT**

BE IT ENACTED BY THE DILLINGHAM CITY COUNCIL:

**Section 1. Authority.** This ordinance is adopted pursuant to authority granted by DMC 5.30.080(A) and 5.30.100.

**Section 2. Classification.** This is a non-Code ordinance.

**Section 3. Authorization of Public Access Easement.** The City Council hereby authorizes the dedication of an easement across the property described below for use as a public driveway and access right of way as described in the attachment hereto labeled as Exhibit A.

**Section 4. Legal Description.** The Property to be dedicated is a driveway access easement through a parcel of land described by Quit Claim Deed QCD 454. The access easement is labeled Parcel A on the Attached Exhibit A and will be referenced as Parcel A in the body of the legal description.

Commencing at a 3 inch aluminum cap recovered at the Northwest corner of a parcel of land described in quit claim deed QCD 454 the true Point of Beginning; thence South 07°14'21" East along the westerly property line of QCD 454, a distance of 149.23 feet to the North edge of the DOT right-of-way easement described in PLO 2132 being the Southwest corner of Parcel A; thence North 89°58'19" East, along the Northern edge of the DOT right-of-way easement a distance of 50.40 feet to the Southeast corner of Parcel A; thence North 07°14'21" West along the eastern boundary of Parcel A, a distance of 149.28 feet to the North property line of QCD 454 being the Northeast corner of Parcel A; thence South 89°54'36" West along the North property line of QCD 454, a distance of 50.39 feet to the Northwest corner of Parcel A being the Point of Beginning;

("the Property"), containing 0.1713 Acres (7,461.82 square feet), more or less, as shown on attached Exhibit A.

**Section 5. Findings.** The City Council hereby finds that the dedication is for a public purpose; namely, the provision of improved access by the public to various properties described in the easement and referenced as the Benefitted Properties.

**Section 6. Type of Disposal.** A non-exclusive right in the general public to use the Property for purposes of access, ingress and egress to the Benefitted Properties.

**Section 7. Value of City's Interest.** Based on the current uses of the surrounding parcels, the Property, and the platting requirements of the same, the Property is believed to have value primarily or only for access purposes. The property is already used for access, and the City retains ownership of the property and the ability to use and access it in the interest of the public. The value of the City's disposed interest is, therefore, minimal.

**Section 8. Time Place and Manner in Which Disposal Shall Occur.** Disposal shall occur immediately upon approval of this ordinance at the regularly scheduled City Council meeting of August 7, 2014, which will be held after the thirty (30) day notice provision of DMC 5.30.030 has been met.

**Section 9. Effective Date.** This ordinance is effective upon adoption.

PASSED and ADOPTED by a duly constituted quorum of the Dillingham City Council on

\_\_\_\_\_

\_\_\_\_\_  
Alice Ruby, Mayor

ATTEST:

[SEAL]

\_\_\_\_\_  
Janice Williams, City Clerk

**City of Dillingham Information Memorandum**

Agenda of: August 7, 2014

Attachment to: 2014-13

Ordinance No. \_\_\_\_\_ / Resolution No. \_\_\_\_\_

**Subject:**

AN ORDINANCE OF THE DILLINGHAM CITY COUNCIL AUTHORIZING THE DISPOSAL OF MUNICIPAL PROPERTY, IDENTIFIED IN THE ORDINANCE AS PARCEL A, FOR USE AS A PUBLIC DRIVEWAY AND ACCESS EASEMENT

*Rose Loefer*

City Manager: Recommend Approval

Signature: \_\_\_\_\_

Route to	Department Head	Signature	Date
	Finance Director		
	Public Works Director		
X	Planning Director	<i>Jody Setz</i>	<i>7/7/14</i>
X	City Clerk	<i>J. Williams</i>	<i>7/15/14</i>

Fiscal Note:  Yes  No

Funds Available:  Yes  No

**Other Attachments:**

- Map of Parcel A
- Map of Alaska State Land Survey No. 2005-51

**Summary Statement:**

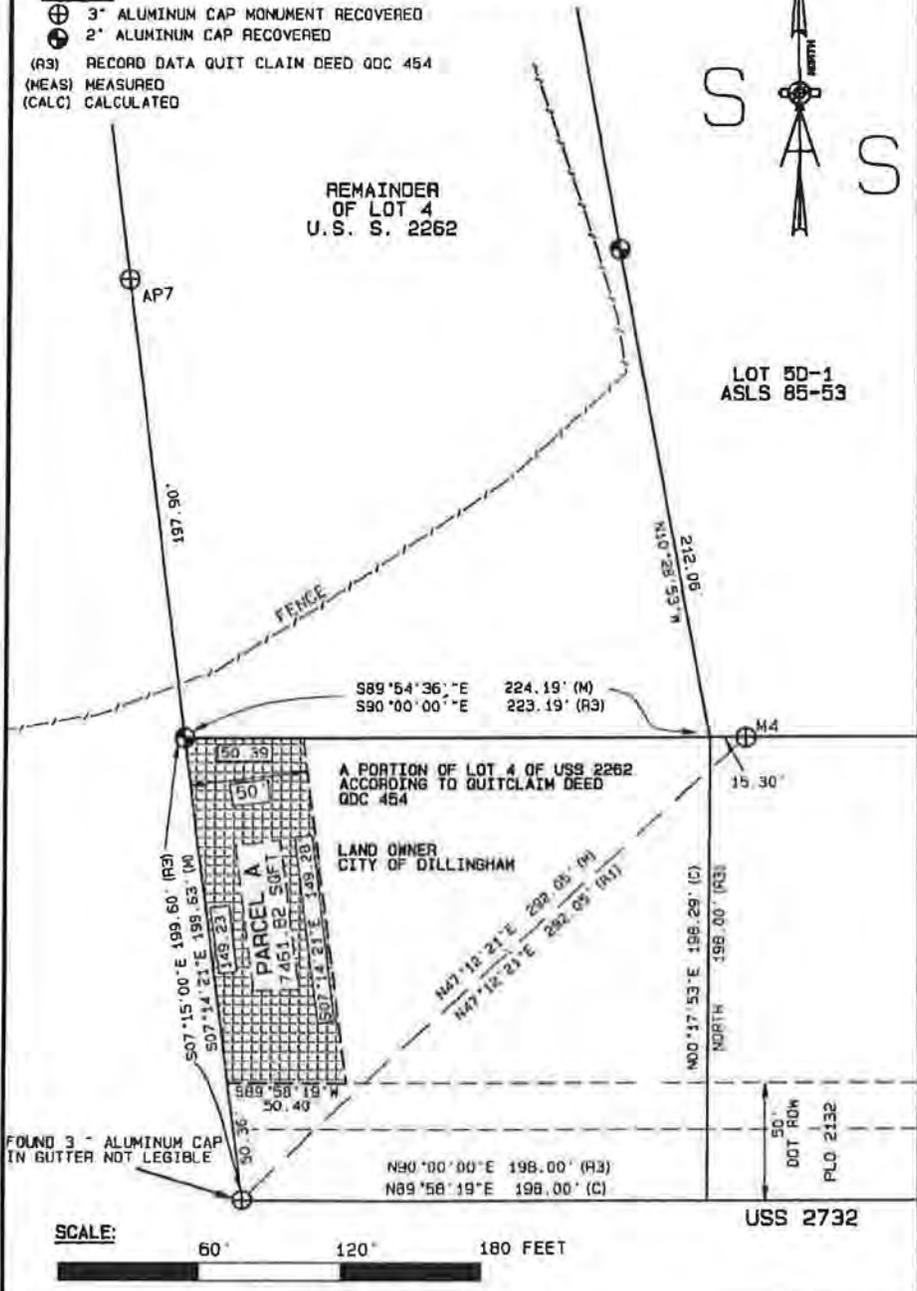
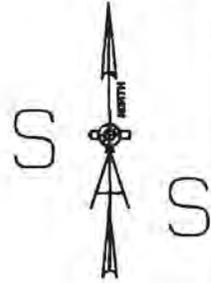
This ordinance is to dedicate Parcel A as a public driveway and access easement for property to be granted to the City for a community building. The property would otherwise be landlocked. The dedication of this and the easement called Parcel B on Ordinance No. 2014-14 will allow the ASLS 2005-51 to proceed to recording these easements and including them in the final plat ASLS 2005-51. Once the easements are officially recorded, the Planning Commission can take up the final plat for this state land grant.

Ordinance No. 2014-13 / Resolution No. \_\_\_\_\_

**Summary Statement continued:**

# EXHIBIT A

- LEGEND:**
- ⊕ 3" ALUMINUM CAP MONUMENT RECOVERED
  - ⊙ 2" ALUMINUM CAP RECOVERED
  - (R3) RECORD DATA QUIT CLAIM DEED QDC 454
  - (MEAS) MEASURED
  - (CALC) CALCULATED



<b>RIGHT OF WAY EASEMENT FOR ROAD ACCESS</b>	
PARCEL A IS A PORTION OF QUIT CLAIM DEED QDC 454 WHICH IS A PORTION LOT 4 OF U.S.S.2262	
LOCATED IN SECTION 21, TOWNSHIP 13 SOUTH, RANGE 55 WEST, SEWARD MERIDIAN ALASKA WITHIN THE BRISTOL BAY RECORDING DISTRICT	
PREPARED BY: SOUTHWEST ALASKA SURVEYING 2800 N. PARK DRIVE WASILLA, ALASKA 99654 PHONE 907-373-1607	DATE OF SURVEY:  BEGINNING 5-24-2007 ENDING 9-10-2008
DATE: 4-24-14	SCALE: 1"=60'



## CITY OF DILLINGHAM, ALASKA

## ORDINANCE NO. 2014-14

**AN ORDINANCE OF THE DILLINGHAM CITY COUNCIL AUTHORIZING THE DISPOSAL OF MUNICIPAL PROPERTY, IDENTIFIED IN THE ORDINANCE AS PARCEL B, FOR USE AS A PUBLIC DRIVEWAY AND ACCESS EASEMENT**

BE IT ENACTED BY THE DILLINGHAM CITY COUNCIL:

**Section 1. Authority.** This ordinance is adopted pursuant to authority granted by DMC 5.30.080(A) and 5.30.100.

**Section 2. Classification.** This is a non-Code ordinance.

**Section 3. Authorization of Public Access Easement.** The City Council hereby authorizes the dedication of an easement across the property described below for use as a public driveway and access right of way as described in the attachment hereto labeled as Exhibit A.

**Section 4. Legal Description.** Legal Description of a road access easement through Lot 2 of U.S.S. 2262, Lot 2 of record plat 90-6 and Lot 5A of record plat 79-4 of the Bristol Bay Recording District. The access easement is labeled Parcel B on the Attached Exhibit A and will be referenced as Parcel B in the body of the legal description.

Commencing at a 2 inch aluminum cap survey monument recovered at the Northwest corner of Lot 5A of ASLS 77-119 (record plat 79-4); thence South 00°00'13"W along the West property line of Lot 5A, a distance of 35.94 feet to the Northwest corner of Parcel B the True Point Of Beginning; thence South 89°35'41" East along the North edge of Parcel B, a distance of 160.17 feet to the West property line of Lot 2 of record plat 90-6; thence South 89°35'41" East along the North edge of Parcel B, a distance of 50.19 feet to the West property line of Lot 2 of U.S.S. 2262; thence South 89°35'41" East along the North edge of Parcel B a distance of 147.61 feet to the East property line of Lot 2 of U.S.S. 2262, being the Northeast corner of Parcel B; thence South 00°00'00" West along the East property line of Lot 2 of U.S.S. 2262, a distance of 30.00 feet to the Southeast corner of Parcel B; thence North 89°35'41" West along the South edge of Parcel B, a distance of 50.23 feet to the east property line of Lot 5A of ASLS 77-119; thence North 89° 35'41" West along the South edge of Parcel B, a distance of 160.29 feet to the West property line of Lot 5A of ASLS 77-119 being the Southwest corner of Parcel B; thence North 00° 00'13" West along the West property line of Lot 5A, a distance of 30.00 feet to the True Point of Beginning.

("the Property"), containing 0.2465 Acres, 10,737.54 square feet, more or less as shown on attached Exhibit A.

**Section 5. Findings.** The City Council hereby finds that the dedication is for a public purpose; namely, the provision of improved access by the public to various properties described in the easement and referenced as Benefitted Properties.

**Section 6. Type of Disposal.** A non-exclusive right in the general public to use the Property for purposes of access, ingress and egress to the Benefitted Properties.

**Section 7. Value of City's Interest.** Based on the current uses of the surrounding parcels, the Property, and the platting requirements of the same, the Property is believed to have value primarily or only for access purposes. The property is already used for access, and accordingly, this dedication is not believed to cost the City anything in terms of lost land or real property value. The City also retains ownership of the property and the ability to use and access it in the interest of the public. The value of the City's disposed interest is therefore minimal or non-existent.

**Section 8. Time Place and Manner in Which Disposal Shall Occur.** Disposal of the interest shall occur immediately upon approval of this ordinance at the regularly scheduled City Council meeting of August 7, 2014, which will be held after the thirty (30) day notice provision of DMC 5.30.030 has been met.

**Section 9. Effective Date.** This ordinance is effective upon adoption.

PASSED and ADOPTED by a duly constituted quorum of the Dillingham City Council on

\_\_\_\_\_

\_\_\_\_\_  
Alice Ruby, Mayor

ATTEST:

[SEAL]

\_\_\_\_\_  
Janice Williams, City Clerk

Attachment to: 2014-14

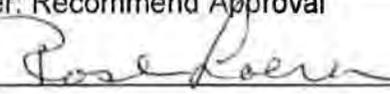
Ordinance No. \_\_\_\_\_ / Resolution No. \_\_\_\_\_

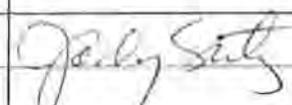
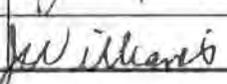
**Subject:**

AN ORDINANCE OF THE DILLINGHAM CITY COUNCIL AUTHORIZING THE DISPOSAL OF MUNICIPAL PROPERTY, IDENTIFIED IN THE ORDINANCE AS PARCEL B, FOR USE AS A PUBLIC DRIVEWAY AND ACCESS EASEMENT

City Manager: Recommend Approval

Signature: \_\_\_\_\_



Route to	Department Head	Signature	Date
	Finance Director		
	Public Works Director		
X	Planning Director		7/17/14
X	City Clerk		7/15/14

Fiscal Note:  Yes  No

Funds Available:  Yes  No

**Other Attachments:**

- Map of Parcel B
- Map of Alaska State Land Survey No. 2005-51

**Summary Statement:**

This ordinance is to dedicate Parcel B as a public driveway and access easement for property to be granted to the City for a community building. The property would otherwise be landlocked. The dedication of this and the easement called Parcel A on Ordinance No. 2014-13 will allow the ASLS 2005-51 to proceed to recording these easements and including them in the final plat of ASLS 2005-51. Once the easements are officially recorded, the Planning Commission can take up the final plat for this state land grant.

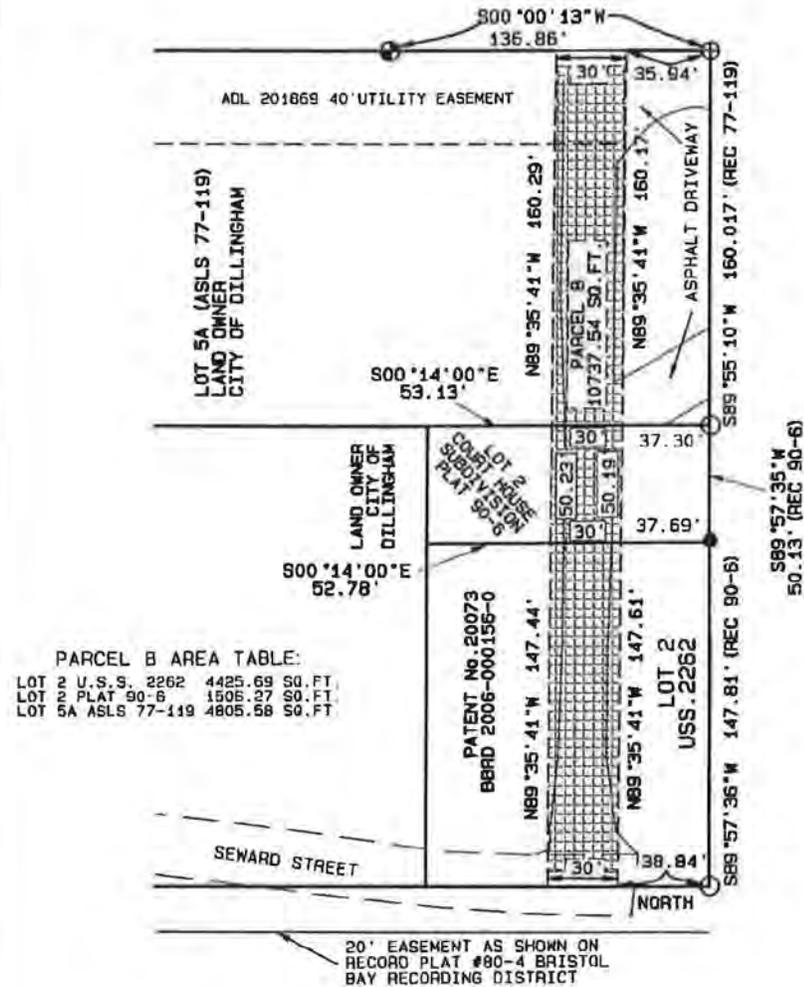
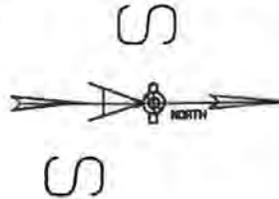
Ordinance No. 2014-14 / Resolution No. \_\_\_\_\_

**Summary Statement continued:**

# EXHIBIT A

**LEGEND:**

- ⊕ 3 1/4" ALUMINUM RECOVERED
- ⊕ PRIMARY MONUMENT RECOVERED
- PRIMARY MONUMENT OF RECORD
- SECONDARY MONUMENT RECOVERED
- SECONDARY MONUMENT OF RECORD (2" ALUMINUM CAP)
- (REC) RECORD DATA



**RIGHT OF WAY EASEMENT FOR ROAD ACCESS**

PARCEL B IS A PORTION OF LOT 2 OF U.S.S. 2262, LOT 2 OF RECORD PLAT 90-6 AND LOT 5A OF RECORD PLAT 79-4

LOCATED IN SECTION 16, TOWNSHIP 13 SOUTH, RANGE 55 WEST, SEWARD MERIDIAN ALASKA WITHIN THE BRISTOL BAY RECORDING DISTRICT

PREPARED BY: <b>SOUTHWEST ALASKA SURVEYING</b> 2800 N. PARK DRIVE WASILLA, ALASKA 99654 PHONE 907-373-1607	DATE OF SURVEY: BEGINNING 5-24-2007 ENDING 9-10-2008
DATE: 4-25-2014    SCALE: 1"=60'	



**CITY OF DILLINGHAM, ALASKA**

**RESOLUTION NO. 2014-30**

**A RESOLUTION OF THE DILLINGHAM CITY COUNCIL AUTHORIZING FORECLOSURE PROCEEDINGS ON DELINQUENT PROPERTIES FOR THE YEARS 2008-2013, AND REPEALING RESOLUTION NO. 2013-17 AND RESOLUTION NO. 2014-14**

WHEREAS, AS 29.45.320-330 allows the City of Dillingham to collect unpaid real property taxes through in rem foreclosure proceedings against all real property for which the property tax has not been paid in full; and

WHEREAS, the City's Finance Department prepared a foreclosure list for the years 2007-2012, adopted by Council Resolution No. 2013-17, and a foreclosure list for the years 2008-2013, adopted by Council Resolution No. 2014-14, identifying properties for which the tax had not been paid in accordance with AS 29.45.330; and

WHEREAS, the City had not started the formal foreclosure proceedings with the Court system since those resolutions had been adopted, but had been working with the City's Attorney to finish two prior foreclosure periods, 2005-2010 and 2006-2011; and

WHEREAS, the City has prepared an updated foreclosure list combining 2007-2012 and 2008-2013, which will be submitted to the City's Attorney upon approval by the Council;

NOW, THEREFORE, BE IT RESOLVED by the Dillingham City Council that:

1. The City Attorney is hereby authorized to file a foreclosure action against all property identified in the updated foreclosure list (2008-2013) of which a copy is attached and dated July 31, 2014.
2. The City Clerk is hereby directed to certify and publish the foreclosure list and provide notice of the commencement of the foreclosure action in accordance with AS 29.45.330 and DMC Chapter 4.15.
3. Resolution No. 2013-17 and Resolution No. 2014-14 are repealed in their entirety.

PASSED and ADOPTED by the Dillingham City Council on August 7, 2014.

\_\_\_\_\_  
Alice Ruby, Mayor

ATTEST:

[SEAL]

\_\_\_\_\_  
Janice Williams, City Clerk



**City of Dillingham Information Memorandum**

Agenda of: August 7, 2014

Attachment to:

Ordinance No. \_\_\_\_\_ / Resolution No. 2014-30

**Subject:**

AN ORDINANCE OF THE DILLINGHAM CITY COUNCIL AUTHORIZING THE DISPOSAL OF MUNICIPAL PROPERTY, IDENTIFIED IN THE ORDINANCE AS PARCEL A, FOR USE AS A PUBLIC DRIVEWAY AND ACCESS EASEMENT

City Manager: Recommend Approval

Signature: *Carol Shade, Acting*

Route to	Department Head	Signature	Date
X	Finance Director	<i>CS</i>	8/1/14
	Public Works Director		
	Planning Director		
X	City Clerk	<i>J. Williams</i>	7/31/14

Fiscal Note:  Yes  No

Funds Available:  Yes  No

**Other Attachments:**

- Updated Foreclosure List covering calendars years 2008-2013; information available as of August 1, 2014

**Summary Statement:**

This resolution repeals Res. No. 2013-17 and Res. No. 2014-14 approving foreclosure proceedings for unpaid property tax for 2007-2012, and 2008-2013, and approves an updated list that covers both periods. The City had yet to begin the formal foreclosure proceedings on those years, but had been working with the City's Attorney to finalize two prior filings, 2005-2010, and 2006-2011. This presented an opportunity to update the two lists from 2007-2013, to include property owners who had defaulted on repayment plans since the resolutions were adopted. (No taxes were owed for 2007.)

Below are some issues that have come up in the past?

- If the property owner defaults on their repayment plan, can the City add the name to an existing foreclosure list that is already going through the court process?

No.



**Summary Statement continued:**

Q. Once the City adds someone's name to the foreclosure list and it makes its way through the two year foreclosure process, can the City ask the court to eliminate the name if the owner pays the balance in full or enters into a repayment plan? (This assumes they have not been in default on a repayment plan within the last years. The concern is this will show up on their credit record or some financial record if they are applying for a bank loan, for example.

A. The City cannot eliminate the name entirely – i.e., there will be a record that the foreclosure process occurred—but every property that is paid off gets issued a certificate of redemption which is filed in the same place as the foreclosure action, so there is always a record indicating that the person paid off their taxes. This is standard and happens in every instance regardless of whether the debt is paid off through a payment plan or lump sum at any time during the foreclosure process or even after the process is complete in those cases where the former owner retains the right to pay off the old debt and does so. I do not know the exact credit implications, but a person's name doesn't appear on the foreclosure list unless they did not pay their taxes on time, so it is not inappropriate for their credit history to reflect that. The foreclosure list says they fell behind, and the certificate of redemption says they paid it off, so the record is pretty clear as to what happened in these cases.

Q. What other option is available to the City besides foreclosing on a property? If someone has a \$100 debt on their real property account and it is comprised of penalty and interest only, can the City use small claims court instead?

A. That is allowed under AS 29.45.300 and DMC 4.20.200. You can always sue a person to collect the debt owed for their real property taxes, in any amount. In all but small claims cases it would cost the City far more to do so than it does to foreclose, as described in the previous answer. If the matter could be handled through small claims then the City could do it relatively cheaply. That would be the only time it makes sense to pursue the matter outside of the foreclosure list process.



2008-2013 Foreclosure List  
Updated 07/31/2014

Acct Name	Legal Description	2008	2009	2010	2011	2012	2013	Penalties	Interest	Grand Total
Bingman, James Sr	Fairview B L23B					35.10	210.60	24.57	12.25	282.52
Bingman, James Sr	Fairview 2B					2,414.10	2,633.80	504.79	360.42	5,913.11
Bingman, James Sr	Fairview 2C					214.50	214.50	42.90	31.23	503.13
Bingman, James Sr	Fairview B L12D					3,079.70	3,351.40	643.11	459.50	7,533.71
Bingman, James Sr	Fairview B L23A					4,940.00	5,350.80	1,029.08	735.99	12,055.87
Bingman, James Sr	Fairview B L23C					143.00	143.00	28.60	20.84	335.44
Bingman, James Sr	Fairview B L23E					96.20	96.20	19.24	14.02	225.66
Bingman, James Sr	Fairview B L23F					96.20	96.20	19.24	14.02	225.66
Bingman, James Sr	Fairview B L23G					96.20	96.20	19.24	14.02	225.66
Bingman, James Sr	Fairview B L24A					522.60	522.60	104.52	76.10	1,225.82
Bingman, James Sr	Fairview B L24B					2,756.00	3,491.80	624.78	431.23	7,303.81
Bingman, James Sr	Fairview B L24C					604.50	604.50	120.90	88.00	1,417.90
Bingman, James Sr	Fairview B L24E					214.50	214.50	42.90	31.23	503.13
Bingman, James Sr	USS 3643 BP1 L2					2,817.10	2,817.10	563.42	410.21	6,607.83
Bingman, Lester & Jill	USS 5688 B500A L3B						1,123.50	79.80	68.41	1,271.71
Brannon, Clara	Ahklun View Est B2 L4		868.68	326.99	-	95.20	-	323.08	448.44	2,062.39
Braswell, Leo & Vivian	Braswell Hill L 2				16.06	70.43	-	399.74	223.34	709.57
Gauthier, James	Gauthier II B L6						237.90	23.79	9.69	271.38
Gauthier, Karen	Gauthier I B L1					552.50	552.50	110.50	80.44	1,295.94
Gauthier, Karen	Gauthier I B L2						480.35	48.04	19.55	547.94
Ingham, Sherry	Pearson B L9					1,008.71	1,617.20	215.47	183.52	3,024.90
Ishnook, Anuska	Sockeye B L2				1,186.40	1,355.90	1,462.50	281.84	361.78	4,648.42
Jackson, Hope	Snag Point B1 L6					977.60	1,051.70	202.93	145.36	2,377.59
Johansen, Ingvar & Sandra	Neqleq B3 L9						651.47	68.64	27.07	747.18
Kase, Ray	Sampson Estates II B L20						1,605.50	160.55	65.36	1,831.41
Kroener, Debra	USS 3148 P3						1,193.87	34.57	130.58	1,359.02
King, Scott	Highbush B L4						1,553.50	155.35	63.23	1,772.08
Libby, John & Cynthia	USS 2732 B2 L5	-	84.50	84.50	84.50	84.50	84.50	50.70	130.98	604.18
Libby, John & Cynthia	USS 2732 B2 L6	-	62.40	62.40	62.40	62.40	62.40	31.20	108.41	451.61
Libby, John & Cynthia	USS 2732 B7 L1	-	143.00	143.00	143.00	143.00	143.00	71.50	158.84	945.34
Libby, John & Cynthia	USS 2732 B7 L2	1,421.90	1,784.90	1,784.90	1,784.90	1,784.90	1,929.20	1,085.37	1,752.65	13,328.72
Libby, John & Cynthia	USS 2732 B7 L6	-	80.60	80.60	80.60	80.60	80.60	48.36	130.43	581.79
Libby, John & Cynthia	USS 2732 B7 L7	2,291.90	2,291.90	2,291.90	2,291.90	2,291.90	1,738.10	1,320.47	2,232.60	16,750.67
Maines, William & Patricia	Wood River B L8					3,044.60	3,315.00	635.96	475.50	7,471.06



CITY OF DILLINGHAM, ALASKA

RESOLUTION NO. 2014-41

**A RESOLUTION OF THE DILLINGHAM CITY COUNCIL ACCEPTING ALASKA DEPARTMENT OF ENVIRONMENTAL CONSERVATION MUNICIPAL MATCHING GRANT #28306 IN THE AMOUNT OF \$3 MILLION FOR WASTEWATER SYSTEM IMPROVEMENT PROJECTS**

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WHEREAS the City had a Municipal Matching Grant #28306 which was initially intended for improvement to the City's water system in the amount of \$3 million with a 30% match requirement; and

WHEREAS during the 2014 legislative session the City asked that these funds be reappropriated for use on the wastewater system which was approved on July 8, 2014; and

WHEREAS wastewater system for the City of Dillingham has received a notice of violations which identified a number of areas that need improvements to bring the system into compliance with the Department of Environmental Conservation; and

WHEREAS the projects that will be undertaken with these funds include:

- Improve aeration system;
- Build a septage receiving station;
- Address deficiencies in the lift stations;
- Address the erosion at the outfall; and
- Unplug and re-route the Bristol Bay Housing Authority force main.

WHEREAS the City of Dillingham has formally applied for the grant and thereby agrees to the terms and conditions of the grant, and to adhere to any governing state regulations; and

WHEREAS the City of Dillingham agrees to operate and maintain the completed project constructed with said grant;

NOW, THEREFORE, BE IT RESOLVED by the Dillingham City Council that the grantee formally accepts the State of Alaska Department of Environmental Conservation's Grant No. 28306 in the amount of \$3 Million and accepts the conditions of the grant agreement.

PASSED and ADOPTED by the Dillingham City Council on August 7, 2014.

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Alice Ruby, Mayor

ATTEST:

[SEAL]

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Janice Williams, City Clerk

City of Dillingham Information Memorandum      Agenda of: August 7, 2014  
 Attachment to:  
 Ordinance No. \_\_\_\_\_ / Resolution No. 2014-41

**Subject:**

A RESOLUTION OF THE DILLINGHAM CITY COUNCIL ACCEPTING ALASKA DEPARTMENT OF ENVIRONMENTAL CONSERVATION MUNICIPAL MATCHING GRANT #28306 IN THE AMOUNT OF \$3 MILLION FOR WASTEWATER SYSTEM IMPROVEMENT PROJECTS

City Manager: Recommend Approval

Signature: Rose Doera

Route to	Department Head	Signature	Date
X	Finance Director	<i>Carol Shade</i>	7/28/14
X	Public Works Director <i>Acting</i>	<i>Ann C. H. J.</i>	7/29/14
X	Planning Director	<i>Godly Sutz</i>	7/16/14
X	City Clerk	<i>J. Williams</i>	7/15/14

Fiscal Note:  Yes  No

Funds Available:  Yes  No

**Other Attachments:**

Letter dated 7/8/14 from DEC

**Summary Statement:**

Municipal Matching Grant # 28306, in the amount of \$3 million, was reappropriated from water system improvements to wastewater system improvements during the last legislative session. These funds have a 30% match requirement.

We have formally applied for the funds and identified to DEC the projects that these funds will under take. The total cost of all the projects listed in the resolution is approximately \$4 Million. We will be using approximately \$300,000 remaining from our legislative appropriation and funding from ANTHC. The funding from ANTHC should be awarded in February 2015.

The attached letter indicates approval for use of these funds for our wastewater system improvements.

Ordinance No. \_\_\_\_\_ / Resolution No. 2014-41

**Summary Statement continued:**



THE STATE  
of **ALASKA**  
GOVERNOR SEAN PARNELL

Department of Environmental  
Conservation

DIVISION OF WATER  
Municipal Grants & Loans

555 Cordova Street  
Anchorage, Alaska 99501  
Main: 907-269.7502  
Fax: 907.269.7509

July 8, 2014

Ms. Rose Loera  
City Manager  
City of Dillingham  
PO Box 889  
Dillingham, AK 99576

**RE: Grant Amendment Application – Wastewater System Upgrades Eligibility Approval**  
Dillingham – Water System Improvements Ph. 1.3 and 1.4  
ADEC Grant No. 28306

Dear Ms. Loera:

I have reviewed the application documents submitted for amending Municipal Matching Grant No. 28306 for the Wastewater System Upgrades projects, and find the work eligible for 70% grant participation. The full grant amount of \$3,000,000 has been recommended to our Juneau Office for this work. The application will be processed in Juneau, and at that time, a formal grant offer will be prepared and sent to you for signature and City Council resolution acceptance.

The eligible work under this grant amendment will include planning, design and construction for upgrades to the wastewater treatment and collection system in order to come into compliance with the APDES permit, and address long standing system-wide needs.

Thank you for your application, and I look forward to assisting you with your projects. If you have any questions, please contact me at 269-7603 or [beth.verrelli@alaska.gov](mailto:beth.verrelli@alaska.gov).

Sincerely,

A handwritten signature in black ink, appearing to read "Beth Verrelli".

Beth Verrelli  
Project Engineer

cc: Soraida Cassell-Caparros/ADEC-MAT/Juneau (electronic copy)  
Jody Seitz/Planner/Dillingham (electronic copy)



CITY OF DILLINGHAM, ALASKA

**RESOLUTION NO. 2014-42**

**A RESOLUTION OF THE DILLINGHAM CITY COUNCIL APPROVING A DRAFT PETITION TO ANNEX THE NUSHAGAK COMMERCIAL SALMON DISTRICT AND THE WOOD RIVER SOCKEYE SALMON SPECIAL HARVEST AREA BY THE LEGISLATIVE REVIEW METHOD**

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WHEREAS, the City's annexation of the Nushagak Commercial Salmon District, and, the Wood River Sockeye Salmon Special Harvest area was remanded by the court to process the petition through the legislative review method, and

WHEREAS, the City feels the annexation is important in order for the City to continue to provide services to the commercial fishing industry and surrounding communities on a sustainable basis; and

WHEREAS, the original petition approved by the Local Boundary Commission has been updated by staff, attorney and consultant into a draft document for presentation to the public at a hearing dated September 24, 2014; and

WHEREAS, the draft petition needs City Council approval prior to presenting to the public; and

WHEREAS, once the draft petition is approved by the City Council it will be made available to the public by being posted on the City's website, being placed in public places and being placed in city offices; and

WHEREAS, a notice announcing the hearing on September 24, 2014 as well as where a copy of the draft petition can be obtained will be given to the local radio station and published in a local newspaper as required by the Local Boundary Commission; and

WHEREAS, changes to the draft petition may be made following the public hearing; and

WHEREAS, additional City Council authorization will be necessary before the City is authorized to submit the annexation petition to the Local Boundary Commission for approval;

NOW, THEREFORE, BE IT RESOLVED that the Dillingham City Council approves the draft Petition to the Local Boundary Commission for the Annexation of Nushagak Commercial Salmon District waters and Wood River Sockeye Salmon Harvest area waters, together consisting of approximately 396 square miles of water and 3 square miles of land (small islands) to the City of Dillingham by the Legislative Review Method and authorizes the City Clerk to make the draft petition available for public review and to provide notice to the public of the availability of the petition for public review and the time and place of the public hearing about the petition set for September 24, 2014.

PASSED and ADOPTED by the Dillingham City Council on August 7, 2014.

\_\_\_\_\_  
Alice Ruby, Mayor

[SEAL]

ATTEST:

\_\_\_\_\_  
Janice Williams, City Clerk

City of Dillingham Information Memorandum      Agenda of: August 7, 2014  
 Attachment to:  
 Ordinance No. \_\_\_\_\_ / Resolution No. 2014-42

**Subject:**

A RESOLUTION OF THE DILLINGHAM CITY COUNCIL APPROVING A DRAFT PETITION TO ANNEX THE NUSHAGAK COMMERCIAL SALMON DISTRICT AND THE WOOD RIVER SOCKEY SALMON SPECIAL HARVEST BY THE LEGISLATIVE REVIEW METHOD

City Manager: Recommend Approval

Signature: *Carola Shade, Acting*

Route to	Department Head	Signature	Date
X	Finance Director	<i>CS</i>	8/5/14
	Public Works Director		
	Planning Director		
X	City Clerk	<i>James Williams</i>	8/5/14

Fiscal Note:  Yes  No

Funds Available:  Yes  No

**Other Attachments:**

- August 7, 2014 DRAFT Revised Dillingham Petition

**Summary Statement:**

The judge reviewing the annexation ordered the Local Boundary Commission to process the annexation through what is called the legislative review method. This requires that the City prepare a draft petition and hold a public hearing on the draft petition before deciding whether to make any changes to the draft and submit the petition to the Commission for approval. The draft petition has been prepared but before the hearing is held it is best if the Council approve going forward with the process and the draft. This does not lock Council in. It will be possible to make changes in response to public input after the hearing.

Ordinance No. \_\_\_\_\_ / Resolution No. 2014-42

**Summary Statement continued:**

COVER SHEET – August 7, 2014 DRAFT Revised Dillingham Petition

Please note exhibits I, J, and K, referenced in the draft petition, have not been inserted, but will be attached at the time the public review draft is made available to the public.

- EXHIBIT I LOCAL BOUNDARY COMMISSION DECEMBER 14, 2011, DECISION APPROVING DILLINGHAM ANNEXATION.....
- EXHIBIT J CONSULTATION REPORT
- EXHIBIT K INFORMATION RELATED TO THE PRE-FILING/PRE-SUBMISSION PUBLIC HEARING & NOTICE



# **PETITION**

to the Local Boundary Commission

for

## **ANNEXATION**

OF

Nushagak Commercial Salmon District waters and Wood River  
Sockeye Salmon Special Harvest area waters,  
together consisting of approximately 396 square miles of water  
and 3 square miles of land (small islands)

TO THE

City of Dillingham

By the Legislative Review Method

August 7, 2014 **DRAFT**

Approved by City of Dillingham Resolution Nos. 2010-85; 2014-xxx (*will update after Council  
makes final decision to proceed*)

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## **INTRODUCTION**

On June 14, 2010 the City of Dillingham petitioned to annex the territory that is the subject of this petition using the “local option” method. The Local Boundary Commission approved that petition on December 14, 2011 following an extensive public process. The Commission’s decision is attached as **Exhibit I** to this petition. On April 10, 2012, Dillingham voters approved this annexation.

In accordance with court orders entered in the case Ekuk v. Local Boundary Commission, Case No. 3DI-12-00022 CI, on June 11, 2014 the Commission adopted Resolution 14-01. Resolution 14-01 ordered the City of Dillingham to refile the June 14, 2010 petition “in accordance with the requirements for legislative review if the City desires to proceed with its petition.” The City does desire to proceed with its petition.

Therefore, the Petitioner City of Dillingham hereby requests that the Local Boundary Commission grant this Petition for annexation under the “legislative review” requirements pursuant to under Article X, Section 12 of the Constitution of the State of Alaska, AS 29.06.040(a and b), AS 44.33.812(a)(3), 3 AAC 110.140, 3 AAC 110.090-135 and 3 AAC 110.610(b). All exhibits attached to this petition are incorporated by reference.

### **SECTION 1. NAME OF THE PETITIONER. 3 AAC 110.420(b)(1).**

The City incorporates by reference all information contained in Section 1 of the petition submitted June 14, 2010. For the convenience of the Commission this material is in full below. There is no supplemental material.

The name of the Petitioner is the City of Dillingham. The City of Dillingham is hereafter referred to as the “Petitioner.”

### **SECTION 2. PETITIONER’S REPRESENTATIVE. 3 AAC 110.420(b)(2).**

The City incorporates by reference all information contained in Section 2 of the petition submitted June 14, 2010 regarding petitioner’s representative. For the convenience of the Commission this material is in full below, but with an **UPDATE** to who is serving as the Alternative Petitioner.

The Petitioner designates the following individual to serve as its representative in all matters concerning this annexation proposal:

Name: Alice Ruby, Mayor  
Physical Address: City Hall, Dillingham Alaska  
Mailing Address: P.O. Box 889  
Dillingham, AK 99576  
Telephone number: (907) 842-5211  
Fax number: (907) 842-5691  
E-mail address: [mayor@dillinghamak.us](mailto:mayor@dillinghamak.us)

**Alternative Petitioner's Representative**

The Petitioner designates the following person to act as alternate representative in matters regarding the annexation proposal in the event that the primary representative is absent, resigns, or fails to perform his or her duties:

Name: Rose Loera, City Manager  
Physical Address: City Hall, Dillingham Alaska  
Mailing Address: P.O. Box 889  
Dillingham, AK 99576  
Telephone number: (907) 842-5211  
Fax number: (907) 842-2060  
E-mail address: [manager@dillinghamak.us](mailto:manager@dillinghamak.us)

**SECTION 3. NAME AND CLASS OF THE CITY FOR WHICH A CHANGE IS PROPOSED. 3 AAC 110.420(b)(3).**

The City incorporates by reference all information contained in Section 3 of the petition submitted June 14, 2010. For the convenience of the Commission this material is in full below. There is no supplemental material.

The name and class of the city proposing annexation is listed below:

Name: City of Dillingham  
Class: 1<sup>st</sup> class City

**SECTION 4. GENERAL DESCRIPTION OF THE NATURE OF THE PROPOSED BOUNDARY CHANGES. 3 AAC 110.420(b)(4).**

The City incorporates by reference all information contained in Section 4 of the petition submitted June 14, 2010. For the convenience of the Commission this material is in full below. No Supplemental material is attached.

This petition, initiated by the City under the authority of 3 AAC 110.410(a)(4), requests the Local Boundary Commission authorize the following boundary change: annexation of territory generally described as Wood River and Nushagak Bay to the City under the Legislative Review method provided for in AS 29.06.040(a-b) and 3 AAC 110.140.

**SECTION 5. GENERAL DESCRIPTION OF THE TERRITORY PROPOSED FOR ANNEXATION. 3 AAC 110.420(b)(5).**

The City incorporates by reference all information contained in Section 5 of the petition submitted June 14, 2010. For the convenience of the Commission this material is in full below. No Supplemental material is attached.

The territory proposed for annexation is the Nushagak Commercial Salmon District with approximately 390.95 square miles of water and 2.83 square miles of land (Grassy Island), and, the Wood River Sockeye Salmon Special Harvest area with approximately 4.89 square miles of

water and 0.41 square miles of land (Sheep island and small island to north), together totaling 399.08 square miles of which 395.84 (99.2%) is water.

**SECTION 6. REASONS FOR THE PROPOSED BOUNDARY CHANGES. 3 AAC 110.420 (b)(6).**

The City incorporates by reference all information contained in Section 6 of the petition submitted June 14, 2010 as corrected by the City's errata dated September 21, 2010. For the convenience of the Commission this material is in full below, *with supplemental material in bold italics inserted into the original June 14, 2010 narrative.*

*The reason for the proposed boundary change is to more fairly distribute the costs for providing, operating, and maintaining the public facilities and services supporting commercial fishing in Nushagak Bay. Currently, a significant number of non-residents receive the benefit of these services that directly assist them in their fishing business without contributing equitably to operation and maintenance of the city services and facilities. As an example, the table below shows that in the Dillingham Harbor in 2013, 57 percent of the vessels belong to people who are not Dillingham residents (this includes both skiffs and commercial fishing vessels). While everyone pays a harbor use fee, this revenue doesn't come close to paying for the services and infrastructure Dillingham provides to the fleet and related processors.*

<b>2013 Dillingham City Harbor Permits</b>	<b>All Harbor Permits</b>	<b>Transient Moorage</b>	<b>Total</b>	<b>% of Total</b>
<b>Dillingham resident</b>	<b>264</b>	<b>6</b>	<b>270</b>	<b>43%</b>
<b>Local Villages resident</b>	<b>46</b>	<b>13</b>	<b>59</b>	<b>10%</b>
<b>Other Alaskan resident</b>	<b>89</b>	<b>27</b>	<b>116</b>	<b>19%</b>
<b>Out of State resident</b>	<b>137</b>	<b>38</b>	<b>175</b>	<b>28%</b>
<b>Out of Country resident</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>0% (Negligible)</b>
<b>Total</b>	<b>537</b>	<b>85</b>	<b>622</b>	<b>100%</b>

*Source: Dillingham Harbors*

Like most places in Bristol Bay, fishery resources and the commercial fishing and seafood processing industries are the backbone of Dillingham's economy and integral to many residents' livelihoods and way of life. Dillingham, with its population of about 2,350 **2,395 (ADOLWD, July 2013)**, is the economic, transportation and public service center for western Bristol Bay. The region's hospital, airport, University campus, public boat harbor, all-tide dock, boat launches, its regional health, housing, community development quota (CDQ), Native for and not-for profit organizations, and more are all located in Dillingham.

The City of Dillingham's population is estimated at times to almost double during the peak fisheries months of May through August as summer visitors come to town to commercial fish in Nushagak Bay and other places in Bristol Bay or work in Dillingham-based seafood processing plants. Commercial fishermen use the City-maintained harbor, docks, boat ramps, parking areas, restrooms, bathhouse, and benefit from trash-hauling, street maintenance, etc. Fishermen harvesting in the Nushagak district use the Dillingham harbor to moor vessels,

between openings, haul their vessels in and out for servicing and repair, and to get fresh water or ice. On a bad weather day, in-between longer fishery openings there can be as many as 700 vessels using the City's small boat harbor.

There were 807 unique individuals with landings in the Nushagak Commercial Salmon district in 2008, yet only 155 (19 percent) were Dillingham residents and 35 percent were non-Alaskans. In 2008, only 20 percent of the vessels with commercial fish harvest in the Nushagak District were registered to Dillingham residents and 40 percent were registered to non-Alaskans.<sup>1</sup>

***There were 729 unique individuals with landings in the Nushagak Commercial Salmon district in 2012, yet only 138 (19 percent) were Dillingham residents and 280 (38 percent) were non-Alaskans. In 2012, only 17 percent of the gill net fleet vessels with commercial fish harvest in the Nushagak District were registered to Dillingham residents and 39 percent were registered to non-Alaskans.***

***There were 675 unique individuals with landings in the Nushagak Commercial Salmon district in 2013, yet only 143 (21 percent) were Dillingham residents and 243 (36 percent) were non-Alaskans. In 2013, 19 percent of the gill net fleet vessels with commercial fish harvest in the Nushagak District were registered to Dillingham residents and 35 percent were registered to non-Alaskans.***

This annexation and the accompanying local severance and sales tax on raw fish will provide more revenue to the City of Dillingham to help pay for services and facilities that the region's commercial fishermen and fleet use while in town and will help make the community more financially sustainable.

Data shows that in 2004 through 2008 between 56 to 66 percent of the salmon harvest in Nushagak Bay each year was delivered outside Nushagak Bay for processing. ***In 2012 and 2013, the percent of Nushagak Bay salmon delivered outside of the bay for processing was 31% and 46 percent, respectively***<sup>2</sup>. The proposed local severance and sales tax on raw fish will allow Dillingham to collect revenue from this portion of the region's primary economic resource. Currently, neither Dillingham nor any other community in the bay area receives any State business fishery tax from the harvest of Nushagak Bay fish that is processed elsewhere, yet Dillingham is certainly bearing costs to provide services and support for the harvest of this fishery resource.

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<sup>1</sup> Source: CFEC gross earnings files and CFEC Vessel files. Note that a 2014 update to this data, prepared by CFEC for this revised petition, applied a slightly different methodology so that: "In 2008, only 18 percent of the commercial gillnet vessels with commercial fish harvest in the Nushagak District were registered to Dillingham residents and 38 percent were registered to non-Alaskans."

<sup>2</sup> Source: An analysis of 2004-2008 ADF&G fish ticket & COAR data, and 2009-2013 fish ticket and COAR data, ADF&G, Division of Commercial Fisheries.

Dillingham's per capita tax burden is ranked 21<sup>st</sup> 12<sup>th</sup> highest out of just over 80 119 reporting municipalities (2009 Alaska Taxable, **2013 Alaska Taxable, Table 3A**) that levy a tax. Yet, the fees and taxes paid to the City of Dillingham by its resident and summer fisheries-related visitors are not commensurate with the cost to the City to provide services and facilities that support area commercial fisheries. Every year Dillingham uses general operating fund money (76 percent of general operating fund revenue is from local property and sales tax revenue) to help subsidize services and infrastructure that support regional fisheries<sup>3</sup>.

***Following are some examples that demonstrate the expenses that Dillingham is incurring as it continues to support the regional Nushagak fisheries and fishing fleet, related processing activity, and the influx of fishery related summer visitors. These expenses demonstrate the services Dillingham provides and why it needs additional revenue from commercial fishing related activity of non-residents, a primary reason for this annexation.***

Following are some examples that account for a minimum of \$330,000 in Dillingham FY 2009 ***and many subsequent expenditures*** to help serve the regional fisheries:

#### Harbors

- In Fiscal Year (FY) 09 approximately \$110,000 from Dillingham's general operating fund was transferred to harbors to make up the difference between harbor fees and actual harbor annual operating expenses which do not include the cost of contributed administrative services from the City of Dillingham paid for from the General Operating Fund.
- ***In the Dillingham Harbor in 2013, 57 percent of the vessels belong to people who are not Dillingham residents (this includes both skiffs and commercial fishing vessels). Of this, 28 percent are non-Alaskans and 19 percent are from outside the Bristol Bay region. .***
- ***In 2012, Dillingham purchased a Hyster 1050 H Large Forklift for \$582,452. We keep two of these at the Dock primarily to move container vans around the yard. Many of our container vans are from Peter Pan and Icicle Seafood for shipping out salmon.***
- ***In 2012, Dillingham had a strong SE wind and high tide which caused significant erosion in the Harbor. We had to put in over approximately \$46,000 of rock in the harbor to shore up areas that eroded because of the wind and tide.***
- ***The Harbor has added three collection sites for waste oil for the fishing fleet.***
- ***In FY 13, \$74,337 from Dillingham's Dock Special Revenue Fund was transferred to harbors to make up the difference between harbor fees and actual harbor annual operating expenses.***
- ***In April 2014 the City of Dillingham purchased a new loader for \$293,980; this is the only piece of equipment that it has to put the harbor floats into and out of the water. The old***

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<sup>3</sup> ***In 2013, 62 percent of the general operating fund revenue was from property or sales taxes (excluding Nushagak Fish Tax and bonds reimbursement from the state).***

**one broke down in March and we had to scramble to find another one to get on the first barge so that we could be ready for the 2014 season.**

Public Safety (police, fire, EMS)

- Ten percent of 2009's total calls for service (Dillingham city dispatch) are from the fishery-related areas (the boat harbor, Wood River boat launch, city dock or processing plants). Twenty percent of all calls for service in June and July are from these areas.
- ***In 2013, seven percent of total calls for service (Dillingham Police Dispatch) are from the fishery-related areas (boat harbor, Wood river boat launch, canneries, and dock area). And, in June and July 2013, 13 percent of all calls for service are from fishery-related areas.***
- ***The corresponding cost to serve fishery-related calls is, ten percent of the FY 2010 public safety budget, or \$211,990 (public safety includes patrol, dispatch, corrections, fire, animal services), and seven percent of the FY 2013 Public Safety budget, or \$170,414***

2013 Dillingham Dispatch Data	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	total
Total Calls for Service	431	418	442	480	576	606	705	599	585	524	434	468	6268
Number in fishery related areas	17	25	24	43	34	79	92	51	32	16	17	25	455
Percent of total in fishery related areas	4%	6%	5%	9%	6%	13%	13%	9%	5%	3%	4%	5%	7%

*\*Fishery related areas are dock, boat harbor, canneries, and Wood river boat launch*

**As seen on the table below, the bulk of area public safety service is provided by the City of Dillingham.**

2013 Calls for Service Percentage by Agency	Police	Fire	EMS	Alaska State Troopers	Total
January	77%	1%	2%	20%	431
February	80%	1%	4%	15%	418
March	80%	1%	4%	15%	442
April	79%	1%	4%	16%	480
May	84%	1%	4%	11%	576
June	82%	1%	6%	11%	606
July	86%	1%	3%	11%	705
August	83%	1%	4%	12%	599
September	78%	1%	4%	17%	585
October	82%	1%	3%	14%	524
November	82%	1%	3%	14%	434
December	79%	1%	3%	17%	468

Source: Dillingham Police Department

- There is no additional public safety staff in summer.
- ***Between May 2012 and April 2013 the Dillingham Police Department also responded either independently or as part of a mutual response on 37 occasions of which 12 were search and rescue responses.***

- ***In 2013, the Public Safety department purchased Personal Floatation Devices for all their officers and equipped all their vehicles with floating discs to throw to someone in need in the water. The total approximate cost was \$1,000.***
- ***In 2014, Dillingham awarded a contract to build a new Fire Tender (truck). It is now being constructed and hopefully will be here on the last barge in September. Contract was awarded in 2013 and is for \$405,000. It is all grant funded, but Dillingham will now pay operating and maintenance on this equipment.***
- ***In 2014, the City received a bid from Spill Shield for oil containment equipment for approximately \$35,000 and is working to complete this purchase.***

#### **Department of Motor Vehicles**

- ***The average number of monthly transactions at the Dillingham DMV is 215. During the months of June and July the average amount of transactions is 416.***

#### **Landfill**

- ***In the summer months to accommodate the fishing fleet, six five large dumpsters are installed at the harbor and two are installed at the city dock and generally emptied twice a day, adding about 25% to the volume of trash hauled during those months.***
- ***In 2009, this cost \$9,000, paid from the general operating fund (local taxes). In 2013, this cost to the city in fees paid for fishery related trash hauling was approximately \$10,000 paid from the general operating fund.***
- ***In FY 2009, the City of Dillingham also transferred over \$200,000 of general operating fund money to the landfill to cover costs that exceeded fee revenue. In FY 2013, the City of Dillingham also transferred \$219,686 of general operating fund money to the landfill to cover costs that exceeded fee revenue. This payment does not include the cost of contributed administrative services from the City of Dillingham paid for from the General Operating Fund.***
- ***In FY 2014 the City is being forced by the State of Alaska Department of Environmental Conservation to stop open burning of our municipal waste. As of July 1, 2014 Dillingham has had to bury, compact and cover the garbage at an additional expense of approximately \$200,000. The City is in the process of purchasing a thermal oxidation system to dispose of municipal waste. Due to the increase in municipal waste in the summer months we had to purchase a larger system than what is needed in the winter months. The total cost of this system and the building to house it will be approximately \$1.2 Million, paid from grant funds.***
- ***The City of Aleknagik closed their South Shore landfill and residents that live on the South Shore are now bringing their garbage to the Dillingham landfill. In 2014 during Dillingham's annual community clean-up the City of Aleknagik also cleaned up its community and brought two trucks loads of garbage to the dumpsters at the Harbor.***

#### **Water and Sewer**

- ***The City provides drinking water and public sewer service to the Peter Pan processing plant. Each summer between 400 and 500 workers live at the plant. The City's public***

***utility infrastructure must be sized to accommodate this seasonal influx of temporary residents without whom the fish caught by permit holders would not be able to be processed. Currently the City is undertaking a major upgrade to its wastewater treatment plant in part to increase the capability of the plant to treat sewage. The cost is estimated at approximately \$\_\_\_\_\_; we hope that most of this will come from grants. In 2012 and 2013, the City of Dillingham spent approximately \$1.56 million and \$1.68 million respectively on upgrades to its wastewater system. It still has projects that need completed. In total, approximately \$6.8 million will be invested. Fortunately, much of this is grant funded, however, Dillingham pays for the day-to day operation and maintenance.***

- ***The City's drinking water supply facility was upgraded in 2010 at a cost of \$1 million. Iccicle Seafoods is a new seafood processor in town (2014) and has indicated that its wells are not sufficient to meet its processing needs and would like to connect to city water. The city is currently investigating options. This is another of the many examples of how the city continually upgrades its facilities to serve the region's commercial fishing industry. The city is not complaining, but merely wishes to receive a fairer share (as many other places in the Bristol Bay region do through a local fish tax) of the revenue being generated in the Nushagak from outside of Dillingham and Alaskan residents to help provide this infrastructure and services.)***

Revenue resulting from this annexation will allow Dillingham to help cover the costs listed above and others. It will allow Dillingham to provide better service to its own and neighboring community fishermen as well as those from outside the area and state who use the City-maintained harbor, docks, boat ramps, restrooms, bathhouse, and benefit from trash-hauling, street maintenance, etc. Revenues from this annexation will also allow some improvements that will benefit all who use Dillingham's harbor related facilities. In addition added revenue will allow enhanced coordination with the Alaska State Troopers, local search and rescue volunteers and others who together enact public safety response in Dillingham. The Alaska State Troopers will continue to be the primary first responders in Nushagak River and Bay as they are now, though the City will be better able to partner and assist when appropriate (refer to the Transition Plan). The City will also provide enhanced environmental protection through an added oil spill response cache.

***Totaling the expenditures from Dillingham's FY 13 General Operating Budget that are attributable to serving the commercial fishing fleet yields a minimum of \$430,000. The 2.5 % Nushagak Fish Tax generated \$848,910 that year. After the general fund expenses related to commercial fishing and other fishery and committed tax relief efforts were funded, \$364,000 remained to help pay for future commercial fishing related improvements. The 2.5% Nushagak Fish Tax is allowing Dillingham to more readily pay for these services and thus provide better service to its own and neighboring community fishermen as well as those from outside the area and state who use the City-maintained harbor, docks, boat ramps, restrooms, bathhouse, and benefit from local processors, trash-hauling, street maintenance, etc.***

<b>Dillingham FY 13 Operating &amp; Special Revenue Fund Expenditures Directly Attributable to Serving Commercial Fishing Fleet, of Benefit to Fisheries, Commercial Fishermen &amp; Processors</b>	
<b>General Fund Comm. Fish Related Expenditure: Harbors</b>	<b>\$196,651</b>
<b>General Fund Comm. Fish Related Expenditure: Landfill</b>	<b>\$61,831</b>
<b>General Fund Comm. Fish Related Expenditure: Public Safety Response</b>	<b>\$170,414</b>
<b>General Fund Comm. Fish Related Expenditure: Public Safety: Personal Floating Devices</b>	<b>\$1,000</b>
<b>Total Expenditures, From General Fund</b>	<b>\$429,896</b>
<b>Other: 2014 Oil Containment Equipment<sup>4</sup></b>	<b>\$35,000</b>
<b>Nushagak Fish Tax Expenditure: Transfer to General Fund (to help pay \$429,896 in expenses listed above)</b>	<b>\$400,920</b>
<b>Nushagak Fish Tax Expenditure: Property Tax Payer Refund</b>	<b>\$10,833</b>
<b>Nushagak Fish Tax Expenditure: Low Income Fisher Refund</b>	<b>\$1,798</b>
<b>Nushagak Fish Tax Expenditure: Transfer to Fisheries Fund</b>	<b>\$46,422</b>
<b>Nushagak Fish Tax Expenditure: Transfer to Borough Study Fund</b>	<b>\$24,853</b>
<b>Total Expenditures, from Nushagak Fish Tax</b>	<b>\$484,826</b>
<b>FY 2013 2.5% Nushagak Fish Tax Revenue</b>	<b>\$848,910</b>
<b>Nushagak Fish Tax Balance, at end of FY 13, for Future Commercial Fishery Related Improvements</b>	<b>\$362,468</b>

Other municipalities in this part of Alaska, which are likewise fiscally dependent on fisheries revenue also include adjacent commercial fishing district waters within their corporate boundaries. This has been explicitly permitted by the Local Boundary Commission (“Commission” or “LBC”) either as a part of initial municipal incorporation or through annexation.

For example, in 1995 the LBC approved incorporation of the City of Egegik with 105 square miles of water to include the Egegik fishing district; in 1991 the LBC approved incorporating the City of Pilot Point with 115 square miles of water in the Ugashik commercial fishing district; in 1986 the LBC approved annexation of approximately 194 square miles of commercial fishing waters into the City of St. Paul; and in 1985 the LBC approved annexation of 183 square miles of water to the City of Togiak to bring in the Togiak Bay and its commercially fished waters into the City’s corporate boundary.

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<sup>4</sup> In 2014 the City received a bid from Spill Shield for oil containment equipment for approximately \$35,000. It was the City’s intention to purchase this equipment for the 2014 summer and have it ready to present to the City. Then the annexation was remanded. The City has applied for a grant with Homeland Security Program and included a request for this equipment in July 2014.

These communities also levy a local raw fish tax (sales or severance), including several that are within a borough where both a local city and a borough raw fish is levied and collected. Local municipalities levying a raw fish tax include Saint Paul, Unalaska, Akutan, Togiak, King Cove, Sand Point, Chignik, Pilot Point, Egegik, Aleutians East Borough, Kodiak Island Borough, Bristol Bay Borough, Lake and Peninsula Borough, and City and Borough of Yakutat (see map, Exhibit I).

The proposed annexation is in the best interest of the State, as it will promote maximum local self-government and the long-term economic vitality of the City of Dillingham, a regional hub in western Bristol Bay, Alaska, *as previously expressly found by the Local Boundary Commission in its decision of December 14, 2011 (pages 13-14). In particular, the Commission has already determined:*

*“That all of the relevant standards and requirements for annexation of the territory (the Nushagak Bay Commercial Fishing Districts) are satisfied by the City of Dillingham’s petition.” Also, refer to Exhibit I - Supporting Brief, for additional detail on the reasons and justification for this annexation.*

#### **SECTION 7. LEGAL DESCRIPTIONS, MAPS, AND PLATS. 3 AAC 110.420(b)(7).**

The City incorporates by reference all information contained in Section 7 of the petition submitted June 14, 2010. For the convenience of the Commission this material is in full below. There is no supplemental information.

1. **Legal Description of the Territory Proposed for Annexation.** Exhibit A-1 provides a written metes and bounds legal description of the territory proposed for annexation.
2. **Legal Description of Existing City’s Boundaries.** Exhibit A-2 provides a legal metes and bounds description of the existing city’s boundaries.
3. **Legal Description of Proposed Post-Annexation Boundaries.** Exhibit A-3 provides a legal metes and bounds description of the proposed post-annexation boundaries of the city.
4. **Maps and Plats.** Exhibit A-4 provides a map showing the existing boundaries of the city and the boundaries of the territory proposed for annexation. Any plats required by the Department of Commerce, Community, and Economic Development to demonstrate the accuracy of the legal descriptions in Exhibits A-1, A-2 or A-3 are included with the map in Exhibit A-4.

#### **SECTION 8. SIZE OF THE TERRITORY PROPOSED FOR ANNEXATION. 3 AAC 110.420(b)(8).**

The City incorporates by reference all information contained in Section 8 of the petition submitted June 14, 2010. For the convenience of the Commission this material is in full below. There is no supplemental information.

1. The existing city proposing annexation encompasses 33.6 square miles of land and 2.1 square miles of water.
2. The territory proposed for annexation encompasses approximately 395.84 square miles of water and 3.24 square miles of land (islands).
3. The existing city after the proposed annexation encompasses 36.84 square miles of land and approximately 397.94 square miles of water.

**SECTION 9. DATA ESTIMATING THE POPULATION OF THE TERRITORY PROPOSED FOR ANNEXATION. 3 AAC 110.420(b)(9).**

The City incorporates by reference all information contained in Section 9 of the petition submitted June 14, 2010. For the convenience of the Commission this material is in full below, *with supplemental material in bold italics inserted within the original June 14, 2010 narrative.*

1. The population of the territory proposed for annexation is estimated to be 1,230 **1,000** seasonal transient fishermen and crew working on (and in some cases living on) fishing vessels. *(Based on 520+ non-Dillingham unique fishermen fishing in Nushagak Bay in 2013 and assuming 1 crew per fisherman).*
2. The population within the current boundaries of the city is estimated to be 2,347 **2,395** (ADOLWD, 2008, **2013**). The summer seasonal workforce in Dillingham is estimated to be approximately 700 **820 for the two canneries and other seasonal workers from BBEDC not including fishermen (Dillingham est.).**
3. The permanent population of the existing city after the proposed annexation is estimated to be 2,347 **2,395**. The seasonal increase in population is estimated to be approximately 1,930 **1,820 (1,000+820=1,820)**. The estimated total population in the summer (combined permanent and seasonal) after annexation is 4,277 **4,215**.

**SECTION 10. INFORMATION RELATING TO PUBLIC NOTICE AND SERVICE OF THE PETITION. 3 AAC 110.420(b)(10)**

The City incorporates by reference all information contained in Section 10 of the petition submitted June 14, 2010. However, this section has been replaced with the following updated information.

This public notice information regarding this annexation petition is provided in **Exhibit B**.

Since the area proposed for annexation is identical to the area described in the June 14, 2010 the public notice and service of the June 14, 2010 petition is properly considered part of the

entire public process related to the proposed annexation. This is described on pages 2 and 3 of the Commission’s December 14, 2011 decision attached as **Exhibit I** and in the consultation report attached as **Exhibit J**. Information specific to notice of the pre-filing public hearing held as required by 3 AAC 110.425(e) is provided in **Exhibit K**.

**SECTION 11. TAX DATA. 3 AAC 110.420(b)(12).**

The City incorporates by reference all information contained in Section 11 of the petition submitted June 14, 2010. For the convenience of the Commission this material is in full below, **with supplemental material in bold italics inserted into the original June 14, 2010 narrative, to update it to 2013.**

1. The assessed or estimated value of taxable property in the territory proposed for annexation. This only applies for any proposed or existing municipal government for which a change is proposed that currently levies or proposes to levy property taxes.
  - a. This subsection lists estimates or actual figures concerning the value of taxable real property in the existing city.

ASSESSED OR ESTIMATED VALUE OF TAXABLE REAL PROPERTY WITHIN THE EXISTING CITY		
Borough, City, or Service Area	Estimated or Locally Assessed Value	Estimated or Actual Full and True Value
Dillingham (as of Jan. 1, 2009)	\$111,780,4777	\$129,270,800
Source: 2009 Alaska Taxable		
<b>Total (areawide)</b>	<b>\$111,780,4777</b>	<b>\$129,270,800</b>

ASSESSED OR ESTIMATED VALUE OF TAXABLE REAL PROPERTY WITHIN THE EXISTING CITY		
Borough, City, or Service Area	Estimated or Locally Assessed Value	Estimated or Actual Full and True Value
<b><i>Dillingham (as of Jan. 1, 2013)</i></b>	<b><i>\$121,447,150</i></b>	<b><i>\$152,374,500</i></b>
<b><i>Source: 2013 Alaska Taxable</i></b>		
<b><i>Total (areawide)</i></b>	<b><i>\$121,447,150</i></b>	<b><i>\$152,374,500</i></b>

- b. This subsection lists estimates or actual figures concerning the value of taxable personal property in the existing city.

ASSESSED OR ESTIMATED VALUE OF TAXABLE PERSONAL PROPERTY WITHIN THE EXISTING CITY		
Borough, City, or Service Area	Estimated or Locally Assessed Value	Estimated or Actual Full and True Value
Dillingham (as of Jan. 1, 2009)	\$36,190,636	\$47,733,700
Source: 2009 Alaska Taxable		
<b>Total (areawide)</b>	<b>\$36,190,636</b>	<b>\$47,733,700</b>

ASSESSED OR ESTIMATED VALUE OF TAXABLE PERSONAL PROPERTY WITHIN THE EXISTING CITY		
Borough, City, or Service Area	Estimated or Locally Assessed Value	Estimated or Actual Full and True Value
<i>Dillingham (as of Jan. 1, 2013)</i>	<b>\$40,425,968</b>	<b>\$53,643,100</b>
<i>Source: 2013 Alaska Taxable</i>		
<b>Total (areawide)</b>	<b>\$40,425,968</b>	<b>\$53,643,100</b>

- c. This subsection lists estimates or actual figures concerning the value of taxable real property in the territory proposed for annexation.

ASSESSED OR ESTIMATED VALUE OF TAXABLE REAL PROPERTY WITHIN THE TERRITORY PROPOSED FOR ANNEXATION		
Borough, City, or Service Area	Estimated or Locally Assessed Value	Estimated or Actual Full and True Value
Area for annexation to Dillingham	\$0.00	\$0.00
<b>Total (areawide)</b>	<b>\$0.00</b>	<b>\$0.00</b>

- d. This subsection lists estimates or actual figures concerning the value of taxable personal property in the territory proposed for annexation.

ASSESSED OR ESTIMATED VALUE OF TAXABLE PERSONAL PROPERTY WITHIN THE TERRITORY PROPOSED FOR ANNEXATION		
Borough, City, or Service Area	Estimated or Locally Assessed Value	Estimated or Actual Full and True Value
Area for annexation to Dillingham	\$0.00	\$0.00
<b>Total (areawide)</b>	<b>\$0.00</b>	<b>\$0.00</b>

- e. This subsection lists estimates or actual figures concerning the value of taxable real property within existing city after the proposed annexation.

ASSESSED OR ESTIMATED VALUE OF TAXABLE REAL PROPERTY WITHIN THE EXISTING CITY AFTER THE PROPOSED ANNEXATION		
Borough, City, or Service Area	Estimated or Locally Assessed Value	Estimated or Actual Full and True Value
Dillingham (as of Jan. 1, 2009)	\$111,780,477	\$129,270,800
<i>Source: 2009 Alaska Taxable</i>		
<b>Total (areawide)</b>	<b>\$111,780,477</b>	<b>\$129,270,800</b>

ASSESSED OR ESTIMATED VALUE OF TAXABLE REAL PROPERTY WITHIN THE EXISTING CITY AFTER THE PROPOSED ANNEXATION		
Borough, City, or Service Area	Estimated or Locally Assessed Value	Estimated or Actual Full and True Value
<i>Dillingham (as of Jan. 1, 2013)</i>	<b>\$121,447,150</b>	<b>\$152,374,500</b>
<i>Source: 2013 Alaska Taxable</i>		
<b>Total (areawide)</b>	<b>\$121,447,150</b>	<b>\$152,374,500</b>

- f. This subsection lists estimates or actual figures concerning the value of taxable personal property in the existing city after the proposed annexation.

ASSESSED OR ESTIMATED VALUE OF TAXABLE PERSONAL PROPERTY WITHIN THE EXISTING CITY AFTER THE PROPOSED ANNEXATION		
Borough, City, or Service Area	Estimated or Locally Assessed Value	Estimated or Actual Full and True Value
Dillingham (as of Jan. 1, 2009)	\$36,190,636	\$47,733,700
Source: 2009 Alaska Taxable		
Total (areawide)	\$36,190,636	\$47,733,700

ASSESSED OR ESTIMATED VALUE OF TAXABLE PERSONAL PROPERTY WITHIN THE EXISTING CITY AFTER THE PROPOSED ANNEXATION		
Borough, City, or Service Area	Estimated or Locally Assessed Value	Estimated or Actual Full and True Value
<b>Dillingham (as of Jan. 1, 2013)</b>	<b>\$40,425,968</b>	<b>\$53,643,100</b>
Source: 2013 Alaska Taxable		
<b>Total (areawide)</b>	<b>\$40,425,968</b>	<b>\$53,643,100</b>

2. Projected taxable sales in the territory proposed for change.

- a. The projected value of taxable sales within the existing city is estimated to be \$41,166,667 for general sales, \$600,000 for transient sales, \$2,380,000 for liquor sales, and \$1,450,000 for gaming sales (FY 10 Dillingham revised budget)
- At the general sales tax rate of 6%, it is projected that general sales tax revenues of the existing city will equal approximately \$2,470,000 annually; (FY 10 Dillingham budget)
  - At the bed (lodging) sales tax rate of 10%, it is projected that bed sales tax revenues of the existing city will equal approximately \$60,000 annually; (FY 10 Dillingham budget)
  - At the liquor sales tax rate of 10%, it is projected that liquor sales tax revenues of the existing city will equal approximately \$238,000 annually; (FY 10 Dillingham budget)
  - At the general gaming tax rate of 6%, it is projected that gaming sales tax revenues of the existing city will approximately \$87,000 annually; (FY 10 Dillingham budget)
- b. The projected value of taxable severance or sale of raw fish within the territory proposed for annexation is estimated to be \$28,435,335 (2000, 2005, 2008 COAR and fish ticket data, ADF&G). At a severance or sales tax rate of 2.5%, it is projected that revenues from the severance or sale of raw fish within the annexed territory will equal approximately \$710,883 annually. This tax will be structured similar to others in the region where a fish buyer (or harvester) is only responsible for paying a local raw fish tax once, either as a severance tax or as a sales tax.

**At a severance tax rate of 2.5%, the tax revenue from the severance or sale of raw fish within the territory annexed is known to be \$79,523 (FY 12, fishing that occurred**

**subsequent to the April 2012 elections), \$848,910 (FY 2013, for the June-August 2012 fishing season), and \$400,586 (FY 14, for the June, July, August 2013 fishing season).**

**From these totals, \$10,833 and \$15,293 was refunded to Dillingham property owners in FY 13 and FY 14 (respectively), and \$1,998 and \$2,464 was refunded to low income participants harvesting fish subject to the severance tax in FY 13 and FY 14 (respectively).**

- c. The projected value of all taxable sales within the existing city after the proposed annexation is estimated to be \$74,032,002. At the tax rates of 6% general sales, 10% bed tax sales, 10% liquor tax sales, 6% gaming tax sales and 2.5% raw fish severance or sales tax, it is projected that sales and severance tax revenues of the existing city after the proposed annexation will equal approximately \$3,575,883 each year. **The value of all taxable sales within the existing city after the proposed annexation is known to be (FY 13) \$6,077,026, based on the tax rates of 6% general sales, 10% bed tax sales, 10% liquor tax sales, 6% gaming tax sales, and 2.5% raw fish severance or sales tax.**

3. Taxes currently levied by municipal governments within the territory proposed for annexation.

- a. The type and rate of each tax currently levied by municipal governments within the territory proposed for annexation is listed below:

Borough, City, or Service Area	Property tax (mills)	General sales Tax (%)	Transient sales tax (%)	Liquor sales tax (%)	Gaming sales tax (%)	Severance or Raw Fish Sales Tax (%) New (with annexation)
Dillingham	13.00	6%	10%	10%	6%	2.5%

**SECTION 12. BUDGET INFORMATION. 3 AAC 110.420(b)(13)(B).**

The City incorporates by reference all information contained in Section 12 of the petition submitted June 14, 2010. However, this information is replaced and updated in **Exhibits C-1, C-2, and C-3.**

1. Projected revenue for the period extending one fiscal year beyond the reasonably anticipated date of 3 AAC 110.420(b)(13)(A)-(C) for any existing municipality for which a change is proposed is presented in **Exhibit C-1.**
2. Operating expenditures for the period extending one fiscal year beyond the reasonably anticipated date of 3 AAC 110.420(b)(13)(A)-(C) for any existing municipality for which a change is proposed is presented in **Exhibit C-2.**
3. Capital expenditures for the period extending one fiscal year beyond the reasonably anticipated date of 3 AAC 110.420(b)(13)(A)-(C) for any existing municipality for which a change is proposed is presented in **Exhibit C-3.**
4. For subsections 1 through 3 above if 3 AAC 110.420(b)(13)(A)-(C) are not applicable then only one fiscal year is required.

**SECTION 13. EXISTING LONG TERM MUNICIPAL DEBT. 3 AAC 110.420(b)(14).**

The City incorporates by reference all information contained in Section 13 of the petition submitted June 14, 2010 and Exhibit D. ***In this revised petition, Exhibit D has been eliminated and the information is presented below (identical to what was in the Exhibit D of the June 10, 2014 petition).***

<b>NAME/TYPE OF BOND</b>	<b>PURPOSE OF BOND</b>	<b>DATE FULLY PAID</b>
General Obligation School Bond Series A 2008	School Remodel	Fully paid \$15,105,000 in 2028  Annual debt service is \$1,200,000 (State reimburses City for 69% per Alaska Legislature approved School Construction Debt Reimbursement)

**SECTION 14. MUNICIPAL POWERS AND FUNCTIONS. 3 AAC 110.420(b)(15).**

The City incorporates by reference all information contained in Section 14 of the petition submitted June 14, 2010 and Exhibit E. ***In this revised petition, Exhibit E has been eliminated and the information is presented below (identical to what was in the Exhibit E of the June 10, 2014 petition).***

**Municipal Powers and Functions of Any Existing Municipality for Which Change Is Proposed Before the Proposed Change**

Powers currently exercised by the City of Dillingham are the following: Police/E911/Jail/Animal Control; Planning & Zoning/Platting/Land Use Regulation/Building Codes; Library/Museum; Utilities; Ports & Harbors; Economic Development; Education; Taxation; Streets and Street Maintenance; Parks and Recreation. Dillingham may exercise all powers not expressly prohibited by other provisions of state or federal law.

**Municipal Powers and Functions of Any Existing Municipality for Which Change Is Proposed After The Proposed Change**

There are no new powers or functions. However, as a result of annexation, the City of Dillingham, will change some existing powers and functions as follows:

- 1) Levy and collect a raw fish severance and sales tax;
- 2) Provide increased environmental protection within City boundaries by purchasing and maintaining an oil spill response cache at the City Boat Harbor and possibly in other areas; and
- 3) Enhance public safety response and coordination by better support for volunteer search and rescuers, enhanced coordination with Alaska State Troopers, and cross-training and use procedures between harbor and police for the city skiff. While the

City intends to continue to assist and sometimes take the lead on public safety incident response within one-quarter to one mile off shore, the Alaska State Troopers will retain jurisdiction as the primary first responders in Nushagak River and Bay.

**Current Alternative Service Providers in The Territory Proposed for Annexation**

<b>Provider</b>	<b>Service or Function</b>
Alaska State Troopers	Public Safety Fish and Wildlife Enforcement

**SECTION 15. TRANSITION PLAN. 3 AAC 110.420(b)(16).**

The City incorporates by reference all information contained in Section 15 of the petition submitted June 14, 2010. For the convenience of the Commission this material is in full below, ***with supplemental material in Exhibit D in bold italics inserted into the original June 14, 2010 narrative, to update it to 2013.*** (Note: In the June 10, 2014, petition the Transition Plan was Exhibit F).

As provided for in 3 AAC 100.900, **Exhibit D** presents a practical plan for the transfer and integration of all relevant and appropriate assets and liabilities in the territory proposed for annexation to the existing city:

1. A practical plan that demonstrates the capability of the existing city to extend essential municipal services (as determined under 3 AAC 110.970) into the territory proposed for annexation within the shortest practical time after the effective date of the proposed change (not to exceed two years).
2. A practical plan to assume all relevant and appropriate powers, duties, rights, and functions presently exercised by an existing borough, city, unorganized borough service area, or other appropriate entity located in the territory proposed for annexation. The plan must be prepared in consultation with the officials of each existing borough, city, and unorganized borough service area and must be designed to affect an orderly, efficient, and economical transfer within the shortest practical time, not to exceed two years after the effective date of the proposed change.
3. A practical plan to transfer and integrate all relevant and appropriate assets and liabilities of an existing borough, city, unorganized borough service area, and other entity located within the boundaries proposed for change. The plan must be prepared in consultation with the officials of each existing borough, city, and unorganized borough service area and must be designed to affect an orderly, efficient, and economical transfer within the shortest practical time, not to exceed two years after the effective date of the proposed change. The plan must specifically address procedures that ensure that the transfer and integration occur without loss of value in assets, loss of credit reputation, or a reduced bond rating for liabilities.

4. The transition plan must state the names and titles of all officials of each existing borough, city, and unorganized borough service area that the Petitioner consulted. The dates on which that consultation occurred and the subject addressed during that consultation must also be listed.
  - a. If a prospective Petitioner has been unable to consult with officials of an existing borough, city, or unorganized borough service area because those officials have chosen not to consult or were unavailable during reasonable times to consult with a prospective Petitioner, the prospective Petitioner may request that the commission waive the requirement to consult those officials. The request for a waiver must document all attempts by the prospective Petitioner to consult with officials of each existing borough, city, or unorganized borough service area. If the commission determines that the prospective Petitioner acted in good faith and that further efforts to consult with the officials would not be productive in a reasonable period of time the commission may waive the requirement to consult.

**SECTION 16. COMPOSITION AND APPORTIONMENT OF THE CITY COUNCIL. 3 AAC 110.420(b)(17).**

The City incorporates by reference all information contained in Section 16 of the petition submitted June 14, 2010 and Exhibit G. ***In this revised petition, Exhibit G has been eliminated and the information is presented below. It is updated to list the 2014 City Council.***

Describe the composition and apportionment of the city council of the city proposing annexation, both before and after the proposed change.

Current Composition of City Council

Alice Ruby, Mayor  
Keggie Tubbs  
Bob Himschoot  
Paul Liedberg  
Chris Maines  
Tracy Hightower

The annexation will cause no change to the composition of the City Council or apportionment. The City of Dillingham Council is composed of a Mayor and six Council members, all of whom are elected from the city at large. The Mayor is also elected for a term of three years.

**SECTION 17. SUPPORTING BRIEF. 3 AAC 110.420(b)(19).**

The City incorporates by reference all information contained in Section 17 of the petition submitted June 14, 2010. For the convenience of the Commission this material is in full below. ***Supplemental material is in bold and italics and added to the original***

**June 14, 2101 narrative in Exhibit E.** (Note: In the June 10, 2014 petition, the Supporting Brief was Exhibit I).

**Exhibit E** presents a supporting brief providing a detailed explanation of how the proposed annexation serves the best interests of the state and satisfies each constitutional, statutory, and regulatory standards set out in Article I, Section 1 and Article X of the Constitution of the State of Alaska; AS 44.33.812; AS 29.06.040(b); 3 AAC 110.090 – 3 AAC 110.140; 3 AAC 110.400 – 3 AAC 110.700; and 3 AAC 110.900 – 3 AAC 110.990, and any other pertinent laws, that are relevant to the proposed annexation.

**SECTION 18. CIVIL AND POLITICAL RIGHTS INFORMATION. 3 AAC 110.420(b)(18).**

The City incorporates by reference all information contained in Section 18 of the petition submitted June 14, 2010. For the administrative convenience of the Commission this material is set forth in full below. No Supplemental material is attached.

Information regarding any effect of the proposed annexation upon civil and political rights for purposes of the federal Voting Rights Act of 1965 (42. U.S.C. 1971 - 1974) is provided in **Exhibit F**. The proposed change will not deny any person the enjoyment of any civil or political right, including voting rights, because of race, color, creed, sex or national origin.

**SECTION 19. DOCUMENTATION DEMONSTRATING THAT THE PETITIONER IS AUTHORIZED TO FILE THE PETITION UNDER AAC 110.410. - 3 AAC 110.420(b)(20).**

The City incorporates by reference all information contained in Section 18 of the petition submitted June 14, 2010. For the convenience of the Commission this material is in full below. However, **Exhibit G** is replaced with a current updated Resolution. (Note: In the June 10, 2014 petition, this Documentation was Exhibit J & K).

A certified copy of the ordinance or resolution adopted by the City Council to authorize the filing of this Petition is provided as **Exhibit G (will Insert after Council makes Final Decision to Proceed)**

**SECTION 20. PETITIONER'S AFFIDAVIT. 3 AAC 110.420(b)(22).**

The City incorporates by reference all information contained in Section 19 of the petition submitted June 14, 2010. For the convenience of the Commission this material is in full below. However, **Exhibit H** is replaced with a current updated version. (Note: In the June 10, 2014 petition, the Affidavit was Exhibit L).

An affidavit from the petitioner's representative that, to the best of the representative's knowledge, information, and belief, formed after reasonable inquiry, the information in the petition is true and accurate is provided in **Exhibit H** (*will Insert after Council makes Final Decision to Proceed*).

## EXHIBIT A-1. PROPOSED FOR ANNEXATION

**This is the same as Exhibit A-1 in the June 14, 2010 petition; there has been no change.**

1. Beginning at the point where the mean high tide line is on the west bank of the Wood River intersects the north boundary of Section 35, T12S, R55W, R55W, Seward Meridian (S.M.);
2. Thence, meandering north and northwesterly along a line paralleling the mean high tide line of the west bank of the Wood River to the intersection with 59 degrees 12.11 minutes North Latitude and 158 degrees 33.38 minutes West Longitude;
3. Thence, east across the Wood River to mean high tide line on the east bank of the Wood River at 58 degrees 12.11 minutes North Latitude and 158 degrees 33.11 minutes West Longitude;
4. Thence, meandering south and southeasterly along a line paralleling the mean high tide line of the east shore of the Wood River and the northeastern shore of the Nushagak River to the intersection with R55W, S.M.;
5. Thence, south along the eastern boundary of Sections 12, 13 and 24, T13N, R55W, S.M. to the intersection with mean high tide line on the southern shore of Nushagak River;
6. Thence, meandering southerly along a line paralleling the mean high tide line of the southeastern shore of Nushagak River and Nushagak Bay, including Grass Island, and excluding the corporate boundaries of the 2<sup>nd</sup> class city of Clark's Point (as shown on certificate recorded May 11, 1971, in Book XVII, Page 299, Records of the Bristol Bay Recording District, Third Judicial District), to a point at 58 degrees 39.37 minutes North Latitude and 158 degrees 19.31 minutes West Longitude;
7. Thence, southwesterly to 58 degrees 33.92 minutes North Latitude and 158 degrees 24.94 minutes West Longitude;
8. Thence, southwesterly to 58 degrees 29.27 minutes North Latitude and 158 degrees 41.78 minutes West Longitude at the mean high tide line along the eastern shore of Nushagak Bay;
9. Thence, meandering northerly along a line paralleling the mean high tide line to a point at the intersection of mean high tide line and the Igushik River at 58 degrees 43.841 minutes North Latitude and 158 degrees 53.926 minutes West Longitude;
10. Thence, easterly across the Igushik River to a point at the intersection of the Igushik River's mean high tide line on its eastern shore at 58 degrees 43.904 minutes North Latitude and 158 degrees 52.818 minutes West Longitude;

11. Thence, meandering northerly along a line paralleling the mean high tide line of Nushagak Bay to a point at the intersection of mean high tide line and the western shore of the Snake River at 58 degrees 52.879 minutes North Latitude and 158 degrees 46.710 minutes West Longitude;
12. Thence, easterly across the Snake River to a point at the intersection of the Snake River's mean high tide line on its eastern shore at 58 degrees 52.988 minutes North Latitude and 158 degrees 46.030 minutes West Longitude;
13. Thence, meandering northerly along a line paralleling the mean high tide line of the east shore of the Nushagak Bay, to the intersection of mean high tide line and the southwest boundary of the current City of Dillingham boundary at 59 degrees and 00 minutes North Latitude;
14. Thence, meandering in a northeasterly direction along a line 1,000 feet east of and paralleling the mean low tide line on the west banks of the Nushagak and Wood Rivers to the Point of Beginning, containing approximately 399.08 square miles (of which 395.84 is water), all within in the Third Judicial District, Alaska.

**EXHIBIT A-2. LEGAL METES AND BOUNDS DESCRIPTION OF THE EXISTING CITY**

**This is the same as Exhibit A-2 in the June 14, 2010 petition; there has been no change.**

1. Beginning at the northwest corner of protracted Section 31, T12S, R56W, Seward Meridian (S.M.);
2. Thence, east to a point 1,000 feet east of the mean low water line on the west bank of the Wood River at 59 degrees 12.11 minutes North Latitude and 158 degrees 33.38 minutes West Longitude;
3. Thence, meandering in southeasterly, southerly and southwesterly directions along a line 1,000 feet east of and paralleling the mean low water line on the west banks of the Wood and Nushagak Rivers to a point at 59 degrees 00 minutes North Latitude;
4. Thence, west to the intersection with the line common to Sections 3 and 4, T14S, R56W, S.M.;
5. Thence, north to the northwest corner of Section 3, T13S, R56W, S.M.;
6. Thence, west to the southwest corner of Section 31, T12S, R56W, S.M.;
7. Thence, north to the northwest corner of Section 31, T12S, R56W, S.M., the point of beginning, containing 33.6 square miles of land and 2.1 square miles of water, all within in the Third Judicial District, Alaska.

**EXHIBIT A-3. LEGAL METES AND BOUNDS DESCRIPTION OF THE EXISTING CITY POST-ANNEXATION**

**This is the same as Exhibit A-3 in the June 14, 2010 petition; there has been no change.**

*Notes: A. All latitude and longitudes are in the NAD83 Geographic Coordinate System  
B. This boundary was emailed to LBC staff as a GIS shapefile on April 27, 2010.*

1. Beginning at the northwest corner of protracted Section 31, T12S, R55W, Seward Meridian (S.M.) (Map of USGS Quad Dillingham A-7, 1952);
2. Thence, east to the mean high tide line on the west bank of the Wood River;
3. Thence, meandering north and northwesterly along a line paralleling the mean high tide line of the west bank of the Wood River to the intersection with 59 degrees 12.11 minutes North Latitude and 158 degrees 33.38 minutes West Longitude;
4. Thence, east across the Wood River to mean high tide line on the east bank of the Wood River at 59 degrees 12.11 minutes North Latitude and 158 degrees 33.11 minutes West Longitude;
5. Thence, meandering south and southeasterly along a line paralleling the mean high tide line of the east shore of the Wood River and the northeastern shore of the Nushagak River to the intersection with R55W, S.M.;
6. Thence, south along the eastern boundary of protracted Sections 12, 13, and 24, T13N, R55W, S.M. to the intersection with mean high tide line on the southern shore of Nushagak River;
7. Thence, meandering southerly along a line paralleling the mean high tide line of the southeastern shore of Nushagak River and Nushagak Bay, including Grass Island, and excluding the corporate boundaries of the 2nd class city of Clark's Point (as shown on certificate recorded May 11, 1971, in Book XVII, Page 299, Records of the Bristol Bay Recording District, Third Judicial District), to a point at 58 degrees 39.37 minutes North Latitude and 158 degrees 19.31 minutes West Longitude;
8. Thence, southwesterly to 58 degrees 33.92 minutes North Latitude and 158 degrees 24.94 minutes West Longitude;
9. Thence, southwesterly to 58 degrees 29.27 minutes North Latitude and 158 degrees 41.78 minutes West Longitude at mean high tide line along the east shore of Nushagak Bay;

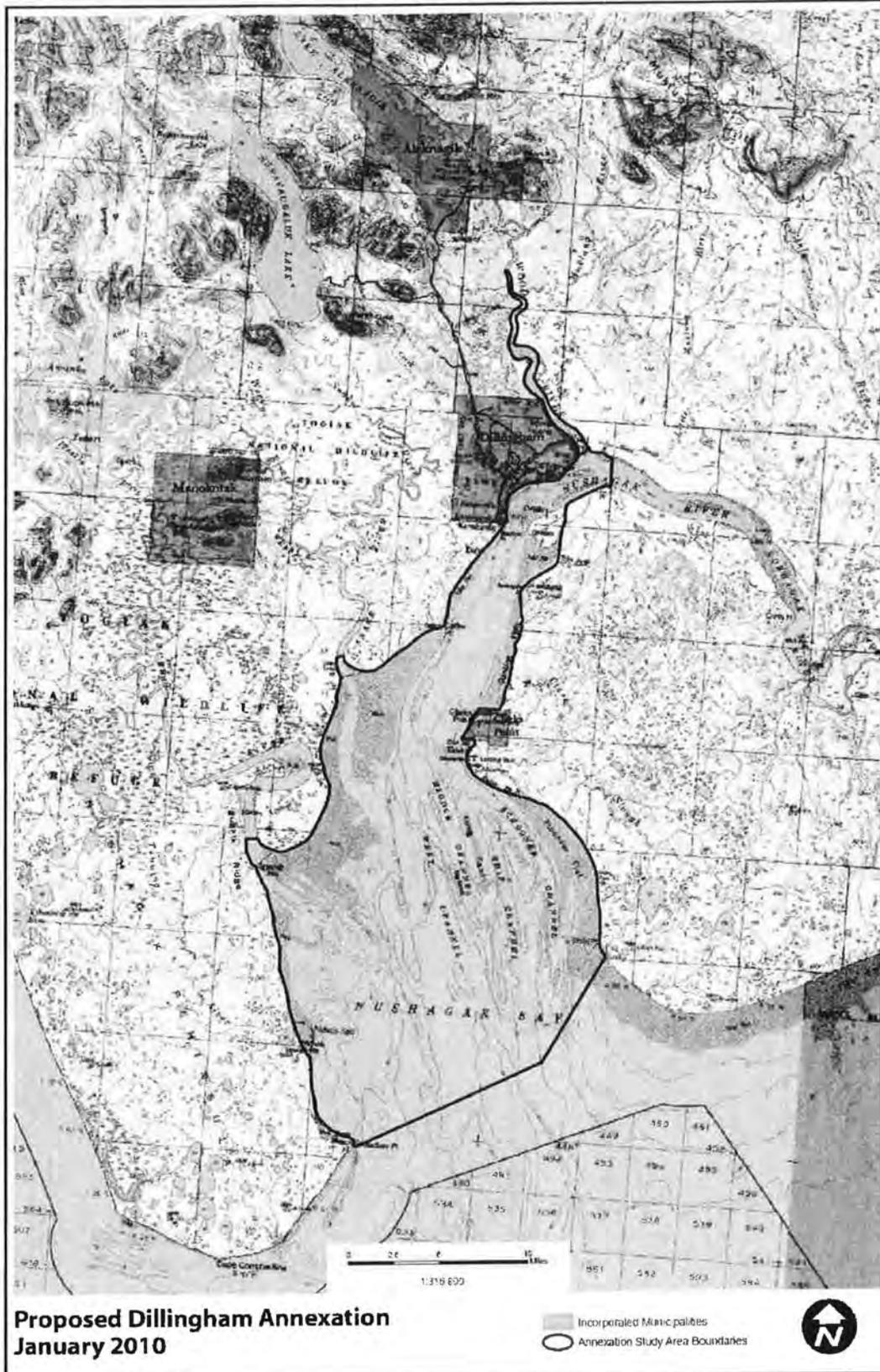
10. Thence, meandering northerly along a line paralleling the mean high tide line to a point at the intersection of mean high tide line and the Igushik River at 58 degrees 43.841 minutes North Latitude and 158 degrees 53.926 minutes West Longitude;
11. Thence, easterly across the Igushik River to a point at the intersection of the Igushik River's mean high tide line on its eastern shore at 58 degrees 43.904 minutes North Latitude and 158 degrees 52.818 minutes West Longitude;
12. Thence, meandering northerly along a line paralleling the mean high tide line of Nushagak Bay to a point at the intersection of mean high tide line and the western shore of the Snake River at 58 degrees 52.879 minutes North Latitude and 158 degrees 46.710 minutes West Longitude;
13. Thence, easterly across the Snake River to a point at the intersection of the Snake River's mean high tide line on its eastern shore at 58 degrees 52.988 minutes North Latitude and 158 degrees 46.030 minutes West Longitude;
14. Thence, meandering north easterly along a line paralleling the mean high tide line of Nushagak Bay to the intersection with the line common to the northwest corner of protracted T14S, R56W, S.M. (USGS map of Quad Nushagak Bay D-2, 1952, minor revision 1985);
15. Thence, west along the northern boundary of protracted Sections 1, 2, and 3, T14N, R56W, S.M. (USGS map of Quad Nushagak Bay D-2, 1952, minor revision 1985) to the northwest corner of Section 3;
16. Thence, north to the northwest corner of protracted Section 3, T13S, R56W, S.M. (USGS map of Quad Nushagak Bay D-2, 1952, minor revision 1985);
17. Thence, west to the protracted southwest corner of Section 31, T12S, R56W, S.M. (USGS map of Quad Dillingham A-7, 1952);
18. Thence, north to the northwest corner of protracted Section 31, T12S, R56W, S.M., the point of beginning, containing approximately 33.6 square miles of land and 390 square miles of water, more or less, all within in the Third Judicial District, Alaska (USGS map of Quad Dillingham A-7, 1952).

#### **EXHIBIT A-4. MAPS AND PLATS**

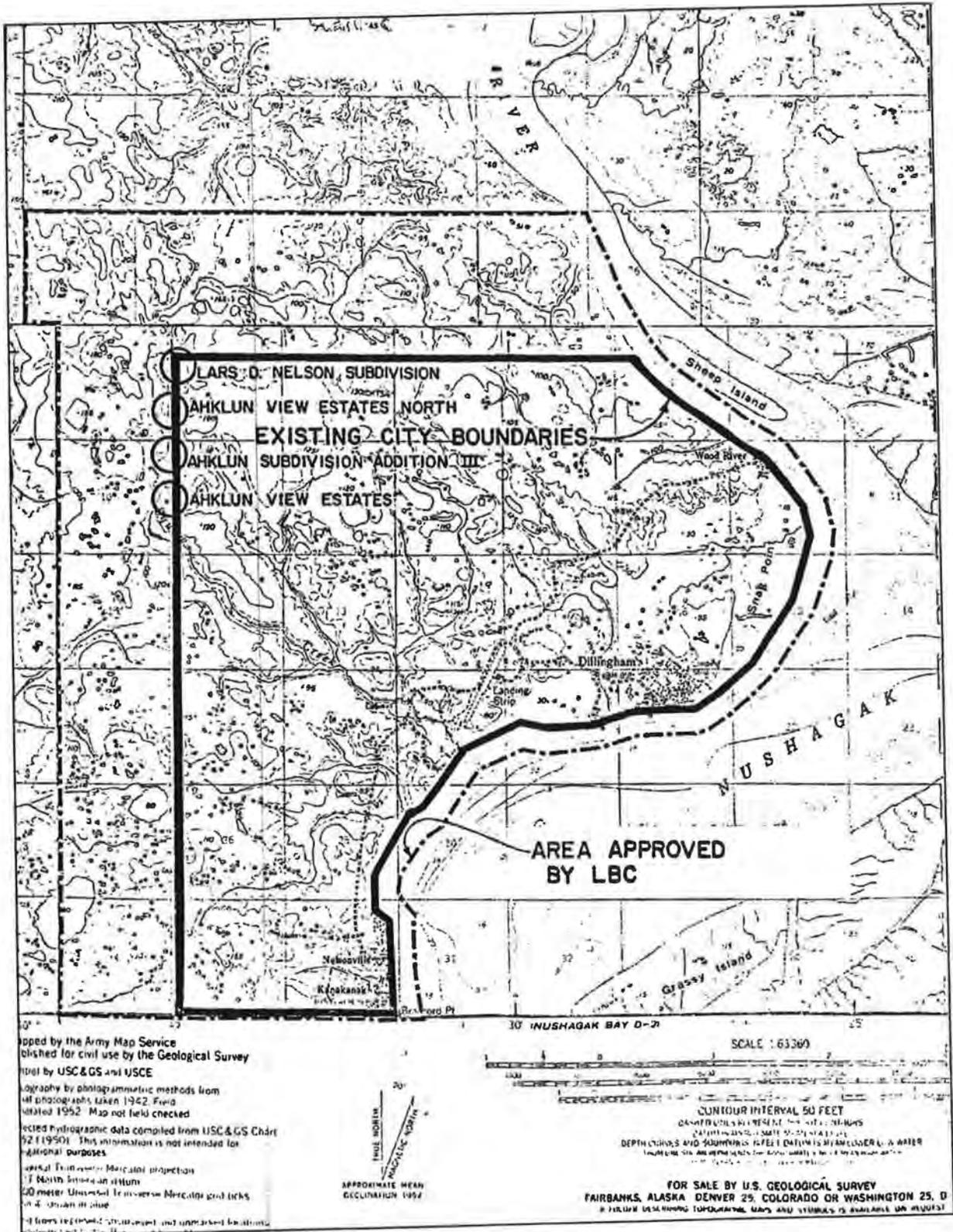
**This is the same as Exhibit A-4 in the June 14, 2010 petition; there has been no change.**

Five maps are included in this Exhibit. A map showing the area proposed for annexation, a map showing the current boundaries of the City of Dillingham, a map showing the current boundaries of the City of Clarks Point, a map showing the Nushagak Commercial Salmon District, and a map of the Wood River Special Sockeye Harvest area.

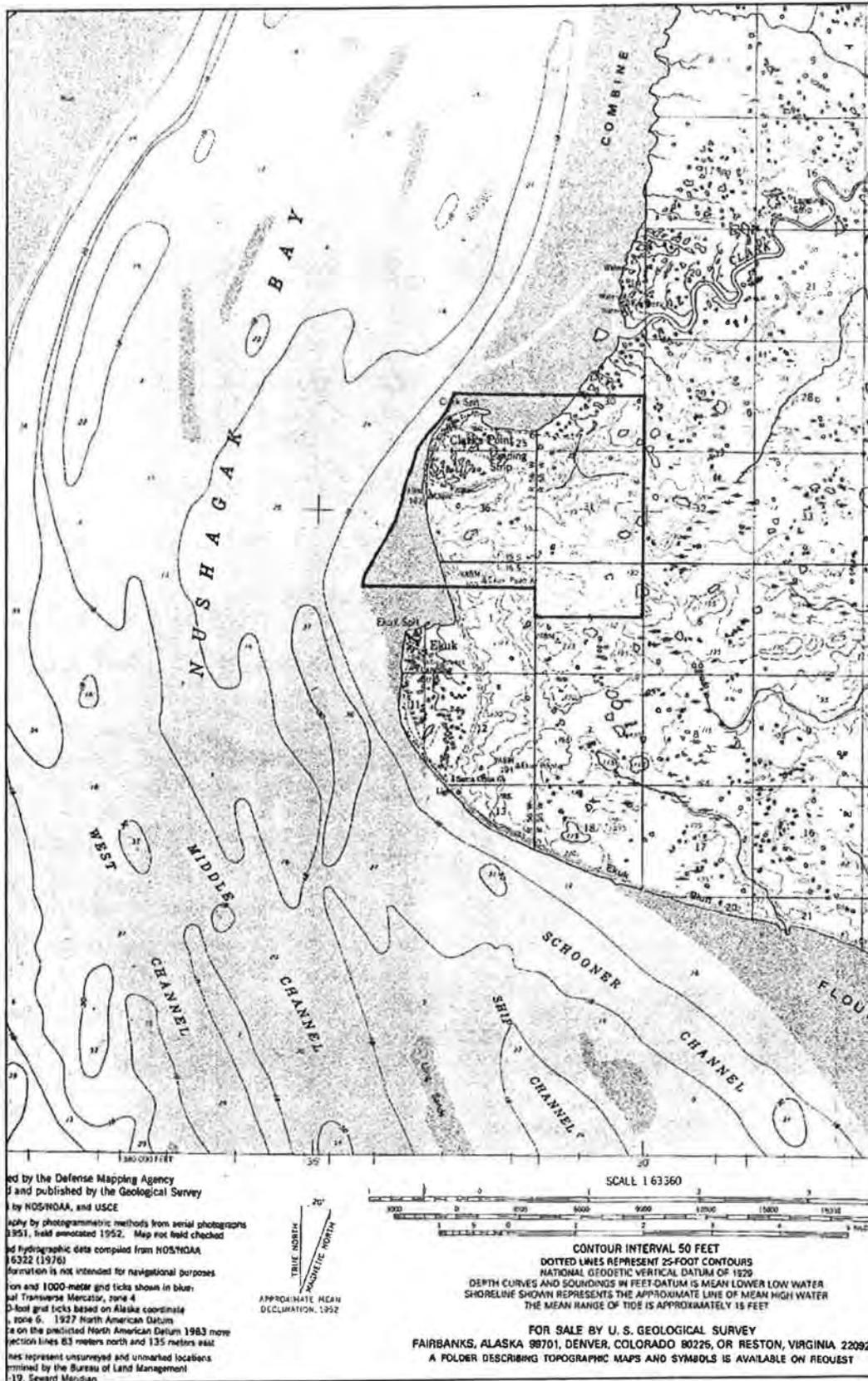
### Proposed Annexation



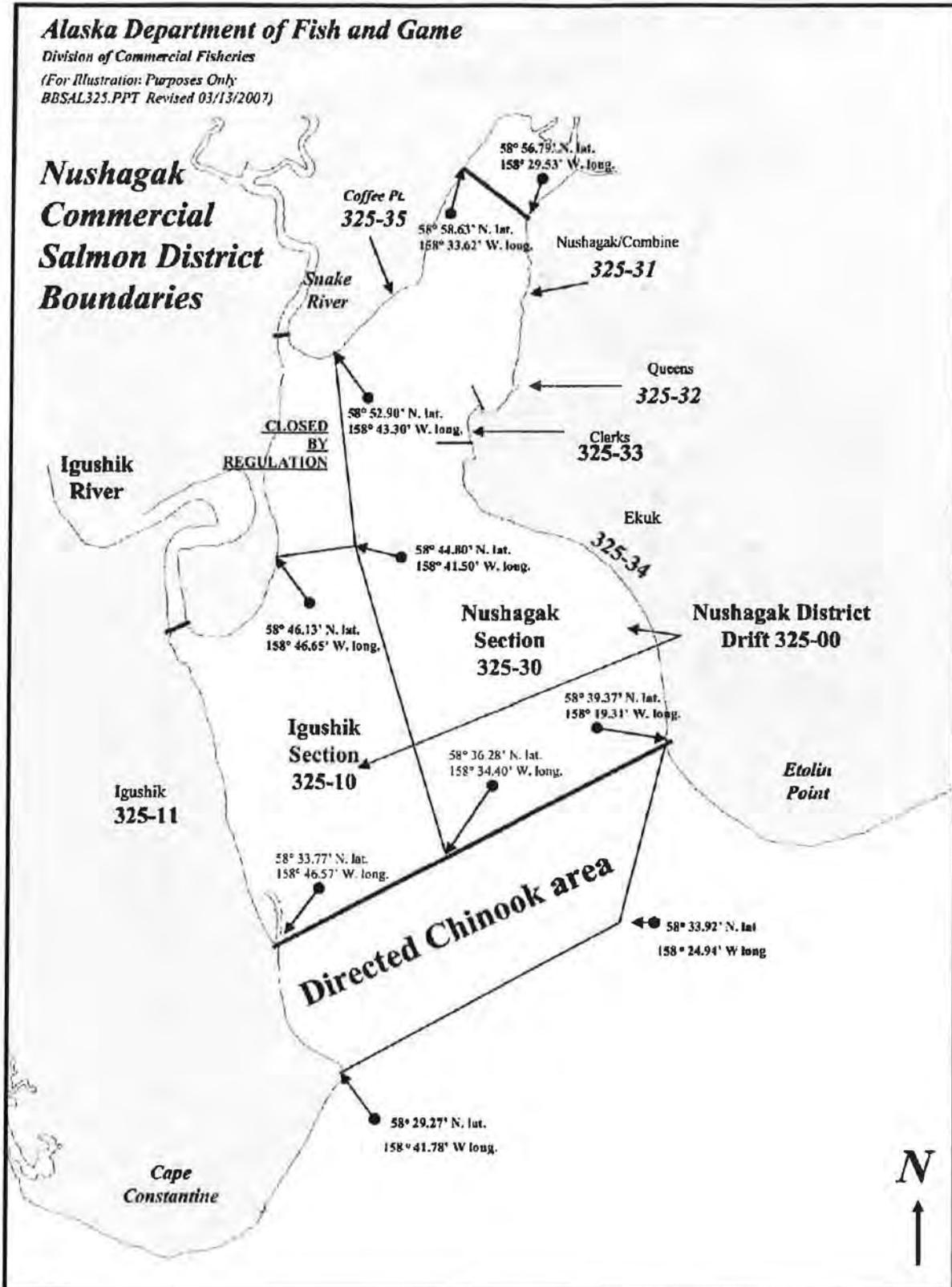
### Current City of Dillingham



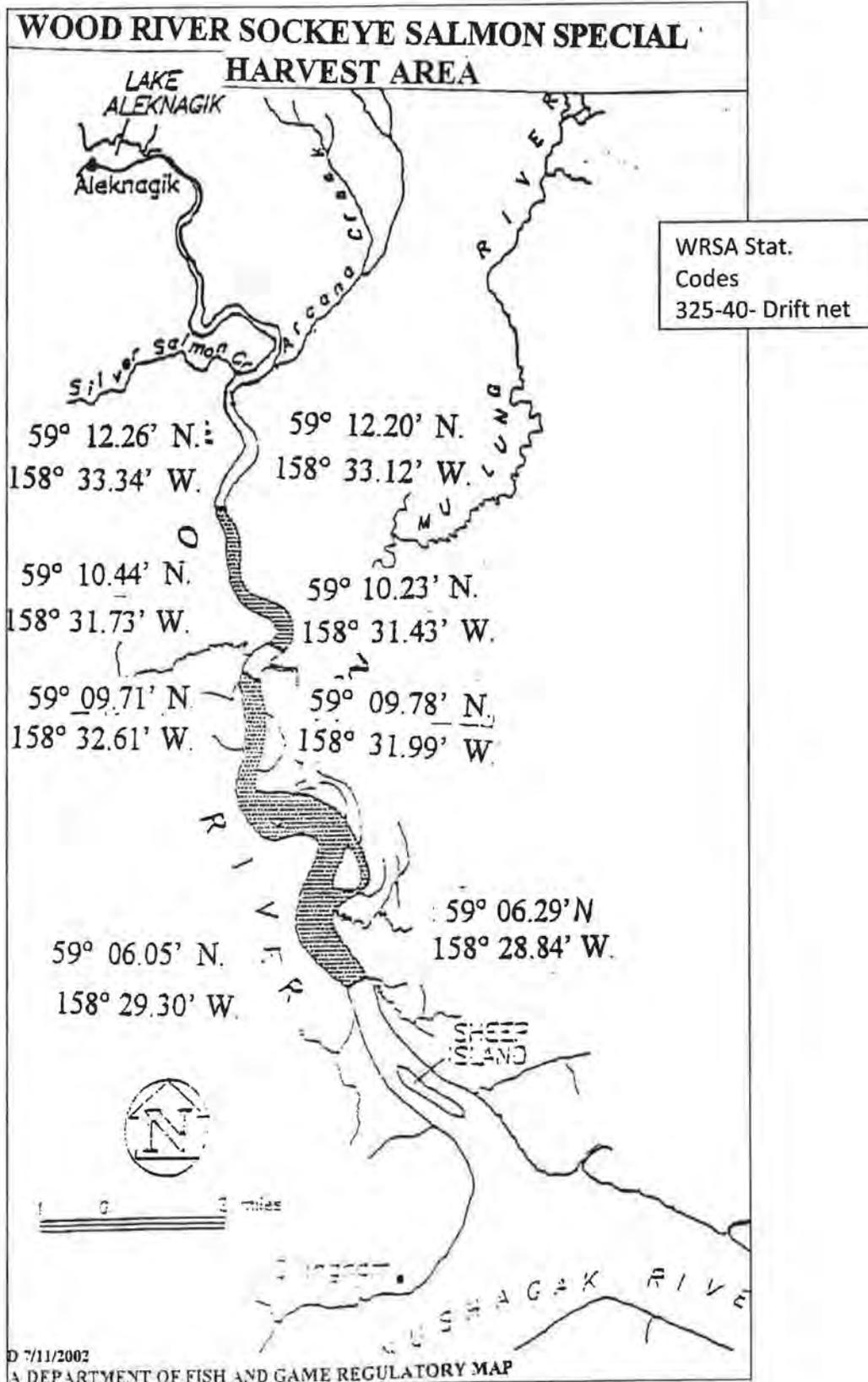
### Current City of Clark's Point



### Nushagak Commercial Salmon District



### Wood River Sockeye Special Harvest Area



**EXHIBIT B. INFORMATION RELATING TO PUBLIC NOTICE  
AND SERVICE OF THE PETITION**

**Exhibit B is revised and updated compared to the June 14, 2010.**

This exhibit provides information relevant to public notice of this annexation petition per 3 AAC 110.450 and 3 AAC 110.460. The information includes local media; places recommended to post notices; adjacent municipalities; persons who may warrant individual notice of the filing of the petition because of their interest in this matter, and location(s) where the Petition may be viewed.

**Local media**

The following lists the principal news media serving the territory within the current and proposed boundaries of the city:

**Newspaper(s):**

Name: Bristol BayTimes (Alaska Media LLC)  
Physical address: 500 W. International Road, Suite F Anchorage, AK 99518  
Mailing address: PO Box 241582 Anchorage, AK 99524  
Telephone number: (907) 770-0820 Fax (907) 770-0822  
Email address: ads@reportalaska.com

**Radio and television station(s):**

Name: KDLG Public Radio  
Physical address: 135 Main Street Dillingham, AK 99576  
Mailing address: PO Box 670 Dillingham, AK 99576  
Telephone number: (907) 842-5281 Fax (907) 842-5645  
Email address: kdlg@dlgsd.org

Name: Nushagak Cooperative  
Physical address: 557 Kenny Wren Road Dillingham, AK 99576  
Mailing address: PO Box 350 Dillingham, AK 99576  
Telephone number: (907) 842-5251 Fax (907) 842-2799  
Email address: nushtel@nushtel.com

**Three or more prominent places readily accessible to the public and *within or near the boundaries proposed for change* to post notices concerning this annexation petition:**

Clarks Point - Clarks Point Village Council Office, Post Office  
Aleknagik - City Office, Native Village of Aleknagik Office, Post Office  
Manokotak - City Office, Village Council Office, Post Office  
Dillingham - City Hall, Library, Harbor, Senior Center, City's website, Curyung Tribal Council, Ekuk Village Council

**Adjacent municipalities (including service areas) whose boundaries extend within twenty miles of the current or proposed boundaries of the city:**

Clarks Point PO Box 110 Clarks Point, AK 99569

Manokotak PO Box 170 Manokotak, AK 99628-0170

Aleknagik PO Box 33 Aleknagik, AK 99555

Bristol Bay Borough PO Box 189 Naknek, AK 99633

**Location(s) where the petition materials will be available for public review:**

Location and address	Days and times open to the public
Dillingham City Hall 889 Main St Dillingham, AK 99576	8 am-5 pm - M-F
Dillingham Library 306 D St. Dillingham, AK 99576	10 am-5 pm - M, T, TH 10 am-6 pm - W 12 pm-7 pm - F 10 am-2 pm - SA
Dillingham Senior Center 515 1 <sup>st</sup> Ave. E. Dillingham, AK 99576	8 am-4 pm – M-F
Harbor Office 235 Harbor Rd. Dillingham, AK 99576	8 am -5 pm – M-F
City website / <a href="http://www.dillinghamak.us">www.dillinghamak.us</a>	24/7
Curyung Tribal Council, 390 D Street, Dillingham, AK 99576	8 am-4:30 pm – M-F
City of Aleknagik, City Office, Aleknagik, AK 99555	9 am-4 pm – M-F
City of Manokotak, City Office, Manokotak, AK 99628	9 am-5 pm – M-F
Village of Aleknagik, Village Office, Aleknagik, AK 99555	9 am-5 pm – M-F
Village of Clarks Point, Village Office, Clarks Point, AK 99569	9 am-4:30 pm – M-F
Ekuk Village Council, 300 Main Street, Dillingham, AK 99576	8 am-4:30 pm – M-F
Village of Manokotak, Village Office, Manokotak, AK 99628	9 am-5 pm – M-F
Bristol Bay Borough, Borough Office, Naknek, AK 99633	8 am-4:30 pm – M-F

**Individuals and entities whose potential interest in the annexation proceedings may warrant individual notice of the filing of the annexation petition.**

Name	Address	Email Address
Peter Pan Seafoods Attn: Yvonne Cole	2200 6 <sup>th</sup> Ave. Suite 1000 Seattle, WA 98121-1820	yvonnec@ppsf.com
Peter Pan Seafoods Attn: Tom Whinihan	PO Box 410 Dillingham, AK 99576	tomw@ppsf.com

Leader Creek Fisheries Attn: Charlie Hensel	112 North 84 <sup>th</sup> Street Seattle, WA 98103	charlesh@leadercreekfisheries.com
Ocean Beauty Seafoods Attn: Mike Robison	PO Box 70739 Seattle, WA 98127	<a href="mailto:mike.robison@oceanbeauty.com">mike.robison@oceanbeauty.com</a>
Arctic Wild Salmon Attn: Albert Ball Jr.	12110 Business Blvd Suite 6, PMB 416 Eagle River, AK 99577	articwildsalmon@gmail.com
Friedman Family Fisheries Attn: Avi Friedman	6109 Pimlico Road Baltimore, MD 21209	<a href="mailto:triplef@gis.net">triplef@gis.net</a>
Pederson Point Attn: Amanda Torres	PO Box 31179 Seattle, WA 98103	<a href="mailto:AmandaB@npsi.us">AmandaB@npsi.us</a>
FAVCO Attn: Greg Favretto	1205 W 29 <sup>th</sup> Avenue Anchorage, AK 99503	kristy@favco.net
Red Salmon Cannery Attn: Tim Attleson	PO Box 31179 Seattle, WA 98103	<a href="mailto:tima@npsi.us">tima@npsi.us</a>
Icicle Seafoods Attn: Irene Ekstrand	PO Box 79003 Seattle, WA 98119	irenee@icicleseafoods.com
Ekuk Fisheries Attn: Tom Simpson	2442 NW Market St. #625 Seattle, WA 98107	t.simpson@comcas.net
Copper River Seafoods Attn: Shelly Lamb	1118 E. 5 <sup>th</sup> Avenue Anchorage, AK 99678	<a href="mailto:slamb@crsalaska.com">slamb@crsalaska.com</a>
Trident Seafoods Corp. Attn: Christine Yaun	5303 Shilshole Ave. NW Seattle, WA 98107	cyaun@tridentseafoods.com
Norm Van Vactor c/o Bristol Bay Economic Development Corporation	PO Box 1464 Dillingham, AK 99576	<a href="mailto:norm@bbedc.com">norm@bbedc.com</a>
Bristol Bay Native Association c/o Ralph Andersen	PO Box 310 Dillingham, AK 99576	randersen@bbna.com
AK. DCCED Attn: Susan Bell, Commissioner	P.O. Box 110800 Juneau, Alaska 99811-0800	susan.bell@alaska.gov
AK. DNR Attn: Joe Balash, Commissioner	550 W. 7 <sup>th</sup> Ave. Suite 1260 Anchorage, AK 99501	<a href="mailto:joe.balash@alaska.gov">joe.balash@alaska.gov</a>
Alaska State Troopers Attn: Sgt. Tim Tuckwood	PO Box 950 Dillingham, AK 99576	tim.tuckwood@alaska.gov
Alaska State Troopers Attn: Col. James Cockrill, Director	5700 E. Tudor Road Anchorage, AK 99507	dps.ast.directors.office@alaska.gov
Alaska State Troopers Attn: Gary Folger, Commissioner	5700 East Tudor Road Anchorage, Alaska 99507- 1225	<a href="mailto:gary.folger@alaska.gov">gary.folger@alaska.gov</a>
Ekuk Village Council Attn: Robert Heyano, President	PO Box 530 Dillingham, AK 99576	evc@ekukvc.net
Manokotak Village Council Attn: Moses Toyukuk, Sr.	PO Box 169 Manokotak, AK 99628	kmo_villagecouncil@yahoo.com



**EXHIBIT C-1. PROJECTED REVENUES**

Exhibit C-1 is revised and updated compared to the June 14, 2010. That was a hypothetical annexation budget. Since the annexation was approved we now have actuals showing the effect of annexation.

CITY OF DILLINGHAM GENERAL FUND REVENUES		Year 1	Year 2	Year 3	Year 4
		Annexation	Annexation	Annexation	Annexation
		(Audited Actuals)	(Audited Actuals)	(Unaudited Actuals, remanded 5/12)	(Remanded Budget)
Operating Revenue		FY 2012	FY 2013	FY 2014	FY 2015
<b>LOCAL</b>					
1	PERSONAL PROPERTY TAX	\$484,505	\$521,464	\$524,511	\$500,000
2	REAL PROPERTY TAX	\$1,554,387	\$1,482,503	\$1,578,248	\$1,503,500
3	6% SALES TAX	\$2,555,633	\$2,713,102	\$2,629,448	\$2,700,000
4	10% TRANSIENT LODGING TAX	\$102,317	\$84,771	\$80,306	\$85,000
5	10% ALCOHOL SALES TAX	\$247,219	\$346,744	\$277,757	\$300,000
6	6% GAMING TAX	\$103,508	\$79,532	\$49,509	\$78,000
7	TRANSFER FROM NUSHAGAK FISH TAX		\$400,920	\$400,920	\$0
8	<i>subtotal, local taxes</i>	\$5,047,569	\$5,629,036	\$5,540,700	\$5,166,500
9	PENALTY AND INTEREST	\$68,422	\$99,603	\$85,487	\$73,000
10	<i>subtotal penalties re: taxes</i>	\$68,422	\$99,603	\$85,487	\$73,000
11	AMBULANCE FEES	\$52,088	\$34,988	\$48,980	\$55,000
12	ADMINISTRATIVE OVERHEAD	\$288,962	\$356,504	\$348,137	\$375,029
13	<i>subtotal, other local user fees and revenue</i>	\$341,050	\$391,492	\$397,117	\$430,029
14	<i>subtotal, all local revenue</i>	\$5,457,041	\$6,120,131	\$6,023,304	\$5,669,529
<b>STATE</b>					
15	SHARED FISHERIES BUSINESS	\$48,256	\$32,207	\$28,769	\$30,000
16	TELEPHONE CO-OP	\$76,532	\$73,328	\$75,000	\$75,000
17	RAW FISH TAX	\$446,588	\$339,410	\$276,513	\$350,000
18	REVENUE SHARING	\$282,381	\$300,237	\$210,963	\$208,636
19	JAIL CONTRACT GRANT	\$480,417	\$480,417	\$641,300	\$641,300
20	DMV COMMISSION REVENUE & VEHICLE TAX	\$72,333	\$67,497	\$65,908	\$77,000
21	LIBRARY	\$17,631	\$8,000	\$13,380	\$12,000
22	INTEREST REVENUE	\$35,712	\$21,234	\$48,092	\$30,000
23	EQUIPMENT SALES	\$55,518	\$3,012	\$4,059	\$10,000
24	STATE PERS ON BEHALF	\$278,850	\$321,501	\$378,411	\$294,526
25	PROPERTY SALES	\$335,909	\$0	\$35,906	\$20,000
26	MISC REVENUE	\$186,534	\$202,311	\$104,274	\$189,450
27	<i>subtotal, all state revenue</i>	\$2,316,661	\$1,849,154	\$1,882,575	\$1,937,912
<b>FEDERAL</b>					
28	PAYMENT IN LIEU OF TAXES	\$421,879	\$429,642	\$422,987	\$420,000
29	<i>subtotal, all federal revenue</i>	\$421,879	\$429,642	\$422,987	\$420,000
<b>SPECIAL REVENUE FUNDS (fish tax, water &amp; sewer, ports &amp; docks, harbors, landfill etc.)</b>					
30	NUSHAGAK FISH TAX 2.5% <sup>5</sup>	\$79,523	\$848,910	\$400,586	-
31	SPECIAL REVENUE FUND GRANTS, FEES, ETC. Includes state's 70% bond reimbursement	\$3,477,273	\$3,301,949	\$4,191,317	\$3,686,600

<sup>5</sup> Revenues are related to the fishing that occurred subsequent to the April 2012 elections. For example, FY12 was for the fishing season June 2012. Then FY13 was for June, July, August 2012, and FY14 was for June, July, August 2013.

CITY OF DILLINGHAM GENERAL FUND REVENUES		Year 1	Year 2	Year 3	Year 4
		Annexation	Annexation	Annexation	Annexation
		(Audited Actuals)	(Audited Actuals)	(Unaudited Actuals, remanded 5/12)	(Remanded Budget)
Operating Revenue		FY 2012	FY 2013	FY 2014	FY 2015
32	<i>subtotal, special revenue</i>	\$3,556,796	\$4,150,859	\$4,591,903	\$3,686,600
33	<b>Total Revenue</b>	<b>\$11,752,377</b>	<b>\$12,549,786</b>	<b>\$12,920,767</b>	<b>\$11,714,041</b>

**EXHIBIT C-2. PROJECTED EXPENDITURES**

Exhibit C-2 is revised and updated compared to the June 14, 2010. That was a hypothetical annexation budget. Since the annexation was approved we now have actuals showing the effect of annexation.

CITY OF DILLINGHAM GENERAL FUND EXPENDITURES		Year 1	Year 2	Year 3	Year 4
		Annexation	Annexation	Annexation	Annexation
		(Audited Actuals)	(Audited Actuals)	(Unaudited Actuals, remanded 5/12)	(Remanded Budget)
Operating Expenses		FY 2012	FY 2013	FY 2014	FY 2015
34	CITY COUNCIL	\$59,235	\$65,390	\$58,472	\$86,864
35	ADMINISTRATION	\$409,483	\$288,677	\$283,812	\$309,809
36	FISHERY ADVISORY CONSULTANT/ENFORCEMENT			\$0	\$0
37	CITY CLERK	\$120,827	\$133,059	\$126,724	\$130,310
38	FINANCE	\$568,603	\$609,948	\$579,171	\$619,503
39	LEGAL	\$252,615	\$139,440	\$73,997	\$77,000
40	INSURANCE	\$96,626	\$92,501	\$101,396	\$110,618
41	CITY SCHOOL	\$1,350,000	\$1,300,000	\$1,300,000	\$1,300,000
42	NON-DEPARTMENTAL	\$269,960	\$316,445	\$198,219	\$185,400
43	PLANNING	\$134,123	\$136,532	\$156,128	\$142,563
44	PUBLIC SAFETY ADMIN		\$152,713	\$192,730	\$200,056
45	DISPATCH	\$534,688	\$450,311	\$414,277	\$468,894
46	PATROL	\$1,160,112	\$723,772	\$731,385	\$831,789
47	CORRECTIONS	\$613,531	\$559,524	\$650,272	\$692,590
48	DMV	\$93,955	\$85,241	\$119,597	\$134,171
49	FIRE	\$304,549	\$217,321	\$221,252	\$294,448
50	ANIMAL	\$130,110	\$131,647	\$118,839	\$113,326
51	BUILDINGS AND GROUNDS	\$498,152	\$338,258	\$338,952	\$300,566
52	SHOP	\$258,417	\$159,948	\$169,100	\$162,018
53	STREETS	\$599,192	\$587,522	\$592,543	\$659,803
54	PUBLIC WORKS ADMIN	\$146,067	\$175,781	\$169,290	\$201,794
55	COMMUNITY SERVICES (LIBRARY, MISC)	\$163,043	\$129,856	\$124,665	\$138,797
56	<i>subtotal, general expenses</i>	<b>\$7,763,288</b>	<b>\$6,793,886</b>	<b>\$6,720,822</b>	<b>\$7,160,319</b>
<b>BOND RELATED</b>					
57	BOND DEBT SERVICE PAYMENT	\$545,000	\$570,000	\$576,090	\$576,090
57	BOND INTEREST PAYMENT	\$631,840	\$604,590	\$600,000	\$600,000
58	<i>bond total</i>	<b>\$1,176,840</b>	<b>\$1,174,590</b>	<b>\$1,176,090</b>	<b>\$1,176,090</b>
<b>General Fund Transfers to Support Special Revenue Funds</b>					
59	TRANSFER TO WATER & WASTEWATER		\$35,382	\$42,594	\$39,825

CITY OF DILLINGHAM GENERAL FUND EXPENDITURES		Year 1	Year 2	Year 3	Year 4
		Annexation	Annexation	Annexation	Annexation
		(Audited Actuals)	(Audited Actuals)	(Unaudited Actuals, remanded 5/12)	(Remanded Budget)
Operating Expenses		FY 2012	FY 2013	FY 2014	FY 2015
60	TRANSFER TO LANDFILL	\$278,820	\$219,686	\$282,937	\$333,677
61	TRANSFER TO HARBOR	\$102,595	\$0 <sup>6</sup>	\$0	\$0
62	TRANSFER TO DEBT SERVICE	\$253,249	\$352,581	\$351,602	\$351,602
63	TRANSFER TO SENIOR CENTER	\$252,640	\$271,563	\$210,324	\$222,827
64	TRANSFER TO AMBULANCE RESERVE	\$45,903	\$65,735	\$45,191	\$50,000
65	TRANSFER TO EQUIPMENT REPLACEMENT	\$100,000	\$0	\$470,000	\$50,000
66	TRANSFER TO CAPITAL PROJECT PLANNING		\$20,000	\$20,000	\$20,000
67	TRANSFER TO GRANTS		\$15,549	\$9,950	
68	<b>Total Transfers</b>	<b>\$1,033,207</b>	<b>\$980,496</b>	<b>\$1,432,598</b>	<b>\$1,067,931</b>
<b>Special Revenue Fund Expenditures</b>					
69	<b>NUSHAGAK FISH TAX EXPENSES<sup>7</sup></b>				
70	PROPERTY TAX PAYER REFUND		\$10,833	\$15,293	\$0
71	LOW INCOME FISHER REFUND		\$1,798	\$2,464	\$0
72	TRANSFER TO GENERAL FUND		\$400,920	\$350,781	\$0
73	TRANSFER TO EQUIPMENT REPLACEMENT FUND		\$0	\$31,000	\$0
74	TRANSFER TO FISHERIES FUND		\$46,422	\$20,029	\$0
75	TRANSFER TO BOROUGH STUDY FUND		\$24,853	\$12,018	\$0
76	<b>Total Nushagak Fish Tax Expenses</b>		<b>\$484,826</b>	<b>\$431,586</b>	<b>\$0</b>
77	OTHER SPECIAL REVENUE FUND EXPENSES	\$2,859,638	\$2,189,356	\$3,678,179 <sup>8</sup>	\$2,815,561
78	<b>TOTAL EXPENDITURES</b>	<b>\$12,832,973</b>	<b>\$11,138,328</b>	<b>\$13,007,688</b>	<b>\$12,219,901</b>
79	<b>OVERALL SURPLUS / DEFICIT</b>	<b>-1,080,596</b>	<b>1,411,458</b>	<b>-86,921</b>	<b>-505,860</b>

<sup>6</sup> In FY 13 transfer to the Harbor was from the Dock Special Revenue Fund.

<sup>7</sup> For FY12, we received a very little amount of fish tax from the annexation. In FY13, the run was historically early and we received over \$800,000 and spent and allocated funds per the column. In FY14 those expenses are related to the fishing season that occurred in July and August of 2013.

<sup>8</sup> The Special Revenue Fund Expenses will be updated to include some year-end expenses that are not entered yet and some posting transfers from the General Fund to the Special Revenue Funds.

**EXHIBIT C-3. PROJECTED CAPITAL EXPENDITURES.**

**Exhibit C-3 is revised and updated compared to the June 14, 2010.**

The only capital expenditure immediately associated with the annexation is the purchase and installation an oil spill equipment cache. In 2014, the City received a bid from Spill Shield for oil containment equipment for approximately \$35,000 and is working to complete this purchase.

**EXHIBIT D. TRANSITION PLAN**

***Supplemental material in Exhibit D is in bold italics inserted into the original June 14, 2010 narrative, to update it to 2013. (Note in June 14, 2010 petition this was Exhibit F.)***

The City of Dillingham powers and functions that will change as a result of annexation are:

- 1) Levy and collect a raw fish severance and sales tax;
- 2) Provide increased environmental protection within City boundaries by purchasing and maintaining an oil spill response cache at the City Boat Harbor and possibly in other areas; and
- 3) Enhance public safety response and coordination by better support for volunteer search and rescuers, enhanced coordination with Alaska State Troopers, and cross-training and use procedures between harbor and police staffs for use of the City skiff. While the City intends to continue to assist and sometimes take the lead on public safety incident response within one-quarter to one mile off shore, the Alaska State Troopers will retain jurisdiction as the primary first responders in all of Nushagak River and Bay.

No assets or liabilities will be transferred or integrated as a result of the proposed annexation.

A step-by-step guide to the orderly assumption of these powers and services is provided below.

	<b>Task</b>	<b>Timing</b>	<b>Responsible Party</b>
<b>1</b>	<b>Selecting Preferred Fish Tax Structure and Implementation Method</b>		
	Talk with city finance officers, managers and attorneys from other municipalities in region that levy a raw fish severance, sales or flat tax. Include Lake and Peninsula Borough, Bristol Bay Borough, Aleutians East Borough, Kodiak Island Borough, Togiak, Egegik, Sand Point, Chignik, Pilot Point and others. <ul style="list-style-type: none"> <li>• Collect ordinances, forms, and procedures for administering local raw fish severance and sales taxes.</li> </ul>	Apr 2010	City Manager <sup>9**</sup>
	Prepare cross reference table to compare.	Apr 2010	City Manager**
	Council work session(s) to confirm best method for Dillingham.	Apr-Jul 2010	City Manager**

<sup>9\*\*</sup>= Consultant Assistance

	<b>Task</b>	<b>Timing</b>	<b>Responsible Party</b>
	Prepare ordinance to codify. Prepare forms and public information materials.	Jun-Jul 2010	City Clerk, Finance and Attorney**
	Identify a fisheries advisor/enforcement consultant.	Prior to LBC approval (expected approx 6-10 months after petition submitted)	City Council
<b>2</b>	<b>Local Election on Annexation</b>		
	Prepare public information material.	May - June 2010	City Clerk & Manager**
	Attend neighborhood and community meetings to explain petition, answer questions.	2010	City Council
	Hold local election.	Within 45 days of LBC approval (tentative election date is June 2011)  <i>Election held April 10, 2012</i>	City Clerk
<b>3</b>	<b>Initiate Raw Fish Taxes</b>		
	Finance department builds database of fishermen and processors.  <i>Hired a consultant who assisted in preparing all this information after the election.</i>	Within 30 days of election (tentatively due by July 2011)	Dillingham Finance and Clerk
	<i>Establish a fish tax refund programs for those already paying Dillingham property tax, and those with low income (regardless of residency). Establish Fisheries Infrastructure Fund</i>		
	Initiate public information campaign to let fishermen and processors know about new taxes.	Within 30 days of election (tentatively due by July 2011)	Dillingham Finance and Clerk
	Distribute registration and collection forms.	Within 30 days of election (tentatively due by July 2011)	Dillingham Finance and Clerk
<b>4</b>	<b>Public Safety</b>		
	Host pre-vote coordination meeting with Dillingham dispatch director, police and fire chiefs, port director, city manager and Alaska State Troopers. Discuss coordination and any change in procedures for public safety in areas to	Fall 2010	Dillingham Police (lead) parties to include are Alaska State Troopers, Dillingham Fire

	Task	Timing	Responsible Party
	<p>be within city after annexation. Expected scenarios:</p> <ol style="list-style-type: none"> <li>1. Alaska State Troopers to retain primacy on Search and Rescue operations in all areas.</li> <li>2. <i>In early 2013, the City of Dillingham met with Alaska State Trooper Sgt. Tuckwood about developing a Mutual Aide Agreement on Search and Rescue operations in the newly annexed area. The State Troopers would not sign the agreement.</i></li> <li><i>In early February 2014, a discussion took place in Juneau with Commissioner Folger regarding the State Troopers not retaining primacy of the annexed area.</i></li> <li><i>In mid-February 2014, the City revisited the issue with AST Colonel James Cockrell.</i></li> <li>3. Alaska State Troopers retain all fish and wildlife powers and enforcement.</li> <li><i>In 2013, the City applied but did not receive a grant for a new boat through Homeland Security for use by Public Safety and the Boat Harbor. The City has since reapplied. Public Safety does use the harbor's current boat as needed when operational.</i></li> <li>4. Develop protocol for communication between harbor and police so that the city skiff (now exclusively used by harbor) is also available for public safety.</li> <li>5. Determine whether there is any combination of area (e.g. one quarter mile from former City boundary shoreline) or incident (e.g. public inebriation in a vessel) where public safety first responder responsibilities should shift between Alaska State Troopers to City of Dillingham police, with AST back-up.</li> </ol>		<p>Chief, Dillingham Snow Machine Club, Dillingham Port Director, etc.</p>

	<b>Task</b>	<b>Timing</b>	<b>Responsible Party</b>
	<p>Coordination meeting with police-dispatch-fire-harbor- troopers-other IF any transfer of responsibilities is to take place to affirm procedures and protocols</p> <p><b><i>In the summer of 2013, the AST Dillingham Post declined to be the first responder at emergencies in the annexed waterways. However, AST brought Dillingham police officers to the scene utilizing State boats.</i></b></p>	<p>Within 6 months after annexation approved (tentatively due by Dec 2011)</p>	
	<p>Identify and implement training schedule (harbor, police) relative to boat use and safety</p> <p><b><i>In early 2013, the US Fish and Wildlife put on a motor boat operations training attended by US Fish and Wildlife personnel, 50% of the Dillingham Police Officers, and Alaska State Troopers. The Harbor was invited but it conflicted with their schedule. US Fish &amp; Wildlife provides this training every 2 years.</i></b></p> <p><b><i>In the summer of 2013, Dillingham Police applied for a State Homeland Security grant to purchase a response boat for use by police, fire/EMS, and the port. The grant application was denied. In 2014, the same grant was applied for again for a response boat. The grant is pending.</i></b></p>	<p>Within 6 months after annexation approved (tentatively due by Dec 2011)</p> <p><b>2013</b></p>	<p>Dillingham police, harbor, others</p>
	<p><b><i>Identify and purchase a container van and emergency response equipment to be stored at the Dillingham Boat Harbor.</i></b></p>	<p><b><i>Within 1 year after annexation approved (tentatively early 2017)</i></b></p>	<p><b><i>Dillingham police, harbor, others</i></b></p>
<b>5</b>	<b>Oil Spill Protection</b>		
	<p>Identify whether a City oil spill response cache is needed in any area in addition to the boat harbor.</p> <p><b><i>Nushagak Electric and Delta Western have in their possession oil spill response equipment, which the City has used when needed. It was determined after the annexation that the City needed its own equipment.</i></b></p>	<p>Within 6 months after annexation approved (tentatively due by Dec 2011)</p>	<p>Port Director</p>

	<b>Task</b>	<b>Timing</b>	<b>Responsible Party</b>
	Identify and purchase needed gear; locate cache.  <i>The City received a bid from Spill Shield for oil spill response equipment, and a container for about \$35,000. Funding and purchase is pending.</i>	Within 6 months after annexation approved (tentatively due by Dec 2011)	City Council, Port Director
	Continue annual joint response exercises. Program practice responses in at-risk or environmentally sensitive areas in Wood River and Nushagak Bay.	ongoing	Port Director

<b>OFFICIALS CONSULTED FOR THE TRANSITION PLAN</b>			
<b>Name</b>	<b>Title &amp; Organization</b>	<b>Date Consulted</b>	<b>Subject Discussed</b>
<i>Rose Loera</i>	Dillingham City Manager	Throughout Nov 2009 – Feb 2010	All
Jean Barrett	Dillingham Port Director	Dec 2010- Feb 2010	Boat harbor services
Dan Pasquariello	Dillingham Police Chief	Jan-Feb 2010	Public safety
Sergeant Randy McPherron **	Alaska State Trooper, Dillingham	Jan-Feb 2010	Public safety
Carol Shade	Dillingham Finance Officer	Throughout Nov 2009-Feb 2010	All
<i>Alaska State Trooper Sgt. Tuckwood, Public Safety Commissioner Folger, AST Colonel James Cockrell</i>	<i>Alaska State Troopers &amp; Public Safety Commissioner</i>	<i>2012-2014</i>	<i>Public Safety</i>
	<i>Consultation on Fish Tax Refunds, Proceeds, Administration</i>		<i>Local Fish Taxes</i>
Jody Seitz**	Dillingham Planning Director	Jan-Feb 2010	All

\*\* This person was a source of information, they did not review the Transition Plan.

## EXHIBIT E. SUPPORTING BRIEF

This Exhibit consists of a supporting brief that provides a detailed explanation of how the proposed annexation satisfies each constitutional, statutory, and regulatory standard that is relevant to the proposed annexation. The factual analysis in the Petition will be summarized to provide the analysis with reference to the main text. To avoid repetition, references are made to the appropriate section of the Petition. Much of this information is identical to what was submitted in June of 2010. ***Additional information provided in 2014 is in bold and italics.*** In a few places outdated information was simply deleted.

***Most importantly, this Commission has already determined that proposed annexation of this territory to the City of Dillingham meets each and every applicable regulatory standard. See, Local Boundary Commission Decision Approving Petition of the City of Dillingham to annex approximately 396 square miles of submerged land and 3 square miles of land dated December 14, 2011 ("LBC Decision")<sup>10</sup>. Relevant language from the LBC Decision is referenced throughout this supporting brief and is in bold, italics and underlined.***

The regulations adopted by the Local Boundary Commission ("Commission" or "LBC") are contained in the Alaska Administrative Code, § 3 AAC 110.090-150.<sup>11</sup> These standards are discussed sequentially and include the factors to be considered according to the regulations.

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<sup>10</sup>The Commission is bound by its earlier decision and cannot reverse those findings in this proceeding. The Commission may consider whether any distinct requirements applicable to a legislative review petition have been satisfied including whether the City properly noticed and held the pre-filing public hearing required by 3 AAC 110.425. 3 AAC 110.140 does apply specifically to legislative review petitions, however, it does not establish substantively different standards from those contained in 3 AAC 110.090-150 addressed previously by the Commission.

<sup>11</sup> Article X of the Alaska Constitution was enacted to provide for the maximum local self-government with a minimum of local government units, and to prevent duplication of tax-levying jurisdiction. Powers of local governmental units shall be given a liberal construction. See Alaska Constitution, Art. X, §1.

The Local Boundary Commission was created by the Alaska Constitution, Art. X, § 12. The commission is to consider proposed local government boundary change and present the proposed change to the legislature. The commission may establish procedures whereby boundaries may be adjusted by local action.

Alaska Statute 44.33.812 implements the constitution and authorizes the Local Boundary Commission to adopt regulations providing standards and procedures for municipal annexation. The Local Boundary Commission may consider, amend, or impose conditions on any proposed municipal boundary change. The commission is also charged with establishing procedures for annexation by municipalities by local action. AS 29.06.040.

A. PER 3 AAC 110.090(a), THE TERRITORY PROPOSED FOR ANNEXATION EXHIBITS A REASONABLE NEED FOR CITY GOVERNMENT.

*3 AAC 110.090 Need.*

*a) The territory must exhibit a reasonable need for city government. In this regard, the commission may consider relevant factors, including:*

*(1) existing or reasonably anticipated social or economic conditions, including the extent to which residential and commercial growth of the community has occurred or is reasonably expected to occur beyond the existing boundaries of the city during the 10 years following the effective date of annexation;*

The existing economic condition of the territory proposed for annexation is based on a sustainable seasonal harvest of salmon. The economics of local fisheries are subject to fluctuations based on the health and management of fishery resources and the world market for wild Alaska salmon. It is reasonably anticipated that typical fluctuation in these economic conditions will occur during the next ten years. There will not be any residential growth in the area proposed for annexation. It is not practical for persons to live on the islands within the territory proposed for annexation. Economic activity in the form of commercial fishing and harvesting is addressed in 3 AAC 110.090 (a)(3) and 3 AAC 110.090(a)6).

*(2) Existing or reasonably anticipated health, safety, and general welfare conditions;*

Health, safety and general welfare conditions are directly related to city owned and operated port and harbor facilities that support commercial fishing. It is anticipated that the fishing industry will continue to need port and harbor facilities, will continue to need roads over which to travel to vessels using those ports and harbor facilities, and will continue to desire emergency response and rescue operations to be available.

The City intends to enhance public safety response and coordination by: 1) Better support for volunteer search and rescuers (There currently is an all-volunteer group not associated with the City. The City does not intend to 'take on' search and rescue, however the City will look to more actively support these volunteers who assist the Alaska State Troopers on Search and Rescue operations); 2) Enhanced coordination with Alaska State Troopers; and 3) Cross-training and developing use procedures between harbor and police staffs for use of the City skiff. While the City intends to continue to assist and sometimes take the lead on public safety incident response within one-quarter mile of shore and to assist in incident response to areas further offshore within the territory to be annexed, the Alaska State Troopers will retain jurisdiction over these areas and will remain the primary first responders in all of Nushagak River and Bay.

In the territory proposed for annexation, Alaska State Troopers (AST) report that in 2008, AST had no public safety responses and in 2009, there were four calls for assistance in these areas of which three were search and rescue<sup>12</sup>.

increased responsibilities in the harbor and adjacent offshore areas along with increased revenue will allow the City to purchase and maintain an oil spill response cache in the harbor to enhance environmental protection in the commercial fishing waters. Please refer to the Transition Plan (Exhibit F).

***Between May 2012 and April 2013 the Dillingham Police Department also responded either independently or as part of a mutual response on 37 occasions of which 12 were search and rescue responses.***

*(3) Existing or reasonably anticipated economic development;*

Commercial fish harvest, processing and provisioning in Nushagak Bay, and at times in Wood River, is expected to continue. A stronger financial picture for the City of Dillingham as a result of annexation will allow it to better assist and support this economic development through improved facilities and services (see section (6) below for detail).

***In 2012 the City leased two lots at the Dillingham Boat Harbor. One lot was leased to the owner of the NAPA store which provides parts, supplies and equipment for boats and automobiles. The other lot was leased to a business which provides mechanical and welding services. This business is planning to expand his lot for year round service and boat storage.***

***In 2013 the City of Dillingham took steps to attract larger vessels to “winter over” in Dillingham in an effort to foster development of a local vessel repair, storage and maintenance industry. The City passed an ordinance, capping the assessed valuation of commercial vessels for personal property tax purposes at \$300,000.***

*(4) Adequacy of existing services;*

Existing service to the commercial fishing waters proposed for annexation and resource users therein is adequate, but can be improved. Currently user fees are not commensurate with the cost of providing facilities and services at the boat harbor, city dock and boat ramps that the commercial fishing fleet uses (see section (6) below for detail).

*(5) Extraterritorial powers available to the city to which the territory is proposed to be annexed and extraterritorial powers of nearby municipalities;*

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<sup>12</sup> Personal communications and research, January 2010, Sergeant Randall McPherron, Alaska State Troopers, Dillingham.

The City does not exercise extraterritorial powers in the territory proposed for annexation nor do any other municipalities. Such powers are “available” under AS 29.35.020, however, the City has not sought to exercise power outside municipal boundaries. Annexation and full inclusion into the City is preferable to an extraterritorial or service area relationship. See, Alaska Constitution, Art. X, Sec. 5 (“[a] new service area shall not be established if, consistent with the purposes of this article, the new service can be provided by . . . annexation to a city”).  
*(6) Whether residents or property owners within the territory receive, or may be reasonably expected to receive, directly or indirectly, the benefit of services and facilities provided by the annexing city.*

There are no permanent residents or property owners within the territory. Seasonal population within the area proposed for annexation are commercial fishermen and fish buyers during May through September. This population currently receives, directly and indirectly, the benefit of services and facilities provided by the City of Dillingham in the form of port and harbor facilities and related services. These services will continue to be provided and will be enhanced as identified previously. Services and facilities include, but are not limited to, a small boat harbor, an all-tide dock, boat launch ramps, parking, water and ice availability at the harbor, trash collection at the harbor and dock areas, access to a full complement of vessel repair, equipment and storage businesses as well as seafood processing facilities, and access to a regional hospital and airport and to commercial stores for provisioning. Dillingham also provides public safety, utilities, and road maintenance services to both permit holders transiting through Dillingham on their way to the fishing grounds and to protect the shore-based fish processing facilities critical to purchase and sale of salmon harvested by permit holders in the territory to be annexed.

The City of Dillingham provides the listed services and facilities to many non-residents, reflecting the regional nature of the support Dillingham provides. These seasonal residents generally transit through Dillingham, often several times during a season as they move to and from the Nushagak fishing grounds.

***The reason for the proposed boundary change is to more fairly distribute the costs for providing, operating, and maintaining the public facilities and services supporting commercial fishing in Nushagak Bay. Currently, a significant number of non-residents receive the benefit of these services that directly assist them in their fishing business without contributing equitably to operation and maintenance of the city services and facilities. As an example, the table below shows that in the Dillingham Harbor in 2013, 57 percent of the vessels belong to people who are not Dillingham residents (this includes both skiffs and commercial fishing vessels). While everyone pays a harbor use fee, this revenue doesn't come close to paying for the services and infrastructure Dillingham provides to the fleet and related processors.***

<b>2013 Dillingham City Harbor Permits</b>	<b>All Harbor Permits</b>	<b>Transient Moorage</b>	<b>Total</b>	<b>% of Total</b>
<b>Dillingham resident</b>	<b>264</b>	<b>6</b>	<b>270</b>	<b>43%</b>
<b>Local Villages resident</b>	<b>46</b>	<b>13</b>	<b>59</b>	<b>10%</b>
<b>Other Alaskan resident</b>	<b>89</b>	<b>27</b>	<b>116</b>	<b>19%</b>
<b>Out of State resident</b>	<b>137</b>	<b>38</b>	<b>175</b>	<b>28%</b>
<b>Out of Country resident</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>0% (Negligible)</b>
<b>Total</b>	<b>537</b>	<b>85</b>	<b>622</b>	<b>100%</b>

Source: Dillingham Harbors

*Like most places in Bristol Bay, fishery resources and the commercial fishing and seafood processing industries are the backbone of Dillingham's economy and integral to many residents' livelihoods and way of life. Dillingham, with its population of about 2,395 (ADOLWD, July 2013), is the economic, transportation and public service center for western Bristol Bay. The region's hospital, airport, University campus, public boat harbor, all-tide dock, boat launches, its regional health, housing, community development quota (CDQ), Native for and not-for profit organizations, and more are all located in Dillingham.*

*The City of Dillingham's population is estimated at times to almost double during the peak fisheries months of May through August as summer visitors come to town to commercial fish in Nushagak Bay and other places in Bristol Bay or work in Dillingham-based seafood processing plants. Commercial fishermen use the City-maintained harbor, docks, boat ramps, parking areas, restrooms, bathhouse, and benefit from trash-hauling, street maintenance, etc. Fishermen harvesting in the Nushagak district use the Dillingham harbor to moor vessels, between openings, haul their vessels in and out for servicing and repair, and to get fresh water or ice. On a bad weather day, in-between longer fishery openings there can be as many as 700 vessels using the City's small boat harbor.*

*There were 729 unique individuals with landings in the Nushagak Commercial Salmon district in 2012, yet only 138 (19 percent) were Dillingham residents and 280 (38 percent) were non-Alaskans. In 2012, only 17 percent of the gill net fleet vessels with commercial fish harvest in the Nushagak District were registered to Dillingham residents and 39 percent were registered to non-Alaskans.*

*There were 675 unique individuals with landings in the Nushagak Commercial Salmon district in 2013, yet only 143 (21 percent) were Dillingham residents and 243 (36 percent) were non-Alaskans. In 2013, 19 percent of the gill net fleet vessels with commercial fish harvest in the Nushagak District were registered to Dillingham residents and 35 percent were registered to non-Alaskans.*

***This annexation and the accompanying local severance and sales tax on raw fish will provide more revenue to the City of Dillingham to help pay for services and facilities that the region's commercial fishermen and fleet use while in town and will help make the community more financially sustainable.***

***Data shows that in 2012 and 2013, the percent of Nushagak Bay salmon delivered outside of the bay for processing was 31% and 46 percent, respectively<sup>13</sup>. The proposed local severance and sales tax on raw fish will allow Dillingham to collect revenue from this portion of the region's primary economic resource. Currently, neither Dillingham nor any other community in the bay area receives any State business fishery tax from the harvest of Nushagak Bay fish that is processed elsewhere, yet Dillingham is certainly bearing costs to provide services and support for the harvest of this fishery resource.***

***Dillingham's per capita tax burden is ranked 12<sup>th</sup> highest out of just over 119 reporting municipalities (2013 Alaska Taxable, Table 3A) that levy a tax. Yet, the fees and taxes paid to the City of Dillingham by its resident and summer fisheries-related visitors are not commensurate with the cost to the City to provide services and facilities that support area commercial fisheries. Every year Dillingham uses general operating fund money (76 percent of general operating fund revenue is from local property and sales tax revenue) to help subsidize services and infrastructure that support regional fisheries<sup>14</sup>.***

***Following are some examples that demonstrate the expenses that Dillingham is incurring as it continues to support the regional Nushagak fisheries and fishing fleet, related processing activity, and the influx of fishery related summer visitors. These expenses demonstrate the services Dillingham provides and why it needs additional revenue from commercial fishing related activity of non-residents, a primary reason for this annexation.***

***Following are some examples that account for a minimum of \$430,000 in Dillingham FY 2013 expenditures to help serve the regional fisheries:***

#### **Harbors**

- In Fiscal Year (FY) 09 approximately \$110,000 from Dillingham's general operating fund was transferred to harbors to make up the difference between harbor fees and actual harbor annual operating expenses which do not include the cost of contributed***

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<sup>13</sup> Source: An analysis of 2004-2008 ADF&G fish ticket & COAR data, and 2009-2013 fish ticket and COAR data, ADF&G, Division of Commercial Fisheries.

<sup>14</sup> In 2013, 62 percent of the general operating fund revenue was from property or sales taxes (excluding Nushagak Fish Tax and bonds reimbursement from the state).

***administrative services from the City of Dillingham paid for from the General Operating Fund.***

- ***In the Dillingham Harbor in 2013, 57 percent of the vessels belong to people who are not Dillingham residents (this includes both skiffs and commercial fishing vessels). Of this, 28 percent are non-Alaskans and 19 percent are from outside the Bristol Bay region. .***
- ***In 2012, Dillingham purchased a Hyster 1050 H Large Forklift for \$582,452. We keep two of these at the Dock primarily to move container vans around the yard. Many of our container vans are from Peter Pan and Icicle Seafood for shipping out salmon.***
- ***In 2012, Dillingham had a strong SE wind and high tide which caused significant erosion in the Harbor. We had to put in over approximately \$46,000 of rock in the harbor to shore up areas that eroded because of the wind and tide.***
- ***The Harbor has added three collection sites for waste oil for the fishing fleet.***
- ***In FY 13, \$74,337 from Dillingham's Dock Special Revenue Fund was transferred to harbors to make up the difference between harbor fees and actual harbor annual operating expenses.***
- ***In April 2014 the City of Dillingham purchased a new loader for \$293,980; this is the only piece of equipment that it has to put the harbor floats into and out of the water. The old one broke down in March and we had to scramble to find another one to get on the first barge so that we could be ready for the 2014 season.***

**Public Safety (police, fire, EMS)**

- ***Ten percent of 2009's total calls for service (Dillingham city dispatch) are from the fishery-related areas (the boat harbor, Wood River boat launch, city dock or processing plants). Twenty percent of all calls for service in June and July are from these areas.***
- ***In 2013, seven percent of total calls for service (Dillingham Police Dispatch) are from the fishery-related areas (boat harbor, Wood river boat launch, canneries, and dock area). And, in June and July 2013, 13 percent of all calls for service are from fishery-related areas.***
- ***The corresponding cost to serve fishery-related calls is, ten percent of the FY 2010 public safety budget, or \$211,990 (public safety includes patrol, dispatch, corrections, fire, animal services), and seven percent of the FY 2013 Public Safety budget, or \$170,414***

<b>2013 Dillingham Dispatch Data</b>	<b>JAN</b>	<b>FEB</b>	<b>MAR</b>	<b>APR</b>	<b>MAY</b>	<b>JUN</b>	<b>JUL</b>	<b>AUG</b>	<b>SEP</b>	<b>OCT</b>	<b>NOV</b>	<b>DEC</b>	<b>total</b>
<b>Total Calls for Service</b>	431	418	442	480	576	606	705	599	585	524	434	468	6268
<b>Number in fishery related areas</b>	17	25	24	43	34	79	92	51	32	16	17	25	455
<b>Percent of total in fishery related areas</b>	4%	6%	5%	9%	6%	13%	13%	9%	5%	3%	4%	5%	7%

*\*Fishery related areas are dock, boat harbor, canneries, and Wood river boat launch*

**As seen on the table below, the bulk of area public safety service is provided by the City of Dillingham.**

<b>2013 Calls for Service Percentage by Agency</b>	<b>Police</b>	<b>Fire</b>	<b>EMS</b>	<b>Alaska State Troopers</b>	<b>Total</b>
<b>January</b>	77%	1%	2%	20%	431
<b>February</b>	80%	1%	4%	15%	418
<b>March</b>	80%	1%	4%	15%	442
<b>April</b>	79%	1%	4%	16%	480
<b>May</b>	84%	1%	4%	11%	576
<b>June</b>	82%	1%	6%	11%	606
<b>July</b>	86%	1%	3%	11%	705
<b>August</b>	83%	1%	4%	12%	599
<b>September</b>	78%	1%	4%	17%	585
<b>October</b>	82%	1%	3%	14%	524
<b>November</b>	82%	1%	3%	14%	434
<b>December</b>	79%	1%	3%	17%	468

*Source: Dillingham Police Department*

- ***There is no additional public safety staff in summer.***
- ***Between May 2012 and April 2013 the Dillingham Police Department also responded either independently or as part of a mutual response on 37 occasions of which 12 were search and rescue responses.***
- ***In 2013, the Public Safety department purchased Personal Floatation Devices for all their officers and equipped all their vehicles with floating discs to throw to someone in need in the water. The total approximate cost was \$1,000.***
- ***In 2014, Dillingham awarded a contract to build a new Fire Tender (truck). It is now being constructed and hopefully will be here on the last barge in September. Contract was awarded in 2013 and is for \$405,000. It is all grant funded, but Dillingham will now pay operating and maintenance on this equipment.***
- ***In 2014, the City received a bid from Spill Shield for oil containment equipment for approximately \$35,000 and is working to complete this purchase.***

### **Department of Motor Vehicles**

- *The average number of monthly transactions at the Dillingham DMV is 215. During the months of June and July the average amount of transactions is 416.*

### **Landfill**

- *In the summer months to accommodate the fishing fleet, six five large dumpsters are installed at the harbor and two are installed at the city dock and generally emptied twice a day, adding about 25% to the volume of trash hauled during those months.*
- *In 2009, this cost \$9,000, paid from the general operating fund (local taxes). In 2013, this cost to the city in fees paid for fishery related trash hauling was approximately \$10,000 paid from the general operating fund.*
- *In FY 2009, the City of Dillingham also transferred over \$200,000 of general operating fund money to the landfill to cover costs that exceeded fee revenue. In FY 2013, the City of Dillingham also transferred \$219,686 of general operating fund money to the landfill to cover costs that exceeded fee revenue. This payment does not include the cost of contributed administrative services from the City of Dillingham paid for from the General Operating Fund.*
- *In FY 2014 the City is being forced by the State of Alaska Department of Environmental Conservation to stop open burning of our municipal waste. As of July 1, 2014 Dillingham has had to bury, compact and cover the garbage at an additional expense of approximately \$200,000. The City is in the process of purchasing a thermal oxidation system to dispose of municipal waste. Due to the increase in municipal waste in the summer months we had to purchase a larger system than what is needed in the winter months. The total cost of this system and the building to house it will be approximately \$1.2 Million, paid from grant funds.*
- *The City of Aleknagik closed their South Shore landfill and residents that live on the South Shore are now bringing their garbage to the Dillingham landfill. In 2014 during Dillingham's annual community clean-up the City of Aleknagik also cleaned up its community and brought two trucks loads of garbage to the dumpsters at the Harbor.*

### **Water and Sewer**

- *The City provides drinking water and public sewer service to the Peter Pan processing plant. Each summer between 400 and 500 workers live at the plant. The City's public utility infrastructure must be sized to accommodate this seasonal influx of temporary residents without whom the fish caught by permit holders would not be able to be processed. Currently the City is undertaking a major upgrade to its wastewater treatment plant in part to increase the capability of the plant to treat sewage. The cost is estimated at approximately \$\_\_\_\_; we hope that most of this will come from grants. In 2012 and 2013, the City of Dillingham spent approximately \$1.56 million and \$1.68 million respectively on upgrades to its wastewater system. It still has projects*

***that need completed. In total, approximately \$6.8 million will be invested. Fortunately, much of this is grant funded, however, Dillingham pays for the day-to day operation and maintenance.***

- The City's drinking water supply facility was upgraded in 2010 at a cost of \$1 million. Iccle Seafoods is a new seafood processor in town (2014) and has indicated that its wells are not sufficient to meet its processing needs and would like to connect to city water. The city is currently investigating options. This is another of the many examples of how the city continually upgrades its facilities to serve the region's commercial fishing industry. The city is not complaining, but merely wishes to receive a fairer share (as many other places in the Bristol Bay region do through a local fish tax) of the revenue being generated in the Nushagak from outside of Dillingham and Alaskan residents to help provide this infrastructure and services.)***

***Revenue resulting from this annexation will allow Dillingham to help cover the costs listed above and others. It will allow Dillingham to provide better service to its own and neighboring community fishermen as well as those from outside the area and state who use the City-maintained harbor, docks, boat ramps, restrooms, bathhouse, and benefit from trash-hauling, street maintenance, etc. Revenues from this annexation will also allow some improvements that will benefit all who use Dillingham's harbor related facilities. In addition added revenue will allow enhanced coordination with the Alaska State Troopers, local search and rescue volunteers and others who together enact public safety response in Dillingham. The Alaska State Troopers will continue to be the primary first responders in Nushagak River and Bay as they are now, though the City will be better able to partner and assist when appropriate (refer to the Transition Plan). The City will also provide enhanced environmental protection through an added oil spill response cache.***

***Totaling the expenditures from Dillingham's FY 13 General Operating Budget that are attributable to serving the commercial fishing fleet yields a minimum of \$430,000. The 2.5 % Nushagak Fish Tax generated \$848,910 that year. After the general fund expenses related to commercial fishing and other fishery and committed tax relief efforts were funded, \$364,000 remained to help pay for future commercial fishing related improvements. The 2.5% Nushagak Fish Tax is allowing Dillingham to more readily pay for these services and thus provide better service to its own and neighboring community fishermen as well as those from outside the area and state who use the City-maintained harbor, docks, boat ramps, restrooms, bathhouse, and benefit from local processors, trash-hauling, street maintenance, etc.***

<b>Dillingham FY 13 Operating &amp; Special Revenue Fund Expenditures Directly Attributable to Serving Commercial Fishing Fleet, of Benefit to Fisheries, Commercial Fishermen &amp; Processors</b>	
<b>General Fund Comm. Fish Related Expenditure: Harbors</b>	<b>\$196,651</b>
<b>General Fund Comm. Fish Related Expenditure: Landfill</b>	<b>\$61,831</b>
<b>General Fund Comm. Fish Related Expenditure: Public Safety Response</b>	<b>\$170,414</b>
<b>General Fund Comm. Fish Related Expenditure: Public Safety: Personal Floating Devices</b>	<b>\$1,000</b>
<b>Total Expenditures, From General Fund</b>	<b>\$429,896</b>
<b>Other: 2014 Oil Containment Equipment<sup>15</sup></b>	<b>\$35,000</b>
<b>Nushagak Fish Tax Expenditure: Transfer to General Fund (to help pay \$429,896 in expenses listed above)</b>	<b>\$400,920</b>
<b>Nushagak Fish Tax Expenditure: Property Tax Payer Refund</b>	<b>\$10,833</b>
<b>Nushagak Fish Tax Expenditure: Low Income Fisher Refund</b>	<b>\$1,798</b>
<b>Nushagak Fish Tax Expenditure: Transfer to Fisheries Fund</b>	<b>\$46,422</b>
<b>Nushagak Fish Tax Expenditure: Transfer to Borough Study Fund</b>	<b>\$24,853</b>
<b>Total Expenditures, from Nushagak Fish Tax</b>	<b>\$484,826</b>
<b>FY 2013 2.5% Nushagak Fish Tax Revenue</b>	<b>\$848,910</b>
<b>Nushagak Fish Tax Balance, at end of FY 13, for Future Commercial Fishery Related Improvements</b>	<b>\$362,468</b>

**Other municipalities in this part of Alaska, which are likewise fiscally dependent on fisheries revenue also include adjacent commercial fishing district waters within their corporate boundaries. This has been explicitly permitted by the Local Boundary Commission ("Commission" or "LBC") either as a part of initial municipal incorporation or through annexation.**

**For example, in 1995 the LBC approved incorporation of the City of Egegik with 105 square miles of water to include the Egegik fishing district; in 1991 the LBC approved incorporating the City of Pilot Point with 115 square miles of water in the Ugashik commercial fishing district; in 1986 the LBC approved annexation of approximately 194 square miles of commercial fishing waters into the City of St. Paul; and in 1985 the LBC approved annexation**

<sup>15</sup> In 2014 the City received a bid from Spill Shield for oil containment equipment for approximately \$35,000. It was the City's intention to purchase this equipment for the 2014 summer and have it ready to present to the City. Then the annexation was remanded. The City has applied for a grant with Homeland Security Program and included a request for this equipment in July 2014.

***of 183 square miles of water to the City of Togiak to bring in the Togiak Bay and its commercially fished waters into the City's corporate boundary.***

***These communities also levy a local raw fish tax (sales or severance), including several that are within a borough where both a local city and a borough raw fish is levied and collected. Local municipalities levying a raw fish tax include Saint Paul, Unalaska, Akutan, Togiak, King Cove, Sand Point, Chignik, Pilot Point, Egegik, Aleutians East Borough, Kodiak Island Borough, Bristol Bay Borough, Lake and Peninsula Borough, and City and Borough of Yakutat (see map, Exhibit I).***

***The proposed annexation is in the best interest of the State, as it will promote maximum local self-government and the long-term economic vitality of the City of Dillingham, a regional hub in western Bristol Bay, Alaska, as previously expressly found by the Local Boundary Commission in its decision of December 14, 2011 (pages 13-14). In particular, the Commission has already determined:***

***"That all of the relevant standards and requirements for annexation of the territory (the Nushagak Bay Commercial Fishing Districts) are satisfied by the City of Dillingham's petition." Also, refer to Exhibit I - Supporting Brief, for additional detail on the reasons and justification for this annexation.***

Detail on Dillingham Harbor, Launch and Port Facilities serving the Commercial Fisheries Fleet

The Dillingham small boat harbor was constructed in 1960 as a half tide harbor. It is used as a commercial fishing base by Dillingham and surrounding community's residents, and plays a large role in the economic base of the community. Both the harbor staff and police dispatch monitor VHF Channel 16, 24 hours a day to provide public safety services to the fishing fleet. The harbor department has a 22 ft. skiff with multiple engines available for its use. Within the City, the police and fire departments provide emergency response and outside the City, the Alaska State Troopers are the primary responders.

The Dillingham boat harbor has two seasonal floats located on the east and south harbor banks. During the summer and non-ice months, vessels (when not fishing) are commonly rafted to one another and to the seasonal floats. Many live aboard their vessels during fishing season. The lighted small boat harbor offers safe haven and access to town, the airport and hospital. Services available at the harbor include a crane, 20-ton ice machine, new bathhouse and showers, limited electricity available onshore, potable water available on each float, and garbage and oil collection. Other City of Dillingham services that significantly increase in the summer to help support the fishing fleet and processing industry include police, fire and EMS calls, use of the hospital and medical clinic, and increased streets, grounds and facility maintenance.

Deposition from the silty Nushagak River requires dredging of the Dillingham small boat harbor every year. After the ice is out and beginning about May 15 each year the Corps of Engineers funds a full month of 24 hours a day/7 days a week dredging to lower the harbor to -2 ft. below sea level. Erosion of the harbor's banks and walls is occurring throughout. Erosion at the west bank of the harbor entrance is jeopardizing a major fuel distribution center. Erosion along the east bank is eliminating parking, affecting operation of the floats, reducing the access road width, and jeopardizing electrical and water service.

The City of Dillingham has implemented steady upgrades to the harbor. During 2008-2009, improvements included:

1. installation of a new north boat ramp of interlocking precast concrete planks,
2. addition of an 0.8 acre parking area,
3. addition of 150 ft. of shoreline protection,
4. float extensions installed along the east side of the harbor,
5. installation of a tote dumper and hopper system, and
6. new concrete pads for the south boat ramp.

During summer of 2010 improvements included:

1. a 250 ft. long sheetpile bulkhead extension,
2. fill will be installed at the north end,
3. a new crane that will allow up to ½ ton of ice at a time to be lowered onto boats.

Many of these improvements are funded by federal or state grants, however, the cost of maintaining the expanded facilities will fall entirely on the City.

***The operations and maintenance costs are significant. For example, in August 2012 a portion of the "All-Tide Dock" owned and operated by the City failed. The cost of emergency and long term repairs exceeded \$400,000. Some but not all of this was covered by insurance (itself an ongoing recurring expense). None of the cost was paid by a state grant. This is a glimpse of Dillingham's future. Grant funded infrastructure will require city-funded repairs and maintenance.***

***In 2012, the City leased two lots at the Dillingham Boat Harbor. One lot the NAPA store which provides parts, supplies and equipment for boats and automobiles. The other lot was to Motive Power Marine, which provides mechanical and welding services and is planning to expand his lot for year round service and boat storage.***

***In 2013, the City of Dillingham passed an ordinance, for boats used for commercial purposes, the amount of the assessed valuation over \$300,000 is not taxable. A local business proposed this to the council to be able to haul larger vessels onto their property over the winter, which could bring more work for local businesses.***

The harbor still needs several improvements to include:

1. Continuing installation (beyond the 250 ft. accomplished in 2010) of a sheetpile bulkhead around the north, east and south sides of the harbor would create a true basin and contain erosion and siltation.
2. Bulkhead installation along the east side should be accompanied by electrical and water upgrades and sewer installation.
3. Existing utilities are now in jeopardy of exposure due to erosion and are also subject to freeze/thaw problems.
4. Fire hydrants should be installed or upgraded.
5. Upgrade and installation of utilities along the east side of the harbor is also needed where there is strong interest in making lots available for lease.
6. In addition to utilities, the property boundary on the east end of the harbor needs better definition, possibly accompanied by relocating the access road and PAF Marine easterly.
7. New floats designed to rise and drop with the tides, rather than the pivoting arm design now employed, should be installed to allow boats to get closer to the bulkhead. This will increase the number of vessels that can safely moor and will provide more secure vessel loading and unloading.
8. There is also interest in installation of a 24 by 100 ft. grid for working on boats on the east side of the new bulkhead at the north end of the harbor. This would allow users to repair or service vessels during low tides without having to pull the boat completely out of the water and onto shore.
9. Another potential improvement to assist with boat repair and maintenance would be installation of a facility to allow a vessel to tie to a bulkhead and sit evenly on its keel as tides change.

***The Corps of Engineers has completed design and permitting for an Emergency Bank Stabilization project necessary to protect from wave action from the bay and increasing erosion inside the harbor. The project would entail the installation of a rock revetment to prevent erosion on the south side of the harbor adjacent to the Bristol Alliance tank farm. The anticipated cost of the project is \$21.5 M. The Corps of Engineers was going to fund the project, but after Hurricane Katrina the Corp instituted a 25% match to their fund, which is greater than the City's entire general funds. The harbor is the cornerstone of local and regional economic development and has been the City's top federal funding priority for many years.***

The open space at the southeast end of the boat harbor is Dillingham's only waterfront public space and heavily used by the community. There are multiple large events there each summer. This area needs water and electricity, restrooms and a pavilion and a ramp for access to the beach.

The Wood River boat launch is regularly used by area residents, the commercial fishing fleet, hunters and sport fishermen. Improvements are needed to the parking area next to the launch. The river course has changed and is now depositing a lot of silt in front of the old wooden bulkhead. A steel bulkhead is needed with an access ramp positioned in the middle. ***The current bulkhead is built out of wood and is in very poor shape.***

A fleet of setnetters launch from Dillingham's Kanakanak boat launch each year. This facility needs a parking area, access road upgrade, and ramp improvements to make it accessible at a wider tidal range.

The narrative above describes some of the improvements to be constructed and maintained by the City of Dillingham that the territory's fishing fleet can reasonably expect to receive and benefit from over time.

**PREVIOUS COMMISSION FINDING STANDARD HAS BEEN MET**

**The Commission previously found:**

**[T]he territory proposed to be annexed, is receiving, at the present and through the foreseeable future, the benefit of services and facilities provided by the annexing city. The petitioner has continued to provide municipal services. These services would not be available to the fishery industry within the Nushagak Bay area if it were not for the city providing them. As a responsible local government entity, the city has continually provided these services at the expense of its residents and to the point of unsustainability.**

**The proposed annexation will benefit the region as well as the city. The commission finds that 110.090 has been met.**

**LBC Decision p.6**

B. IN ACCORDANCE WITH 3 AAC 110.090(b), ESSENTIAL MUNICIPAL SERVICES [determined under 3 AAC 110.970] CAN BE PROVIDED MORE EFFICIENTLY AND MORE EFFECTIVELY BY THE CITY OF DILLINGHAM THAN BY ANOTHER EXISTING CITY OR BY AN ORGANIZED BOROUGH, ON AN AREAWIDE OR NON-AREAWIDE BASIS, OR THROUGH AN EXISTING BOROUGH SERVICE AREA ESTABLISHED IN ACCORDANCE WITH ART. X, SEC. 5 OF ALASKA'S CONSTITUTION.

*3 AAC 110.090 (b) Territory may not be annexed to a city if essential municipal services can be provided more efficiently and more effectively by another existing city or by an organized borough, on an areawide basis or nonareawide basis, or through a borough service area that, in the determination of the commission, was established in accordance with art. X, sec. 5, Constitution of the State of Alaska.*

There is no existing city or borough that can provide services and facilities more efficiently or effectively to the Nushagak Bay commercial fleet and the Wood River fishermen.

3 AAC 110.970(d) indicates a city's essential municipal services may include, levying and collecting taxes, operating a public school system, land use regulation, providing public safety services and "other services the Commission deems reasonably necessary to meet the local government needs of the residents of the community". As previously discussed, the "community" within the territory proposed for annexation is a seasonal commercial fishing community whose need for public services is limited to port and harbor facilities, landfill services, and public safety. All of these services may be provided more efficiently by Dillingham than by any other existing city or by the Bristol Bay or Lake and Peninsula Boroughs.

Many fishermen in addition to Dillingham residents' commercial fish in Nushagak Bay, and sometimes from Wood River, however, services and facilities that support these fisheries are now provided almost exclusively by and through the City of Dillingham. When the Commission considered similar petitions in 1986, Clark's Point had a large seafood support facility within its corporate boundary that supported the fleet by providing a dock, storing boats, providing a place to work on fishing boats, housing fishermen, feeding fishermen etc. However, in 2000-2001, Trident shuttered and disassembled its Clark's Point plant. There is no public dock, boat harbor or other facilities or services in Clark's Point any longer that support the fishing fleet. Today, the Nushagak Bay's only public harbor, dock and many other support services are in Dillingham.

Inclusion of offshore commercial fishing waters within a city and levying a local fish tax has not reduced incentives for borough formation in the area.

Even if concerns about "disincentives" for future governmental entities was part of the LBC's overall consideration of this petition, inclusion of offshore commercial fishing waters within Dillingham does not reduce incentives for borough formation in this area. Allowing Dillingham to annex these commercial fishing waters and levy a local raw fish tax will not inhibit borough formation. Many communities in the region, both cities and boroughs, have enacted local raw fish taxes that are paid in addition to the State business fishery tax.

For example, when Lake and Peninsula Borough formed and levied a raw fish tax, it encompassed the existing City of Chignik, which already levied a raw fish tax on the approximately 12 square miles of waters within its city boundary. Including an existing city with offshore waters and that levied its own raw fish tax, within the borough was not an obstacle to forming a successful borough, nor has the combination of a city and borough fish tax inhibited either municipality's economic sustainability. In fact, in the Bristol Bay region there are six communities where both a local city and borough raw fish tax is levied: City of King Cove, City of Sand Point, City of Chignik, City of Egegik, City of Pilot Point, and City of Akutan. The annexation of commercial waters to Dillingham with an attendant local raw fish tax will not be an impediment to future borough formation, as it has not been an impediment to formation of either the Lake and Peninsula Borough or the Aleutians East Borough both of which have been created since 1986 (see map on next page of this petition).



If a borough was to form at some point in this area, the State fisheries business tax revenue distribution formula provides that over a five-year period half the State fisheries business tax will go to the borough. This would provide revenue from the Nushagak and other fisheries to a prospective future borough.

Dillingham has identified the real costs it bears annually to support regional fisheries.

Dillingham has looked carefully at use data to understand and estimate what increment of the services and facilities it provides can be attributed to the fishing fleet, and compared this to user fees it receives, to identify the real costs it bears to support regional fisheries

Please refer to section 3 AAC 110.090(a)(6) of this brief, and to Section 6-Reasons for the Proposed Boundary Change to review the many people in addition to Dillingham residents and fishermen who use Dillingham's harbor, docks and boat launches and more, and, the real costs to Dillingham annually that are paid through its general fund (primarily from property and sales tax revenue) to subsidize services and infrastructure that is used by commercial fishing permit holders and sport fishermen harvesting natural resources in the region. This data is not repeated here.

***Dillingham has adopted a tax on sales or severance of raw fish within the City. DMC 4.21.010 et seq., DMC 4.22.010 seq. The tax ordinances contain refund provisions for low income permit holders. DMC 4.21.135(A)(1), 4.22.045(A)(1). The tax ordinance also contains refund provisions for owners of residential real property in Dillingham. DMC 4.21.135(A)(2), 4.22.045(A)(2). The amount of money raised by this tax in 2012 and 2013 is set forth in Exhibit C-1. In FY 2012 \$79,523 in fish tax revenue was received<sup>16</sup>. In FY 2013 \$848,910 was received. In FY 2014 \$400,586 was received. This represents two full fishing seasons due to the City's fiscal year beginning July 1. Dividing the total revenue by two yields an average of \$664,510 in gross fish tax per season. Of this gross amount \$4,262 was refunded to low income permit holders and \$26,126 was refunded to permit holders who also paid local property tax.***

Dillingham is not depending upon or anticipating a great increase in State fisheries business tax revenue due to annexation, as it is not clear that significantly more processing will take place within its enlarged boundary.

Regardless of whether the Dillingham Census Area (or some variation) ever forms a borough, Dillingham will still be the major port and access to the Nushagak Bay for fishermen. A borough is not going to build an entirely new port or harbor facility at some other location outside Dillingham. Dillingham is today and will always be the most logical local government to provide essential public services and facilities to support the commercial fishing fleet harvesting salmon in Nushagak Bay.

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<sup>16</sup> The City's fiscal year begins July 1 so this figure only represents tax received for the very beginning of the 2012 fishing season.

**PREVIOUS COMMISSION FINDING STANDARD HAS BEEN MET**

**The Commission previously found:**

**no other existing municipality has the ability to provide essential municipal services to the territory to be annexed more efficiently and more effectively than the petitioner. The idea of regional government has only been theoretical with no petition formally filed and accepted by the LBC since the incorporation of the city. Regional government could be a viable option; however, under the circumstances the region has not produced the will or resources necessary to form such a government. The LBC finds that the petition meets 3 AAC 110.090(b)'s requirements.**

**LBC Decision p. 6**

C. PER 3 AAC 110.100, THE TERRITORY PROPOSED FOR ANNEXATION IS COMPATIBLE IN CHARACTER WITH THE ANNEXING CITY.

*3 AAC 110.100 Character.*

*The territory must be compatible in character with the annexing city. In this regard, the commission may consider relevant factors, including the:*

*(1) Land use, subdivision platting, and ownership patterns;*

This is not directly applicable as there is no land (other than small uninhabitable islands) within the commercial fishing waters proposed for annexation.

*(2) Salability of land for residential, commercial, or industrial purposes;*

This is not directly applicable as there is no land (other than small uninhabitable islands) within the commercial fishing waters proposed for annexation.

*(3) Population density;*

This is not directly applicable as there is no permanent population within the commercial fishing waters proposed for annexation.

*(4) Cause of recent population changes;*

This is not directly applicable as there is no permanent population or population changes within the commercial fishing waters proposed for annexation. The population of Dillingham has been slowly increasing over the last decade. The combined number of unique drift gillnet and set gillnet fishermen with commercial landings in the Nushagak Salmon Commercial district

decreased by about 20 percent ***between 2000 and 2010***<sup>17</sup>. In any one season the number of permit holders fishing in the Nushagak District may vary depending on individual permit holder decisions. Region-wide, the number of Bristol Bay watershed residents holding permits in area drift gillnet fisheries continues to decline, and, after a period of decline the number of Bristol Bay watershed residents holding permits for the set gillnet fishery has stabilized<sup>18</sup>.

*(5) Suitability of the territory for reasonably anticipated community purposes;*

The territory proposed for annexation is the adjacent commercial fishing waters. This territory is suitable and compatible with community purposes because it holds the resource upon which Dillingham's economic well-being depends. A demonstrated strong and compatible relationship between the City and the use of the waters proposed for annexation is described in this brief at section 3 AAC 110.090 Need.

*(6) Existing and reasonably anticipated transportation patterns and facilities; and*

Fishing and other vessels, ice-supplying vessels, processors and tenders, and commercial barges and tugs regularly ply the waters proposed for annexation. They travel between Dillingham - the western Bristol Bay region's service and transportation hub - and other destinations. As noted already, Dillingham's harbor and port facilities are regularly used by these vessels traversing the waters proposed for annexation.

*(7) Natural geographical features and environmental factors.*

The proposed annexation conforms to the fishery management units of two waterbodies: the Nushagak Commercial Salmon District waters, and the Wood River Sockeye Special Harvest waters.

**PREVIOUS COMMISSION FINDING STANDARD HAS BEEN MET**

**The Commission previously found:**

**the petition satisfies 3 AAC 110.100's requirements for the territory because the Nushagak Bay is compatible in character to the City of Dillingham.**

**LBC Decision p. 6.**

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<sup>17</sup> Source: CFEC Gross Earnings files

<sup>18</sup> Northern Economics, Inc. *The Importance of the Bristol Bay Salmon Fisheries to the Region and its Residents*. Prepared for Bristol Bay Economic Development Corporation. October 2009.

D. PER 3 AAC 110.110, THE ECONOMY WITHIN THE PROPOSED EXPANDED BOUNDARIES OF THE CITY INCLUDES THE HUMAN AND FINANCIAL RESOURCES NECESSARY TO PROVIDE ESSENTIAL CITY SERVICES UNDER 3 AAC 110.970 ON AN EFFICIENT, COST-EFFECTIVE LEVEL.

*3 AAC 110.110 Resources.*

*The economy within the proposed expanded boundaries of the city must include the human and financial resources necessary to provide essential municipal services on an efficient, cost-effective level. In this regard, the commission may consider relevant factors, including the:*

*(1) Reasonably anticipated functions of the city in the territory being annexed;*

***The only changes in functions are discussed in Section 14 of this Petition.*** Reasonably anticipated functions of the City in the territory being annexed include enhanced public safety and spill prevention, economic development, ongoing support of a small boat harbor, an all-tide dock, boat launch ramps, parking, water and ice availability at the harbor, trash collection at the harbor and docks (and subsequent disposal in a city operated landfill), provision of critical utility services to shore-based processors, access to a full complement of vessel repair, equipment and storage businesses as well as seafood processing facilities, and access to a regional hospital and airport and to commercial stores for provisioning.

*(2) Reasonably anticipated new expenses of the city that would result from annexation;*

***During 2012 and 2013 when annexation was in place, the additional expenses incurred by the City related to annexation were consultant fees to help set up the fish tax system, the property tax rebate system, the low income fishermen's refund system, and the cost of the initial election. Other duties were handled with existing staff. Since those additional expenses have already been incurred, additional expenses resulting from approval of the subsequent annexation will be negligible.***

*(3) Actual income and the reasonably anticipated ability to generate and collect local revenue and income from the territory;*

***Actual revenue collected as fish tax in FY 2012, 2013 and 2014 was \$79,523 in FY 2012, \$848,910 in FY 2013 and \$400,586 in FY 2014. There was no difficulty collection this revenue. This is within the ball park of the earlier estimates, but does demonstrate the fluctuation inherent in a resource-based tax based dependent on catching fish. Dillingham has already adopted a tax ordinance similar to the Lake and Peninsula Borough. DMC 4.21.010 et seq., DMC 4.22.010 et seq.. The taxpayer (fisherman in this case) is obligated to pay the tax, it is the buyer of fishery resources (processor) who remits it on behalf of the taxpayer to the borough (or city) based on the value of the raw fish harvested (or severed).***

**POUNDS OF SALMON HARVESTED IN NUSHAGAK COMMERCIAL FISHING DISTRICT**

<b>Processor location WITHIN the Nushagak District:</b>							
<b>Year</b>	<b>Chinook</b>	<b>sockeye</b>	<b>coho</b>	<b>pink</b>	<b>chum</b>	<b>Total inside</b>	<b>% of ALL for Year</b>
2004	788,215	16,353,854	11,086	57,071	1,173,431	18,383,657	44%
2005	540,060	17,427,475	16,089	1,770	2,166,846	20,152,240	39%
2006	658,645	21,063,287	262,467	139,749	2,046,436	24,170,584	34%
2007	357,504	19,026,839	167,454	1,326	1,596,790	21,149,914	39%
2008	153,774	14,494,219	192,478	290,567	833,627	15,964,665	36%
<b>2009</b>	<b>380,993</b>	<b>46,431,892</b>	<b>212,080</b>	<b>1,012</b>	<b>4,614,415</b>	<b>51,642,401</b>	
<b>2010</b>	<b>336,583</b>	<b>47,529,015</b>	<b>442,376</b>	<b>4,187,801</b>	<b>2,486,471</b>	<b>54,982,246</b>	
<b>2011</b>	<b>285,274</b>	<b>23,522,869</b>	<b>28,158</b>	<i>Confidential</i>	<b>1,487,011</b>		
<b>2012</b>	<b>109,884</b>	<b>10,251,704</b>	<b>420,024</b>	<b>2,250,165</b>	<b>1,137,117</b>	<b>14,168,894</b>	<b>69%</b>
<b>2013</b>	<b>96,614</b>	<b>9,741,333</b>	<b>732,162</b>	<b>820</b>	<b>2,061,148</b>	<b>12,632,077</b>	<b>54%</b>
<b>Processor location OUTSIDE the Nushagak District:</b>							
<b>Year</b>	<b>Chinook</b>	<b>sockeye</b>	<b>coho</b>	<b>pink</b>	<b>chum</b>	<b>Total outside</b>	
2004	691,975	20,359,743	307,651	50,479	1,716,571	23,126,419	56%
2005	510,109	27,017,427	269,243	20	4,018,024	31,814,822	61%
2006	737,036	40,352,030	11,047	1,032	5,247,746	46,348,891	66%
2007	295,550	28,984,573	24,709	1,807	4,019,224	33,325,863	61%
2008	124,909	25,182,060	286,588	200,702	2,124,174	27,918,433	64%
<b>2009</b>							
<b>2010</b>	<i>Confidential</i>	<i>Confidential</i>	<i>Confidential</i>	<i>Confidential</i>	<i>Confidential</i>		
<b>2011</b>	<b>51,989</b>	<b>6,490,826</b>			<b>397,229</b>	<b>6,940,044</b>	
<b>2012</b>	<b>44,265</b>	<b>5,157,598</b>	<i>Confidential</i>	<i>Confidential</i>	<b>500,808</b>	<b>6,260,001</b>	<b>31%</b>
<b>2013</b>	<b>44,908</b>	<b>9,270,108</b>			<b>1,571,097</b>	<b>10,886,113</b>	<b>46%</b>

Source: Compiled by Sheinberg Associates using data from ADFG Fish Ticket and COAR data, Division of Commercial Fisheries (Plotnick, 2008; Tide, 2011; Hutter, 2014)

<b>NUMBER OF DISTINCT SETNET PERMITS IN THE NUSHAGAK DISTRICT</b>										
<b>[Locations: off of Clarks Point, on the Combine (East side by Nushagak Point and Queen Slough), Coffee Point (west side below Kanakanak) and in the Wood River (when open).                      (Note: includes emergency transfers)]</b>										
<b>YEAR</b>	<b>SETNET PERMITS - DILLINGHAM RESIDENTS</b>					<b>SETNET PERMITS - NON-DILLINGHAM RESIDENTS</b>				
	<b>No. Permits</b>	<b>No. Landings</b>	<b>% of total landings</b>	<b>Pounds</b>	<b>% total pounds</b>	<b>No. Permits</b>	<b>No. Landings</b>	<b>% of total landings</b>	<b>Pounds</b>	<b>% total pounds</b>
2000	80	5,786	38%	2,617,796	40%	151	9,597	62%	4,003,895	60%
2001	73	4,246	34%	2,079,493	38%	139	8,318	66%	3,339,346	62%
2002	59	2,447	43%	1,364,889	46%	91	3,241	57%	1,609,641	54%
2003	54	3,694	38%	2,163,593	40%	98	6,095	62%	3,268,410	60%
2004	52	3,737	35%	1,578,204	35%	105	7,017	65%	2,869,192	65%
2005	54	4,428	38%	2,094,686	40%	109	7,352	62%	3,171,742	60%
2006	62	5,370	42%	2,387,448	38%	105	7,401	58%	3,893,247	62%
2007	67	3,915	37%	2,732,720	37%	102	6,552	63%	4,673,150	63%
2008	63	3,463	34%	2,315,293	35%	114	6,645	66%	4,346,533	65%
2009	61	4,849	31%	2,916,272	36%	116	10,570	69%	5,181,782	64%
2010	64	5,586	33%	2,698,993	30%	122	11,425	67%	6,257,136	70%
2011	65	4,479	33%	1,897,518	33%	124	9,240	67%	3,792,235	67%
2012	66	4,538	35%	1,790,842	38%	120	8,589	65%	2,910,371	62%
2013	72	4,951	45%	1,524,673	43%	115	5,980	55%	1,997,111	57%

SOURCE: J. Barrett, Dillingham Harbormaster

*(4) Feasibility and plausibility of those aspects of the city's anticipated operating and capital budgets that would be affected by the annexation through the period extending one full fiscal year beyond the reasonably anticipated date for completion of the transition set out in 3 AAC 110.900;*

Please see Exhibits C-1 and C-2. No difficulties are anticipated.

*(5) Economic base of the territory within the city after annexation;*

The economic base within the City after annexation will be the harvest, processing and support of commercial fisheries and Dillingham's place as a regional service hub for western Bristol Bay.

*(6) Valuations of taxable property in the territory proposed for annexation;*

There is no taxable real or personal property in the territory proposed for annexation.

*(7) Land use in the territory proposed for annexation;*

"Land" use in the territory proposed for annexation is commercial fish harvesting, sale, transfer, support and processing.

*(8) Existing and reasonably anticipated industrial, commercial, and resource development in the territory proposed for annexation;*

As previously indicated, the City assumes the value of salmon harvested from the area proposed for annexation will fluctuate within past historical ranges.

*(9) Personal income of residents in the territory and in the city;*

***The most recent comprehensive data is from the 2008-2012 American Community Survey (ACS) estimate published by the US Census Bureau. There can be large margins of error for ACS data for small rural areas, nonetheless it lists the 5-year estimate of the per capita income for Dillingham as \$33,193 and the median household income as \$69,792. There are no additional permanent residents in the territory proposed for annexation.***

*(10) Need for and availability of employable skilled and unskilled persons to serve the city government as a result of annexation.*

No additional employees are anticipated as a result of annexation. There will be increased work for the clerical positions engaged with tax collection. ***This additional work was accomplished in 2013 and 2014 with current staff. The tax collection system has already been established and implemented during those two years.*** Additional maintenance work on port and harbor facilities is not anticipated to require additional full time positions. It may require seasonal positions that will easily be filled by current Dillingham residents. Port and

harbor improvement projects made possible through additional tax revenue from the annexed territory will most likely be contracted out as public works projects.

**PREVIOUS COMMISSION FINDING STANDARD HAS BEEN MET**

**The Commission previously found:**

**the city has met 3 AAC 110.110 because the city has and is expected to continue to provide essential municipal services on an efficient, cost effective level. The local fish tax revenue will provide it the resources to continue to do so. The expenses resulting from this annexation are a minimal portion of the additional revenue accumulated from the severance tax collected, however the petitioner has met 3 AAC 110.110 because the actual income and the reasonably anticipated ability to generate and collect local revenue and income from the territory will fund the essential municipal services that have been continually provided to the territory. The existing and reasonably anticipated industrial, commercial, and resource development in the territory proposed for annexation is thriving and expected to continue over the long term. The commission concludes that the petitioner has successfully met 3 AAC 110.110 because the economy within the proposed expanded boundaries of the city includes the human and financial resources necessary to provide essential municipal services on an efficient, cost-effective level. For all the reason set out above, the commission finds that the petition satisfies the requirements of 3 AAC 110.110.**

**LBC Decision p.7.**

E. PER 3 AAC 110.120, THE POPULATION WITHIN THE PROPOSED EXPANDED BOUNDARIES OF THE CITY IS SUFFICIENTLY LARGE AND STABLE TO SUPPORT THE EXTENSION OF CITY GOVERNMENT.

*3 AAC 110.120 Population.*

*The population within the proposed expanded boundaries of the city must be sufficiently large and stable to support the extension of city government. In this regard, the commission may consider relevant factors, including:*

*(1) Census enumerations;*

The population within the proposed expanded City of Dillingham has two components: 1) permanent residents living within existing city boundaries, and 2) estimated population of seasonal residents working within both existing city boundaries and the area proposed for annexation.

***As to the first component, Dillingham's population per the 2010 census is 2,329. The estimated population as of July 1, 2013 is 2,395 (ADOLWD).***

See (4) below for the second, seasonal component.

*(2) Duration of residency;*

The City has a stable and slowly growing population with many long-term residents.

*(3) Historical population patterns;*

Dillingham’s permanent resident population has been slowly growing since the 1920’s, including over the last decade when many rural communities in the state and region experienced population declines. Slow growth in Dillingham is expected to continue.

*(4) Seasonal population changes;*

***The permanent population of Dillingham after the proposed annexation is estimated to be 2,395, the same as the current population (ADOLWD, 2013). The City of Dillingham’s population about doubles during the peak fisheries months of May through August as summer visitors come to town to commercial fish in Nushagak Bay and other places in Bristol Bay or work in Dillingham-based seafood processing plants. The seasonal increase in population is estimated to be approximately 1,820. The estimated total population in the summer (combined permanent and seasonal) after annexation is 4,215.***

*(5) Age distributions;*

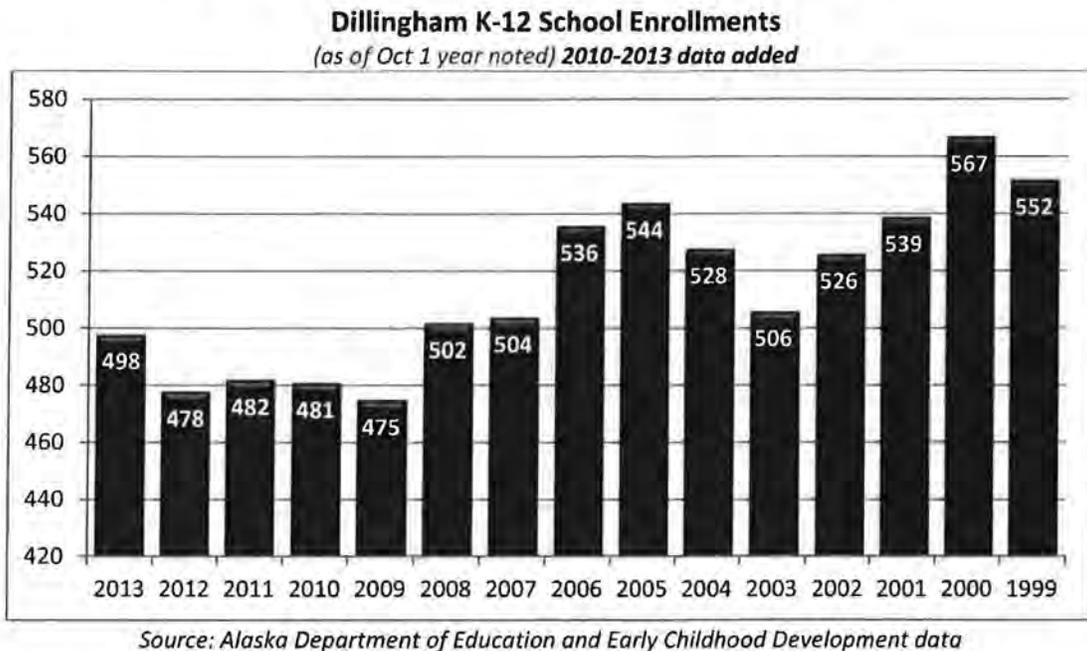
The 2000 **and 2010 US Census** identifies the following age distributions among Dillingham’s permanent residents:

<b>Dillingham</b>		
	<b>2000 US Census</b>	<b>2010 US Census</b>
Male:	1,273	<b>1,202</b>
Female:	1,193	<b>1,127</b>
total	2,466	<b>2,329</b>
Age 4 and under:	241	<b>199</b>
Age 5 - 9:	228	<b>181</b>
Age 10 - 14:	257	<b>190</b>
Age 15 - 19:	178	<b>189</b>
Age 20 - 24:	113	<b>164</b>
Age 25 - 34:	290	<b>291</b>
Age 35 - 44:	464	<b>249</b>
Age 45 - 54:	381	<b>388</b>
Age 55 - 59:	122	<b>180</b>
Age 60 - 64:	69	<b>120</b>
Age 65 - 74:	81	<b>125</b>
Age 75 - 84:	31	<b>41</b>
Age 85 and over:	11	<b>10</b>
Median Age:	32.8	<b>32.8</b>
Pop. Age 18 and over:	1,612	<b>1,647</b>
Pop. Age 21 and over:	1,538	<b>1,528</b>
Pop. Age 62 and over:	154	<b>233</b>

Regular CFEC permit records do not establish age distributions among permit holders.

*(6) Contemporary and historical public school enrollment data; and*

Like most places in Alaska, school enrollments in Dillingham are declining as statewide demographics vary. There are no students in the area proposed for annexation.

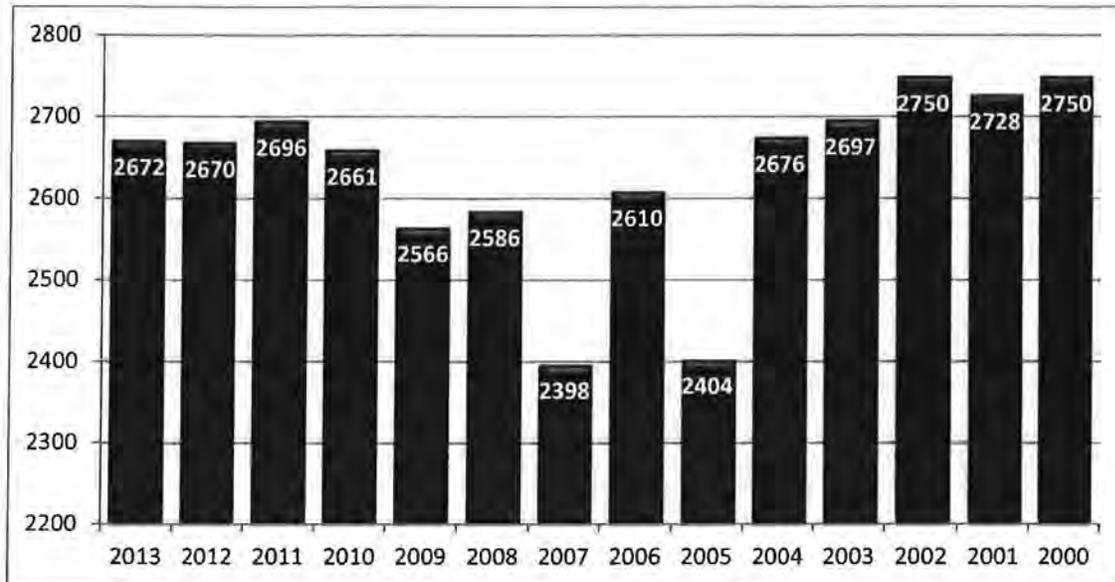


*(7) Non-confidential data from the Department of Revenue regarding applications under AS 43.23 for permanent fund dividends.*

The number of permanent fund dividends in Dillingham has declined between 2000 and 2013 by 78 (this may include Twin Hills and Koliganek PFDs). According to the US Census, the population decreased between 2000 and 2010 by 137 (though for 2013 ADOLWD has the 66 more residents than the census lists for 2010). School enrollments decreased by 69 between 2000 and 2013.

### Dillingham Permanent Fund Dividends

(for zip code 99576, so Twin Hills & Koliganek may be included) 2010-2013 data added



Source: Alaska Department of Revenue, PFD Division data

#### **PREVIOUS COMMISSION FINDING STANDARD HAS BEEN MET**

##### **The Commission previously found:**

**the population of the proposed expanded boundaries of the city (the existing city plus the territory proposed for annexation) is sufficiently large and stable to support the extension of city government. The commission believes that in this case, increased tax revenues would stimulate the local economy. This in turn could stabilize or increase population, if residents could stay and have suitable employment. The commission concludes that the petition meets the standard of 3 AAC 110.120.**

**LBC Decision p.7.**

F. PER 3 AAC 110.130(a), THE PROPOSED EXPANDED BOUNDARIES OF THE CITY INCLUDE ALL LAND AND WATER NECESSARY TO PROVIDE FOR THE DEVELOPMENT OF ESSENTIAL MUNICIPAL SERVICES ON AN EFFICIENT COST-EFFECTIVE LEVEL.

*3 AAC 110.130 Boundaries.*

*(a) The proposed expanded boundaries of the city must include all land and water necessary to provide the development of essential municipal services on an efficient, cost-effective level. In this regard, the commission may consider relevant factors, including:*

*(1) Land use and ownership patterns;*

The proposed annexation conforms exactly to a use area, the fishery management units of two waterbodies: the Nushagak Commercial Salmon District waters, and the Wood River Sockeye Special Harvest waters.

*(2) Population density;*

***The population density of the existing City of Dillingham is based on the 2013 Alaska DOLWD figure of 2,395, and there are 35.7 square miles of land and water within the City of Dillingham, yielding a density of 67.1 persons per square mile. The area to be annexed is commercial fishing waters and has no permanent population.***

***The estimated number of non-Dillingham fishermen in 2013 in the Nushagak Bay is 532, plus an estimated 500 crew, equals an estimated 1,000 people in the waters proposed for annexation during the summer. This, divided by the 399.25 square miles of water and land (includes 3.24 square miles of small uninhabitable islands) yields a seasonal population density of 2.5 persons per square mile of water.***

*(3) Existing and reasonably anticipated transportation patterns and facilities;*

See the information provided in at section 3 AAC 110.100 (6) in this brief.

*(4) Natural geographical features and environmental factors;*

The proposed annexation conforms exactly to the fishery management units of two water bodies: the Nushagak Commercial Salmon District waters, and the Wood River Sockeye Special Harvest waters.

*(5) Extraterritorial powers of cities.*

**PREVIOUS FINDINGS OF COMMISSION:**

**3 AAC 110.130(a) states that the proposed expanded boundaries of the city must include all land and water necessary to provide the development of essential municipal services in an efficient, cost-effective manner. The commission finds the city is already providing essential municipal services. The proposed annexation will not make it more difficult for the city to provide these services.**

**LBC Decision p.7.**

**G. THE TERRITORY PROPOSED FOR ANNEXATION IS CONTIGUOUS TO THE EXISTING BOUNDARIES OF THE CITY AND WOULD NOT CREATE ENCLAVES IN THE EXPANDED BOUNDARIES OF THE CITY.**

***3 AAC 110.130 (b) Absent a specific and persuasive showing to the contrary, the commission will presume that territory that is not contiguous to the annexing city, or that would create***

*enclaves in the annexing city, does not include all land and water necessary to allow for the development of essential municipal services on an efficient, cost-effective level.*

The proposed annexation is contiguous with the annexing city and does not create enclaves in the annexing city.

**PREVIOUS FINDINGS OF COMMISSION:**

**The commission finds that the territory is contiguous to the city, and would not create enclaves.**

**LBC Decision p.7.**

H. TO PROMOTE THE LIMITATION OF COMMUNITY UNDER 3 AAC 110.130(c), THE PROPOSED EXPANDED BOUNDARIES OF THE CITY INCLUDE ONLY THAT TERRITORY COMPRISING AN EXISTING LOCAL COMMUNITY, PLUS REASONABLY PREDICTABLE GROWTH, DEVELOPMENT, AND PUBLIC SAFETY NEEDS DURING THE 10 YEARS FOLLOWING THE EFFECTIVE DATE OF ANNEXATION. THE PROPOSED EXPANDED BOUNDARIES MAY NOT INCLUDE ENTIRE GEOGRAPHICAL REGIONS OR LARGE UNPOPULATED AREAS, EXCEPT WHERE JUSTIFIED BY APPLYING THE STANDARDS IN 3 AAC 110.090 - 3 AAC 110.135 AND ARE OTHERWISE SUITABLE FOR CITY GOVERNMENT.

*3 AAC 110.130 (c) To promote the limitation of community, the proposed expanded boundaries of the city (1) must be on a scale suitable for city government and may include only that territory comprising an existing local community, plus reasonably predictable growth, development, and public safety needs during the 10 years following the effective date of annexation; and (2) May not include entire geographical regions or large unpopulated areas, except if those boundaries are justified by the application of the standards in 3 AAC 110.090 - 3 AAC 110.135 and are otherwise suitable for city government.*

The Local Boundary Commission has allowed cities in this region to incorporate or annex adjacent contiguous commercial fishing waters, which could be construed as large geographic regions and are only populated seasonally by those engaged in commercial and sport fishing. The Commission has recognized that in this part of Alaska, this territory is suitable for city government, needed to provide financial stability to cities, and fishery activities are commonly directly supported by the annexing local community allowing for reasonably predictable growth, development and public safety needs. The scale of this annexation petition is consistent with these past approvals. The City of Dillingham, having provided public services and facilities to the Nushagak Bay commercial salmon fisheries for years, is not biting off more than it can chew with this proposal.

For example, in 1994, the Commission approved incorporation of the City of Egegik, with approximately 30 miles of land and 105 miles of offshore waters, which conformed to the

Egegik Fishing District. In the LBC's Statement of Decision, it acknowledges how important including fishing waters and levying a raw fish tax are on the economic success of the city, *"The levy of a City of Egegik tax similar to the Lake and Peninsula Borough's sales/use tax on commercial raw fish sales in the district would provide ample tax base for a City of Egegik."* (page 7) <sup>19</sup>

In its decision to approve incorporation of Egegik, the LBC recognized the link between the summer fisheries-related transient population and the demand for city services, *"Finding. The large seasonal transient population influx experienced during the commercial salmon harvest support the need for a city government to meet demands for seasonal services."* (page 9)

Likewise, when considering 3 AAC 110.130 Boundaries [19 AAC 10.040 at that time], the Commission noted that, *"Finding. Although much of the territory proposed for incorporation is offshore, the seasonal influx of transients associated with commercial fishing activity justifies inclusion of the entire area within the boundaries of the proposed City of Egegik."* (page 10)

In 1986, the LBC approved annexation to the City of St. Paul of approximately 194 square miles consisting of Otter Island, Walrus Island and the territory three nautical miles seaward from these islands. In its deliberations and approval the Commission recognized the link between large unpopulated commercial fishing waters and the adjacent community when it found, , *"...that the City of St Paul is developing a port facility to promote local development of the bottom fishing industry (finding 1)...provides potable water to floating processors and fishing boats operating offshore (finding 3)...the City will likely require additional revenue to provide basic services in the maritime territory proposed for annexation..."*(finding 10)<sup>20</sup>

In 1985, the Commission approved annexation to the City of Togiak of Togiak Bay, an area of intense commercial fishing activity that comprised approximately 183 square miles of water. The Commission's decision authorized annexation of a geographical region (commercial fishing waters) that is only populated during a commercial fishing season. The area approved for annexation had, *"no permanent residents, with the possible exception of a watchman employed by Togiak Fisheries Inc. However, the area experiences a large seasonal influx of population associated with commercial fishing, fish processing and related activities during the spring and summer months."*(page 1)<sup>21</sup>

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<sup>19</sup> Local Boundary Commission Statement of Decision in the matter of the March 15, 1994 petition for incorporation of the city of Egegik. January 11, 1995.

<sup>20</sup> Summary of Proposed Action, Findings of Fact, Conclusions of Law, Statement of Decision in the matter of annexation by the City of St Paul, Alaska of approximately 194 square miles consisting of Otter Island, Walrus Island and the territory three nautical miles seaward from these islands. January 19, 1986

<sup>21</sup> Local Boundary Commission Summary of Proposed Action, Findings of Fact and Statement of Decision in the matter of the annexation by the City of Togiak, Alaska , of Togiak Bay consisting of approximately 183 square miles. January 18, 1985.

Similarly, in 1997 when the LBC reconsidered the incorporation of Pilot Point in 1997, Section III - Findings and Conclusions, the Commission noted that, "*Municipalities are increasingly compelled to rely on locally generated revenues to provide municipal services. It is appropriate for the City to tax the only abundant local resource [fish] to fund provision of municipal services.*" (page 4)<sup>22</sup>

**PREVIOUS FINDINGS OF COMMISSION:**

**The commission finds that the proposed expanded boundaries of the city are on a scale suitable for city government. . . . The commission concludes that the petition meets the standards of 3 AAC 110.090 - 3 AAC 110.135, and are otherwise suitable for city government. Per 3 AAC 110.130(c)(2), because the petition meets those two criteria, the provision that annexation may not include entire geographical regions or large unpopulated areas does not apply.**

**LBC Decision p. 8**

I.. UNDER 3 AAC 110.130(d), IF THE PETITION DESCRIBES BOUNDARIES OVERLAPPING THE BOUNDARIES OF AN EXISTING ORGANIZED BOROUGH, THE PETITION ADDRESSES THE STANDARDS AND PROCEDURES FOR EITHER ANNEXATION OF THE ENLARGED CITY TO THE EXISTING ORGANIZED BOROUGH, OR DETACHMENT OF THE ENLARGED CITY FROM THE EXISTING ORGANIZED BOROUGH. IF THE PETITION DESCRIBES BOUNDARIES OVERLAPPING THE BOUNDARIES OF ANOTHER EXISTING CITY, THE PETITION ADDRESSES AND COMPLIES WITH THE STANDARDS AND PROCEDURES FOR DETACHMENT OF TERRITORY FROM A CITY, MERGER OF CITIES, OR CONSOLIDATION OF CITIES.

*3 AAC 110.130 (d) If a petition for annexation to a city describes boundaries overlapping the boundaries of an existing organized borough, the petition for annexation must also address and comply with the standards and procedures for either annexation of the enlarged city to the existing organized borough or detachment of the enlarged city from the existing organized borough. If a petition for annexation to a city describes boundaries overlapping the boundaries of another existing city, the petition for annexation must also address and comply with the standards and procedures for detachment of territory from a city, merger of cities, or consolidation of cities.*

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<sup>22</sup> Local Boundary Commission Decisional Statement, Reconsideration of Pilot Point City Incorporation Proposal. May 7, 1997

The proposed annexation does not overlap the boundaries of any organized city or borough.

**PREVIOUS FINDINGS OF COMMISSION:**

**We find that the overlapping boundary standard is satisfied for territory proposed for annexation.**

**LBC Decision p. 9.**

J. PER 3 AAC 110.135, ANNEXATION TO THE CITY IS IN THE BEST INTERESTS OF THE STATE UNDER AS 29.06.040(a).

*3 AAC 110.135 Best interests of state. In determining whether annexation to a city is in the best interests of the state under AS 29.06.040(a), the commission may consider relevant factors, including whether annexation:*

- (1) promotes maximum local self-government, as determined under 3 AAC 110.981;*
- (2) Promotes a minimum number of local government units, as determined under 3 AAC 110.982 and in accordance with art. X, sec. 1, Constitution of the State of Alaska; and*
- (3) Will relieve the state government of the responsibility of providing local services.*

The petition application enlarges the boundaries of an existing city. Accordingly, no additional governmental unit is created. Since no new government unit is being created the proposal promotes a minimum number of local government units- namely no more than exist today. The petition will not relieve state government from the responsibility of providing public safety services in the annexed area, however, it will create additional support for the exercise of public safety services in the annexed area.

In the LBC's reconsideration of the incorporation of Pilot Point in 1997, the Commission considered the possibility that the Lake and Peninsula Borough could deliver additional local services to Pilot Point through the establishment of one or more service areas. The Commission concluded service area establishment was not a preferred option because of the wide range of local services provided by the City and recognized that a city government offers maximum flexibility to meet local service and general government requirements. Further, the Alaska Supreme Court formally recognized in the Pilot Point appeal that city incorporation is favored over formation of a service area. Specifically, the Court indicated, "*there is a statutory and constitutional preference for incorporation of cities over the establishment of new service areas.*"

The same is true regarding annexation to an existing city. Article X, Section 5 of the Constitution provides that, a new service area "*shall not be established if, consistent with the purpose of this article, the new service can be provided by an existing service area, or by incorporation as a city, or by annexation to a city*" (emphasis added, page 11, Egegik decision).

Also, please refer to narrative in brief at section 3 AAC 110.130(c)(1-2)

**PREVIOUS FINDINGS OF COMMISSION:**

**. . . The commission finds that the proposed annexation would have no effect upon the number of local government units.**

**The annexation further meets the best interests of the state requirement because the city is the appropriate government for the territory. The rest of the region's communities need a stronger regional hub for their sustainability. The annexation is necessary to sustain the city, thereby sustaining the regional hub. If the city were to continue its fiscal course, without annexation approval, the state could be forced to step in and assist Dillingham in order to maintain the economic integrity of the city and region. This would not be in the state's best interests. Dillingham is the hub of the Nushagak Bay region.**

**The city is the appropriate government for the territory because the rest of the region's communities need a stronger regional hub for their sustainability. We find that the city of Dillingham is the appropriate government for the territory because the city is the region's hub, because the annexation could encourage, not hinder, borough formation, because the proposed annexation would have no effect upon the number of local government units, and because approving the annexation petition does not remove any present or future fish tax revenue for existing communities or a future borough. . . we find that the petition satisfies 3 AAC 110.135's requirement that the annexation must be in the best interests of the state under AS.06.040(a).**

**LBC Decision pp. 9-10.**

3 AAC 110.981. Determination of maximum local self-government.

In determining whether a proposed boundary change promotes maximum local self-government under art. X, sec. 1, Constitution of the State of Alaska, the commission will consider:

(7) for city incorporation or annexation in the unorganized borough, whether the proposal would extend local government to territory and population of the unorganized borough where no local government currently exists;

The proposed annexation would extend local government to territory of the unorganized borough where no local government currently exists by enlarging the jurisdictional boundaries of the existing city of Dillingham rather than creating a new city or borough or service area. Please also refer to narrative in brief at section 3 AAC 110.090(b), 3 AAC 110.130 (c)(1-2), and 3AAC 110.135, portions of which specifically address these issues.

**PREVIOUS FINDINGS OF COMMISSION:**

**The commission finds that the proposed boundary change promotes maximum local self government under art. X, sec. 1, Constitution of the State of Alaska.**

**LBC Decision p.13**

***K. Per 3 AAC 110.140, the territory meets the annexation standards specified in 3 AAC 110.090 – 3 AAC 110.135, and may be annexed to a city by the legislative review process because at least one of the circumstances enumerated by 3 AAC 110.140(1) through (9) exists.***

**Pages 1-31 of this brief explain how the proposed annexation meets the standards in 3 AAC 110.090-3 AAC 110.135. 3 AAC 110.140 does not alter any of these standards. It does add 8<sup>23</sup> "circumstances". If any one of the 8 are found by the Commission to exist the proposed annexation meets the requirements of 3 AAC 110.140. The proposed annexation meets more than one of these standards. The standards met by the proposed annexation are discussed below.**

**(2) the health, safety, or general welfare of city residents is or will be endangered by conditions existing or potentially developing in the territory, and annexation will enable the city to regulate or control the detrimental effects of those conditions;**

**The general economic welfare of city residents is at risk from the continued use of city funded support services by permit holders fishing in the territory proposed for annexation without being taxed to support provision of the city services they receive. Annexation will enable Dillingham to end this condition of receiving the benefit of city services without a commensurate contribution to funding those services.**

**(3) the extension of city services or facilities into the territory is necessary to enable the city to provide adequate services to city residents, and it is impossible or impractical for the city to extend the facilities or services unless the territory is within the boundaries of the city;**

**As discussed in pages 4-14 of this brief, the long term ability of the City of Dillingham to provide adequate services to city residents depends on an expansion of the city's tax base which can be accomplished only through annexation.**

**(4) residents or property owners within the territory receive, or may be reasonably expected to receive, directly or indirectly, the benefit of city government without commensurate tax contributions, whether these city benefits are rendered or received inside or outside the territory, and no practical or equitable alternative method is available to offset the cost of providing these benefits;**

**As discussed in pages 4-10 of this brief, permit holders and vessel owners fishing within the territory to be annexed have received and continue to receive the benefit of City of Dillingham services either directly or through City support of the infrastructure that supports on shore processors thereby expanding the markets available to permit holders. The Commission has previously found this to be true. LBC Decision p.6. Harbor user fees do not and cannot practically or equitably be used to offset the full cost of providing these benefits. The Dillingham small boat harbor and port facilities are an enterprise fund. Harbor fees cannot be used to support the cost of public safety, landfill, roads and water and sewer infrastructure operated and maintained by the City of Dillingham.**

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<sup>23</sup> 3 AAC 110.140(6) was previously repealed.

**(7) annexation of the territory will promote**

**(A) maximum local self-government, as determined under 3 AAC 110.981; and**

**(B) a minimum number of local government units, as determined under 3 AAC 110.982 and in accordance with art. X, sec. 1, Constitution of the State of Alaska;**

**See page 31 of this brief regarding 3 AAC 110.981. The applicable 3 AAC 110.982 standard is 3 AAC 110.982(7): “whether the jurisdictional boundaries of an existing city are being enlarged rather than promoting the incorporation of a new city or creation of a new borough service area”. The proposed annexation enlarges the boundaries of an existing city instead of proposing creating a new city or a new service area. So only one local government unit will result from annexation. This promotes a minimum number of local government units under 3 AAC 110.982(7).**

**PREVIOUS COMMISSION FINDING STANDARD HAS BEEN MET**

**The Commission previously found:**

**The commission finds that the proposed boundary change promotes maximum local self government under art. X, sec. 1, Constitution of the State of Alaska. . . Annexing the territory would not increase the number of local government units. Annexation would just change the size of the city. The commission finds that if no new local government units are created by an approved proposal, then the annexation would promote the principal of a minimum number of local government units. The commission finds that this annexation proposal will not create new local government units and therefore has met the requirements of 3 AAC 110.982.**

**LBC Decision p.13.**

**(8) annexation of the territory will enhance the extent to which the existing city meets the standards for incorporation of cities, as set out in the Constitution of the State of Alaska, AS 29.05, and 3 AAC 110.005 - 3 AAC 110.042, and is in the best interests of the state;**

**This standard focuses not on the territory to be annexed but on “the existing city” of Dillingham. It is easily met by the proposed annexation.**

**3 AAC 110.005. Community . Territory proposed for incorporation as a city must encompass a community.**

**Dillingham is a fishing community. Adding fishing grounds to a fishing community enhances the extent to which the existing City of Dillingham meets the “community” standard for incorporation as a city.**

**3 AAC 110.010. Need**

**(a) In accordance with AS 29.05.011(a) (5), a community must demonstrate a reasonable need for city government. In this regard, the commission may consider relevant factors, including**

**(1) existing or reasonably anticipated social or economic conditions;**

**(2) existing or reasonably anticipated health, safety, and general welfare conditions;**

**(3) existing or reasonably anticipated economic development; and**

*(4) adequacy of existing services.*

***There is obviously a need for city government in Dillingham. The existing economic conditions motivating the people of Dillingham to have previously approved annexation in a public referendum, the existing general welfare conditions, existing or anticipated economic development and existing services have all been discussed in pages 4-10 of this supporting brief. Annexation will enhance the ability of the existing city to provide for the general welfare of residents and provide adequate city services through expansion of the tax base. As previously found by the Commission this also will promote economic development within the existing City of Dillingham to the benefit of both Dillingham and the surrounding region. LBC Decision p.6.***

*(b) In accordance with AS 29.05.021(a) , and to promote a minimum number of local government units in accordance with art. X, sec. 1, Constitution of the State of Alaska, a community in the unorganized borough may not incorporate as a city if essential municipal services can be provided more efficiently or more effectively by annexation to an existing city.*

***This standard is not materially different than 3 AAC 110.090(b). The “minimum number of local government units” standard has been discussed at pages 29-31 of this brief.***

*(c) In accordance with AS 29.05.021(b) , and to promote a minimum number of local government units in accordance with art. X, sec. 1, Constitution of the State of Alaska, a community within an organized borough may not incorporate as a city if essential municipal services can be provided more efficiently or more effectively*

*(1) by annexation to an existing city;*

*(2) by an existing organized borough on an areawide or non-areawide basis; or*

*(3) through an existing borough service area.*

***This standard is not materially different from 3 AAC 110.090(b) which is discussed at pages 11-14. There is no existing borough. The Commission previously determined this standard was met. LBC Decision p.6.***

*3 AAC 110.020. Resources . In accordance with AS 29.05.011(a) (3) the economy of a proposed city must include the human and financial resources necessary to provide essential municipal services on an efficient, cost-effective level.*

***This standard is not materially different from 3 AAC 110.110. Enhancing the ability of the existing City of Dillingham to provide essential municipal services on an efficient cost-effective level is the primary basis for the proposed annexation. This is thoroughly discussed throughout the petition and in pages 16-20 of this brief. That discussion will not be repeated here.***

**PREVIOUS COMMISSION FINDING:**

**The commission concludes that the petitioner has successfully met 3 AAC 110.110 because the economy within the proposed expanded boundaries of the city includes the human and financial resources necessary to provide essential municipal services on an efficient, cost-effective level.**

**LBC Decision p.7.**

3 AAC 110.030. Population In accordance with AS 29.05.011(a) (4), the population of a proposed city must be sufficiently large and stable to support the proposed city government.

***This standard is not materially different from 3 AAC 110.120 which is discussed at pages 21-25. The Commission previously found this standard was met. LBC Decision p.7.***

3 AAC 110.040. Boundaries In accordance with AS 29.05.011(a) (2), the boundaries of a proposed city must include all land and water necessary to provide the development of essential municipal services on an efficient, cost-effective level.

***This standard is not materially different from 3 AAC 110.130(a) which is discussed at pages 25-26 of this brief. Expanding city boundaries results in an expansion of the tax base which enhances Dillingham's ability to provide essential municipal services on an efficient cost-effective level. The Commission has previously determined this standard has been met. LBC Decision p.7.***

3 AAC 110.042. Best interests of state

***This standard is not materially different from 3 AAC 110.135 which is discussed at pages 29-30 of this brief. The Commission has previously determined annexation as proposed is in the best interests of the State. LBC Decision p. 10.***

(9) the commission determines that specific policies set out in the Constitution of the State of Alaska, AS 29.04, AS 29.05, or AS 29.06 are best served through annexation of the territory by the legislative review process, and that annexation is in the best interests of the state.

***The Commission has previously determined annexation is in the best interest of the state. LBC Decision p. 10. The Superior Court has determined that the applicable Commission regulations require using the legislative review process. The Commission is bound both by judicial order and its own previous decision to approve the proposed annexation and submit it to the Alaska Legislature for legislative review.***

***L. Per 3 AAC 110.910, the proposed annexation will not deny any person the enjoyment of any civil or political right, including voting rights, because of race, color, creed, sex, or national origin.***

3 AAC 110.910. Statement of nondiscrimination A petition will not be approved by the commission if the effect of the proposed change denies any person the enjoyment of any

*civil or political right, including voting rights, because of race, color, creed, sex, or national origin.*

***The annexation will not add any residents to the City of Dillingham. The annexation does not exclude minorities while including other similarly situated persons. There will be no reduction of the City's minority population percentage. The electoral system of the City of Dillingham reflects minority-voting strength through at-large elections for all offices.***

**PREVIOUS FINDINGS OF COMMISSION:**

***We find no evidence that the effect of the proposed change denies any person the enjoyment of any civil or political right, including voting rights, because of race, color, creed, sex, or national origin.***

**LBC Decision p.12.**

***M. Per 3 AAC 110.970(c), it identifies those essential municipal services consisting of those mandatory and discretionary powers and facilities that:***

- (1) Are reasonably necessary to the community;***
- (2) Promote maximum, local self-government; and***
- (3) Cannot be provided more efficiently and more effectively by the creation or modification of some other political subdivision of the state.***

***The petition describes city services provided by Dillingham as a first class municipality which include education, public works, ports and harbors, public safety, planning, tax collection, public utilities (water, sewer, landfill) and planning and zoning. As discussed at pages 11-14 of this brief these services cannot be provided more efficiently or effectively by the creation of a borough.***

**PREVIOUS FINDING OF COMMISSION:**

***"no other existing municipality has the ability to provide essential municipal services to the territory to be annexed more efficiently and more effectively than [Dillingham]"***

**LBC Decision p. 6.**

N. Per 3 AAC 110.981(7), the proposed annexation would extend local government to territory or population of the unorganized borough where no local government currently exists.

This is obviously the case.

***O. Per 3 AAC 110.982(7), the jurisdictional boundaries of an existing city are being enlarged, rather than promoting the incorporation of a new city, or creation of a new borough service area.***

***This is obviously the case as previously determined by the Commission. LBC Decision p.13.***

**EXHIBIT F. CIVIL AND POLITICAL RIGHTS INFORMATION.**

***Supplemental material in Exhibit E is in bold italics inserted into the original June 14, 2010 narrative, to update it to 2013. (Note in June 14, 2010 petition this was Exhibit H.)***

This Exhibit provides Information regarding any effects of the proposed annexation upon civil and political rights for purposes of the federal Voting Rights Act.

The proposed change will not deny any person the enjoyment of any civil or political right, including voting rights, because of race, color, creed, sex or national origin.

A. the purpose and effect of annexation as it pertains to voting;

The annexation will not add any residents to the City of Dillingham.

B. the extent to which the annexation excludes minorities while including other similarly situated persons;

The annexation does not exclude minorities while including other similarly situated persons.

C. the extent to which annexation reduces the City's minority population percentage;

There will be no reduction of the City's minority population percentage.

D. whether the electoral system of the City fails fairly to reflect minority-voting strength;

The electoral system of the City of Dillingham reflects minority-voting strength through at-large elections for all offices.

E. participation by minorities in the development of the annexation proposal;

The public had the opportunity to speak to this proposed annexation at: 1) the Council work sessions held by the City Council as part of their consideration of the annexation in March and October 2009, and January 2010; and during several public outreach subcommittee meetings between March and June 2010; 2) when the resolution/ordinance was adopted authorizing the filing of this petition. In addition, the public has the right to speak during the "Citizens Comments" portion of every regular meeting of the Dillingham City Council.

***The public had the opportunity to speak to this proposed annexation at:***

- 1) the Council work sessions held by the City Council as part of their consideration of the annexation in March and October 2009, and January 2010; and during several public outreach subcommittee meetings between March and June 2010;***
- 2) when Resolution No. 2010-10 was adopted authorizing the filing of this petition;***
- 3) during the comment period provided by the Local Boundary Commission between January 25,2011 and February 25,2011;***
- 4) during the public hearing held by the Local Boundary Commission on April 25, 2011***
- 5) during a consultation period between May and November 2011(report attached);***

- 6) during consideration of adoption of the city fish tax ordinance at public hearings held during city council meetings on February 2, 2012 (raw fish sales tax), and May 17, 2012 (severance tax) [city council agendas/minutes attached];**
- 7) during the period prior to a referendum election on annexation and adoption of the fish tax ordinance between February 2012 and April 10, 2012, and special election advertised in the Bristol Bay Times newspaper, Feb. 23, March 1 and March 8, 2012, and posted in three public places]; and**
- 8) during a September 24, 2014 public hearing (transcript to be submitted with petition)**

In addition, the public has the right to speak during the "Citizens Comments" portion of every regular meeting of the Dillingham City Council.

- F. designation of an Alaska Native for U.S. Department of Justice contact regarding the proposed annexation;

Alice Ruby, Mayor  
City of Dillingham  
P.O. Box 889  
Dillingham, AK 99576  
907-842-5211

- G. statement concerning the understanding of English in written and spoken forms among minority residents of the City and the territory proposed for annexation;

English is spoken and understood throughout the City of Dillingham and the annexed area.

**EXHIBIT G. DOCUMENTATION DEMONSTRATING THAT THE PETITIONER IS AUTHORIZED TO  
FILE THE PETITION UNDER 3 AAC 110.410.**

*Will Insert after Council makes Final Decision to Proceed*

**EXHIBIT H. AFFIDAVIT OF PETITIONERS REPRESENTATIVE CONCERNING SOURCE AND  
ACCURACY OF INFORMATION.**

*Will Insert after Council makes Final Decision to Proceed*

**EXHIBIT I. LOCAL BOUNDARY COMMISSION DECEMBER 14, 2011 DECISION APPROVING  
DILLINGHAM ANNEXATION**

To be Inserted

**EXHIBIT J. CONSULTATION REPORT**

To be Inserted

**EXHIBIT K. INFORMATION RELATED TO THE PRE-FILING/PRE-SUBMISSION PUBLIC HEARING & NOTICE**

To be Inserted

