



Alice Ruby, **Mayor**

**Council Members**

- Holly Johnson (Seat A) • Chris Maines (Seat B) • Misty Savo (Seat C)
- Keggie Tubbs (Seat D) • Tracy Hightower (Seat E) • Paul Liedberg (Seat F)

**DILLINGHAM CITY COUNCIL**

**David B. Carlson Council Chambers**

Dillingham City Hall, 141 Main Street, Dillingham, AK 99576 (907) 842-5212

<b>WORKSHOP – REVIEW QUARTERLY FINANCIAL STATEMENTS</b>	<b>6:30 P.M.</b>	<b>NOVEMBER 6, 2014</b>
<b>REGULAR MEETING</b>	<b>7:00 P.M.</b>	<b>NOVEMBER 6, 2014</b>

**I. CALL TO ORDER**

**II. ROLL CALL**

**III. APPROVAL OF MINUTES**

- A. Regular Council Meeting, October 2, 2014 ..... page 5
- B. Special Council Meeting, October 16, 2014 .....page 13

**IV. APPROVAL OF CONSENT AGENDA**

**APPROVAL OF AGENDA**

**V. STAFF REPORTS .....page 17**

**VI. PUBLIC HEARINGS**

- A. Adopt Ordinance No. 2014-15, An Ordinance of the Dillingham City Council Amending Section 4.20.050 of the Dillingham Municipal Code, Sales Tax Exemption .....page 43
- B. Adopt Ordinance No. 2014-16, An Ordinance of the Dillingham City Council Amending Title 6 to Remove Business Licenses and Regulations, to Transfer Chapter 6.08 Alcoholic Beverages to Title 8, Health and Safety, Rename it as New Chapter 8.20 Alcoholic Beverages, and Rename Title 6 to be Title 6 (Reserved) .....page 47

**VII. CITIZEN’S DISCUSSION (Prior Notice or Agenda Items)**

**VIII. ORDINANCES AND RESOLUTIONS**

- A. Adopt Ordinance No. 2014-15, An Ordinance of the Dillingham City Council Amending Section 4.20.050 of the Dillingham Municipal Code, Sales Tax Exemption .....page 43

- B. Adopt Ordinance No. 2014-16, An Ordinance of the Dillingham City Council Amending Title 6 to Remove Business Licenses and Regulations, to Transfer Chapter 6.08 Alcoholic Beverages to Title 8, Health and Safety, Rename it as New Chapter 8.20 Alcoholic Beverages, and Rename Title 6 to be Title 6 (Reserved) .....page 47

**IX. EXECUTIVE SESSION**

- A. Legal Matter
  - 1. Ekuk vs. Local Boundary Commission

**X. RESOLUTIONS**

- A. Adopt Resolution No. 2014-57, A Resolution of the Dillingham City Council Authorizing the Mayor to Submit a Petition to the Alaska Local Boundary Commission for Annexation of the Nushagak Commercial Salmon District and the Wood River Sockeye Salmon Special Harvest Area by the Legislative Review Method .....page 51
- B. Adopt Resolution No. 2014-63, A Resolution of the Dillingham City Council Authorizing a Long Term Encroachment into Seward Avenue for a Water Line Connection .....page 249

**XI. UNFINISHED BUSINESS**

- A. Citizen Committee Appointments
  - 1. Cemetery Committee, 4 Seats Open
  - 2. Planning Commission, 2 Seats Open .....page 255
  - 3. Parks and Recreation Committee, 2 Seats Open
  - 4. Senior Advisory Board, 1 Seat Open .....page 257
- B. Strategic Planning Session November 8, 9 AM to 3 PM

**XII. NEW BUSINESS**

- A. Action Memorandum No. 2014-17, Authorize the City Manager to Execute a Contract to Provide Secure Radio Encryption Equipment .....page 259
- B. Reschedule December 4 Regular Council Meeting to December 11

**XIII. CITIZEN’S DISCUSSION (Open to the Public)**

**XIV. COUNCIL COMMENTS**

**XV. MAYOR’S COMMENTS**

**XVI. EXECUTIVE SESSION**

A. Legal Matter

1. Bingman Foreclosure

**XVII. ADJOURNMENT**



**I. CALL TO ORDER**

A regular meeting of the Dillingham City Council was held on Thursday, October 2, 2014, at the Dillingham City Council Chambers, Dillingham, Alaska. Mayor Alice Ruby called the meeting to order at 7:10 p.m. The meeting was preceded by a workshop to review the unaudited June 30, 2014 financial statements and for a presentation on employee turnover in the Public Safety Dept.

**II. ROLL CALL**

Mayor Alice Ruby was present.

Council Members present and establishing a quorum (a quorum being four):

Tracy Hightower	Holly Johnson
Bob Himschoot - attended via teleconference	Chris Maines

Council Members Paul Liedberg and Keggie Tubbs were absent and excused.

Staff in attendance:

Rose Loera	Janice Williams	Jody Seitz
Carol Shade	Dan Pasquariello	

**III. APPROVAL OF MINUTES**

- A. Regular Council Meeting, August 7, 2014
- B. Regular Council Meeting, September 4, 2014
- C. Special Council Meeting, September 24, 2014

MOTION: Holly Johnson moved and Tracy Hightower seconded the motion to approve the minutes of August 7, September 4, and September 24.

VOTE: The motion passed unanimously by roll call vote.

**IV. APPROVAL OF CONSENT AGENDA**

- A. Resolution No. 2014-54, A Resolution of the Dillingham City Council Expressing Thanks and a Commendation to Bob Himschoot for Serving on the City Council Since 2008
- B. Resolution No. 2014-55, A Resolution of the Dillingham City Council Expressing Thanks and a Commendation and Thank You to Steve Foy for Serving as an Election Judge Since 2005

MOTION: Chris Maines moved and Holly Johnson seconded the motion to approve the consent agenda.

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VOTE: The motion passed unanimously by roll call vote.

### APPROVAL OF AGENDA

MOTION: Holly Johnson moved and Tracy Hightower seconded the motion to approve the agenda with the revision date of October 1, 2014.

VOTE: The motion passed unanimously by roll call vote.

## V. STAFF REPORTS

City Manager Loera reported on the following (these items were in addition to the Manager's report in the packet):

- RFPs will be prepared for the Homeland Security Grant;
- Item Fluoride will be added to the Finance and Budget Committee's agenda and a recommendation brought back to the Council; and
- Library hours have changed from 12 Noon – 7 PM on Friday to 11:30 AM - 6:30 PM.

## VI. PUBLIC HEARINGS

There were no public hearings.

## VII. CITIZEN'S DISCUSSION (Prior Notice or Agenda Items)

### A. Rae Belle Whitcomb – Squaw Creek Road

Mayor Ruby noted she had the discretion to waive the 3-minute rule, the time allowed for a presentation, and to allow others to participate that may not have notified the City beforehand.

Rae Belle Whitcomb offered a letter regarding no maintenance on the Squaw Creek Road after the State stopped servicing the road ten months ago. She provided an analysis of sales tax collected from the residents on that road, noting if they were contributing to the tax base they should be getting the same services everyone else was getting. She suggested the City consider variances and grandfathering easements. She asked that Squaw Creek Road remain on the agenda until it was resolved.

Danielle Laarsgard noted it was costing too much for individuals to maintain Squaw Creek Road, that it was taking a toll on their own equipment so they could get delivery services such as fuel and septic pumping. She asked for the sake of the kids to maintain the roads so they could get school bus service again.

Steve Shade noted his efforts to maintain the road were taking a toll on his personal equipment, and if the City couldn't maintain the road then the City shouldn't assess them for sales and property tax. He noted they could not get fire insurance on their homes, because the road wasn't being maintained.

Dan Boyd thanked Rae Belle for getting the road graded for everyone else so she could get septic service. He noted it was the right thing for the City to help maintain the road.

Annie Shade noted she maintained three property rentals on Squaw Creek Road. She was not okay with emergency equipment not getting down the road. As the director for Head Start, she noted the bus could no longer go down the road, which affected the attendance rolls and grant funding which was based on having a certain amount of enrollment.

Carol Shade felt it was the right thing for the City to maintain the road, and was very concerned with the City's recent response that under the circumstances response time for emergency services could be impacted by road conditions even though the resident paid property tax.

Rae Belle Whitcomb spoke on the raw fish tax noting her concern with the standards used to qualify as a low income fisher in order to obtain a reduced rate on the fish tax and questioned if the City had provided sufficient notice of the refund program.

Dan Dunaway noted he was reiterating his position that he supported the petition to annex and encouraged the Council to support it.

Jack Libby spoke on the City's tax collection policy and methods. He was a long-time resident providing services to the community. Recently his business had defaulted on its promissory note for tax debt, because there was little revenue from snow removal due to the mild winter. He was put on the denied services list, therefore, unable to access the dock or harbor this past summer unless he paid 100% restitution. He felt the City needed to do more to work with him. He noted he was not a tax objector.

### VIII. ORDINANCES AND RESOLUTIONS

- A. Ordinance No. 2014-15, An Ordinance of the Dillingham City Council Amending Section 4.20.050 of the Dillingham Municipal Code, Sales Tax Exemption

MOTION: Holly Johnson moved and Tracy Hightower seconded the motion to introduce Ordinance No. 2014-15.

VOTE: The motion passed unanimously by roll call vote.

- B. Ordinance No. 2014-16, An Ordinance of the Dillingham City Council Amending Title 6 to Remove Business Licenses and Regulations, to transfer Chapter 6.08 Alcoholic Beverages to Title 8, Health and Safety, rename it as new Chapter 8.20 Alcoholic Beverages, and Rename Title 6 to be Title 6 (Reserved)

MOTION: Holly Johnson moved and Chris Maines seconded the motion to introduce Ordinance No. 2014-16.

VOTE: The motion passed unanimously by roll call vote.

- C. Resolution No. 2014-52 (AM), A Resolution of the Dillingham City Council Approving the Write Off of Bad Debts Payable to the City for Personal Property Tax, Sales Tax, Harbor and Dock Invoices Dated 2007 and Prior

MOTION: Chris Maines moved and Holly Johnson seconded the motion to approve Resolution No. 2014-52 (AM).

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Passage on the resolution had been postponed to correct an error in the total write-off amount.

VOTE: The motion passed unanimously by roll call vote.

- D. Resolution No. 2014-56, A Resolution of the Dillingham City Council Approving a Long Term Encroachment Permit for Utilities on Second Avenue East

MOTION: Chris Maines moved and Holly Johnson seconded the motion to approve Resolution No. 2014-56.

VOTE: The motion passed unanimously by roll call vote.

- E. Resolution No. 2014-57, A Resolution of the Dillingham City Council Authorizing the Mayor to Submit a Petition to the Alaska Local Boundary Commission for Annexation of the Nushagak Commercial Salmon District and the Wood River Sockeye Salmon Special Harvest Area by the Legislative Review Method

MOTION: Chris Maines moved and Bob Himschoot seconded the motion to approve Resolution No. 2014-57.

Mayor Ruby reported she and Manager Loera had met with Manokotak residents, and were working on an invite from New Stuyahok. She was asking the Council to postpone action until the October 16 special meeting, and to schedule a workshop to discuss the resolution and consider the notes from the Manokotak meeting.

MOTION: Bob Himschoot moved and Holly Johnson seconded the motion to postpone action on Resolution No. 2014-57.

VOTE: The motion passed unanimously by roll call vote.

- F. Resolution No. 2014-58, A Resolution of the Dillingham City Council Accepting Alaska Department of Commerce, Community, and Economic Development Legislative Grant for Repairs to Library and Museum Building

MOTION: Holly Johnson moved and Tracy Hightower seconded the motion to approve Resolution No. 2014-58.

VOTE: The motion passed unanimously by roll call vote.

- G. Resolution No. 2014-59, A Resolution of the Dillingham City Council Accepting Alaska Department of Military and Veterans Affairs 2014 State Homeland Security Grant

MOTION: Holly Johnson moved and Tracy Hightower seconded the motion to approve Resolution No. 2014-59.

VOTE: The motion passed unanimously by roll call vote.

- H. Resolution No. 2014-60, A Resolution of the Dillingham City Council Waiving the Purchasing Restrictions for a Landfill Ash Cell Berm to Award a Contract to Bennett Enterprises LLC

MOTION: Holly Johnson moved and Tracy Hightower seconded the motion to approve Resolution No. 2014-60.

City Manager Loera reported the waiver was to allow for the berm to be installed before the winter set in.

VOTE: The motion passed unanimously by roll call vote.

- I. Resolution No. 2014-61, A Resolution of the Dillingham City Council Updating the 2015-2020 Capital Improvement Plan and the FY2016 Legislative Priorities List that was Adopted August 7, 2014, Resolution No. 2014-46

MOTION: Chris Maines moved and Tracy Hightower seconded the motion to approve Resolution No. 2014-61.

City Manager Loera reported the resolution would amend an earlier resolution in order to correct to actual the amount for the Nerka Road project.

VOTE: The motion passed unanimously by roll call vote.

**IX. UNFINISHED BUSINESS**

A. Citizen Committee Appointments

- 1. Cemetery Committee, 4 Seats Open
- 2. Planning Commission, 2 Seats Open
- 3. Parks and Recreation Committee, 3 Seats Open
- 4. Senior Advisory Board, 2 Seats Open
- 5. Library Advisory Board, 3 Seats Open

MOTION: Tracy Hightower moved and Chris Maines seconded the motion to concur with the Mayor's recommendation to appoint Ruth Lagerberg to the Parks and Recreation Committee, reappoint June Ingram to the Senior Advisory Commission, and reappoint Dianna Swaim, Conor Downey, and Erica Tweet to the Library Advisory Board.

VOTE: The motion passed unanimously by roll call vote.

**X. NEW BUSINESS**

- A. Action Memorandum No. 2014-15, Authorize the City Manager to Execute a Contract to Vitus Energy LLC d/b/a Vitus Terminals for Purchase of Fuel and Gasoline at a Fixed Price Per Gallon for FY2015/2016

MOTION: Tracy Hightower moved and Holly Johnson seconded the motion to approve Action Memorandum No. 2014-15.

VOTE: The motion passed unanimously by roll call vote.

- B. Special Meeting Scheduled for October 16, 2014 (DMC 3.70.040)
1. Certify the October 7, 2014 Regular City Election
  2. Action Memorandum 2014-16, Award Contract for Janitorial Services
  3. Swearing in Ceremony of Newly Elected Council Members

Mayor Ruby asked to add item 4. Annexation Petition and item 5. Any Other Business that May Come before the Council, with a workshop before the meeting on annexation at 5:30 p.m.

MOTION: Chris Maines moved and Holly Johnson seconded the motion to hold a special meeting October 16, 2014 and a workshop.

VOTE: The motion passed unanimously by roll call vote.

**XI. CITIZEN'S DISCUSSION (Open to the Public)**

There was no citizen's discussion.

**XII. COUNCIL COMMENTS**

Bob Himschoot:

- Noted the next special meeting would be his last Council meeting, and being on the Council had been one of the greatest experiences of his life; and
- Noted he hoped things could be worked out with Jack Libby, that he seemed very sincere in wanting to work it out with the City.

Chris Maines:

- Commented the Squaw Creek Road issue deserved more discussion.

Holly Johnson:

- Agreed with Bob that the issue with Jack Libby be looked into;
- Recommended the city move forward with a MOU with the Tribe and start taking some action on Squaw Creek Road before winter sets and the need for fuel deliveries; and
- Noted she had received complaints regarding 4-wheeler and dirt bike riders driving at night with no headlights.

Mayor Ruby suggested the citizens also contact Chief Pasquariello regarding their concerns with the lack of head lights.

Tracy Hightower:

- Agreed that the Squaw Creek Road was a concern and felt the City needed to take care of it regardless.

**XIII. MAYOR'S COMMENTS**

Mayor Ruby:

- Noted she appreciated Rae Belle pursuing the Squaw Creek Road issue and all those who came out to speak on it, noting the City was pressing the State, would be meeting with Curyung Tribe; didn't agree with the issue that the residents felt they should not pay taxes because they did receive a lot of other services such as library, dock and harbor, public safety, schools;
- Noted the City had received an invite to meet with the Vice Chancellor of the College for Rural Development, Friday, at 3:30, to let him know it was a vital part of the community;
- Asked the Council to let her know if they were interested in attending the AML conference;
- Noted she had listened in on a meeting of school and public safety officials to discuss protocol for issues at the school;
- Commented Bob had been a tremendous Council member, that he was a perfect example of walk softly carry a big stick, reasonable, always participated; and
- Asked for a moment of silence to recognize all those lost since the last meeting.

**XIV. EXECUTIVE SESSION**

There was no executive session.

**XV. ADJOURNMENT**

Mayor Ruby adjourned the meeting at 8:26 p.m.

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

ATTEST:

[SEAL]

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

Approval Date:\_\_\_\_\_



**I. CALL TO ORDER**

A special meeting of the Dillingham City Council was held on Thursday, October 16, 2014, at the Dillingham City Council Chambers, Dillingham, Alaska. Mayor Alice Ruby called the meeting to order at 7:11 p.m. The meeting was preceded by a workshop at 5:30 p.m. on the proposed annexation petition.

**II. ROLL CALL**

Mayor Alice Ruby was present.

Council Members present and establishing a quorum (a quorum being four):

Tracy Hightower	Holly Johnson
Bob Himschoot - attended via teleconference	Chris Maines
Paul Liedberg	Keggie Tubbs

Staff in attendance:

Carol Shade	Bernadette Packa
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**III. APPROVAL OF AGENDA**

MOTION: Chris Maines moves and Holly Johnson seconded the motion to approve the agenda.

VOTE: The motion passed unanimously by roll call vote.

**IV. SPECIAL BUSINESS**

- A. Resolution No. 2014-57, A Resolution of the Dillingham City Council Authorizing the Mayor to Submit a Petition to the Alaska Local Boundary Commission for Annexation of the Nushagak Commercial Salmon District and the Wood River Sockeye Salmon Special Harvest Area by the Legislative Review Method

MOTION: Paul Liedberg moved and Bob Himschoot seconded the motion to approve Resolution No. 2014-57.

MOTION: Keggie Tubbs moved and Tracy Hightower seconded the motion to postpone action on Resolution No. 2014-57 until the next scheduled Council meeting, November 6.

VOTE: The motion to postpone passed with Holly Johnson, Bob Himshoot, Keggie Tubbs, Tracy Hightower, and Chris Maines voting in favor and Paul Liedberg voting against.

- B. Resolution No. 2014-62, A Resolution of the Dillingham City Council Accepting the Certification of the Canvassing Committee Results and Certifying the October 7, 2014 Regular City Election

MOTION: Holly Johnson moved and Tracy Hightower seconded the motion to approve Resolution No. 2014-62.

VOTE: The motion passed unanimously by roll call vote.

C. Action Memorandum No. 2014-16, Award a Contract for Janitorial Services

MOTION: Keggie Tubbs moved and Paul Liedberg seconded the motion to approve Action Memorandum No. 2014-16.

VOTE: The motion passed unanimously by roll call vote.

D. Other Business

There was no other business.

**V. CITIZEN'S DISCUSSION (Open to the Public)**

There was no citizen's discussion.

**VI. COUNCIL COMMENTS**

Chris Maines: None

Keggie Tubbs: None

Tracy Hightower:

- Opined as Council members need to remember who they represent, and regarding Squaw Creek Road the City needed to get something done.

Paul Liedberg: None

Bob Himschoot:

- Noted he had voted yes on Resolution No. 2014-57 to allow the person taking his seat to have a vote on the contentious issue, otherwise he would have voted no;
- Noted the annexation was one method to allow the region to start capturing the revenue going through the region, and felt the borough was a political tactic to put off the application for annexation.

Holly Johnson: None

**VII. MAYOR'S COMMENTS**

Mayor Ruby:

- Noted she appreciated differing opinions and the fact that each member respected each other and their opinions.

A. Swearing in Ceremony of Newly Elected Council Members

Acting City Clerk Bernadette Packa proceeded to swear in the incoming Council members, Misty Savo, Keggie Tubbs, and Holly Johnson.

**VIII. ADJOURNMENT**

Mayor Ruby adjourned the meeting at 7:25 p.m.

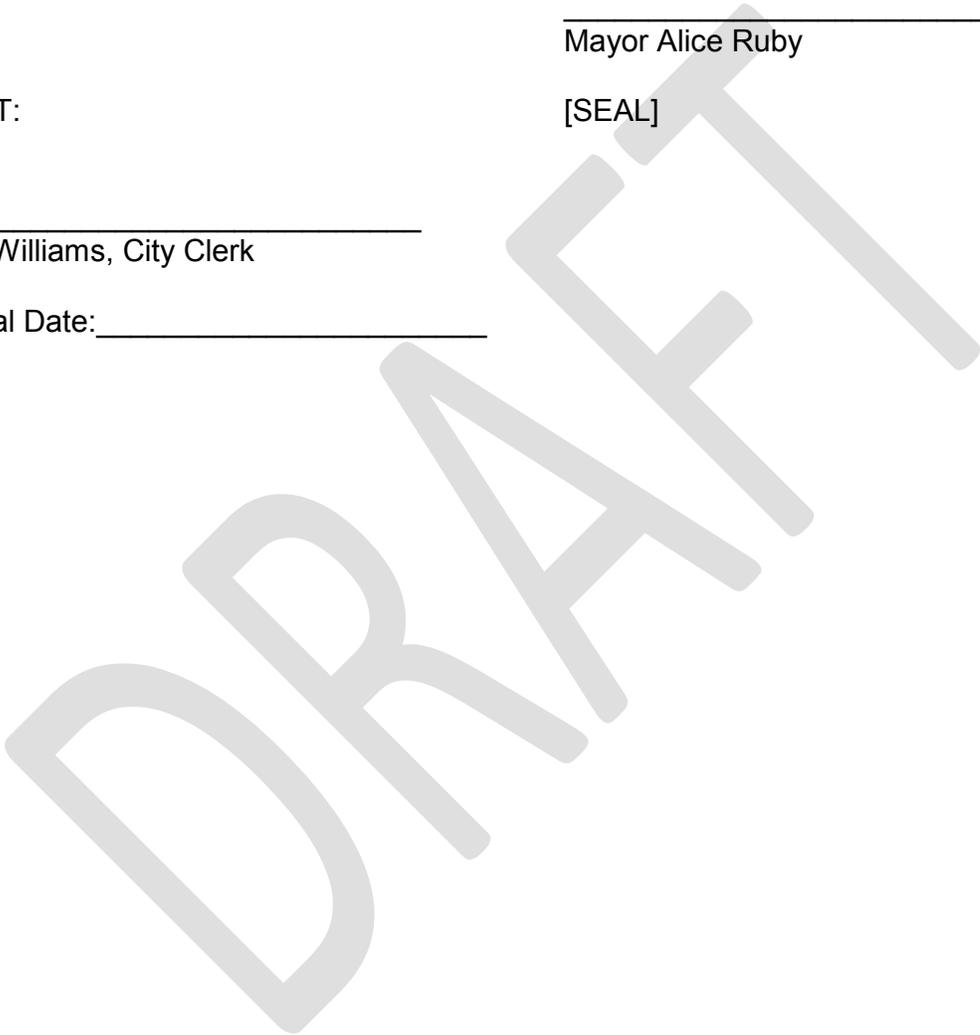
\_\_\_\_\_  
Mayor Alice Ruby

ATTEST:

[SEAL]

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

Approval Date: \_\_\_\_\_





**Mayor**  
Alice Ruby

**Manager**  
Rose Loera



**Dillingham City Council**  
Holly Johnson  
Chris Maines  
Misty Savo  
Keggie Tubbs  
Tracy Hightower  
Paul Liedberg

## MEMORANDUM

**Date:** October 29, 2014  
**To:** Mayor and City Council  
**From:** Rose Loera, City Manager  
**Subject:** October Report

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**Vacancies** – there are no vacancies!!!

**Contracts/Agreements Signed –**

- Signed the contract with Vitus Marine for petroleum fuels.

**Grants** – the Library applied for an Alaska Leader Fisheries Grant for books - \$1,500

**Landfill** – the incinerator is in place and construction of the building will start soon. The contractor for the building has until February to complete the building. Pennram staff will be back once the building is enclosed to train staff and do a test run. Following are two pictures.



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*Our Vision. By 2015 to have an infrastructure that supports a sustainable, diversified and growing economy. \* We will take a leadership role and partner with others to achieve economic development and other common goals. \* We will develop a high quality City workforce to serve the community. \* We will promote excellence in education.*



We have been asked by the State DEC to do a presentation on our incinerator to the Alaska Forum on the Environment in February. Other small communities are very interested in learning about the process we used for choosing the incinerator and how it is working for us.

**Fluoridation** – the Finance & Budget meeting in October discussed the fluoridation of our water system. Adele Megli presented to the Committee in favor of continuing. Staff needs to do more work for the next F & B before a recommendation is made.

**Survey** – the Planner and I have been working with Choggiung Limited to finalize the survey of the Landfill. This is something that has been hanging out there and Choggiung would like to get the final survey and plat finalized. The survey will bring the road into the landfill dedicated for public access. We have funds for this survey in the Planner’s budget and will put it out for bid before we move forward.

**Personal Property Tax on Airplanes** – I have been approached by owners of an airplane about taxing airplanes at the 3% rate. They feel that the tax is making airplane owners bring their planes to other areas with no or a lower tax rate for the winter and it also has limited the number of airplane mechanics operating in Dillingham. With less planes stored here there is not enough business to keep them here. Recommend that we review in the Code Committee.

**Speed Limit on City Property** – DMC 11.08.010 states that “speed limits within the City limits shall be twenty-five miles per hour unless otherwise posted or unless set at a lower speed under state traffic provisions....” We have a request to change a city street from 35 MPH to 25 as the code states. We have been discussing this amongst the staff and there doesn’t seem to be a procedure on how we should address concerns of this nature. Another area is Waskey Road – when that was built it they put a 15 MPH speed limit and it really should be 25 MPH like the majority of our streets. I would recommend moving this to Code to discuss further.

Out of the Office – AMLJIA Conference 11/17 – 21/14

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*Our Vision. By 2015 to have an infrastructure that supports a sustainable, diversified and growing economy. \* We will take a leadership role and partner with others to achieve economic development and other common goals. \* We will develop a high quality City workforce to serve the community. \* We will promote excellence in education.*

## October Monthly Council Report – Submitted by Gary Gordon

This report includes current progress on projects underway in the City.

Waste Water Treatment – all sub projects below are from this grant

Septage System – removing pumper truck waste from lagoon

Aeration System – getting proper air supplied into the lagoon

Lift Station 6, by City Dock – remodel and replacement

Landfill – all sub projects below are from this grant

New Ash Cell – is complete

New Building for Incinerator – a new building to house incinerator at transfer site

Pennram – the incinerator is 85% to 90% installed, waiting on bldg to complete

Monitoring Well #3 – testing and possible replacement

Seawall – stabilization work to the last 400' of Snag Point Seawall

Mitigation – gravel and E1 from Knik for City roads

Culverts – installation of two new 36" culverts in the two low spots being filled on Emperor North

Fender Pile Repair at Cell Dock – Northland barge damaged a pile and part of the bulkhead

Teacher Housing – investigation into possible low income housing

**The waste water treatment grant has three sub components being worked on at this time.**

Septage System: The two 8500 gallon tanks for the septage disposal system were ordered, but failed to be fabricated in time for the last barge. We plan to ship and install them next spring. Next year I will order the polymer(mixing agent) and pumping equipment required to transfer from tanks to geotubes.

Aeration System – I have been working with our engineering firm to size and specify new air pumps. We are also working on the complete design project required to upgrade the entire facility. The intent is to bid this project next spring, or the phases that get approval to construct from ADEC. At present this project is anticipated to be performed in phases, the building portion, the lagoon work, relocating BBHA force main to inlet end, and possible headwork's building, if funding allows.

Lift Station Six – LS6- our engineering firm has reviewed our drawings, and we intend on revising several items prior to bidding in February 2015. The main items being better material specifications.

**The landfill grant has three active sub components at this time.**

New Ash Cell: the cell is complete

New Building: concrete is complete, waiting on contractor to building the structure.

Pennram: The unit is installed as far as possible without a building and permanent power to operate the incinerator. The manufacturer will return and start up the unit when we have power and a building to operate out of.

Monitoring Well #3 – this well requires further testing. There is a possibility this well will need to be replaced early spring 2015.

**Seawall:** Public Works plans to complete this work in 2015.

**Mitigation:** E1 and culverts will be placed in 2015

**Fender Pile** – the City engineers are coming to DLG on the 5<sup>th</sup> or 6<sup>th</sup> to invest repair. They will also look at our other projects while on site.

**Teacher Housing** – investigative work into City cost and land cost in progress.

**Mayor**  
Alice Ruby

**Manager**  
Rose Loera



**Dillingham City Council**  
Holly Johnson  
Chris Maines  
Misty Savo  
Keggie Tubbs  
Tracy Hightower  
Paul Liedberg

## MEMORANDUM

**Date:** October 28, 2014  
**To:** Rose Loera, City Manager  
**From:** Janice Williams, City Clerk  
**Subject:** Monthly Report

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### **ELECTIONS**

**State General Election** scheduled for Tuesday, November 4, 2014. Doors open from 7 AM to 8 PM. A total of 65 citizens have come in to vote absentee since October 20. The term absentee voting has expanded this year. Previously, it was advertised as absentee voting intended for those who planned to be out of town on election day (although we could not turn anyone away), and early voting primarily in the larger cities. But this year it is being advertised statewide as early voting. The state will provide a flat fee of \$75 to hire a worker to help with absentee voting which for this year is from October 20 - November 3.

### **STANDING ITEMS:**

#### **Liquor License Renewals/Transfers/New Licenses.**

*Indicate any licenses due to expire within 60 days. Under agenda item New Business, include a form for all renewal notices, requests for transfers, and requests for new licenses.*

The following licenses are up for renewal this year:

Sea Inn Bar (beverage dispensary)  
Windmill Grille (restaurant / eating place)  
Olsen's Liquor Store (package store)  
The Rack (restaurant / eating place)

Sea Inn Bar submitted its renewal application to the State's Alcoholic Beverage Control Board. We will receive the notice in the next ten days.

Beverage dispensary license for Willow Tree Inn and package store license for Dillingham Liquor Store both renewed last year, so their licenses will not expire until December 31, 2015.

All liquor license renewal applications are due by December 31 of their expiration year. However, late applications may be received and/or postmarked (with a \$500 late fee) by close of business February 28<sup>th</sup> of the following year. After February 28<sup>th</sup>, if a renewal

application has not been received, the license will be administratively expired by the State office.

**Records Retention.**

Amending our code to add a records management program to our code has been added to the Code Review Committee's To Do list.

**Commission/Board Seats Vacant.** The City is advertising to fill vacant seats.

- Cemetery Committee – 4 seats vacant.

**Unless extended by the Council, the committee will expire October 31, 2014.**

The City began advertising in October 2012 to fill 6 vacant seats. The seats will be appointed when there is a full board (minutes of December 6, 2012.)

- Parks and Recreation Committee – 2 seats open. **No Letter of interest in the packet.**
- Planning Commission – 2 seats open. **A letter of interest is in the packet.**
- Senior Advisory Board – 2 seats open. **A Letter of Interest is in the packet.**

**Mayor**  
Alice Ruby

**Manager**  
Rose Loera



**Dillingham City Council**  
Holly Johnson  
Chris Maines  
Misty Savo  
Keggie Tubbs  
Tracy Hightower  
Paul Liedberg

**MEMORANDUM**

**Date:** October 28, 2014

**To:** Rose Loera  
City Manager

**From:** Carol Shade  
Finance Director

**Subject:** September 30, 2014 Financial Report

As of the end of September 2014, we should have received 25% of the FY15 budgeted revenues and not have spent more than 25% of the FY15 budgeted expenditures. As you can see by the chart below at September 30, 2014:

- General Fund Revenues were 46% and Expenditures were 24%
- Special Revenue Fund Revenues were 28% and Expenditures were 30%
- Capital Project Revenues were 18% and Expenditures were 19%

In comparison as of September 30, 2013:

- General Fund Revenues were 48% and expenditures were 27%
- Special Revenue Fund Revenues were 19% and Expenditures were 37%
- Capital Projects Revenues were at 125% and expenditures were at 57%

I have tried to get all the FY15 capital project budgets into the system that I know have been awarded.

Following is a schedule showing the comparison of revenues and expenditures by category:

<u>Category</u>	<u>FY15 Budget</u>	<u>FY15 Actual</u>	<u>FY1 5 %</u>	<u>FY14 Budget</u>	<u>FY14 Actual</u>	<u>FY14 %</u>
<b>Revenues</b>						
General Fund	\$8,027,441	\$3,706,079	46%	\$8,204,314	\$3,950,022	48%
Special Revenues	2,251,058	631,302	28%	2,967,446	571,335	19%
<b>GF &amp; SRF Revenues</b>	<b>\$10,278,499</b>	<b>\$4,337,381</b>	<b>42%</b>	<b>\$11,171,760</b>	<b>\$4,521,357</b>	<b>40 %</b>
<b>Expenditures</b>						
General Fund	\$8,228,250	\$1,941,984	24%	\$8,044,870	\$2,170,637	27%
Special Revenues	2,353,444	705,301	30%	2,525,045	933,572	37%
<b>GF &amp; SRF Expenses</b>	<b>\$10,581,694</b>	<b>\$2,647,285</b>	<b>25%</b>	<b>\$10,829,062</b>	<b>\$3,104,208</b>	<b>29%</b>

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Capital Projects Revenues	5,666,483	1,045,615	18%	3,301,124	4,113,445	125%
Capital Projects Expenses	5,807,671	1,098,574	19%	3,025,651	1,725,102	57%

Below shows what remains of the \$738,419.70 of property tax receivables for taxes that were assessed for the 2012 and prior tax years as of September 30, 2014.

<u>Real</u>	<u>Personal</u>	<u>Combined</u>	<u>Total Decrease</u>	<u>% Collected</u>
\$ 149,949.65	\$75,870.47	\$222,820.12	\$515,599.58	69.82%

2013 property taxes received through September 30, 2014:

<u>Invoiced to include Personal &amp; Real Property</u>	<u>Real Property Balance to be Collected</u>	<u>Personal Property Balance to be Collected</u>	<u>Total Collected</u>	<u>% Collected</u>
\$2,181,347.60	\$78,595.33	\$13,524.94	\$2,089,227.33	96%

As you can see by these charts there is a total of \$222,820.12 remaining receivables from the 2012 and prior year real and personal property accounts. In comparison, there is only \$92,120.27 remaining in receivables from the 2013 real and personal property taxes. Combining all the years together results in a total of \$314,940.39 in real and personal property tax receivables that are remaining to be collected.

The Collections specialist sent out 17 letters to delinquent sales tax filers and completed three additional promissory notes and mailed 31 promissory note reminders, and 10 Utility Delinquent letters during the month of September. There remained about 71 people on the denied service list.

The Receivables technician sent out 244 utility bills for the September billing and 168 miscellaneous Accounts Receivable bills, and processed two payrolls. In addition she sent out 650 property tax reminders.

The Accounting Tech IV technician spent about 60 hours helping with audit preparation, assisted with 11 computer issues, spent 4 hours on accounts receivable research, attended a Grant training in Anchorage, spent about 12 hours preparing deposits and reviewing data entry from cashiers.

The Payables Technician was on a leave of absence. In her absence the Cashier helped with the payables and purchase order tasks.

I will be out of the office from November 17 through December 3. The first three days is the Alaska Government Finance Officers Association fall conference. The rest of the time I will be on vacation in Washington.

With that being said attached statements reflect the City's financial status as of September 30, 2014.

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*Our Vision. By 2015 to have an infrastructure that supports a sustainable, diversified and growing economy. \* We will take a leadership role and partner with others to achieve economic development and other common goals. \* We will develop a high quality City workforce to serve the community. \* We will promote excellence in education.*

**City of Dillingham**  
**Revenues and Expenditures As of September 30, 2014**  
**Unaudited Figures**

	<u>September 30, 2014</u>				<u>September 30, 2013</u>	
	<u>Budget - FY15</u>	<u>MTD</u>	<u>YTD</u>	<u>Percent</u>	<u>YTD</u>	<u>INC/(DEC)</u>
<b>REVENUES:</b>						
<u>General Fund Revenues</u>						
General Sales Tax	\$ 2,700,000	368,255	287,409	10.6%	\$ 544,163	\$ (256,754)
Alcohol Sales Tax	300,000	7,706	43,076	14.4%	41,480	1,596
Transient Lodging Sales Tax	85,000	14,826	19,058	22.4%	19,141	(83)
Gaming Sales Tax	78,000	-	7,372	9.5%	11,411	(4,039)
Total Sales Tax	<u>3,163,000</u>	<u>390,788</u>	<u>356,915</u>	<u>11.3%</u>	<u>616,196</u>	<u>(259,280)</u>
Real Property Tax	1,500,000	-	1,657,132	110.5%	1,578,813	78,320
Personal Property Tax	500,000	377	562,779	112.6%	523,765	39,013
Total Property Taxes	<u>2,000,000</u>	<u>377</u>	<u>2,219,911</u>	<u>111.0%</u>	<u>2,102,578</u>	<u>117,333</u>
Telephone Gross Receipts State Tax	75,000	-	-	0.0%	-	-
Raw Fish Tax	350,000	-	-	0.0%	-	-
Nushagak Fish Tax (Proportion transfer in)	-	-	-	-	-	-
Shared Fisheries	30,000	-	-	0.0%	-	-
Revenue Sharing	208,636	-	210,165	100.7%	210,704	(539)
Payment in Lieu of Taxes (PILT)	420,000	446,844	446,844	106.4%	422,987	23,857
State Jail Contract	641,300	-	164,641	25.7%	320,650	(156,009)
Admin Overhead	375,029	100,206	100,206	26.7%	109,280	(9,074)
PERS on Behalf	294,526	47,759	140,027	47.5%	89,418	50,609
Other Revenues	469,950	16,349	67,369	14.3%	78,209	(10,840)
Total	<u>2,864,441</u>	<u>611,158</u>	<u>1,129,253</u>	<u>39.4%</u>	<u>1,231,248</u>	<u>(101,995)</u>
Total General Fund Revenues	<u>8,027,441</u>	<u>1,002,322</u>	<u>3,706,079</u>	<u>46.2%</u>	<u>3,950,022</u>	<u>(243,942)</u>
<u>Special Revenue Funds Revenues</u>						
Nushagak Fish Tax	-	-	13,727	-	19,211	(5,484)
Water	215,412	24,234	53,703	24.9%	64,901	(11,198)
Sewer	284,242	23,445	77,218	27.2%	62,062	15,156
Landfill	512,783	52,267	83,020	16.2%	100,644	(17,623)
Dock	490,327	60,730	230,721	47.1%	157,627	73,094
Dock Insurance Payment	-	-	-	-	-	-
Boat Harbor	244,979	36,252	62,231	25.4%	55,833	6,398
E-911 Service	76,000	6,803	20,159	26.5%	20,167	(8)
Senior Center (Grant)	138,100	15,068	35,033	25.4%	33,526	1,507
Senior Center (Non-Grant)	289,215	48,927	55,490	19.2%	57,365	(1,875)
Total Special Revenue Funds Revenues	<u>2,251,058</u>	<u>267,726</u>	<u>631,302</u>	<u>28.0%</u>	<u>571,335</u>	<u>59,967</u>
Fisheries Infrastructure	-	-	-	-	-	-
Borough Study Fund	-	-	-	-	-	-
Asset Forfeiture Fund	-	-	-	-	-	-
City Shoreline Erosion Control	-	-	-	-	270	(270)
Water System Improvement	-	-	-	-	-	-
WasteWater Treatment Plant	2,000,000	-	-	-	1,193,609	(1,193,609)
Force Main	-	-	-	-	1,599,578	(1,599,578)
Library Grants	60,773	10,696	20,091	33.1%	7,860	12,231
Library Roof	-	-	-	-	6,474	(6,474)
E911 Critical System Upgrades	133,787	-	133,787	-	-	-
FEMA Fire Truck	405,000	-	-	0.0%	-	-
Jail Corrections Grant (Equipment)	-	-	-	-	-	-
SHSP Camera Upgrades	114,791	-	114,791	-	-	-
Public Safety Planning	20,000	20,000	20,000	100.0%	-	-
BVP Grant	-	-	-	-	-	-
Pollock Grant	-	-	-	-	6,095	(6,095)
BBEDC Interns	19,152	13,852	19,152	-	-	-
BBEDC (Various Projects)	250,000	-	-	-	-	-
Ambulance Reserve Capital Project Fund Revenue	67,294	-	-	-	65,735	(65,735)
Equipment Replacement Capital Project Fund	115,000	115,000	115,000	100.0%	-	115,000
School Bond Project	-	-	81	-	298	(217)
Mary Carlson Estate Permanent Fund Revenue	4,596	(173)	1,301	28.3%	(237)	1,537
Debt Service Fund Revenue	1,176,090	83,872	83,872	7.1%	1,174,590	(1,090,718)
Landfill Oxidation	1,300,000	157,541	537,541	-	-	-
Landfill Phase 3	-	-	-	-	-	-
JAG Grant (Old Grant)	-	-	-	-	59,171	(59,171)
Total	<u>5,666,483</u>	<u>400,788</u>	<u>1,045,615</u>	<u>18%</u>	<u>4,113,445</u>	<u>(3,893,100)</u>
<b>Total Revenues</b>	<b><u>\$ 15,944,982</u></b>	<b><u>\$ 1,670,837</u></b>	<b><u>\$ 5,382,997</u></b>	<b><u>33.8%</u></b>	<b><u>\$ 8,634,801</u></b>	<b><u>\$(4,077,075)</u></b>

**City of Dillingham**  
**Revenues and Expenditures As of September 30, 2014**  
**Preliminary Figures**

EXPENDITURES:	<u>September 30, 2014</u>				<u>September 30, 2013</u>	
	<u>Budget - FY15</u>	<u>MTD</u>	<u>YTD</u>	<u>Percent</u>	<u>Actual</u>	<u>INC/(DEC)</u>
<b>General Fund Expenditures</b>						
City Council	\$ 86,864	\$ 3,059	\$ 18,469	21.3%	\$ 12,210	\$ 6,259
City Clerk	130,310	10,981	35,120	27.0%	32,108	3,013
Administration	309,809	23,579	77,772	25.1%	74,456	3,317
Finance	619,503	47,939	162,474	26.2%	148,536	13,938
Legal	77,000	5,746	13,972	18.1%	14,571	(598)
Insurance	110,618	-	5,019	4.5%	96,516	(91,497)
Non-Departmental	185,400	5,663	51,742	27.9%	50,144	1,598
Planning	142,563	6,349	31,148	21.8%	29,365	1,783
Foreclosures	10,000	3,861	5,048	50.5%	226	4,822
Meeting Hall above Fire Station	3,575	263	654	18.3%	775	(121)
Public Safety Administration	178,356	12,696	66,183	37.1%	57,875	8,308
Dispatch	468,894	35,013	122,594	26.1%	108,412	14,182
Patrol	831,789	47,250	171,612	20.6%	209,838	(38,226)
Corrections	692,590	50,898	186,641	26.9%	160,840	25,801
DMV	134,171	11,395	39,044	29.1%	21,867	17,177
Animal Control Officer	113,326	7,208	28,743	25.4%	34,857	(6,114)
PS IT	21,700	996	2,988	13.8%	1,791	1,197
Fire	294,448	19,673	63,877	21.7%	36,633	27,244
Public Works Administration	201,794	12,069	46,683	23.1%	23,218	23,464
Building and Grounds	286,991	20,972	51,928	18.1%	78,925	(26,997)
Shop	162,018	14,014	37,010	22.8%	61,578	(24,567)
Street	659,803	52,682	120,381	18.2%	223,613	(103,233)
Library	138,797	9,609	31,531	22.7%	33,700	(2,170)
City School	1,300,000	325,000	325,000	25.0%	325,000	-
Transfers to Other Funds	1,067,931	246,351	246,351	23.1%	333,583	(87,231)
<b>Total General Fund Expenditures</b>	<b>8,228,250</b>	<b>973,267</b>	<b>1,941,984</b>	<b>23.6%</b>	<b>2,170,637</b>	<b>(228,652)</b>
<b>Special Revenue Funds Expenditures</b>						
Nushagak Fish Tax	-	-	-	-	-	-
Water	215,412	21,664	57,529	26.7%	70,300	(12,772)
Sewer	284,242	28,640	78,927	27.8%	55,561	23,365
Landfill	512,783	35,945	90,492	17.6%	111,738	(21,246)
Dock	622,513	193,810	302,434	48.6%	276,248	26,186
Dock (ATD Damages)	-	-	-	-	238,171	(238,171)
Boat Harbor	244,979	21,843	66,212	27.0%	59,793	6,419
E-911 Service	42,200	-	7,130	-	-	7,130
Senior Center (Grant)	138,100	14,053	43,459	31.5%	45,663	(2,204)
Senior Center (Non-Grant)	293,215	30,438	59,118	20.2%	76,097	(16,979)
<b>Total Special Revenue Fund Expenditures</b>	<b>2,353,444</b>	<b>346,393</b>	<b>705,301</b>	<b>30.0%</b>	<b>933,572</b>	<b>(228,271)</b>
Asset Forfeiture Fund	-	-	-	-	549	(549)
Fisheries Infrastructure Fund	-	-	-	-	-	-
Borough Study	-	-	-	-	-	-
City Shoreline Erosion Control	-	-	6,231	-	123,391	(117,160)
Water System Improvement	-	-	-	-	3,788	(3,788)
WasteWater Treatment Plant	2,000,000	150	16,840	0.8%	1,383,736	(1,366,896)
Force Main	-	-	-	-	14,764	(14,764)
Library Grants	60,773	4,817	15,531	25.6%	5,545	9,986
Library Roof	-	-	-	-	138,285	(138,285)
Library Building Upgrades	85,000	-	2,400	2.8%	-	2,400
E911 Critical System Upgrades	133,787	-	133,787	100.0%	-	-
FEMA Fire Truck	405,000	-	-	-	359	-
SHSP Camera Upgrades	-	-	3,687	-	-	-
Public Safety Planning	20,000	-	11,918	59.6%	-	-
BVP Grant	-	-	-	-	-	-
Pollock Grant	-	-	21	-	-	-
BBEDC Interns	-	3,164	26,111	-	-	-
BBEDC (Various Projects)	-	1,227	2,694	-	40,369	-
BBEDC Landfill	250,000	-	35,208	14.1%	-	-
Ambulance Reserve Capital Project Fund	269,000	-	-	0.0%	-	-
Equipment Replacement Capital Project Fund	103,425	-	-	-	-	-
School Bond Project	-	-	-	-	-	-
Mary Carlson Estate Permanent Fund	4,596	320	1,097	23.9%	-	1,097
Debt Service Fund	1,176,090	-	273,045	23.2%	-	273,045
Landfill Oxidation	1,300,000	2,253	475,005	-	3,162	471,842
Landfill Reappropriation	-	-	95,000	-	-	95,000
Landfill Phase 3	-	-	-	-	11,704	-
<b>Total Capital Project Funds Expenditures</b>	<b>5,807,671</b>	<b>11,931</b>	<b>1,098,574</b>	<b>18.9%</b>	<b>1,725,102</b>	<b>(787,522)</b>
<b>Total All Expenditures</b>	<b>\$ 16,389,365</b>	<b>\$ 1,331,591</b>	<b>\$ 3,745,860</b>	<b>22.9%</b>	<b>\$ 4,829,311</b>	<b>\$(1,244,445)</b>
<b>Revenues Over (Under) Expenditures</b>	<b>\$ (444,383)</b>	<b>\$ 329,246</b>	<b>\$ 1,637,137</b>	<b>22.9%</b>	<b>\$ 3,805,491</b>	<b>\$(2,832,630)</b>

**City of Dillingham**  
**Revenues and Expenditures As of September 30, 2014**  
**Preliminary Figures**

	<u>Fund Bal.</u> <u>6/30/2014</u> <u>(Unaudited)</u>	<u>FY'14</u> <u>Revenues</u>	<u>FY'14</u> <u>Expenditures</u>	<u>Add or (-)</u> <u>Fund Bal</u>	<u>Fund Bal.</u> <u>9/30/2014</u> <u>Unaudited</u>
General Fund	\$ 4,161,194	\$ 3,706,079	\$ 1,941,984	\$ 1,764,095	\$ 5,925,289
Nushagak Fish Tax	286,068	13,727	0	13,727	299,795
Fisheries Infrastructure Fund	67,023	-	-	0	67,023
Borough Study	37,188	-	-	0	37,188
Water	-	53,703	57,529	(3,826)	(3,826)
Sewer	14,917	77,218	78,927	(1,709)	13,208
Landfill	2,450	83,020	90,492	(7,472)	(5,022)
Dock	667,391	230,721	302,434	(71,713)	595,678
Boat Harbor	-	62,231	66,212	(3,981)	(3,981)
E-911 Service	79,606	20,159	7,130	13,029	92,635
Senior Center	-	90,523	102,577	(12,054)	(12,054)
Asset Forfeitures Fund	6,072	-	-	-	6,072
City Shoreline Erosion Control	(170,200)	-	6,231	(6,231)	(176,431)
Pollock Land Grant	14,732	-	-	-	14,732
Water System Improvement	(66,166)	-	-	-	(66,166)
WasteWater Treatment Plant	-	-	16,840	(16,840)	(16,840)
Force Main	-	-	-	-	-
Library Grants (Books, Erate, etc.)	-	20,091	15,531	4,560	4,560
Library Roof	-	-	-	-	-
E911 Critical System Upgrade	-	133,787	133,787	-	-
FEMA Fire Truck	-	-	-	-	-
SHSP Camera Upgrades	-	114,791	3,687	111,104	111,104
Public Safety Planning	23,744	20,000	11,918	8,082	31,826
BVP Grant	-	-	-	-	-
BBEDC Interns	-	19,152	26,111	(6,959)	(6,959)
BBEDC (Various Projects)	-	-	2,694	(2,694)	(2,694)
BBEDC 2014	250,000	-	35,208	(35,208)	214,792
Ambulance Reserve Capital Project Fund	641,945	-	-	-	641,945
Equipment Replacement Capital Project Fund	121,175	115,000	-	115,000	236,175
School Bond Project Capital Project Fund	76,764	81	-	81	76,845
Mary Carlson Estate Permanent Fund	388,161	1,301	1,097	204	388,364
Debt Service	-	83,872	273,045	(189,173)	(189,173)
Landfill Oxidation	-	537,541	475,005	62,536	62,536
Landfill Capital Project Fund	172,044	-	-	-	172,044
<b>Total</b>	<b>\$ 6,774,108</b>	<b>\$ 5,382,997</b>	<b>\$ 3,648,439</b>	<b>\$ 1,734,558</b>	<b>\$ 8,508,666</b>



**Mayor**  
Alice Ruby

**Manager**  
Rose Loera



**Dillingham City Council**  
Holly Johnson  
Chris Maines  
Misty Savo  
Keggie Tubbs  
Tracy Hightower  
Paul Liedberg

## MEMORANDUM

**Date:** October 28, 2014  
**To:** Rose Loera, City Manager  
**From:** Sonja Marx, Librarian  
**Subject:** October Monthly Report

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The Library Aide/Clerk I position has been filled. Thea McCarville (Card) started October 9<sup>th</sup> and has successfully completed three weeks of training. She consistently comes in from 3 to 5 pm Monday through Friday and works each Saturday from 10 am to 2 pm. We are pleased to have her on board, and she is doing a great job!

We continue to get daily visits from the Middle and High school classes. Our school librarian even hosted a Kindergarten class visit of 27 students, staff and parents. Also, seven came from the elementary Seventh Day Adventist School in October.

The PLA final report was due October 1<sup>st</sup>. The \$6,600 funds from the grant for FY 14 were used to purchase books, audio visuals, and some staffing. The IMLS grant of \$6,000 also provided money for books, audio visuals, and the Summer Reading Program. There was an additional \$1,000 for continuing education with that grant.

The Friends of the Library are presenting a Book Trivia & Movie Night featuring "The Fault in Our Stars" at the Bingo Hall on Nov. 8<sup>th</sup>. Book trivia starts at 7 pm & the movie at 7:30 pm. This is for ages 6<sup>th</sup> grade and up (children under 13 must be accompanied by an adult). The cost is \$10 per person or \$5 for current FOL Members.

### **Library Stat report for September 22<sup>nd</sup> – October 25<sup>th</sup>, 2014:**

**Patron Visits: 3,617 Computer Use: 1036 Story Hour: 56**  
**Other Visits (including students): 621 Museum Use: 60**  
**Videoconferencing: 0 AWE Station Use: 15**  
**Approximately 8.5 volunteer hours logged**

**Library will be closed Tuesday, November 11<sup>th</sup> for Veterans' Day**  
**Thursday & Friday, November 27<sup>th</sup> & 28<sup>th</sup> for Thanksgiving**

### **Library Advisory Board – Meeting Tuesday, November 18<sup>th</sup>, at 5:30 pm in Library**

*Our Vision. By 2015 to have an infrastructure that supports a sustainable, diversified and growing economy. \* We will take a leadership role and partner with others to achieve economic development and other common goals. \* We will develop a high quality City workforce to serve the community. \* We will promote excellence in education.*



**Mayor**  
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**Manager**  
Rose Loera



**Dillingham City Council**  
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Keggie Tubbs  
Tracy Hightower  
Paul Liedberg

## MEMORANDUM

**Date:** October 28, 2014  
**To:** Rose Loera, City Manager  
**From:** Jody Seitz, Director of Planning and Grants  
**Subject:** October Report

---

Downtown Streets: ADOT has been returned the MOU to our attorney for review.

Evergreen Cemetery: Choggiung has said they will issue the City a quit claim deed. This is what ADOT needs to complete the Runway Safety Area avigation easement agreement.

Kanakanak Road Project. Potholes on the road where the pavement breaks, and dust are the primary concerns still. Nushagak has requested a permit to install a light at the intersection of Airport Road and Kanakanak.

GIS: Gary Greenberg (Alaska Map Company) and I are linking all the as-builts and plats to City landownership and parcel maps. The linked plats will be uploaded with the map to a website for easy access. This could be on the City's website if possible or hosted by him. We are also updating the as-built links to the online water/wastewater utility database which he hosts. Another project in progress is to link the taxed parcels to the landownership database using the GIS parcel IDs to always have the most recent landownership information and have it easily updatable.

Ordinances: Title 17 is still under revision. I have confirmed with ADEC what their requirements are for installing septics. The City would benefit from adopting the ADEC requirements for installation because ADEC doesn't come to Dillingham and has little follow up with installers. The reporting allows anyone purchasing a lot or installing a well to know where the neighboring septics are. Have discovered that installers are not always reporting the septics they install as required by 18 AAC 72.010. There appears to be some misunderstanding. Have discussed this with ADEC which is handling it.

Title 15, Floodplain regulations. Attorney is reviewing the edits made by the commission. Should be able to recommend to City Code committee by December 8. The Commission is interested in

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administering the Floodplain code and would like to host training for all interested Bristol Bay communities.

Title 18. Attorney Patrick Munson and I were correcting the incorrect references to parts of the code that are supposed to have standards, but do not.

Pending plats:

ASLS 2005-51: have the final plat. Need to do the review and bring to the Planning Commission.

Crystal Subdivision: Waiting on improvements for final plat.

Delta Western Lease Lot: Mylar recorded under 2014-09.

Edra Garage: Preliminary plat scheduled for November Planning Commission meeting.

Harbor Lease Lots Resubdivision: Mylar is recorded under 2014-10.

L&M Subdivision: Awaiting formal refusal of half the alley by ADNR to complete the final plat.

Pacer Subdivision: Have received final plat for administrative review.

Port Land Exchange: Have moved the property descriptions to the Assessor to prepare values.

Permitting:

Encroachment Permits: have notified several landowners of encroachments in the city streets. One of them has removed his container van from Central Avenue and put it on his property. Another called to discuss how to remedy the situation where others have parked on his property.

Floodplain Management: Notified landowner of harbor property USS 3643 Lot 2 that his property is in violation of the City's floodplain ordinance. Attorney advised that City should continue its permitting activities despite foreclosure.

Land Use Permits: Two driveway permits outstanding. Lack of driveway standards in Title 18 complicates compliance.

Planning Commission: Several commissioners have expressed interest in attending the APA Planning Commission training in Anchorage in November. I'm working with at least one, possibly two, to provide their airfare and registration to this training. For better coordination with City Council meetings, the Planning Commission has moved their regular meeting to the second Wednesday of the month.

NEXT Planning Commission Meeting: November 12.

---

*Our Vision. By 2015 to have an infrastructure that supports a sustainable, diversified and growing economy. \* We will take a leadership role and partner with others to achieve economic development and other common goals. \* We will develop a high quality City workforce to serve the community. \* We will promote excellence in education.*

**Mayor**  
Alice Ruby

**Manager**  
Rose Loera



**Dillingham City Council**  
Holly Johnson  
Chris Maines  
Misty Savo  
Keggie Tubbs  
Tracy Hightower  
Paul Liedberg

## MEMORANDUM

**Date:** October 28, 2014  
**To:** City Manager Rose Loera  
**From:** Chief Dan Pasquariello  
**Subject:** **November 2014 Council Report** (*reporting period 9/26/14 to 10/27/14*)

---

### POLICE:

- ❖ 472 Calls for service
- ❖ 50 Incident reports
- ❖ 19 Persons arrested
- ❖ 19 Title 47/Protective custody
- ❖ 46 Citations issued

The patrol division is now fully-staffed. Our two newest officers are still in the FTO process.

The patrol division made 2 high profile drug cases this reporting period and assisted the WAANT unit with another. We have attended public meetings sponsored by concerned citizens about drug problems here in Dillingham. We are meeting with ranking staff of the AST Statewide Drug Enforcement Unit to create an MOU to define roles and responsibilities for drug enforcement here in Dillingham.

The Chief attended a class on the Recruitment, Selection, and Retention of Law Enforcement Officers. This class was fortuitously contemporaneous with last month's City Council workshop on police officer retention. Information learned from this class will assist with retention recommendations presented at the next Finance and Budget Committee meeting.

### CORRECTIONS:

- ❖ 41 Total Inmates
- ❖ 19 Title 47/Protective custody

The corrections division is now fully-staffed. Our newest correction officer still in the FTO process.

---

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**DISPATCH:**

- ❖ 610 Calls for service
- ❖ 79% Dispatched to Dillingham Police
- ❖ 16% Dispatched to Alaska State Troopers
- ❖ 2% Dispatched to EMS/Fire
- ❖ 3% Dispatched to Animal Control
- ❖ 121 911 calls received

Our new recording system is up and working as designed. We are looking into replacing our aging telephone system next.

**ANIMAL CONTROL:**

- ❖ 4 Dogs/cats impounded
- ❖ 4 Dogs/cats returned to owners

The ACO was on vacation this month. Police officers have been handling all animal calls.

**DMV:**

- ❖ 85 Registrations/Titles
- ❖ 107 Driver's License/IDs
- ❖ 5 CDLs
- ❖ 6 Road tests

Running smoothly.

---

*Our Vision. By 2015 to have an infrastructure that supports a sustainable, diversified and growing economy. \* We will take a leadership role and partner with others to achieve economic development and other common goals. \* We will develop a high quality City workforce to serve the community. \* We will promote excellence in education.*

**Mayor**  
Alice Ruby

**Manager**  
Rose Loera



**Dillingham City Council**  
Holly Johnson  
Chris Maines  
Misty Savo  
Keggie Tubbs  
Tracy Hightower  
Paul Liedberg

## MEMORANDUM

**Date:** October 28, 2014  
**To:** Rose Loera, City Manager  
**From:** Stephanie McCumber, Fire Coordinator  
**Subject:** October 2014 Department Head Report

---

### Summarization of EMS Responses in October– 12 Calls; 36 Total Man Hours

- Total of Ambulance Transports
  - 3 Overdose
  - 2 Medical Transports
  - 2 Shortness of Breath
  - 1 Fire Standby
  - 2 Motor Vehicle Accidents
  - 2 Pain

### Summarization of Fire Responses in September – 4 Calls; 25 Total Man Hours

- 1 Grass Fire
- 1 Vehicle Fire
- 2 Motor Vehicle Accident

### PROJECTS COMPLETED

- Combo Meeting was held for preplanning response to a motor vehicle accident (MVA).
- Fire Training was held for Personal Protective Equipment (PPE) familiarization and response.
- We also had a Fire/Rescue Meeting on the 15<sup>th</sup> for vehicle extrication. We secured 3 vehicles at the landfill to cut up and train with our vehicle extrication equipment. Aleknagik also showed up so that the Departments could train together and learn with each other's equipment.
- Tanker 5 arrived on the 17<sup>th</sup>. We are waiting to hear back from the KME representative about when he will be able to come to Dillingham and provide training on the new apparatus.
- We were able to spend a weekend testing fire apparatus pumps at Shannon's Pond. We tested 3 Engines and all passed. Pump testing is done yearly and is required for ISO ratings.

## **ON-GOING PROJECTS**

- We are working on a list to outfit Tanker 5 with proper equipment.
- Procedures and a list of equipment needed is being created for pump testing to make the process smoother in the future.
- Lake Road Station is going to be switching internet providers starting at the beginning of November. We will be doubling our speeds and capabilities for the same expense.
- We will soon be putting chains on fire apparatus.

**Mayor**  
Alice Ruby

**Manager**  
Rose Loera



**Dillingham City Council**  
Holly Johnson  
Chris Maines  
Misty Savo  
Keggie Tubbs  
Tracy Hightower  
Paul Liedberg

## MEMORANDUM

**Date:** October 27, 2014  
**To:** Rose Loera, City Manager  
**From:** Francisco Garcia, Public Works Director  
**Cc:** Dillingham City Council  
**Subject:** October monthly report 2014 – Public Works Department

---

### Street Dept.

- Mixed sand with salt for the winter;
- Grading roads in and out of town;
- Hired a new equipment operator.

### Water/Sewer Dept.

- Doing monthly water and sewer sampling;
- Washed down lift stations;
- Cleaning out manholes and sewer lines;
- Repaired a water leak at Snag point.

### Shop Dept.

- Keeping up with equipment and vehicle maintenance;
- Assisted with installation of incinerator at the landfill;
- Swapping summer tires to winter tires;
- Preparing winter equipment for service.

### B&G Dept.

- Finished repairing boiler at the city shop and police department;
- Picked up garbage from the soccer field and baseball field;
- Cleaned out fuel tank at DPD.

### Landfill Dept.

- Keeping landfill clean as possible;
- Helped unloading of the incinerator;
- Collecting trash and fees;
- Getting cleaned up for winter.



**Mayor**  
Alice Ruby

**Manager**  
Rose Loera



**Dillingham City Council**  
Holly Johnson  
Chris Maines  
Misty Savo  
Keggie Tubbs  
Tracy Hightower  
Paul Liedberg

## MEMORANDUM

**Date:** October 20, 2014  
**To:** Rose Loera  
**From:** Ida Noonkesser  
**Subject:** Staff Report

---

During the month of September, the Senior Center served 556 congregate meals to 71 individuals, 182 home delivered meals to 10 individuals, gave 368 assisted rides to 29 individuals and 218 unassisted rides to 22 individuals.

We had three new renters in the month of September. The Pinochle player's group continues to rent the dining room every Friday and every third Saturday, the Quilters rent the Senior Center.

Senior Center had a rummage sale on September 20<sup>th</sup>. We did okay, but a little less than in past sales. The things that didn't sell went to SAFE as donations to Ulla's Place. Thank you to Maryanne and Nicole for their help.

The Senior Center was closed September 12<sup>th</sup> for deep cleaning. Anna Mae Bartholomew, who worked for ADRC, last day was September 16<sup>th</sup>. We will miss her around the Center.

We are still working with the Rasmuson Foundation to try to get a grant to upgrade our kitchen and replace the stove and dishwasher.

Our next Advisory Commission meeting is November 12, 2014 at 1PM at Senior Center.



**I. CALL TO ORDER**

The regular meeting of the Senior Advisory Committee was held on September 10, 2014 at the Dillingham Senior Center, Dillingham, Alaska. Maryanne Dickey, Chair, called the meeting to order at 1:10 p.m.

**II. ROLL CALL**

Members present: (Quorum is four)

Maryanne Dickey, Chair  
V.I. Braswell  
Johanna Bouker  
June Ingram  
Tracey Hightower

Members absent:

Alice Stephens  
Frank Nicholson

Guests/Staff in attendance:

Ida Noonkesser, Director

**III. APPROVAL OF MINUTES**

MOTION: June Ingram moved to approve the Minutes as written, Tracey Hightower seconded, *Motion Carried unanimously.*

**IV. APPROVAL OF AGENDA**

MOTION: Add Board Membership as #D under New Business. V.I. Braswell moved to approve the agenda, Tracey Hightower seconded, *Motion Carried unanimously.*

**V. STAFF REPORT**

Ida had a written staff report that is attached.

**VI. NEW BUSINESS**

A. Peter Pan Donation – Ida explained Peter Pan donated fresh produce and shared some with the elders who were here.

B. AnnaMae Bartholomew (ARDC) - Ida explained AnnaMae is done with the ARDC Program Sept. 16<sup>th</sup>, and she will be missed.

**VII. OLD BUSINESS**

A. Rummage Sale (Sept. 20<sup>th</sup>) Ida reminded the committee the senior garage sale will

be held Sept. 20<sup>th</sup>, and she and her kids will be at the center from 11 a.m. until 2 p.m. Discussion on needing a line item for fund raising so we know what money is available for use and where the committee feels the money could be used. Ida was directed to ensure a line item is set to keep these funds separate from city funds. Mary Ann will be the money collector and will turn it in on Monday after the sale.

#### **VIII. PUBLIC COMMENTS**

Ida reported Lisa and Rob from state senior services were here.

#### **IX. COMMITTEE COMMENTS**

Discussion on the center yard clean up/weed whacking being needed. Question if they are still recycling cans, cigarette butts on the ground look awful, and the back yard needs cleaning up as it is a potential hazard for someone passing through.

The next meeting will be Oct. 15, 2014.

#### **X. ADJOURNMENT**

The meeting adjourned at 2:00 p.m.

Vivian Braswell  
Recorder

CITY OF DILLINGHAM, ALASKA

ORDINANCE NO. 2014-15

**AN ORDINANCE OF THE DILLINGHAM CITY COUNCIL AMENDING SECTION 4.20.050 OF THE DILLINGHAM MUNICIPAL CODE, SALES TAX EXEMPTIONS**

---

BE IT ENACTED BY THE VOTERS OF THE CITY OF DILLINGHAM:

**Section 1. Classification.** This is a code ordinance.

**Section 2. Amend Section 4.20.050.Z.** Section 4.20.050 of the Dillingham Municipal Code is hereby amended as follows with new text displayed in underlined font and deleted language displayed as strikethrough.

**4.20.050 Exemptions**

Z. The sale of fruits, ~~or~~ vegetables, flowers, and herbs or their plant starts grown or harvested in the Bristol Bay region as well as locally raised livestock and products derived from those livestock.

**Section 3. Effective Date.** This ordinance is effective upon passage.

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: November 6, 2014

Attachment to: 2014-15  
Ordinance No. \_\_\_\_\_ / Resolution No. \_\_\_\_\_

**Subject:**

An ordinance of the Dillingham City Council amending Section 4.20.050 of the Dillingham Municipal Code, Sales Tax Exemption

City Manager: Recommend Approval

Signature: Rose Abernethy

Route to	Department Head	Signature	Date
X	Finance Director	<i>Carol Shade</i>	<i>10/27/14</i>
X			
X	City Clerk	<i>Janet Williams</i>	<i>10/28/14</i>

Fiscal Note:  Yes  No

Funds Available:  Yes  No

**Other Attachments:**

None

**Summary Statement:**

This ordinance was assigned to the Code Review Committee's To Do List, May 1, 2014, was vetted through the Committee, and is being recommended to the Council for adoption. It was introduced at the October 2, 2014 council meeting.

A public hearing on Ordinance No. 2014-12 is scheduled to be advertised in the October 30, 2014, edition of Bristol Bay Times as required to be advertised in a local newspaper five days in advance of the public hearing.

Ordinance No. 2014-15 / Resolution No. \_\_\_\_\_

**Summary Statement continued:**

CITY OF DILLINGHAM, ALASKA

ORDINANCE NO. 2014-16

**AN ORDINANCE OF THE DILLINGHAM CITY COUNCIL AMENDING TITLE 6, BUSINESS LICENSES AND REGULATIONS, TO TRANSFER CHAPTER 6.08 ALCOHOLIC BEVERAGES TO TITLE 8, HEALTH AND SAFETY, RENAME IT AS NEW CHAPTER 8.20 ALCOHOLIC BEVERAGES, AND RENAME TITLE 6 TO BE TITLE 6 (RESERVED)**

---

BE IT ENACTED BY THE VOTERS OF THE CITY OF DILLINGHAM:

**Section 1. Classification.** This is a code ordinance.

**Section 2. Remove Chapter 6.08, Alcoholic Beverages from Title 6, Business Licenses and Regulations, to Title 8, Health and Safety, and rename Chapter 6.08 as Chapter 8.20, Alcoholic Beverages.** Chapter 6.08 of the Dillingham Municipal Code is hereby renamed as Chapter 8.20. New text is displayed in underlined font and deleted language is displayed as strikethrough.

**Chapter ~~6.08~~ 8.20  
ALCOHOLIC BEVERAGES**

Sections:

- ~~6.08.010~~ 8.20.010 Sale on election day.
- ~~6.08.020~~ 8.20.020 Hours of sale of intoxicating liquor.
- ~~6.08.030~~ 8.20.030 Protest of liquor licenses of establishments that sell beverages containing more than ninety percent alcohol.

~~6.08.010~~ 8.20.010 Sale on election day.

The sale of intoxicating liquor is permitted within the city during election day for any federal, state or local election. (Ord. 74-3, 1974.)

~~6.08.020~~ 8.20.020 Hours of sale of intoxicating liquor.

A. For bar or eating establishments, alcohol sales will be prohibited between the hours of 2:00 a.m. Sunday morning until 10:00 a.m. Monday morning. Alcohol sales will be prohibited between the hours of 1:00 a.m. to 10:00 a.m. Tuesday through Friday. Alcohol sales will be prohibited between 2:00 a.m. Saturday morning and 10:00 a.m. Saturday morning.

However, licensed bars and eating establishments may provide for alcohol sales on Super Bowl Sunday from 12:00 p.m. until 9:00 p.m., and on New Year's Eve when the holiday falls on a Sunday from 6:00 p.m. until 2:00 a.m. the following Monday.

B. Packaged liquor stores shall be closed between the hours of 9:00 p.m. and 10:00 a.m., and on Sunday. (Ord. 97-5 § 1, 1997; Ord. 11-09 §§ 1, 2, 2012.)

~~6.08.030~~ 8.20.030 Protest of liquor licenses of establishments that sell beverages containing more than ninety percent alcohol.

A. The council finds that the sale of beverages containing more than ninety percent alcohol is a serious threat to public health and welfare.

B. The city shall protest the issuance, renewal or transfer of any liquor license for an establishment within the city unless the applicant notifies the city that it has not within the past thirty days, and will not in the future, sell beverages containing more than ninety percent, or one hundred eighty proof, alcohol.

C. The application for a liquor license for any establishment within the city that in fact sells beverages containing more than ninety percent, or one hundred eighty proof, alcohol after notifying the city that it would not do so shall also be protested.

D. The city manager is directed to take reasonable steps to ensure that this section is being enforced. Any establishment affected by this provision shall have the right to appear before the council at the public hearing and present evidence or arguments in its behalf.

E. Nothing in this chapter operates to prevent the city from protesting applications for liquor licenses on other reasonable grounds, as permitted by state law. (Ord. 90-04 § 1, 1990.)

**Section 3. Amend Title 6, Business Licenses and Regulations.** Rename Title 6, Business Licenses and Regulations to be Title 6 (Reserved). New text is displayed in underlined font and deleted language is displayed as strikethrough.

**TITLE 6 ~~Business Licenses and Regulations~~ (Reserved)**

**Section 4. Effective Date.** This ordinance is effective upon passage.

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: November 6, 2014

Attachment to: 2014-16

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

**Subject:**

An ordinance of the Dillingham City Council amending Title 6, Business Licenses and Regulations, to transfer Chapter 6.08 Alcoholic Beverages to Title 8, Health and Safety, rename it as new chapter 8.20 Alcoholic Beverages, and rename Title 6 to be Title 6 (Reserved)

City Manager: Recommend Approval

Signature: Rose Doera

Route to	Department Head	Signature	Date
	Finance Director		
X	City Clerk	<i>Janice Williams</i>	<i>10/28/14</i>

Fiscal Note:  Yes  No

Funds Available:  Yes  No

**Other Attachments:**

None

**Summary Statement:**

This ordinance is mainly a housekeeping item and is being recommended by the Code Review Committee. Regulations regarding business licenses are contained under Chapter 4.16, Business Licenses, in Title 4. Chapter 6.08, Alcoholic Beverages, is the only chapter listed under Title 6, Business Licenses. It would make more sense to realign the three sections under Chapter 6.08 Alcoholic Beverages to Title 8 Health and Safety. This ordinance was introduced at the October 2, 2014 Council Meeting.

Sections to be renumbered:

- 6.08.010 Sale on election day.
- 6.08.020 Hours of sale of intoxicating liquor.
- 6.08.030 Protest of liquor licenses of establishments that sell beverages containing more than ninety percent alcohol.

**Ordinance No.** 2014-16 / **Resolution No.** \_\_\_\_\_

**Summary Statement continued:**

A public hearing on Ordinance No. 2014-12 is scheduled to be advertised in the October 30, 2014, edition of Bristol Bay Times as required to be advertised in a local newspaper five days in advance of the public hearing.

CITY OF DILLINGHAM, ALASKA

**RESOLUTION NO. 2014-57**

**A RESOLUTION OF THE DILLINGHAM CITY COUNCIL AUTHORIZING THE MAYOR TO SUBMIT A PETITION TO THE ALASKA LOCAL BOUNDARY COMMISSION FOR ANNEXATION OF COMMERCIAL FISHING WATERS TO THE CITY OF DILLINGHAM BY THE LEGISLATIVE REVIEW METHOD**

---

WHEREAS, on June 14, 2010, the City of Dillingham filed a petition with the State of Alaska Local Boundary Commission to annex, via the Local Option (voter approval method), the 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); and

WHEREAS, on April 10, 2012, a Special Election resulted in the passage of two propositions: Proposition 1 approved the annexation of commercial fishing waters to the Dillingham area, and Proposition 2 approved a 2.5% tax on sales of raw fish made within the City boundaries; and

WHEREAS, passage of Proposition 1 and 2 would provide critical funding to support the fishing industry, fire and public safety, water and sewer, landfill, harbor and dock, streets, and library and schools; and

WHEREAS, the on March 27, 2014 a Court Judge ruling in Native Village of Ekuk vs. Local Boundary Commission and City of Dillingham Case No. 3DI-12-0022 CI ordered the Local Boundary Commission to process the annexation through the legislative review method; and

WHEREAS, on August \_\_, 2014 the Dillingham City Council adopted Resolution No. 2014-42, approving a draft petition to Annex the Nushagak Commercial Salmon District and the Wood River Salmon Special Harvest Area by the Legislative Review Method; and

WHEREAS, the City of Dillingham held a properly noticed and advertised Special Meeting, Wednesday, September 24, at 6:00 PM, for a public hearing on the draft petition, before deciding whether to make any changes to the draft and submitting the petition to the Commission for approval; and

WHEREAS, representatives of the City of Dillingham held a public informational session in Manakotak on September 25 at the Manakotak city hall on the draft petition, before deciding whether to make any changes to the draft and submitting the petition to the Commission for approval; and

WHEREAS, the City of Dillingham held a workshop at Dillingham City Hall October 2, 2014 regarding the draft petition, before deciding whether to make any changes to the draft and submitting the petition to the Commission for approval; and

WHEREAS, copies of the petition summary, the prospective petition and related documents, including a map, were made available for public review at the following locations, days, and times open to the public beginning on or about August 12, 2014:

1. Dillingham City Hall, 141 Main Street, Dillingham, Monday to Friday, 8 am to 5 pm.
2. Dillingham Library, 306 D Street West, Dillingham, Monday, Tuesday & Thursday, 10 am – 5 pm, Wednesday, 10 am – 6 pm, Friday, 12 pm – 7 pm, and Saturday, 10 am – 2 pm.
3. Dillingham Small Boat Harbor office, 235 Harbor Road, Dillingham, June 1 through August 15, Monday through Sunday, 7 am – 10 pm, and August 16 through May 31, Monday through Friday, 7 am – 5 pm.
4. Dillingham Senior Center, 515 1<sup>st</sup> Avenue East, Dillingham, Monday through Friday, 8 am – 4 pm.
5. City of Dillingham website, <http://www.dillinghamak.us>, available anytime.
6. Curyung Tribal Council, 390 D Street, Dillingham, Monday through Friday, 8 am – 4:30 pm.
7. Ekuk Village Council, 100 Aleknagik Lake Road, Dillingham, Monday through Friday, 8am - 4:30pm.
8. City of Aleknagik, City office, Aleknagik, Monday through Friday, 9 am – 4 pm.
9. Village of Aleknagik, Village office, Aleknagik, Monday to Friday, 9 am – 5 pm.
10. Village of Clark's Point, Village office, Clark's Point, Monday through Friday, 9 am 4:30 pm.
11. City of Manokotak, City office, Manokotak, Monday through Friday, 9 am – 5 pm.
12. Village of Manokotak, Village office, Manokotak, Monday to Friday, 9 am – 5 pm.
13. Bristol Bay Borough, Borough office, Naknek, Monday through Friday, 8 am – 4:30 pm.
14. Lake and Peninsula Borough, Borough Clerk's office, Monday through Friday, King Salmon, 8am – 5pm.
15. City of Ekwok, City office, Ekwok, Monday through Friday, 10 am – 5 pm.
16. City of New Stuyahok, City office, New Stuyahok, Monday through Friday, 8 am – 3 pm.
17. New Koliganek Village Council, Village office, Koliganek, Monday through Friday, 8 am – 4:30 pm.

WHEREAS, the scope of the public hearing held September 24, 2014, included addressing the appropriate annexation standards and their application to the annexation proposal, legislative review annexation procedures, the reasonably anticipated effects of the proposed annexation, and the proposed transition plan required under 3 AAC 110.090 – 3 AAC 110.150, 3 AAC 110.400 – 3 AAC 110.700, and 3 AAC 110.900 – 3 AAC 110.990; and

WHEREAS, the City of Dillingham provided an opportunity for any person to submit written comments on the draft annexation petition until the close of business September 30, 2014, before deciding whether to make any changes to the draft and submitting the petition to the Commission for approval; and

WHEREAS, the city council of the City of Dillingham has considered public comments (both written and spoken) about the 2010 petition, the additional public comments made at the 2014 public hearing, and informational sessions, suggested petition changes to the draft petition

Meeting Date: October 2, 2014

Postponed to: October 16, 2014

Postponed to: November 6, 2014

developed by staff and consultants, and written comments regarding the draft petition submitted by the deadline for written comments before deciding whether to approve changes to the draft and submit the petition to the Commission for approval and has determined that it is in the public interest of the citizens of Dillingham that the revised petition attached to this resolution be submitted to the local Boundary Commission;

NOW, THEREFORE, BE IT RESOLVED:

1. That the Dillingham City Council hereby approves the revised draft petition attached to this Resolution; and
2. That the Mayor and City Manager are hereby authorized to sign and submit an amended annexation petition substantially in the form attached to this Resolution with additional exhibits as required.

PASSED and ADOPTED by the Dillingham City Council on \_\_\_\_\_.

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

ATTEST:

[SEAL]

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



# **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

**October 16, 2014**

**Approved by City of Dillingham Resolution Nos. 2010-85; 2014-42**

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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 replaces the information contained in Section 4 of the petition submitted June 14, 2010 with what appears below.

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. There is no Supplemental material 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, in the Dillingham Harbor in 2013 and 2014, 57-56 percent (respective years) of the vessels belong to people who are not Dillingham residents (this includes both skiffs and commercial fishing vessels). While everyone pays harbor use fees, this revenue does not equal the city’s costs for operating and maintaining the services and infrastructure Dillingham provides to the fleet and related processors. For example, in 2013, \$75,000 was transferred from the Dock Special Revenue Fund to harbors to make up the difference between harbor fees and revenue.*

<b>2014 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>252</b>	<b>0</b>	<b>252</b>	<b>44%</b>
<b>Local Villages resident</b>	<b>34</b>	<b>4</b>	<b>38</b>	<b>7%</b>
<b>Other Alaskan resident</b>	<b>95</b>	<b>10</b>	<b>105</b>	<b>19%</b>
<b>Out of State resident</b>	<b>164</b>	<b>7</b>	<b>171</b>	<b>30%</b>
<b>Out of Country resident</b>	<b>2</b>	<b>0</b>	<b>2</b>	<b>0% (Negligible)</b>
<b>Total</b>	<b>547</b>	<b>21</b>	<b>568</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 residents or 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 2013, the percent of Nushagak Bay salmon delivered outside of the bay for processing was 46 percent***<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.

Dillingham's per capita tax burden is ranked 21<sup>st</sup> ***12<sup>th</sup>*** highest out of just over 80 ***120*** 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

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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.

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 to help serve the regional fisheries. ***Following are some examples that account for a minimum of \$404,000 in Dillingham FY 2013 in direct fisheries-related support and many additional equipment expenditures that support that are used by or support regional fisheries part of the time.***

#### 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 FY 13, \$74,337 from Dillingham's Dock Special Revenue Fund was transferred to harbors to make up the difference between harbor fees received and harbor annual operating expenses.***
- ***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 approximately \$582,000. 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. Whether equipment purchases are direct funded by Dillingham (such as the Forklift) or grant-funded (such as the new Fire Tender truck now being constructed for \$405,000) Dillingham will pay operating and maintenance on this equipment.***
- ***In 2012, Dillingham had a strong southeast 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 three collection sites for waste oil from the fishing fleet.***
- ***In April 2014 the City of Dillingham purchased a new loader for \$294,000; 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***

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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).***

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

#### Landfill

- Six large dumpsters are installed at the harbor or 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 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. This payment does not include the cost of contributed administrative services from the City of Dillingham paid for from the General Operating Fund. ***In the summer months to accommodate the fishing fleet, five large dumpsters are installed at the harbor and two at the city dock that are generally emptied twice a day, adding about 20% to the volume of trash hauled during those months. In FY 13 this cost to the city for fishery related trash hauling was approximately \$44,000, part of a larger General Fund \$220,000 transfer to cover landfill operating costs.***
- ***In FY 2014 the City is being required by the State of Alaska Department of Environmental Conservation to stop open burning of its 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. This is a new, but just one more, example of how Dillingham infrastructure and services help serve a regional role.***

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

- Ten percent of 2009's total calls for service (Dillingham city dispatch) are from the fishery-related areas including 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. Ten percent of the FY 2010 public safety budget, or \$211,990. There is no additional public safety staff in summer.
- ***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). In June and July 2013, 13 percent of all calls for service are from fishery-related areas. Using seven percent of the public safety budget as a reasonable estimate of the approximate cost of providing public safety services linked to the fishing activity in town, yields \$162,000 in 2013. As seen on the lower table below, the bulk of area public safety service is provided by the City of Dillingham.***
- ***The Dillingham Police Department was part of a mutual response with the Alaska State Troopers on 37 occasions between May 2012 and April 2013 in the annexed waterways or the areas bordering the waterways (Ekuk, Clark's Point, Igushik, Wood River lands).***

<b>2013 Public Safety Calls for Service</b>													
<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>	<b>431</b>	<b>418</b>	<b>442</b>	<b>480</b>	<b>576</b>	<b>606</b>	<b>705</b>	<b>599</b>	<b>585</b>	<b>524</b>	<b>434</b>	<b>468</b>	<b>6268</b>
<b>Number in fishery related areas</b>	<b>17</b>	<b>25</b>	<b>24</b>	<b>43</b>	<b>34</b>	<b>79</b>	<b>92</b>	<b>51</b>	<b>32</b>	<b>16</b>	<b>17</b>	<b>25</b>	<b>455</b>
<b>Percent of total in fishery related areas</b>	<b>4%</b>	<b>6%</b>	<b>5%</b>	<b>9%</b>	<b>6%</b>	<b>13%</b>	<b>13%</b>	<b>9%</b>	<b>5%</b>	<b>3%</b>	<b>4%</b>	<b>5%</b>	<b>7%</b>

<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>	<b>77%</b>	<b>1%</b>	<b>2%</b>	<b>20%</b>	<b>431</b>
<b>February</b>	<b>80%</b>	<b>1%</b>	<b>4%</b>	<b>15%</b>	<b>418</b>
<b>March</b>	<b>80%</b>	<b>1%</b>	<b>4%</b>	<b>15%</b>	<b>442</b>
<b>April</b>	<b>79%</b>	<b>1%</b>	<b>4%</b>	<b>16%</b>	<b>480</b>
<b>May</b>	<b>84%</b>	<b>1%</b>	<b>4%</b>	<b>11%</b>	<b>576</b>
<b>June</b>	<b>82%</b>	<b>1%</b>	<b>6%</b>	<b>11%</b>	<b>606</b>
<b>July</b>	<b>86%</b>	<b>1%</b>	<b>3%</b>	<b>11%</b>	<b>705</b>
<b>August</b>	<b>83%</b>	<b>1%</b>	<b>4%</b>	<b>12%</b>	<b>599</b>
<b>September</b>	<b>78%</b>	<b>1%</b>	<b>4%</b>	<b>17%</b>	<b>585</b>
<b>October</b>	<b>82%</b>	<b>1%</b>	<b>3%</b>	<b>14%</b>	<b>524</b>
<b>November</b>	<b>82%</b>	<b>1%</b>	<b>3%</b>	<b>14%</b>	<b>434</b>
<b>December</b>	<b>79%</b>	<b>1%</b>	<b>3%</b>	<b>17%</b>	<b>468</b>
<b>Year Total</b>					<b>6268</b>

Source: Dillingham Police Department

- ***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.***
- ***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. (The City supports the building and staff for DMV.)***

**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 \$4 million. 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 to be 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. Icicle 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 those who live outside of Dillingham- including those from outside Alaska - 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 and fish processors 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, ***to be acquired shortly.***

***Totaling the expenditures from Dillingham's FY 13 General Operating Budget that are attributable to serving the commercial fishing fleet yields a minimum of \$404,000. 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><i>Dillingham FY 13 Operating &amp; Special Revenue Fund Expenditures Directly Attributable to Serving Commercial Fishing Fleet, to support and Benefit Fisheries, Commercial Fishermen, and Processors</i></b>	
<b><i>General Fund Comm. Fish Related Expenditure: Harbors</i></b>	<b><i>\$196,651</i></b>
<b><i>General Fund Comm. Fish Related Expenditure: Landfill</i></b>	<b><i>\$44,000</i></b>
<b><i>General Fund Comm. Fish Related Expenditure: Public Safety Response</i></b>	<b><i>\$162,400</i></b>
<b><i>General Fund Comm. Fish Related Expenditure: Public Safety: Personal Floating Devices</i></b>	<b><i>\$1,000</i></b>
<b><i>Total Expenditures, From General Fund</i></b>	<b><i>\$404,051</i></b>
<b><i>Other: 2014 Oil Containment Equipment<sup>4</sup></i></b>	<b><i>\$35,000</i></b>
<b><i>Nushagak Fish Tax Expenditure: Transfer to General Fund (to help pay \$404,051 in expenses listed above)</i></b>	<b><i>\$400,920</i></b>
<b><i>Nushagak Fish Tax Expenditure: Property Tax Payer Refund</i></b>	<b><i>\$10,833</i></b>
<b><i>Nushagak Fish Tax Expenditure: Low Income Fisher Refund</i></b>	<b><i>\$1,798</i></b>
<b><i>Nushagak Fish Tax Expenditure: Transfer to Fisheries Infrastructure Fund</i></b>	<b><i>\$46,422</i></b>
<b><i>Nushagak Fish Tax Expenditure: Transfer to Borough Study Fund</i></b>	<b><i>\$24,853</i></b>
<b><i>Total Expenditures, from Nushagak Fish Tax</i></b>	<b><i>\$484,826</i></b>
<b><i>FY 2013 2.5% Nushagak Fish Tax Revenue</i></b>	<b><i>\$848,910</i></b>
<b><i>Nushagak Fish Tax Balance, at end of FY 13, for Future Commercial Fishery Related Improvements</i></b>	<b><i>\$362,468</i></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 E-Supporting Brief).

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 E - 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
<b><i>Dillingham (as of Jan. 1, 2013)</i></b>	<b><i>\$40,425,968</i></b>	<b><i>\$53,643,100</i></b>
<b><i>Source: 2013 Alaska Taxable</i></b>		
<b><i>Total (areawide)</i></b>	<b><i>\$40,425,968</i></b>	<b><i>\$53,643,100</i></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
Total (areawide)	\$0.00	\$0.00

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
Total (areawide)	\$0.00	\$0.00

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
Source: 2009 Alaska Taxable		
Total (areawide)	\$111,780,477	\$129,270,800

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
<b>Dillingham (as of Jan. 1, 2013)</b>	<b>\$121,447,150</b>	<b>\$152,374,500</b>
<b>Source: 2013 Alaska Taxable</b>		
<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>
<b>Source: 2013 Alaska Taxable</b>		
<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 equal 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 \$414,313 (FY 14, for the June, July, August 2013 fishing season prior to remand).***

***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) \$84,815,450, 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. These taxable sales generated \$5.56 million in FY 13.***

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 (%) <u>New (with annexation)</u>
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.***

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  
Misty Salvo  
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.***

**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 19 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.

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**

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

The City incorporates by reference all information contained in Section 20 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.

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**

**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;

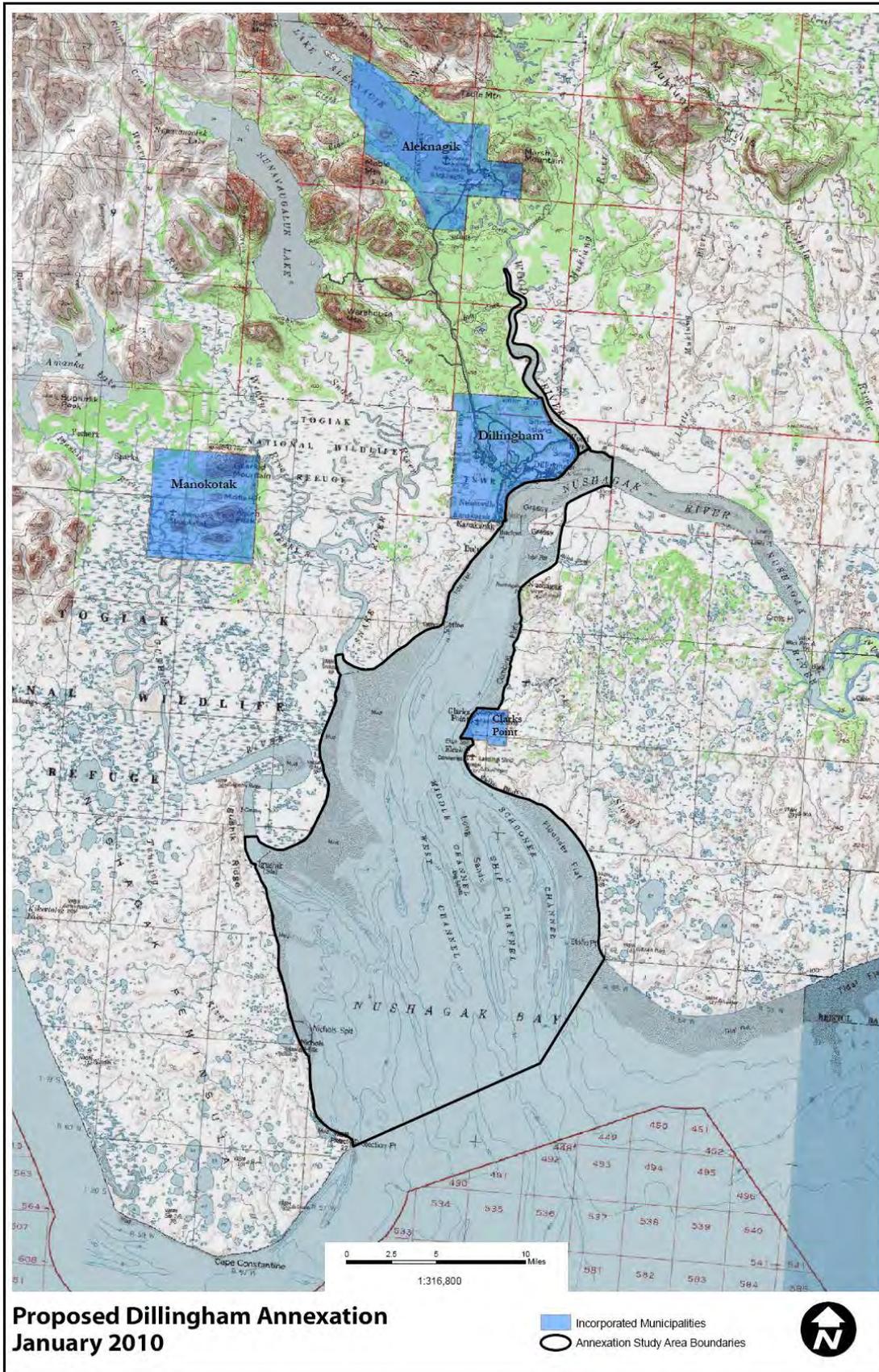
10. Thence, meandering northerly along a line paralleling the mean high tide line to a point at the intersection of mean high tide line and the Igushik River at 58 degrees 43.841 minutes North Latitude and 158 degrees 53.926 minutes West Longitude;
11. Thence, easterly across the Igushik River to a point 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**

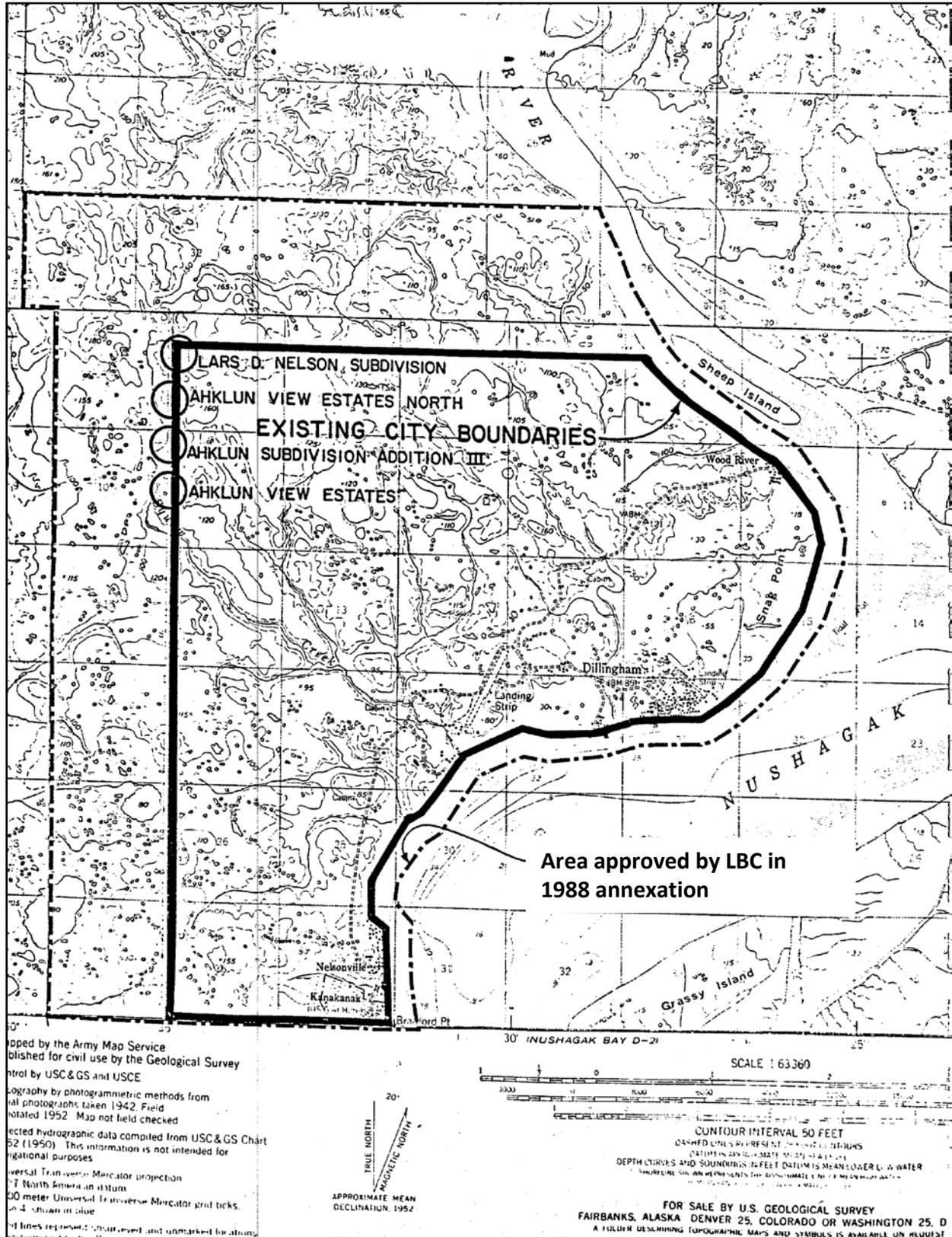
**This is the same as Exhibit A-4 in the June 14, 2010 petition; there has been no change.**

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

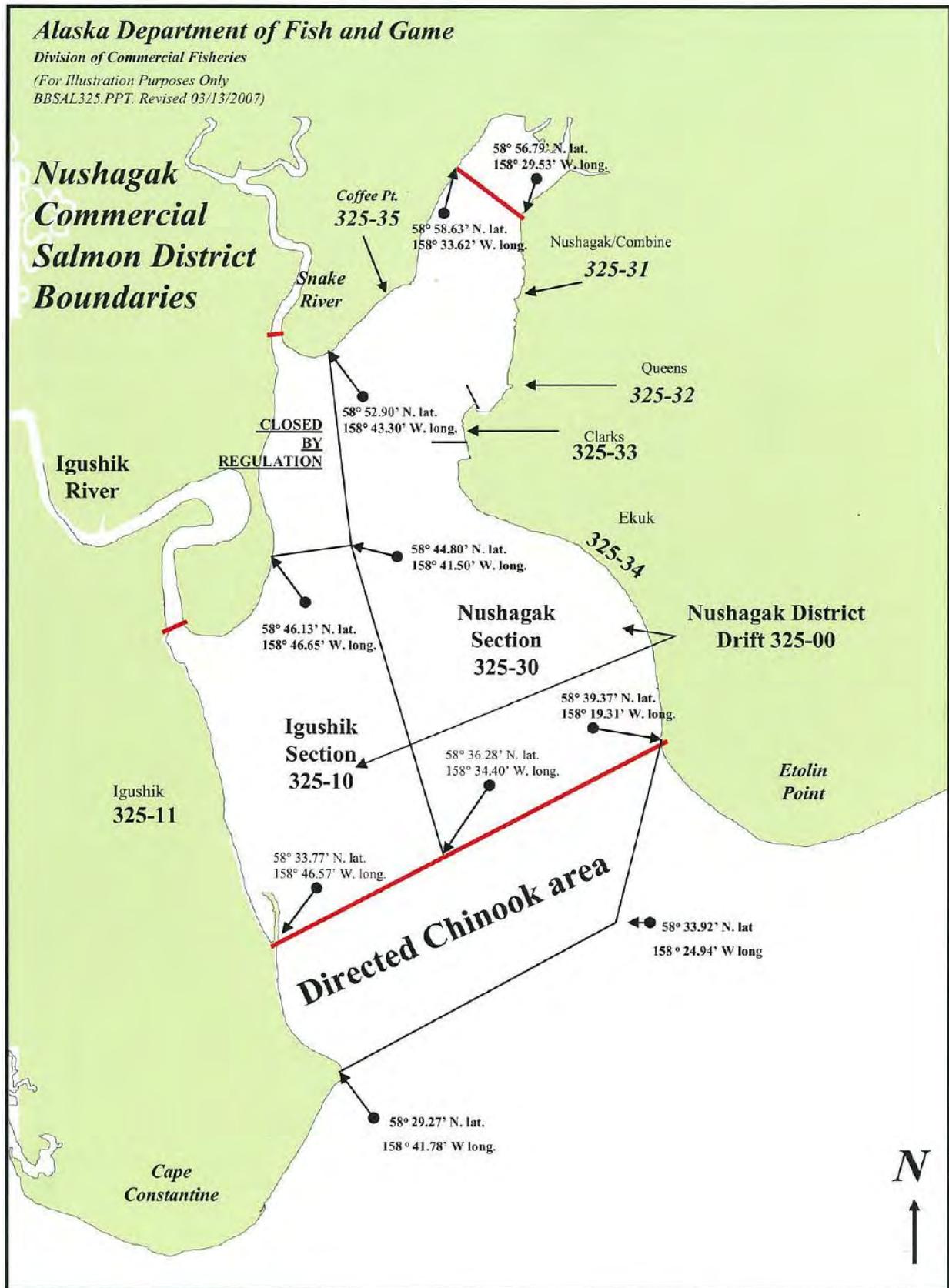


**Current City of Dillingham**

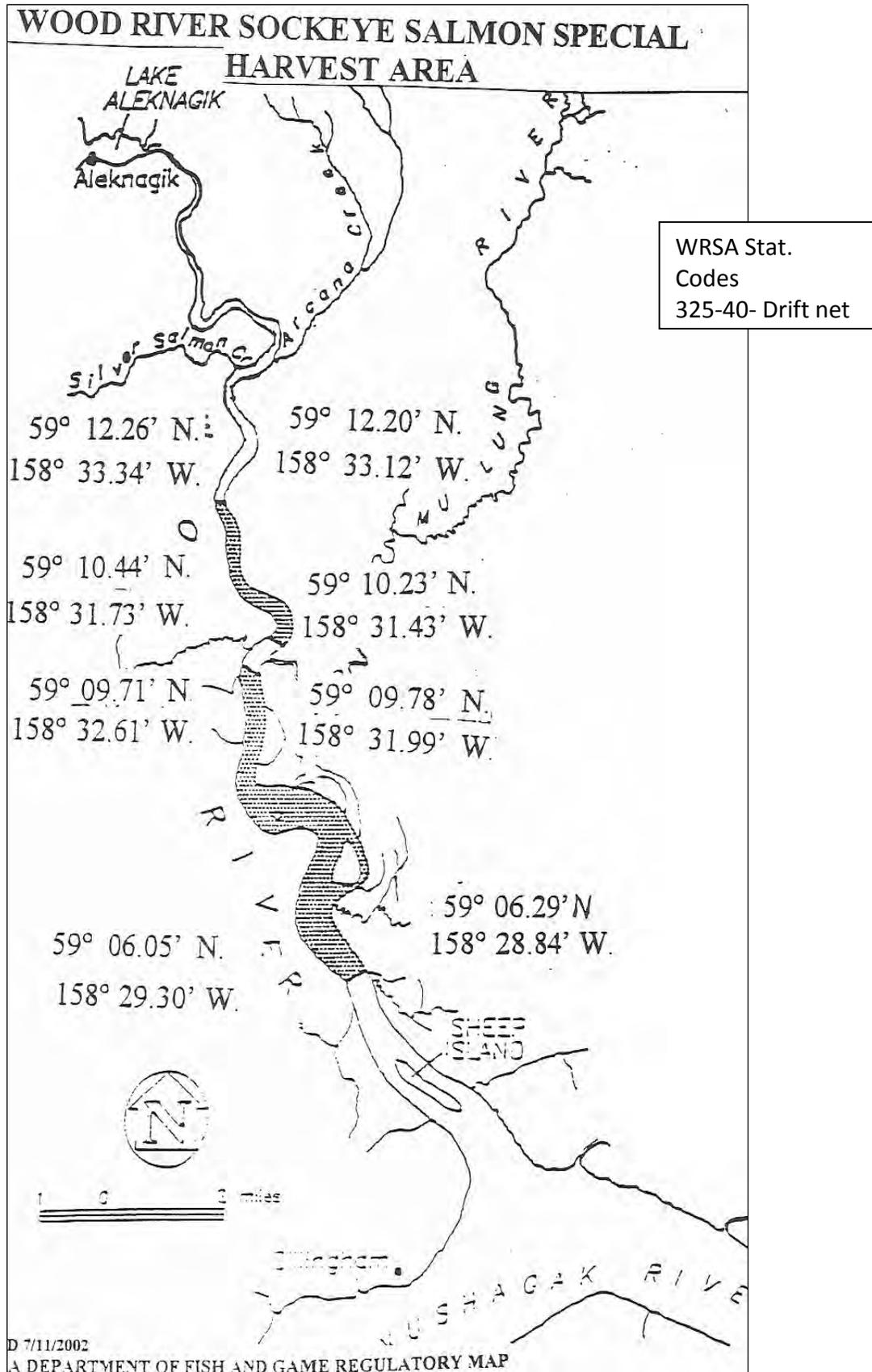




### Nushagak Commercial Salmon District



### Wood River Sockeye Special Harvest Area



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

**Exhibit B is revised and updated from the June 14, 2010 Petition.**

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 Bay Times (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:**

Clark's Point - Clark's 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:**

City of Clark's Point	PO Box 110	Clarks Point, AK	99569
City of Manokotak	PO Box 170	Manokotak, AK	99628-0170
City of Aleknagik	PO Box 33	Aleknagik, AK	99555
Bristol Bay Borough	PO Box 189	Naknek, AK	99633
Lake and Peninsula Borough	PO Box 495	King Salmon, AK	99613

**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, 372 Aleknagik Lake Road, 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, Box 189, Naknek, AK 99633	8 am- 4:30 pm – M-F
Lake and Peninsula Borough Office, City Clerk's Office, King Salmon, AK 99613	8 am-5 pm – M-F
City of Ekwok, City Office, PO Box 49 Ekwok, AK, 99580-0049	10 am-5 pm - M-F
City of New Stuyahok, City Office, PO Box 10 New Stuyahok, AK 99636	8 am- 3 pm – M-F

New Koliganek Village Council, Village Office, PO Box 5057 Koliganek, AK 99576-5057	8 am-4:30 pm – M-F
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**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	arcticwildsalmon@gmail.com
Friedman Family Fisheries Attn: Avi Friedman	6109 Pimlico Road Baltimore, MD 21209	
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@comcast.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	5700 E. Tudor Road	dps.ast.directors.office@alaska.gov

Attn: Col. James Cockrill, Director	Anchorage, AK 99507	
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	<a href="mailto:evc@ekukvc.net">evc@ekukvc.net</a>
Manokotak Village Council Attn: Moses Toyukuk, Sr.	PO Box 169 Dillingham, AK 99576	<a href="mailto:kmo_villagecouncil@yahoo.com">kmo_villagecouncil@yahoo.com</a>
Clark's Point Village Council Attn: Betty Gardiner, President	PO Box 9 Clarks Point, AK 99569	<a href="mailto:clp_villagecouncil@yahoo.com">clp_villagecouncil@yahoo.com</a>
Aleknagik Traditional Council Attn: Margie Aloysius, President	PO Box 115 Aleknagik, AK 99555	<a href="mailto:aleknagiktraditional@yahoo.com">aleknagiktraditional@yahoo.com</a>
Ekwok Village Council Attn: Luki Akelkok Sr., President	PO Box 70 Ekwok, AK 99580	<a href="mailto:king2rick@yahoo.com">king2rick@yahoo.com</a>
New Koliganek Village Council Attn: Herman Nelson Sr., Pres.	PO Box 5057 Koliganek, AK 99576-5057	<a href="mailto:newkgkvc@hotmail.com">newkgkvc@hotmail.com</a>
New Stuyahok Traditional Council Attn: Dennis Andrew Sr.	PO Box 49 New Stuyahok, AK 99636	<a href="mailto:newstutribe@hotmail.com">newstutribe@hotmail.com</a>
City of Ekwok Attn: Luki Akelkok, Sr.	PO Box 49 Ekwok, AK 99580-0049	<a href="mailto:king2rick@yahoo.com">king2rick@yahoo.com</a>
City of New Stuyahok Attn: Randy Hastings, Mayor	PO Box 10 New Stuyahok, AK 99636	<a href="mailto:cityofnewstuyahok@hotmail.com">cityofnewstuyahok@hotmail.com</a>
Aleknagik Natives Ltd. Attn: Fred Nishimura, Manager	PO Box 1630 Aleknagik, AK 99555	<a href="mailto:frednishimura@hotmail.com">frednishimura@hotmail.com</a>
Curyung Tribal Council Attn: Dorothy Larson, Tribal Administrator	PO Box 216 Dillingham, AK 99576	<a href="mailto:dorothy@curyungtribe.com">dorothy@curyungtribe.com</a>
Kathy Ann O'Connell co/ Matt O'Connell	PO Box 331 Dillingham, AK 99576	
Paul Friis-Mikkelsen	PO Box 276 Dillingham, AK 99576	
Southwest Region School District ATTN Kay Andrews	PO Box 90 Dillingham, AK 99576	
Bristol Bay Area Health Corporation ATTN: Robert Clark	PO Box 130 Dillingham AK 99576	
Bristol Bay Housing Authority, ATTN: Brenda Akelkok	PO Box 50 Dillingham AK 99576	

**EXHIBIT C-1. PROJECTED REVENUES**

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

<b>CITY OF DILLINGHAM GENERAL FUND REVENUES</b>		<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>
		<b>Annexation</b>	<b>Annexation</b>	<b>Annexation</b>	<b>Annexation</b>
		<b>(Audited Actuals)</b>	<b>(Audited Actuals)</b>	<b>(Unaudited Actuals, remanded 5/12/14)</b>	<b>(Remanded Budget)</b>
<b>Operating Revenue</b>		<b>FY 2012</b>	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>
<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>	<i>\$5,047,569</i>	<i>\$5,629,036</i>	<i>\$5,540,700</i>	<i>\$5,166,500</i>
9	PENALTY AND INTEREST	\$68,422	\$99,603	\$85,487	\$73,000
10	<i>subtotal penalties re: taxes</i>	<i>\$68,422</i>	<i>\$99,603</i>	<i>\$85,487</i>	<i>\$73,000</i>
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>	<i>\$341,050</i>	<i>\$391,492</i>	<i>\$397,117</i>	<i>\$430,029</i>
14	<b><i>subtotal, all local revenue</i></b>	<b><i>\$5,457,041</i></b>	<b><i>\$6,120,131</i></b>	<b><i>\$6,023,304</i></b>	<b><i>\$5,669,529</i></b>
<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	<b><i>subtotal, all state revenue</i></b>	<b><i>\$2,316,661</i></b>	<b><i>\$1,849,154</i></b>	<b><i>\$1,882,575</i></b>	<b><i>\$1,937,912</i></b>
<b>FEDERAL</b>					
28	PAYMENT IN LIEU OF TAXES	\$421,879	\$429,642	\$422,987	\$420,000
29	<b><i>subtotal, all federal revenue</i></b>	<b><i>\$421,879</i></b>	<b><i>\$429,642</i></b>	<b><i>\$422,987</i></b>	<b><i>\$420,000</i></b>
<b>Operating Revenue</b>		<b>FY 2012</b>	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>
<b>SPECIAL REVENUE FUNDS (fish tax, water &amp; sewer, ports &amp; docks, harbors, landfill etc.)</b>					
30	NUSHAGAK FISH TAX 2.5% (see note 1)	\$79,523	\$848,910	\$414,313	
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
32	<b><i>subtotal, special revenue</i></b>	<b><i>\$3,556,796</i></b>	<b><i>\$4,150,859</i></b>	<b><i>\$4,605,630</i></b>	<b><i>\$3,686,600</i></b>
33	<b>Total Revenue</b>	<b>\$11,752,377</b>	<b>\$12,549,786</b>	<b>\$12,934,494</b>	<b>\$11,714,041</b>

NOTE 1 - 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. Also FY 14 includes some revenue attributed in audit to FY 15.

**EXHIBIT C-2. PROJECTED EXPENDITURES**

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

<b>CITY OF DILLINGHAM GENERAL FUND EXPENDITURES</b>		<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>
		<b>Annexation</b>	<b>Annexation</b>	<b>Annexation</b>	<b>Annexation</b>
		<b>(Audited Actuals)</b>	<b>(Audited Actuals)</b>	<b>(Unaudited Actuals, remanded 5/12/14)</b>	<b>(Remanded Budget)</b>
<b>Operating Expenses</b>		<b>FY 2012</b>	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>
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	<b>subtotal, general expenses</b>	<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	<b>bond total</b>	<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
60	TRANSFER TO LANDFILL	\$278,820	\$219,686	\$282,937	\$333,677
61	TRANSFER TO HARBOR	\$102,595	\$0 <sup>5</sup>	\$0	\$0
62	TRANSFER TO DEBT SERVICE	\$253,249	\$352,581	\$351,602	\$351,602

<sup>5</sup> In FY 13 transfer to the Harbor was from the Dock Special Revenue Fund.

CITY OF DILLINGHAM GENERAL FUND EXPENDITURES		Year 1	Year 2	Year 3	Year 4
		Annexation (Audited Actuals)	Annexation (Audited Actuals)	Annexation (Unaudited Actuals, remanded 5/12/14)	Annexation (Remanded Budget)
Operating Expenses		FY 2012	FY 2013	FY 2014	FY 2015
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>6</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	\$400,920	\$0
73	TRANSFER TO EQUIPMENT REPLACEMENT FUND		\$0	\$31,000	\$0
74	TRANSFER TO FISHERIES INFRASTRUCTURE 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>\$481,724</b>	<b>\$0</b>
77	OTHER SPECIAL REVENUE FUND EXPENSES	\$2,859,638	\$2,189,356	\$3,678,179 <sup>7</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>-73,194</b>	<b>-505,860</b>

<sup>6</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>7</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 of 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.***

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>8**</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**
	Prepare ordinance to codify. Prepare forms and public information materials.	Jun-Jul 2010	City Clerk, Finance and Attorney**

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<sup>8 \*\*</sup>= Consultant Assistance

	<b>Task</b>	<b>Timing</b>	<b>Responsible Party</b>
	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>Established a fish tax refund programs for those already paying Dillingham property tax, and those with low income (regardless of residency). Established 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 be within city after annexation. Expected scenarios: 1. Alaska State Troopers to retain primacy on	Fall 2010	Dillingham Police (lead) parties to include are Alaska State Troopers, Dillingham Fire Chief, Dillingham Snow Machine Club, Dillingham

	Task	Timing	Responsible Party
	<p>Search and Rescue operations in all areas.</p> <p>2.</p> <p><b><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></b></p> <p><b><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></b></p> <p><b><i>In mid-February 2014, the City revisited the issue with AST Colonel James Cockrell.</i></b> Progress in this area stopped due to the remand and will resume once the annexation petition is approved</p> <p>3. Alaska State Troopers retain all fish and wildlife powers and enforcement.</p> <p><b><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></b></p> <p>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.</p> <p>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.</p>		<p>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.  <b><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></b>	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>
<b><i>Rose Loera</i></b>	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
<b><i>Alaska State Trooper Sgt. Tuckwood, Public Safety Commissioner Folger, AST Colonel James Cockrell</i></b>	<b><i>Alaska State Troopers &amp; Public Safety Commissioner</i></b>	<b><i>2012-2014</i></b>	<b><i>Public Safety</i></b>
<b><i>Lilly Capell</i></b>	<b><i>Consultant</i></b>	<b><i>Spring 2012</i></b>	<b><i>Fish Tax Refunds, Proceeds, Administration</i></b>
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>9</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>10</sup> These standards are discussed sequentially and include the factors to be considered according to the regulations.

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<sup>9</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>10</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>11</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 D).

***When reviewing the Dillingham Police Department's total calls for service, between May 2012 and April 2013, they had active responses, either independently or as part of a mutual response, on 37 occasions to the annexed waterways, boat harbor, City dock, canneries, or Wood River boat launch; 12 of these were search and rescue responses involving Dillingham Dispatch coordinating with Alaska State Troopers in the areas bordering the waterways (Ekuk, Clark's Point, Igusiak, Wood River lands).***

*(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).

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<sup>11</sup> Personal communications and research, January 2010, Sergeant Randall McPherron, Alaska State Troopers, Dillingham.

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

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 **real** property owners within the territory. Seasonal population within the area proposed for annexation are commercial fishermen and fish buyers during May through September. ***The property owned by these persons are the limited entry permits and their fishing vessels.*** 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, in the Dillingham Harbor in 2013 and 2014, 57-56 percent (respective years) of the vessels belong to people who are not Dillingham residents (this includes both skiffs and commercial fishing vessels). While everyone pays harbor use fees, this revenue does not equal the city’s costs for operating and maintaining the services and infrastructure Dillingham provides to the***

***fleet and related processors. For example, in 2013, \$75,000 was transferred from the Dock Special Revenue Fund to harbors to make up the difference between harbor fees and revenue.***

<b>2014 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>252</b>	<b>0</b>	<b>252</b>	<b>44%</b>
<b>Local Villages resident</b>	<b>34</b>	<b>4</b>	<b>38</b>	<b>7%</b>
<b>Other Alaskan resident</b>	<b>95</b>	<b>10</b>	<b>105</b>	<b>19%</b>
<b>Out of State resident</b>	<b>164</b>	<b>7</b>	<b>171</b>	<b>30%</b>
<b>Out of Country resident</b>	<b>2</b>	<b>0</b>	<b>2</b>	<b>0% (Negligible)</b>
<b>Total</b>	<b>547</b>	<b>21</b>	<b>568</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 residents or 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 2013, the percent of Nushagak Bay salmon delivered outside of the bay for processing was 46 percent<sup>12</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 120 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>13</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. In FY 13, \$74,337 from Dillingham's Dock Special Revenue Fund was transferred to harbors to make up the difference between harbor fees received and harbor annual operating expenses.***

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<sup>12</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>13</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).***

- ***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 approximately \$582,000. 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. Whether equipment purchases are direct funded by Dillingham (such as the Forklift) or grant-funded (such as the new Fire Tender truck now being constructed for \$405,000) Dillingham will pay operating and maintenance on this equipment.***
- ***In 2012, Dillingham had a strong southeast 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 three collection sites for waste oil from the fishing fleet.***
- ***In April 2014 the City of Dillingham purchased a new loader for \$294,000; 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 there was a scramble to find another one to get on the first barge so that we could be ready for the 2014 fishing season.***

#### **Landfill**

- ***In the summer months to accommodate the fishing fleet, five large dumpsters are installed at the harbor and two at the city dock that are generally emptied twice a day, adding about 20% to the volume of trash hauled during those months. In FY 13 this cost to the city for fishery related trash hauling was approximately \$44,000, part of a larger General Fund \$220,000 transfer to cover landfill operating costs.***
- ***In FY 2014 the City is being required by the State of Alaska Department of Environmental Conservation to stop open burning of its 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. This is a new, but just one more, example of how Dillingham infrastructure and services help serve a regional role.***

**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). In June and July 2013, 13 percent of all calls for service are from fishery-related areas. Using seven percent of the public safety budget as a reasonable estimate of the approximate cost of providing public safety services linked to the fishing activity in town, yields \$162,000 in 2013. As seen on the lower table below, the bulk of area public safety service is provided by the City of Dillingham.**
- **The Dillingham Police Department was part of a mutual response with the Alaska State Troopers on 37 occasions between May 2012 and April 2013 in the annexed waterways or the areas bordering the waterways (Ekuk, Clark’s Point, Igushik, Wood River lands).**

<b>2013 Public Safety Calls for Service</b>													
<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%

<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
<b>Year Total</b>					6268

Source: Dillingham Police Department

- ***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.***
- ***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.***

#### **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 \$4 million. 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 to be 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. Icicle 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 those who live outside of Dillingham- including those from outside Alaska - 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 and fish processors 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, to be acquired shortly.**

**Totaling the expenditures from Dillingham’s FY 13 General Operating Budget that are attributable to serving the commercial fishing fleet yields a minimum of \$404,000. 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, to support and Benefit Fisheries, Commercial Fishermen, and 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>\$44,000</b>
<b>General Fund Comm. Fish Related Expenditure: Public Safety Response</b>	<b>\$162,400</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>\$404,051</b>
<b>Other: 2014 Oil Containment Equipment<sup>14</sup></b>	<b>\$35,000</b>
<b>Nushagak Fish Tax Expenditure: Transfer to General Fund (to help pay \$404,051 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 Infrastructure 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>

<sup>14</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.

***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.***

***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 E-Supporting Brief).***

***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.”***

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. Even grant funded infrastructure requires ongoing city-funded repairs, operation and maintenance.***

***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 Motive Power Marine, which provides mechanical***

***and welding services and is planning to expand to lease additional property 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 million. The Corps of Engineers was going to fund the project, but after Hurricane Katrina the Corp instituted a 25% match to their fund, which at \$5.4 million, is greater than the City can raise through general fund revenue. 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 Local Tax Fish Tax on next page).

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

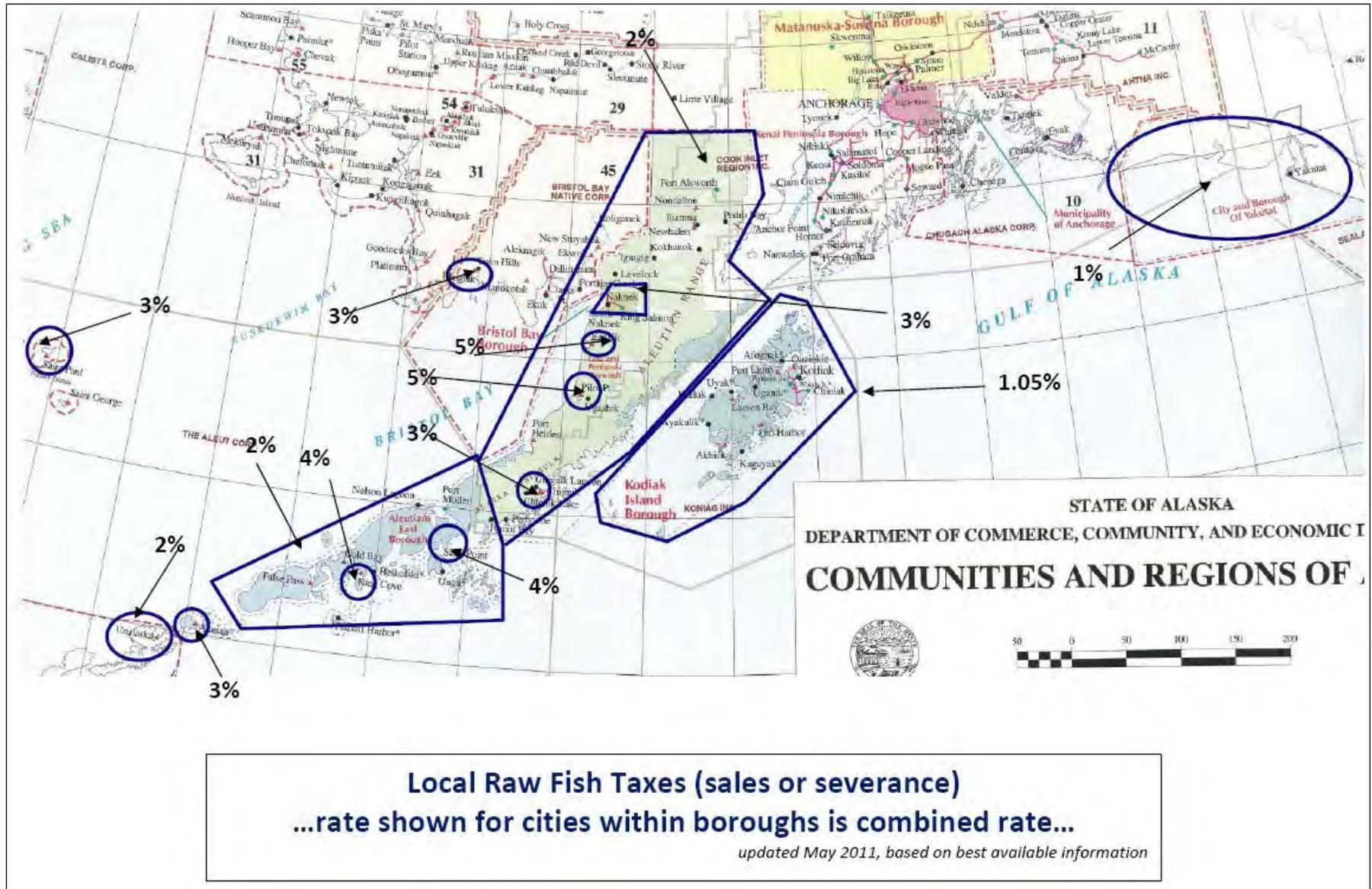
Please refer to section 3 AAC 110.090(a)(6) of this brief, and to Section 6-Reasons for the Proposed Boundary Change to review the many people in addition to Dillingham residents and fishermen who use Dillingham's harbor, docks and boat launches and more, and, the real costs to Dillingham annually that 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>15</sup>. In FY 2013, \$848,910 was received. In FY 2014, \$414,313 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 approximately \$671,000 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.

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<sup>15</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.



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.

**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>16</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>17</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>16</sup> Source: CFEC Gross Earnings files

<sup>17</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. These additional expenses have already been incurred. Additional expenses resulting from approval of the subsequent annexation will be minor, possibly including additional public safety officer training and equipment.***

*(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 \$414,313 in FY 2014 (this includes some revenue that for auditing purposes is attributed to FY 15). There was no difficulty in collection of this revenue. This is within the ball park of the earlier estimates, but does demonstrate the fluctuation inherent in a resource-based tax base 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 NUSHAGAK & WOOD RIVER SALMON HARVESTED WITHIN & OUTSIDE OF  
NUSHAGAK COMMERCIAL FISHING DISTRICT**

<b>Processor location WITHIN the Nushagak District (based on reported landing):</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	<b>44%</b>
2005	540,060	17,427,475	16,089	1,770	2,166,846	20,152,240	<b>39%</b>
2006	658,645	21,063,287	262,467	139,749	2,046,436	24,170,584	<b>34%</b>
2007	357,504	19,026,839	167,454	1,326	1,596,790	21,149,914	<b>39%</b>
2008	153,774	14,494,219	192,478	290,567	833,627	15,964,665	<b>36%</b>
<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>51,640,392</b>	<b>n/a</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>n/a</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>25,323,312 + confidential</b>	<b>n/a</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>n/a</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 (based on reported landing):</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	<b>56%</b>
2005	510,109	27,017,427	269,243	20	4,018,024	31,814,822	<b>61%</b>
2006	737,036	40,352,030	11,047	1,032	5,247,746	46,348,891	<b>66%</b>
2007	295,550	28,984,573	24,709	1,807	4,019,224	33,325,863	<b>61%</b>
2008	124,909	25,182,060	286,588	200,702	2,124,174	27,918,433	<b>64%</b>
<b>2009</b>							<b>n/a</b>
<b>2010</b>	<b>8,914 + confidential</b>	<b>5,538,133 + confidential</b>	<b>1,912 + confidential</b>	<b>31,368 + confidential</b>	<b>130,267 + confidential</b>	<b>5,710,594 + confidential</b>	<b>n/a</b>
<b>2011</b>	<b>51,989</b>	<b>6,490,826</b>			<b>397,229</b>	<b>6,940,044</b>	<b>n/a</b>
<b>2012</b>	<b>46,361</b>	<b>5,927,120</b>	<b>95,053+ confidential</b>	<b>426,277+ confidential</b>	<b>531,787</b>	<b>7,062,598+ confidential</b>	<b>n/a</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>

Sources: ADFG Fish Ticket and COAR data, Division of Commercial Fisheries, provided by ADF&G (Plotnick, 2008; Tide, 2011; Hutter, 2014. Also for 2010 and 2012, some tabulation by Sheinberg Associates of Nushagak and Wood River totals

<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).]</b>										
<b>(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>
<b>2000</b>	<b>80</b>	<b>5,786</b>	<b>38%</b>	<b>2,617,796</b>	<b>40%</b>	<b>151</b>	<b>9,597</b>	<b>62%</b>	<b>4,003,895</b>	<b>60%</b>
<b>2001</b>	<b>73</b>	<b>4,246</b>	<b>34%</b>	<b>2,079,493</b>	<b>38%</b>	<b>139</b>	<b>8,318</b>	<b>66%</b>	<b>3,339,346</b>	<b>62%</b>
<b>2002</b>	<b>59</b>	<b>2,447</b>	<b>43%</b>	<b>1,364,889</b>	<b>46%</b>	<b>91</b>	<b>3,241</b>	<b>57%</b>	<b>1,609,641</b>	<b>54%</b>
<b>2003</b>	<b>54</b>	<b>3,694</b>	<b>38%</b>	<b>2,163,593</b>	<b>40%</b>	<b>98</b>	<b>6,095</b>	<b>62%</b>	<b>3,268,410</b>	<b>60%</b>
<b>2004</b>	<b>52</b>	<b>3,737</b>	<b>35%</b>	<b>1,578,204</b>	<b>35%</b>	<b>105</b>	<b>7,017</b>	<b>65%</b>	<b>2,869,192</b>	<b>65%</b>
<b>2005</b>	<b>54</b>	<b>4,428</b>	<b>38%</b>	<b>2,094,686</b>	<b>40%</b>	<b>109</b>	<b>7,352</b>	<b>62%</b>	<b>3,171,742</b>	<b>60%</b>
<b>2006</b>	<b>62</b>	<b>5,370</b>	<b>42%</b>	<b>2,387,448</b>	<b>38%</b>	<b>105</b>	<b>7,401</b>	<b>58%</b>	<b>3,893,247</b>	<b>62%</b>
<b>2007</b>	<b>67</b>	<b>3,915</b>	<b>37%</b>	<b>2,732,720</b>	<b>37%</b>	<b>102</b>	<b>6,552</b>	<b>63%</b>	<b>4,673,150</b>	<b>63%</b>
<b>2008</b>	<b>63</b>	<b>3,463</b>	<b>34%</b>	<b>2,315,293</b>	<b>35%</b>	<b>114</b>	<b>6,645</b>	<b>66%</b>	<b>4,346,533</b>	<b>65%</b>
<b>2009</b>	<b>61</b>	<b>4,849</b>	<b>31%</b>	<b>2,916,272</b>	<b>36%</b>	<b>116</b>	<b>10,570</b>	<b>69%</b>	<b>5,181,782</b>	<b>64%</b>
<b>2010</b>	<b>64</b>	<b>5,586</b>	<b>33%</b>	<b>2,698,993</b>	<b>30%</b>	<b>122</b>	<b>11,425</b>	<b>67%</b>	<b>6,257,136</b>	<b>70%</b>
<b>2011</b>	<b>65</b>	<b>4,479</b>	<b>33%</b>	<b>1,897,518</b>	<b>33%</b>	<b>124</b>	<b>9,240</b>	<b>67%</b>	<b>3,792,235</b>	<b>67%</b>
<b>2012</b>	<b>66</b>	<b>4,538</b>	<b>35%</b>	<b>1,790,842</b>	<b>38%</b>	<b>120</b>	<b>8,589</b>	<b>65%</b>	<b>2,910,371</b>	<b>62%</b>
<b>2013</b>	<b>72</b>	<b>4,951</b>	<b>45%</b>	<b>1,524,673</b>	<b>43%</b>	<b>115</b>	<b>5,980</b>	<b>55%</b>	<b>1,997,111</b>	<b>57%</b>

**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.**

**See Exhibit I - 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 (grows by an estimated 1,820) 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 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:

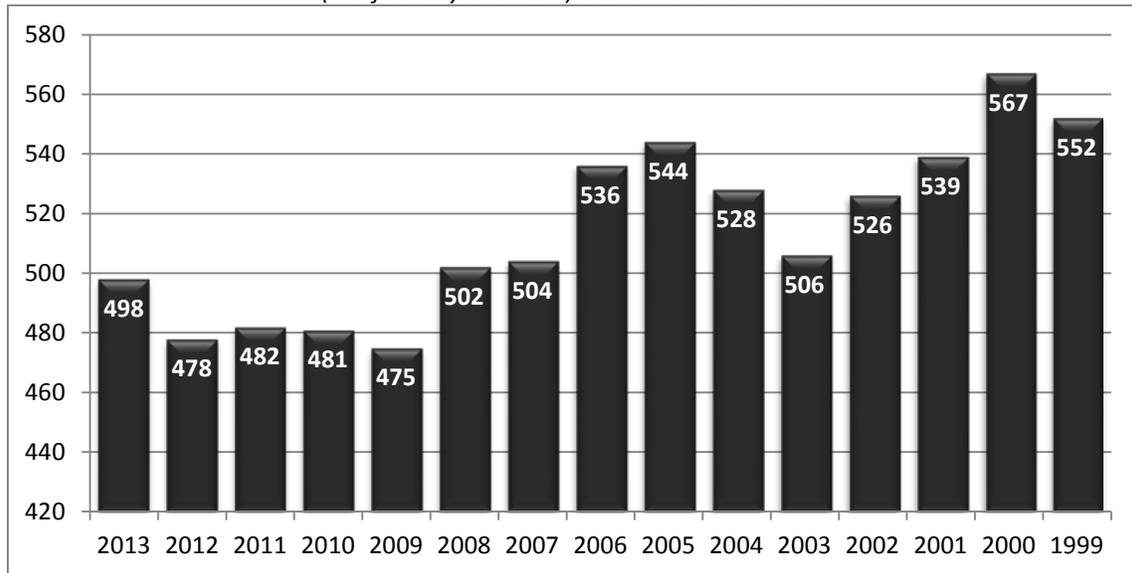
<b>Dillingham</b>		
	<b>2000 US Census</b>	<b>2010 US Census</b>
Male:	1,273	<b>1,202</b>
Female:	1,193	<b>1,127</b>
total	2,466	<b>2,329</b>
Age 4 and under:	241	<b>199</b>
Age 5 - 9:	228	<b>181</b>
Age 10 - 14:	257	<b>190</b>
Age 15 - 19:	178	<b>189</b>
Age 20 - 24:	113	<b>164</b>
Age 25 - 34:	290	<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.

**Dillingham K-12 School Enrollments**  
*(as of Oct 1 year noted) 2010-2013 data added*



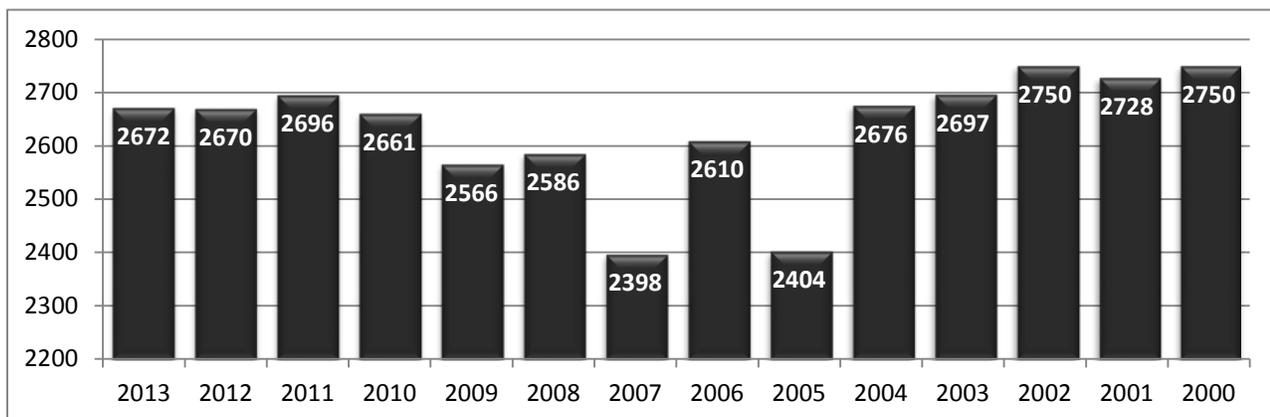
Source: Alaska Department of Education and Early Childhood Development data

*(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 in the 2000s', **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 shows 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  
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**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.**

**See Exhibit I - 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, based on the 2013 ADOLWD figure of 2,395 and 35.7 square miles of land and water within the City of Dillingham, is 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.**

**See Exhibit I - 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.**

**See Exhibit I - 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>18</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, ,

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<sup>18</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.

*"...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>19</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>20</sup>

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>21</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.**

**See Exhibit I - 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

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<sup>19</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>20</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.

<sup>21</sup> Local Boundary Commission Decisional Statement, Reconsideration of Pilot Point City Incorporation Proposal. May 7, 1997

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.*

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.**

**See Exhibit I - 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).**

**See Exhibit I - 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.