November 30, 2011

For the record my name is Robert Heyano President of Ekuk Village Council. Thank you for allowing me to provide our comments regarding the City of Dillingham's report.

The City's report fails to disclose the full extent of the consultation and the efforts made by the communities in attempting to find an acceptable solution to the financial and cultural issues annexation would create.

When we were told by the City that any revenue sharing concept would not bind future City Councils we quickly determined that any revenue sharing concept would not address the financial and cultural concerns. It was at this point in time that we started looking into the concept of borough formation to best resolve those concerns and not annexation. We (the villages) met a total of 5 separate times. 3 in Dillingham and twice in Ekwok. On 3 separate occasions we expressed our willingness to meet with the Dillingham City Council in Dillingham by invitation. We never received an invitation. It became apparent to us that in some communities the tribal councils were the stronger and more active organization, we began working with those tribal organizations.

The affected villages contend that the Borough formation would be greatly assisted by suspension of the annexation process for those reasons expressed by attorney Jim Baldwin. The City expressed interest in delaying their election as long as progress was being made in the formation of a borough and the possibility of not holding the election at all if a borough is formed. City representatives have concurred that forming a borough is in the best interest for all concerned parties. The issue that needs to be resolved is how do we accomplish this task? During the October 27th meeting the City and Ekuk agreed to instruct their attorneys to work on this issue for possible acceptable solutions. This process is not yet completed, or at an impasse, and it requires additional consultation.

We were surprised to learn that the City filed their report on Nov. 15th. Before concluding the Oct 27th meeting the City and villages agreed to meet again after the City's Nov. 17th council meeting and hopefully receive a report from the attorneys. We provided the City with a range of dates before Nov 30th that the villages would be available for a meeting, but we have not received a reply from the City.

The City expressed clearly their skepticism of the village's commitment to borough formation. We attempted to address this by having the supporting community entities express their support for borough formation in writing to the City. We have concluded that it was not necessary at this time to have a commitment from every community to move forward with borough formation. It was also important for us to identify those entities that are committed and willing to contribute to financing the effort. The City also expressed to us that they were not willing to be the lead entity or provide all the funding for borough formation. We have accepted the role of lead entity. We have identified a revenue source available to the majority of the villages to fund their portion of this undertaking. We have a proposal coming from a consultant that is willing to assist us in borough formation for the group's consideration.

The City has yet to respond with a commitment to cooperate in the formation of a sponsor group for the purpose of forming a regional borough.

The details of how both parties, before the LBC can maintain the status quo (preservation of appeal rights and suspension of annexation) have not been resolved.

It is in the best interest of the State to retain jurisdiction until consultation is complete. We ask the LBC to carefully consider whether approval of the petition encourages or discourages borough formation. Whether the creation of a borough best addresses the concerns heard during the April hearings from the City, villages, Bristol Bay Regional Organizations, and individuals or granting the annexation petition. The consultations between the parties have been productive, but are not finished. We request the LBC to direct the petitioner to return to consultations with the affected communities for a reasonable amount of time after which the petitioner will again report to the LBC and hopefully present a solution for the cultural and financial issues arising out of the annexation.

Thank you.