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STATE OF ALASKA

THE LOCAL BOUNDARY COMMISSION

BEFORE COMMISSIONERS:

Lynn Chrystal - Chair
Lavell Wilson
John Harrington
Robert Harcharek

WORK SESSION

Anchorage, Alaska

April 17th, 2013 - 9:30 a.m.

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P R O C E E D I N G S

(On record - 9:30 a.m.)

CHAIRMAN CHRYSTAL: We'll call the meeting to order of the Local Boundary Commission I guess work session, whatever we want to call it. Could we have a roll call, Mr. Williams?

MR. WILLIAMS: Yes, Chair. Commission Wilson?

COMMISSIONER WILSON: Here.

MR. WILLIAMS: Commissioner Harcharek?

COMMISSIONER HARCHAREK: Here.

MR. WILLIAMS: Commissioner Harrington?

COMMISSIONER HARRINGTON: Here.

MR. WILLIAMS: Chair Chrystal?

CHAIRMAN CHRYSTAL: Here. Of course we have one vacancy on our side. We would like to acknowledge the guests and staff present. We'll start with Mr. Williams here.

MR. WILLIAMS: Sir, I'm Brent Williams. I'm staff of Local Boundary Commission. And by the way we have copies of all materials at the end table.

CHAIRMAN CHRYSTAL: Okay. Wanda, you're the court reporter

COURT REPORTER: Wanda Ventres, court reporter.

CHAIRMAN CHRYSTAL: Okay. And.....

MS. TAYLOR: My name is Melissa Taylor. I'm deputy director of DCRA.

CHAIRMAN CHRYSTAL: Welcome. Mr. Bettisworth?

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1 MR. BETTISWORTH: Charles Bettisworth, prior LBC
2 commissioner.

3 DR. FISCHER: Vic Fischer, previous consultant to the
4 Commission.

5 MR. JOHANSEN: Erling Johansen, assistant attorney
6 general.

7 CHAIRMAN CHRYSTAL: Okay. And behind me here?

8 MR. GUTIERREZ: Mitch Gutierrez.

9 CHAIRMAN CHRYSTAL: Okay. Welcome. Okay. How about
10 out in telephone land? Who have we got out there at each
11 individual site, please?

12 MS. GRACE: Darcia and Michael Grace, Nenana.

13 CHAIRMAN CHRYSTAL: Thank you. Welcome.

14 MR. BALDWIN: Jim Baldwin in Juneau.

15 CHAIRMAN CHRYSTAL: Mr. Baldwin.

16 MR. BOCKHORST: Dan Bockhorst, Ketchikan Gateway
17 Borough manager since 2007. I was the city administrator for
18 the City of Haines, Alaska from '76 to '80, then went to work
19 for the Local Boundary Commission until 2007 and then holding
20 my current job since then.

21 CHAIRMAN CHRYSTAL: Welcome, Mr. Bockhorst. Anybody
22 else out there?

23 MR. BEISINGER: Clarence Beisinger, chairman of the
24 Alaska Citizens of the Greater Nenana Region from Nenana,
25 Alaska here.

1 MR. GRACE: Also this is Mike Grace, also from the
2 Greater Nenana Region.

3 CHAIRMAN CHRYSTAL: Welcome.

4 MS. GRACE: Darcia Grace, also for the Greater Nenana
5 Region.

6 CHAIRMAN CHRYSTAL: Welcome. So our biggest crowd is
7 from Nenana. Anybody else out there? Okay. Well, welcome,
8 everybody.

9 MR. GRACE: Thank you for inviting us.

10 CHAIRMAN CHRYSTAL: At this time we need an approval
11 for the agenda we have today. It's a little bit of an informal
12 agenda but nevertheless we do need approval.

13 MR. HARRINGTON: Move to approve the agenda.

14 MR. HARCHAREK; Second.

15 CHAIRMAN CHRYSTAL: Motion to approve by Commissioner
16 Harrington, seconded by Mr. Harcharek. All in favor?

17 IN UNISON: Aye.

18 CHAIRMAN CHRYSTAL: Motion carries. Okay. At this
19 point it's public comments regarding Local Boundary Commission
20 matters that perhaps are not on the agenda. If somebody wants
21 to bring something forth to us. Okay. Hearing none we'll move
22 on to new business. And the first item under new business is
23 introduction by Dr. Vic Fischer.

24 DR. FISCHER: I'm delighted to be here. Today's
25 meeting kept me awake late into the night reading the review of

1 the local government that we did in February of 1996. And I
2 was quite impressed by the fact of which things haven't changed
3 since 1996. I take pretty much the same issues before us and I
4 did not come prepared to do a great presentation of any kind.
5 I hope that the members of the Commission have had a chance to
6 look at the review of the article -- local government article
7 40 years after it was written. That would make it about, what,
8 almost -- getting on to 60 years after it was written. And I
9 think the same issues that are before the Commission have to do
10 with constitutional things, the extent of which the
11 constitution is, and effectively implement it to the extent it
12 has not been -- the intent has not been followed -- actually
13 the provisions of the borough element have not been effectively
14 pursued as well as some negative aspects that are part of the
15 constitution. And I think have worked out probably even better
16 than we had hoped or imagined, particularly vote rule, the
17 extension of vote rule in many ways to general law cities and
18 boroughs. But the issue of equity of organizing, dividing the
19 entire state into boroughs as you well know has not been
20 effectively pursued. What I.....

21 MS. GRACE: Excuse me. This is Nenana. We can't hear
22 you at all.

23 DR. FISCHER: Well, I will try and talk louder. Can
24 you hear me better now?

25 MS. GRACE: Yes.

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1 MR. GRACE: Yes, sir.

2 DR. FISCHER: Okay. My apologies for not addressing
3 the mike and I guess talking out into space. Anyway, I
4 probably haven't said anything particularly wise or useful
5 because what I was just getting to was that I think that I can
6 be most useful, if at all I can be of any help to the
7 Commission, will be by answering questions and pursuing your
8 particular interests, and not taking a lot of time just talking
9 at you. So that is essentially my introduction. If you want
10 me to go through the local government I'd be glad to do it, but
11 I'm here for your disposal and if you want to dispose with me
12 I'll just happily go my own way.

13 CHAIRMAN CRYSTAL: That would not be an option from
14 our part. Anybody got any questions? I got quite a few
15 questions but anybody got any questions right now you'd like to
16 ask Dr. Fischer?

17 COMMISSIONER HARCHAREK: I respect your comments. I
18 would like to hear Dr. Fischer give his take on the local
19 government, or the constitution. I think there are some very
20 interesting points there in his statement that certain aspects
21 have not been addressed and some issues have not even been
22 attempted to be addressed. So I would like you to go through
23 as much as that we you can, Vic. Because one of my concerns
24 being on the Commission that I have is that we have not taken
25 any action on trying to create more boroughs or get other

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1 boroughs incorporated. And the fact that the legislature
2 itself was supposed to be basically the assembly for the
3 unorganized borough has never taken any action whatsoever, that
4 I'm aware of. And I think it an injustice to the framers of
5 the constitution that no one has ever done this. The Local
6 Boundary Commission maybe 10 years ago brought up the idea but
7 it sort of died right there on the vine. And as I said, the
8 legislature has never taken any action in implementing anything
9 or even serving as the assembly for the unorganized boroughs.

10 DR. FISCHER: Well, in terms of the legislature
11 serving, the session that just ended with only 90 days to do
12 the tremendous scope of proposals pending before the
13 legislature, it would have been inconceivable that they would
14 take on something so complex as to deal with the local
15 government issues of the state, which probably again would
16 justify trying to get the unorganized boroughs resolved so that
17 more of these matters that might be of concern to mostly rural
18 Alaska, as well as the issues of organizing areas that could
19 pay their own way. It's something that was discussed back in
20 1996 and was a long pending issue before and I think it's going
21 to be an issue that will face the state long after I'm gone and
22 probably after the -- even after you young ones are gone unless
23 the Commission takes it upon itself to get the legislature to
24 pay attention and help make those -- I guess it's CRA --
25 Communities and Regional Affairs community of the legislature

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1 understand why some action may be needed and get them to be
2 proactive. Get someone in the legislature to address those
3 issues. Did you have in mind that I would go through the local
4 government article?

5 COMMISSIONER HARCHAREK: No. Just -- one of my
6 concerns is that I don't believe most legislators even
7 understand that they have a role and responsibility. They just
8 are totally unaware. Oblivious to it. And following the
9 legislature for, you know, the past 10, 12 years, nothing has
10 ever been brought up even to plant the seed, you know, and
11 taking that responsibility of having someone else do it. And
12 the way you put it, you know, there are areas in the state that
13 can pay their own way that aren't doing it and I think it's not
14 fair to the rest of the state.

15 DR. FISCHER: And in a way what one can look to the
16 legislature -- can look at the legislature and say that they
17 have not been interested in it, they've not been active in this
18 arena. The executive branch hasn't done anything either. And
19 probably until the department and the governor are ready to be
20 proactive and make this -- it's not been top priority -- one of
21 the priorities for legislative action, it probably won't
22 happen.

23 COMMISSIONER HARRINGTON: Does the LBC have a role in
24 all of this as far as raising those issues, presenting
25 resolutions of concern or identifying areas that we see the

1 need for executive legislative action?

2 DR. FISCHER: I would say yes. If for no other
3 reason.....

4 COMMISSIONER HARRINGTON: It's sort of a leading
5 question. It's more of a why, how and what.

6 DR. FISCHER: Yeah. And I would say yes, because LBC
7 is probably the only body, the only unit of the state, or
8 connected with the state that really deals with these issues.
9 You are citizens representatives and just the concept of
10 boundaries is something that effects all of Alaska. And the
11 unorganized borough is something that the Commission has
12 addressed before and particularly in the delineation of model
13 boroughs. There was a very important step that should have
14 been taken right when Alaska became a state. Because the
15 concept in the constitutional convention was the entire state
16 will be divided into boroughs, organized and unorganized. And
17 that step that you, the Commission, not all of you were members
18 then, but the Commission undertook in what, the '90s, I
19 believe.....

20 MR. BETTISWORTH: Late '80s, I believe..

21 DR. FISCHER: late '80s -- and at that point
22 there were legislators who were at least aware of what was
23 going on. It was just that sort of the follow up wasn't there.
24 But if the Commission doesn't do it, nobody does. And it just
25 keeps festering.

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1 COMMISSIONER HARCHAREK: Well, it's more like -- that's
2 more accurate because -- I hear what you're saying, Vic, and I
3 appreciate it. And when Commissioner Harrington asked that
4 question it was a leading question and I think it's led to a
5 direction where we actually can take some action.

6 CHAIRMAN CHRYSAL: A few years ago when the price of
7 oil was way down, I guess it was probably 2008, it was a
8 legislator from Fairbanks who started beating the drums for, if
9 nothing else, general school funding throughout the area. And
10 as soon as the price of oil went up that whole issue just kind
11 of evaporated. Is that the situation we're in now? As long as
12 there's lots of money coming in in oil there's no incentive to
13 try to go out for places that don't pay school tax, or tax,
14 whatever?

15 DR. FISCHER: Well, I think that Dan Bockhorst may
16 address some of these issues.....

17 CHAIRMAN CHRYSAL: On the school part, yeah.

18 DR. FISCHER:on the school part. And it may take
19 something like that to take the next step toward implementing
20 the constitution. It's just the same as in the '60s when the
21 legislature was faced with the issue of school districts and
22 bonding ability and so on that that led to in that case John
23 Rader stepping forward and pushing through the mandatory
24 Borough Act. And it may again be school financing that pushes
25 the state -- the legislature forward to facing up to a crisis.

1 It may be up to the legislature. I'm just trying to pass the
2 buck to them.

3 MR. BOCKHORST: Would you like me to comment on some of
4 that?

5 CHAIRMAN CHRYSAL: Absolutely, Mr. Bockhorst.

6 MR. BOCKHORST: Okay. First of all, the one thing that
7 really strikes me is my dear friend, Vic Fischer, when he was
8 asked to speak up a little bit louder he said well, I really
9 didn't say anything. I would respectfully disagree. I think
10 he said everything. Mr. Fischer, the focus of your comments as
11 I heard them was the concerns about the failure on the part of
12 the legislative and executive branches to properly implement
13 access of the constitutional provisions with regard to local
14 government. I think that has been a recurring.....

15 CHAIRMAN CHRYSAL: Mr. Bockhorst, could I stop you
16 just for a second?

17 MR. BOCKHORST:theme and I'm pleased to see the
18 Commission having gathered so many folks that I dealt with.
19 Jim Baldwin, Marjorie Vandor, and others -- C.B. Bettisworth
20 who was critical in helping to put together the plan for model
21 borough boundaries. A tremendous amount of resources here.
22 The Ketchikan Gateway Borough was the very first borough
23 government in Alaska to be incorporated under the Mandatory
24 Borough Act. As Mr. Fischer indicated, John Rader, who was the
25 first state attorney general, pushed that legislation and he

1 pushed it because he said something of value would otherwise be
2 lost because the executive and legislative branches failed to
3 implement the vision of the constitutional convention, and that
4 is to make borough governments positive, something that people
5 would embrace and want to incorporate. It's never happened.
6 If you look at the population of the state of Alaska today, 85
7 percent of the people in Alaska live in the eight mandatory
8 boroughs, four and a half percent of Alaskans live in boroughs
9 that were formed voluntarily, and then 10.5 percent live in the
10 unorganized boroughs. And unless -- this has been repeatedly
11 recognized by the Local Boundary Commission and others, that
12 unless and until the state removes disincentives for borough
13 formation you're going to have a stagnant evolution of local
14 government. And I think frankly -- I'll be very candid here
15 with my comments now and throughout this day, I think it's
16 absolutely shameful the way the state of Alaska's policy has
17 been with regard to borough government. That is the state's
18 policy on the part of the executive and legislative branches,
19 their contempt, either through ignorance or neglect, in terms
20 of helping to evolve the system. And the system is extremely
21 unfair. It is a huge burden. There are great penalties placed
22 on local governments, great disincentives to avoid borough
23 incorporation. And the Ketchikan Gateway Borough is attempting
24 to deal with the greatest of those disincentives. And it was
25 something that was recognized by the Local Boundary Commission

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1 repeatedly in the past, and that is the obligation that borough
2 governments have and home grown first class cities in the
3 unorganized borough have to make a payment of a portion of the
4 state's obligation to provide adequate funding for schools.
5 The Ketchikan Gateway Borough spends about \$10 million a year -
6 - a little bit in excess of \$10 million a year on education.
7 Folks in Ketchikan value education greatly, a community of
8 14,000 people. But it is a huge crushing fiscal burden,
9 especially when we're facing the prospect of losing federal
10 funding for rural schools and payment in lieu of taxes, it's
11 going to become much, much more difficult for us to sustain
12 this. And so we are striving to try to get the state to own up
13 to its promise that it made to the Mandatory Boroughs in 1963
14 that it would not penalize those that were incorporated as
15 boroughs. It certainly does penalize us and we have a
16 substantial amount of material. We are working with
17 legislators to try to repeal the requirement for local borough
18 governments in terms of paying the local contribution. It is a
19 state burden. If you eliminated that it would eliminate about
20 4.2 million of our \$10 million. It doesn't mean we wouldn't
21 continue to provide supplemental funding. And I think that is
22 the way to encourage borough formation. Take away the penalty
23 and give them the benefit if they want to provide supplemental
24 money in addition to the level of basic needs that the state of
25 Alaska pays. That way it's a reward instead of a disincentive

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1 to form borough governments. And so we have worked with
2 legislators. We have a commitment from the chairman of the
3 Senate Education Committee to hold a public hearing sometime in
4 the interim, between the end of the just ended legislative
5 session and the beginning of the 2014 session, on this concept
6 of eliminating the required local contribution. It has support
7 from legislators. I think it's -- the Commission has been very
8 consistent in the past in trying to eliminate disincentives and
9 they recognize this as the biggest disincentive. And we could
10 go on into other aspects of this, of how unfair it is in terms
11 of equal treatment but we're 54 years into statehood.
12 Somebody's got to realize that unless things change in another
13 54 years we're not going to be in any different place. And
14 it's time for the State of Alaska to move, And the Ketchikan
15 Gateway Borough is thinking about a number of options. One of
16 which is litigation. We're trying to do it amicably through
17 legislation first. That's our priority. We're looking at
18 citizens initiatives and, you know, the other issue is as a
19 political statement there may be interest in petitioning for
20 dissolution of the Ketchikan Gateway Borough if we can't get
21 resolution elsewhere. So with that I'll shut up for a minute.

22 CHAIRMAN CHRYSTAL: Yeah. Wow, thanks a lot for
23 dropping that bomb on us.

24 MS. VANDOR: Hi Dan, this is Margie.

25 MR. BOCKHORST: Margie?

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1 MS. VANDOR: Good to hear you.

2 MR. BOCKHORST: Good to talk to you again.

3 CHAIRMAN CHRYSAL: By the way I was remiss there.
4 Whenever somebody talks, please identify yourself first so the
5 people on the telephone can hear everybody. And we have
6 actually Margie Vandor just talked. She's one of the guests
7 that just joined us, and Scott Ruby has joined us, the DCRA
8 director. Welcome. Okay. With that bomb, Mr. Fischer, do you
9 have any comments on dissolving a borough?

10 DR. FISCHER: Well, I doubt very much that we will get
11 to that stage. I hope we resolve it before Ketchikan has to
12 take that horrendous step. I have with me a document that's
13 entitled Local Government Study, 1979. There was a joint
14 legislative committee at the time. Arlis Sturgulewski was the
15 Senate Co-Chair, Bill Parker was the House Co-Chair. And they
16 put together a workshop and part of the preparatory material is
17 in this -- it's a large poster that was distributed all over
18 the state and hung in lot of village offices and it outlined
19 what the issues were. And there are a number of familiar faces
20 in the photos. But part of what that committee identified was
21 this old issue of incentives and disincentives. That there has
22 to be balance and there has to be reason why boroughs should be
23 formed. And the education requirement, the funding requirement
24 for organized cities and boroughs was something that over the
25 years after that kept coming up before this commission. That

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1 there need to be incentives that have to come out of the
2 disincentives. And during -- going back to the Constitutional
3 Convention, there was no discussion, there's nothing in the
4 detailed minutes of the local government committee of the
5 convention that said that there has to be any mandatory
6 functions to be performed by an organized city or borough.
7 There was a general understanding -- I mean not just general
8 understanding, it's in the constitution, that the state shall
9 establish the system of public schools. But there was no
10 mention that there would be a fiscal requirement, a fundamental
11 requirement for education to be a mandatory function of an
12 organized borough. And it came that way in the legislation.
13 Somebody voted in there that the basic functions will be
14 education, land use, and taxes. And as Dan pointed out, this
15 hit of funding requirements is something that is a problem.
16 And what Ketchikan is doing is laying out the legal questions
17 that are entailed here and the whole issue of equity in parts
18 of Alaska. And personally I have long felt that we should not
19 require -- have a mandatory requirement for education being a
20 borough function.

21 CHAIRMAN CHRYSAL: Comments or questions?

22 COMMISSIONER WILSON: Yeah. I got a question, Doctor.
23 If the benefits commission was to get involved, proactive in
24 promoting or dissolving, or whatever, in that light wouldn't
25 that make us become more of a political model? Which I don't

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1 think we'd want to be, would we? We stay non-political, you
2 know, in fairness to the whole state. And it seems to me we'd
3 be getting in a situation where we'd become a political body
4 and I don't think that would do the state any good.

5 DR. FISCHER: I certainly would not like to see
6 anything happen to make this a political body. You are in a
7 position of raising issues of concern, bringing this up to your
8 own -- to the department to which you are connected, to the
9 Commissioner, to the governor, that this is a serious issue
10 because it does involve the whole question of incorporation of
11 boroughs, boundary changes, annexations and so on. So you have
12 to deal with that and you are knowledgeable in this area. You
13 are sort of the first body of concern. And you can have an
14 advisory function. You can blow the whistle on it. The
15 constitution says the entire state shall be divided into
16 boroughs, organized and unorganized. That meant the whole
17 state is divided into boroughs. And what we have is the
18 unorganized borough that does not meet the constitutional
19 criteria for a borough. Because the unorganized borough just
20 is the leftovers and they go from the furthestest point in
21 southeast Alaska to the furthestest north and west points of
22 Alaska.

23 COMMISSIONER WILSON: I realize that. I'm one of the
24 10.5 percenters. But I run into people every day that think
25 the role of the Boundary Commission, which most citizens of

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1 Alaska have no clue. They think that our role is to form
2 boroughs, you know. And I.....

3 MR. BOCKHORST: Mr. Chairman?

4 CHAIRMAN CHRYSTAL: Yes, sir.

5 MR. BOCKHORST: This is Dan Bockhorst. Could I make a
6 comment?

7 CHAIRMAN CHRYSTAL: Just a second. Commissioner Lavell
8 is making a point. We'll get to you in just a second.

9 MR. BOCKHORST: Okay.

10 COMMISSIONER WILSON: Well, my point was that as far as
11 I can see our job is to -- if somebody wants to form a borough,
12 see if it's fiscally responsible, if it meets the standards for
13 the state and agrees with the constitutional requirements.
14 Other than that, for one, they're not going to vote it in
15 unless it meets those standards. If it does and the people
16 want to vote to have a borough, that's their right and their
17 privilege. Anyway, that's the point I was making.

18 CHAIRMAN CHRYSTAL: Okay. Mr. Bockhorst?

19 MR. BOCKHORST: Thank you. Dan Bockhorst. I would --
20 in response to that question and concern I would agree with
21 what Mr. Fischer said, that obviously you don't want to become
22 overly political. I would, however, point out that the Local
23 Boundary Commission has a statutory obligation to study local
24 government boundary issues and concerns. And in that context
25 this is what -- in which many of the -- you have a duty not to

1 ignore these things. And the Local Boundary Commission in the
2 past, exercising that responsibility, concluded that just as
3 John Rader concluded that -- in 1963 that the issues of
4 boroughs was the greatest political problem facing the State of
5 Alaska at that time, the Local Boundary Commission previously
6 has formerly concluded and advised the legislature that the
7 issue of borough government is the greatest local government
8 boundary issue facing the State of Alaska. So it's not changed
9 in 50 years. So you have -- yes, you have an obligation to
10 respond to petitions that come before, you also have an
11 obligation to deal with local government boundary issues. And
12 if the borough government is the local boundary issue, and the
13 disincentives, it clearly is, in my view.

14 The other thing I just wanted to put into context my
15 comment about the issue of the Ketchikan Gateway Borough
16 exploring these four different alternatives. I want to stress,
17 as Mr. Fischer rightly pointed out, he hopes, and as we do, we
18 hope that dissolution isn't the end game. We refer to it here
19 locally as the nuclear option. We thought preference again is
20 legislation first. We're hoping that the state legislature
21 will recognize the significance and the legitimacy of the issue
22 with the support of the governor's office. We've met with the
23 governor's office. We've met with the legislators. This issue
24 has been litigated in the courts in the past. The courts say
25 it's the legislature's responsibility to deal with it. So if

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1 you go into the courts and they don't deal with it, you go to
2 the legislature and they don't deal with it, you have the
3 option of a citizens initiative, which we are exploring. And
4 if that doesn't happen -- if none of those things work then we
5 will consider other alternatives. So I wanted to put it in the
6 context where I -- that's not our preference and that's not our
7 desire. We think that borough governments serve a very
8 important purpose. We just think that the State if Alaska
9 needs to own up to its responsibilities as well.

10 CHAIRMAN CHRYSAL: Okay. Thank you, Mr. Bockhorst.
11 Yes, Commissioner Harrington?

12 COMMISSIONER HARRINGTON: I think I want to back up for
13 a minute and comment on the issue.....

14 CHAIRMAN CHRYSAL: Would you mention your name,
15 please?

16 COMMISSIONER HARRINGTON:the issue of politics
17 and the LBC. Frankly there is no way to avoid it. We are a
18 political body. What we have to avoid is the partisan portion
19 of the political body. That is we need to raise those
20 political issues that we see on the horizon and offer some
21 forms of mediation, opportunities for correction and that sort
22 of thing. We don't need to be an advocacy group, but I see
23 that we have to take some sort of stand politically speaking to
24 move things into the political arena. I don't see how we can
25 avoid that.

1 CHAIRMAN CHRYSTAL: Is that it?

2 COMMISSIONER HARRINGTON: Yeah.

3 CHAIRMAN CHRYSTAL: That would be my question, or
4 perhaps Mr. Bockhorst or Dr. Fischer. I can see this is a
5 real, real hot button issue. And if we bring it up it'll be
6 like, you know, I don't know. There would be really some
7 hostile folks around the state that would be all over us. And
8 their legislators would probably do the same thing. So how do
9 we avoid that? How do we get to the end game without a lot of
10 blood letting, I guess, if you want to use that term?

11 MR. BOCKHORST: This is Dan Bockhorst. Did you want me
12 to talk -- comment on that?

13 CHAIRMAN CHRYSTAL: Sure. Go ahead, Mr. Bockhorst.

14 MR. BOCKHORST: You wouldn't be alone. I mean first of
15 all the Local Boundary Commission has done this many times in
16 the past. Again, under AS 44.33.812, the very first duty
17 listed for the Local Boundary Commission is to make studies of
18 local government boundary problems. This was the biggest
19 problem the Commission has identified. The state clearly, 54
20 years of statehood, has not dealt with it effectively. So you
21 wouldn't be out there alone. The Ketchikan Gateway Borough is
22 out there already at this point in time advocating very
23 strongly, putting a lot of resources into this, and there are
24 others that -- there are other local governments that we have
25 been meeting with that going to be soon. So we're trying to

1 build an effort here, a coalition, if you will, of parties.
2 And so you would exercise your duty to make studies of local
3 boundary problems, especially support for what you've done in
4 the past, reaffirm what you concluded in the past. That there
5 are disincentives and that the state hasn't lived up to its
6 promise that it made to people in 1963. So I don't know that
7 that's -- that you're putting yourselves out there in any great
8 danger or uncomfortable position. You're exercising your
9 responsibilities.

10 CHAIRMAN CHRYSAL: Okay. Thank you. Dr. Fischer, did
11 you have comments you want to make on that?

12 DR. FISCHER: No. I fully agree with Dan on this
13 point. I see, if for no other reason -- as I said before,
14 nobody else is doing anything about it. Nobody else is
15 concerned about local government issues. In part that is
16 because the issue of equity in education financing hasn't come
17 up. But in many ways the local government system does work
18 very well and it's thanks to the home rule provision of the
19 constitution where you have jurisdictions as diverse as the
20 Juneau-Douglas area and Sitka, as well as Anchorage, having
21 mainly urban areas with their own home rule charters. And then
22 you have the North Slope Borough and the Northwest Arctic
23 Borough, a totally difference character of regions living under
24 the same constitutional provisions for home rule. And
25 Anchorage runs its business and the North Slope Borough runs

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1 its business. And so their issues don't come up before the
2 Boundary Commission. And just as Ketchikan has lived for
3 decades under a second class borough -- are you a second class
4 borough, Dan?

5 MR. BOCKHORST: That is correct.

6 DR. FISCHER: But essentially they live under that
7 system and until recently this issue of equity in education
8 financing hasn't come up even in Ketchikan. So there have been
9 no crises. But the fiscal issues may bring about the need to
10 address where we are and Anchorage having unfair requirements
11 that function as disincentives. Some of you may have gone
12 through Delta area organization issue and one of the big issues
13 there was taking on a tax burden. They were ready to organize
14 and they would have the ability to. One of their local affairs
15 was education financing that was the tipping point. But
16 there's also the very unexciting politically, and in any other
17 way, the very unexciting aspect of implementing what the
18 constitution says, that there shall be boroughs throughout
19 Alaska and they are to be established by the state. So the
20 basic responsibility is on the state to divide the entire state
21 into boroughs into organized and unorganized. Okay. The
22 organized exist. But we have an unorganized borough that does
23 meet the constitutional standards for boroughs. So that is an
24 issue before the Commission. There's no requirement that all
25 unorganized boroughs become organized but all areas of Alaska

1 should be organized. I think there's total recognition that
2 they are funding most parts of the current unorganized borough
3 that may never, in the foreseeable future, become organized
4 because there may be no need to go beyond some very minimal
5 regional functions in many parts of southwest Alaska. But
6 having an unorganized borough that provides an opportunity for
7 citizens to do some planning regionally instead of every
8 village is hanging out there by itself. Because with some
9 regional thinking to have a process whereby the state can
10 consult with the people about projects in an unorganized area.
11 There are various non-organized, non-formal functions that
12 would occur in an unorganized borough to give the citizens and
13 live up to the promise with Mat=Su and local participation.
14 You still would have the legislature and their responsibility
15 regarding functioning as an assembly for this section of
16 unorganized borough. But they can delegate a lot of their
17 responsibilities to whatever exists in an unorganized borough.
18 So it's not -- there would tax interest. So there are steps
19 that would be of benefit to the people in the various
20 unorganized boroughs. And again, the Commission took a big
21 step forward in designing a pattern for all model boroughs
22 which have no legal standing at this point. But an unorganized
23 borough petitioning or a series of unorganized boroughs would
24 probably have to be done by legislation.

25 COMMISSIONER HARRINGTON: John Harrington here. Can we

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1 as the Local Boundary Commission issue -- submit to a
2 legislature a request that they take the rural boundaries and
3 designate all of those non-rural boundaries that are
4 unorganized and then we would have unorganized borough of Wales
5 Island and the unorganized borough of the Delta region, and
6 then just submit that to the -- a plan to divide the state into
7 organized and unorganized boroughs?

8 DR. FISCHER: Yes. I would say yes, you could take
9 that kind of step to recommend to the legislature. I would
10 think that since this has been around for 20, 30 years, you
11 might set up a process of going back out to the areas to hold
12 public hearings and so on which might -- before you might
13 recommend to the legislature a process for moving toward
14 implementation. Where you would have hearings, check out the
15 concept, check out the boundaries, so that it -- do they still
16 make sense, and whatever. I wouldn't just hand them a document
17 and say this is it. But yes, I think it is totally within the
18 purview of the Commission to make a recommendation. And again,
19 it might go through the department and the governor. Ideally
20 you put it on the governor's agenda, which would take a lot of
21 ground work to get the governor's office to understand.

22 CHAIRMAN CHRYSTAL: Commissioner Harcharek, is there
23 something.....

24 COMMISSIONER HARCHAREK: This is Harcharek. Dr.
25 Fischer was absolutely correct when he said the Delta

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1 Corporation failed because of the tax burden.....

2 CHAIRMAN CHRYS TAL: You might get closer to the
3 microphone. You're quite a ways away.

4 COMMISSIONER HARCHAREK: Dr. Fischer was correct when
5 he said that the tax burden is the basic reason why the Delta
6 Corporation failed. It was a high plugged issue. And prior to
7 that hearing and prior to -- well, the hearing was pretty
8 heated, but prior to the election a number of representatives
9 from the Delta area were down in Juneau and basically were
10 pushing the idea, or trying to convince the legislators that
11 financing of education is the state responsibility. And that
12 was even mandated, or directed by the court system. But these
13 representatives of Delta -- I was in one of the meetings. One
14 of the legislators said that, you know, we don't have to worry
15 about what the court says, we're the legislators, we do what we
16 want. And my concern is if what Commissioner Harrington
17 brought is, you know, I have a feeling it's just going to be
18 ignored by those legislators and the governor. Because it's
19 not a burning issue. And it may just take the -- I don't know
20 what it would take to get that financial thing. But when a
21 legislator, and he's still sitting -- he's still in the
22 legislature -- says, you know, we don't have to necessarily
23 follow the mandates of the court, we are the ones that make the
24 laws. You know, it's a real concern. And that was why Delta
25 fell. Thank you.

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1 CHAIRMAN CHRYSAL: I think what I hear is very diverse
2 voices. Don't want to touch it?

3 COMMISSIONER HARCHAREK: Do you?

4 MR. RUBY: This is Scott Ruby. And I guess I'll throw
5 out a couple of observations having just come through a
6 legislative session and talked with a lot of members both in
7 the House CRA and Senate CRA. And now there's -- I think for
8 the legislature to really take action on this they need to see
9 what the advantages or what problem it solves for them. And
10 they've got a couple of problems. And one is there's a lot of
11 debate and Bills this year about REAA elections. And in
12 really, you know, the REAAs are a service area of the
13 unorganized borough. And that connection really has not been
14 made by the legislators. We had in one of the sessions in the
15 House Community Regional Affairs it was asked, you know, do
16 REAAs have the ability to pass? I mean they didn't realize
17 that, you know, you are the assembly member of this REAA. And
18 so I think if somehow a connection could be made that, you
19 know, these REAAs, even if you said okay, we're going to
20 designate these REAAs as a model borough, or whatever, I mean
21 you've got some looming issues there that seem to make sense
22 education wise. And that's been -- you know, that could be an
23 advantage of how you funnel money through there and how you
24 hold the REAAs more accountable. Because that's a large
25 concern to the legislature right now. There's a lot of stuff

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1 going out, how those are guided. I think, you know, the idea
2 of how you go about getting the legislature to designate
3 multiple boroughs, or multiple unorganized boroughs. Right
4 now, you know, 21.03.010 statute says, you know, everything
5 outside the organized borough is a single unorganized borough.
6 And so really, the way to do that would be have legislation
7 proposed to amend that statute to say something else. And it
8 would -- you know, you could designate, you know, this area and
9 put in the legal description that these are multiple
10 unorganized boroughs. But that is one way you could get in to
11 start that discussion. Obviously, you know, the governor's
12 office or legislators would need to look at doing that. And I
13 think it's how to get them to buy in, Dr. Fischer mentioned
14 that boroughs have a positive role. And I really think now,
15 you know, most of the perception that people have is boroughs
16 as a negative. Oh, my god, they got to pay taxes, they got to
17 do this, they got to do that. You know, how do we make that
18 positive role. I think a lot of that is by identifying -- you
19 know, we talk about disincentives to forming boroughs and
20 obviously education is a big one. But there's a lot of others
21 out there. You know, one of them is that the legislature,
22 through designated legislative grants gives out -- there's
23 about \$465 million this year that is given out through
24 designated legislative grants to different entities. Now many
25 of those are to municipalities, but there's an awful lot of

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1 them to unorganized communities that are just named recipients
2 that are in the borough. If you could somehow get them to
3 think, you know, we're only going to give out grants to
4 municipalities, either a city or borough, we're not giving out
5 to all these others, and the expectation is that those boroughs
6 then would decide what initiatives or what entities within that
7 borough or area need to receive this money and start following
8 that money. That's going to be a very hard sell because
9 legislators are very jealous about their ability to bring home
10 the bacon to their district. But, you know, it does -- I mean
11 you need to spin that in a way that the boroughs resolve a
12 state problem, and they resolve the legislature's problem. And
13 you put this responsibility upon the boroughs to do these
14 things and you provide them some funding. And I think, you
15 know, it will be a tough road. You know, I think there needs
16 to be a lot of education with legislators on what a borough is,
17 what the responsibilities are, what the legislature's
18 responsibilities are now to the unorganized borough and frame
19 as a boroughs can resolve problems for the legislature through
20 these four, five specific issues.

21 MR. BOCKHORST: This is Dan Bockhorst. Can I make a
22 comment?

23 CHAIRMAN CRYSTAL: Sure.

24 MR. BOCKHORST: A couple of issues. First of all, one
25 thing that I have long paid attention to is the constitutional

1 provision in Article X, Section 3 that requires the city to
2 establish -- the state legislature to establish standards in
3 law for the divisions of the state into boroughs. This doesn't
4 apply just to organized boroughs but also applies to
5 unorganized boroughs. And I think that the root of the problem
6 in creating a single residual unorganized borough. Which was
7 the very first borough established. The legislature simply did
8 that in the 1961 Borough Act as a means to discharge its
9 obligation to divide the state into boroughs, presumably with
10 the expectation that that would be done fairly shortly
11 thereafter when organized boroughs started forming. It is
12 still more than 50 percent of the area has never incorporated
13 into boroughs, or been divided into boroughs that conform, as
14 Mr. Fischer said, with the constitutional requirements. So
15 that to me is a means by which you can urge the legislature to
16 carry out its responsibilities. It would be an issue that
17 would be raised in any litigation if its pursued as well.

18 But the other thing, I do agree with a lot of what
19 Scott just said but I think you got to be very, very careful.
20 This thing is broad and complex and if you start -- you know,
21 if you try to tackle so many of these issues at once you're
22 going to get nowhere. It's going to get bogged down. But this
23 issue of eliminating disincentives for borough formation is
24 very concrete, it's very specific, it's very narrow, and it is
25 the most critical thing. This is something the borough

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1 assembly here and the Local Boundary Commission in the past had
2 recognized as again the single biggest local boundary issue
3 facing the state of Alaska. So if you start getting into all
4 these other issues, you know, you're just going to get bogged
5 down in my opinion, and get nowhere.

6 MR. GRACE: This is Mike Grace. I would -- would it be
7 all right if I make a comment, and add a question?

8 CHAIRMAN CHRYSAL: Certainly. We're here to listen
9 and talk out ideas here. So, you know, it's not an extremely
10 formal situation.

11 MR. GRACE: Okay. I guess I'll start off with my
12 question and then make a comment about my question. I think
13 that one big question that I have, and many of the local people
14 in my area have, is the relationship between forming a borough
15 and the economics of many regions of our state. You know, how
16 can you remove a disincentive to form a borough when enormous
17 areas of the state are barely populated, have almost no
18 economic activity at all, and where there are, you know, small
19 villages or small communities there's, you know, upwards as
20 high as a 50 to 75 percent unemployment rate. And so I guess
21 my question is, how -- you know, if you want the entire state
22 formed into separate boroughs, how are these economically
23 depressed areas that will probably remain that way for
24 generations, how will they ever be able to afford the cost of a
25 borough government? And what would be the solution to that?

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1 MR. BOCKHORST: This is Dan Bockhorst, Mr. Chairman. I
2 could -- I have a thought on that.

3 CHAIRMAN CRYSTAL: Lay it out.

4 MR. BOCKHORST: Okay. Again, the constitution very
5 clearly says that the legislature must create standards for
6 boroughs, meaning organized and unorganized. I think many of
7 the standards for organized and unorganized boroughs would be
8 similar. But I see one critical distinction, and that is the
9 issue of economic viability. And so there would be a separate
10 standard if an area isn't viable and the Local Boundary
11 Commission studied the unorganized borough years ago and
12 decided what areas were viable to take on responsibility for
13 governments and which were not. And as was observed earlier in
14 this -- at the beginning of the forum, there are areas of the
15 unorganized borough that have resources that vastly exceed the
16 resources of many of the existing organized boroughs. Marjorie
17 Vandor wrote a memorandum to the court in the Delta proceeding
18 noting that the fiscal resources of the Delta Region would be
19 the envy of every borough government in Alaska at that time
20 with the exception of one. It had almost twice the resources
21 that the Ketchikan Gateway Borough had. So there's a
22 distinction. It's not to suggest that every area -- I think
23 that's long been recognized there are areas that lack the
24 resources. That ought to be one of the standards.

25 MR. GRACE: Well, the reason I asked this question is

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1 because I think a lot of the decisions about boroughs are being
2 made in offices in large cities. And, you know, sometimes I
3 think many of the people making these decisions about the
4 formation of boroughs or municipalities in Alaska kind of
5 forget that Alaska is a very unique place where probably 99
6 percent of the land mass in Alaska is unpopulated. I mean, you
7 know, we only have three major highways in the entire state,
8 most of it is roadless. And many of these resources that we
9 talk about how valuable they are, they're inaccessible and will
10 probably remain so for decades, if not at least a generation or
11 two. And so I would say at least half of the interior of
12 Alaska is probably incapable of supporting a new layer of
13 government financially speaking. And so that's a big problem.
14 And I think we were taking, you know, the whole borough concept
15 is a concept that comes from an area that is -- you know, areas
16 in the Lower 48 that have much more -- that are much more
17 developed. You know, this is -- you know, Alaska still has,
18 you know, enormous areas that I don't think are really fit for
19 at least an organized borough. And I don't even -- you know, I
20 guess that would -- an unorganized borough, how would it
21 function? Would it just be a line on -- you know, a boundary
22 on a map or would it actually have to have some sort of
23 administration?

24 CHAIRMAN CHRYSAL: Thank you, Mr. Grace. If I may,
25 Dr. Fischer, how did the framers envision that as far as an

1 unorganized area, let's just say, took over the Copper River
2 Basin or whatever, how would there be an interchange between
3 the unorganized borough and the state? Would there be some
4 kind of, I don't know, an appointed body or elected body within
5 the unorganized borough? How would that all operate in your
6 mind, or in the framers?

7 DR. FISCHER: According to the minutes of the Local
8 Government Committee the concept of organized and unorganized
9 boroughs was tested on various parts of Alaska. We had a
10 representative from Kotzebue, so we talked about the north west
11 Alaska region. And the question would that be an organized or
12 unorganized? And looked at Bristol Bay. We had a
13 representative from Petersburg so we looked at that. And
14 looked at Prince William Sound and so on. And there was -- you
15 know, to the commission it was pretty obvious that Anchorage
16 and Fairbanks would be boroughs. Organized boroughs. When it
17 came to unorganized there were vague concepts of well, the
18 people should have a chance to get together and maybe do some
19 coordinating of activities like road construction and the
20 review process for federal investments, capital projects, state
21 capital projects and so on. So it set up a minimum of local
22 consultation, local self determination. Again we come back to
23 maximum local self government. You can't have a formal
24 government in a lot of these rural areas of Alaska. But people
25 should have a chance to have a voice in what others do to that

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1 region. And there was no formal concept. It could just be an
2 unorganized borough. Could they exist if they had a boundary
3 to it? And the state could set up a process for public
4 hearings in that particular unorganized borough for a
5 particular project. I mean it could be at any level of
6 activity or non-activity. We have these REAAs now. Let's say
7 we establish an unorganized borough based on the REAA and so
8 on. The REAA could still exist as part of the unorganized
9 borough. So -- or it might be designated the unorganized
10 borough and the state supports the educational process and
11 nothing more. But for purposes of the state having a region
12 instead of -- the state can't do anything with the unorganized
13 borough the way it is today because he can't consult with the
14 people in the area. There is no area to it. So there's no
15 definition to it. It can simply be a line on the map that can
16 be the southwest unorganized borough.

17 CHAIRMAN CRYSTAL: Okay. Anybody else want to chime
18 in on this one?

19 DR. FISCHER: Certainly. I might say.....

20 MR. BOCKHORST: This is Dan Bockhorst. If I could make
21 just two real quick comments. The gentleman from Nenana talked
22 about feasibility. The characteristics that he suggested,
23 while again recognizing that many areas have different values,
24 different levels of financial resources, in the Ketchikan
25 Gateway Borough 3/10th of one percent of the land in the

1 Ketchikan Gateway Borough is taxable. And you'll see the
2 circumstance throughout Alaska. Alaska is a huge state with,
3 you know, much of the areas undeveloped. And again, the
4 question of how feasible areas are, you certainly relate it to
5 the question of what financial burdens the State of Alaska
6 transfers that it has currently in an unorganized borough that
7 it transfers to an organized boroughs. Again, in the case of
8 this education funding issue, they've shifted a huge burden in
9 the last -- just in the years that the Ketchikan class of 2013
10 has been in school, the shifting of burdens of funding basic
11 needs in Ketchikan by the state to us for those 13 years has
12 been \$61 million for a community of 14,000 people whose economy
13 is not the grossest in the state of Alaska. We've suffered
14 some pretty significant hits on our economy and we're slowly
15 recovering. But -- so those questions are, you know, if the
16 state, with its huge resources, that in each of the last two
17 years the governor and the Commissioner of Revenue have issued
18 press releases saying that the State of Alaska is in the
19 strongest financial position that it has ever been, and in the
20 past the state did actually fully fund the basic need in our
21 schools at different times when they had got -- when they first
22 got revenue from Prudhoe Bay it took that revenue -- took
23 advantage of it and fully funded basically for schools. It
24 could afford to do it then. If it's in its strongest financial
25 position in its history, it could do it now. The governor,

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1 legislators complain about unfunded mandates proposed by the
2 federal government on the State of Alaska when they seem to be
3 blind to what they're doing to their political subdivision.

4 CHAIRMAN CHRYSTAL: Okay. Mr. Bettisworth?

5 MR. BEISINGER: This is Clarence Beisinger from Nenana.
6 Can you hear me?

7 CHAIRMAN CHRYSTAL: Yes, we can.

8 MR. BEISINGER: I just want to make a comment, if I
9 could, following Mr. Bockhorst here. And in listening to the
10 discussion, Mr. Fischer's comments with the original intentions
11 of the framers in forming the organized boroughs through the
12 state and then hearing about how -- with the current set up the
13 disincentives for -- with those local governments having to
14 fund the education, sounds like a same way with the
15 disincentive in Delta. But I know that here in the Nenana area
16 where I'm from there's currently discussion here about possibly
17 forming a borough and there's a borough study that is going to
18 go on. But in talking to many of the local people here I would
19 certainly add -- you know, say that, you know, from living here
20 and interactive with people in the local area that that is
21 certainly a disincentive to people wanting to form an organized
22 borough here is the concern about the burden to fund the local
23 education when, as Mr. Grace had pointed out, and Mr.
24 Bockhorst, that in some of these rural communities you just do
25 not have a diverse stable economic base. And that would be a

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1 lot for the local community to take on. And I understand in
2 the past that the Nenana has been included in I believe a model
3 borough of the Yukon REAA as a possibility. And I know that
4 the City of Nenana here would like to kind of form its own
5 municipality borough, if you will, where it would go from just
6 south of the North Star Borough boundary to north of the Denali
7 Borough boundary, and then maybe from the Wood River on the
8 east to the Kantishna River on the west. Geographically that's
9 a bit of an area but as far as population wise that's going to
10 be hundreds of thousand people no doubt. And so a lot of the
11 local people, you know, really question the economic viability
12 of that option to be able to, you know, support a local borough
13 government, especially with the disincentive of the education
14 funding that would be required to support on our end. And so
15 I'd just to comment and add to kind of the theme that's already
16 been being made to say that that's what's going on here in the
17 Nenana area.

18 CHAIRMAN CRYSTAL: All right. Thank you, sir. Mr.
19 Bettisworth, did you have a comment you'd like to make?

20 MR. BETTISWORTH: Yeah. I want to comment regarding
21 what Dan had to say about the economic situation with respect
22 to Alaska. Maybe the governor said this, that we're in the
23 best financial shape we've been in ever. However, I would say
24 that the behavior of the legislature this last session does not
25 reflect that. I think, given what they did with respect to oil

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1 taxes, what we have coming towards us with respect to revenue,
2 is going to seriously deplete the reserves we have available to
3 us. I think we're looking at a state property tax, or income
4 tax. Those are all going to be issues that could draw
5 communities to think about whether they're going to be boroughs
6 or not. Because when we start paying a state income tax those
7 people are going to say well, we don't have control of how that
8 money is being spent any more, maybe we need to get a control
9 of it, and that would be one of the incentives toward which,
10 you know, you can end up with a formation -- people asking that
11 and the borough is formed. I certainly agree with these people
12 who say, you know, there's economic issues with respect to
13 rural Alaska. That's exactly what we dealt with when we
14 considered the model boundaries. And in fact, the first thing
15 I wrote when I started reviewing this material yesterday, was
16 that it remains a huge problem in rural Alaska, that there's
17 not enough economic activity to support the minimal amount of
18 government that a borough requires. And I think if you really
19 want the boroughs to be formed you got to think about what it
20 is that those folks actually have to do. And Vic laid it out,
21 you know, they're required to do taxation, they're required to
22 do planning and they're required to do education. And then the
23 administration of that.

24 It does seem to me that maybe at some point it may be a
25 situation where you could take the Department of Community &

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1 Regional Affairs -- well, at least the Community & Regional
2 Affairs -- that shows how long it's been since I've been around
3 -- Community & Economic Development, and task them with the
4 administrative role for these unorganized boroughs. But that
5 would be the contact point for the citizens that live in those
6 communities. And then set up a set of public processes that
7 need to take place in order for those unorganized boroughs to
8 function. That's about all I got to say.

9 CHAIRMAN CRYSTAL: Commissioner Wilson?

10 COMMISSIONER WILSON: I got a comment. Commissioner
11 Wilson. On Dan's comment about three and a half percent of the
12 land being taxable in Ketchikan.....

13 COMMISSIONER HARRINGTON: Three-tenth of one percent.

14 COMMISSIONER WILSON;3/10th of one percent,
15 whatever it is. And.....

16 MR. BOCKHORST: Three-tenths of one percent, yes.

17 COMMISSIONER WILSON: Okay. Well, in interior Alaska
18 we have the same problem. You get to looking at what land we
19 could tax if we did become a borough, the Native corporations
20 own vast amounts, the federal government still owns vast
21 amounts and of course the state has -- there's very little land
22 that's in private hands to tax if we had to have a property
23 tax. So that's -- like Delta, they had the pipeline to tax.
24 And originally they were going to -- there was talk about
25 including Tok in that borough. Well, they had the pipeline,

1 they didn't need Tok. There's nothing down there but some
2 tourist attractions, you know. And the rest is all, like I
3 say, land that belonged to other people and is not taxable. So
4 that is a problem. And that would help if some of that land
5 became in private hands a lot more than it is, I think, at this
6 point anyway. That's all I have.

7 DR. FISCHER: That's a real good point. And that's
8 been pointed out before, that to set up an assessment, a
9 taxation system in mostly rural areas would cost more than the
10 revenues it would bring in. So even if you turn more public
11 land into private hands the people still wouldn't have the
12 income to pay taxes on it. And then it probably reverts to the
13 government. So, you know, this has got to be recognized.
14 Unorganized boroughs will in most instances be -- enough
15 boroughs that can support a full government. So that's why
16 things have been unorganized. There are some that actually
17 could carry a government and they just don't want to do it.
18 That's a separate issue. There needs to be a fundamental
19 recognition that the state government of Alaska has a taxing
20 ability, an income generating ability that is not equally
21 distributed at the local level among the state. There is some
22 local governments that have a pipeline running through them and
23 they come out smelling very good. But the rest of Alaska
24 doesn't have that kind of a cash cow. And this comes back to
25 education, which is a big chunk of money, and the state is

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1 going to feel very poor, as C.B. mentioned, but the state still
2 has more revenue producing, revenue obtaining capability than
3 any of the local governments. And so that's a fundamental
4 argument for it. State revenue sharing, whatever creatures
5 exist at the local level if there's to be a local government,
6 even halfway functioning, whether it's, as suggested, DCRA or
7 its current equivalent could function just as it used to
8 function having field offices that provide services to the
9 local people. We've got to look to the state to fund these
10 statewide functions and fundamental to the local government
11 article was the concept that the state has the continuing
12 responsibility for making the local government system work, and
13 finances is critical to that.

14 CHAIRMAN CHRYSTAL: Well, this might be a good time for
15 a very short break. Ten minutes, that good enough?

16 MR. WILLIAMS: Chair, this is Brent Williams. I just
17 want to tell the telephone participants that we're going to be
18 putting the call on hold for a short period of time.

19 CHAIRMAN CHRYSTAL: Okay. So it's about 10 after 11:00
20 now. Maybe 20 after? Okay.

21 (Off record - 11:10 a.m.)

22 (On record - 11:20 a.m.)

23 CHAIRMAN CHRYSTAL: Okay. All right. We're back on
24 and hopefully we didn't lose all of our telephone people during
25 the break. Is there anything that we haven't discussed as part

1 of this pool or should we move on to probably number 7. The
2 question is what did the constitutional framers have in mind
3 for local governments and what role did the framers intend for
4 the Boundary Commission? What do the commissioners have in
5 mind? What do you think that our role is in the state as far
6 as initiating petitions, starting petitions, whatever? Or do
7 we still be more of a reactionary commission? In other words,
8 waiting for somebody to come to us with an issue?

9 COMMISSIONER HARCHAREK: Well, this is Harcharek. We
10 can't be just reactionary. We have to be proactive. What
11 exactly does that mean? I'm not sure. But staying reactive
12 basically the minimal of things happen. The minimal
13 development happens. But being proactive we can contribute
14 basically to what the framers of the constitution intended. I
15 guess I'm a little dismayed being reactionary for the past 10
16 years, nine years, whatever time. I think the Commission needs
17 to take a proactive role. I think it's our responsibility not
18 only as commissioners but as citizens of the state.

19 CHAIRMAN CHRYSAL: Yes, sir?

20 MR. WILLIAMS: Chair, if I may, just as a procedural
21 thing. We had gone on hold during the break. Should we just
22 make sure that we didn't lose anybody? We mentioned that but
23 just to ask people if they are there. I want to make sure that
24 we didn't lose anybody.

25 CHAIRMAN CHRYSAL: Okay. Do we have an audience out

1 there in telephone land?

2 MR. BOCKHORST: Dan Bockhorst is here.

3 CHAIRMAN CHRYSTAL: Okay.

4 MR. BEISINGER: Clarence Beisinger is here.

5 CHAIRMAN CHRYSTAL: Okay. How about the Nenana group?

6 MR. WILLIAMS: He was in Nenana. There was also Darcia
7 and Mike Grace and Jim Baldwin of Juneau. Are they on?
8 Evidently not.

9 CHAIRMAN CHRYSTAL: Apparently not. I guess since Mr.
10 Bockhorst is on, I have a question and maybe perhaps for Dr.
11 Fischer as well. Has the Local Boundary Commission ever taken
12 an aggressive stance in the state where we went after things,
13 or have we always been more of a reactionary group where we
14 waited for people to come to us with an issue? Mr.
15 Bettisworth, you were chair here for a while.

16 MR. BETTISWORTH: Well, I think the first time that we
17 ever did an aggressive thing was when we decided we were going
18 to do the model boundaries and we actually got the state to
19 help fund that process. It was extensive. I mean we went all
20 over the state to do it. You know, we can all remember some
21 challenges. Going to places like central Alaska is not the
22 first place you want to go to talk about a model boundary. So
23 I do think that in the past the Commission has done aggressive
24 things. I thought that when we started that process that it
25 might lead to something. Of course it didn't. So I guess I'm

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1 kind of enthused that the commission is thinking down these
2 lines today and, you know, to the degree to which they feel
3 like they can sort of push some of these concerns forward
4 through your administration, through your department, through
5 your vision. That'd be great.

6 CHAIRMAN CHRYSTAL: Yes, Dr. Fischer?

7 MR. BOCKHORST: This is Dan Bockhorst, can I comment?

8 CHAIRMAN CHRYSTAL: Sure, go ahead, Mr. Bockhorst.

9 MR. BOCKHORST: Okay. First of all I would like to
10 comment on C.B.'s comment before the break. I fully agree with
11 him. My point in stating in the prior two years the state was
12 bragging how well off it was, it just -- I do recognize and
13 agree with his sentiment in terms of some of the actions that
14 were taken and where the state is headed fiscally. I still
15 think it's important for the state to recognize in terms of its
16 fundamental obligations when it's doing lots of other things
17 including sending checks to people to live here, that it should
18 take care of its fundamental responsibilities including
19 education first.

20 In terms of the initiatives and actions taken by the
21 assembly -- the Local Boundary Commission, I'm not aware of any
22 petition that the commission -- outside of perhaps doing
23 something that was -- to accommodate a local interests, there's
24 been no really aggressive petition that the commission has ever
25 filed. I agree with C.B. that the model borough boundaries was

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1 probably, at least from my experience, one of the first
2 aggressive actions. And I think subsequent, when C.B. left the
3 commission, I think the commission continued to be fairly
4 aggressive in terms of pointing out to the legislature some of
5 the shortcomings in state policy regarding borough formation.
6 I think that that has an aggressive tone to it and I think that
7 there were some legislative amendments to laws that were put in
8 place, some of which were -- I don't know if we're going to be
9 talking about those later on but some of which were an attempt
10 on the part of the legislature to put constraints on the
11 commission's constitutional powers to consider local boundary
12 changes. There's a statutory provision that suggests that
13 local boundary changes cannot be defined to include borough
14 boundaries. That was an attempt by the legislature to corral
15 or push back on the commission in an effort to exercise some
16 initiative. There was concern. Senator Wilken, whose name
17 came up earlier, urged the commission in 2007 to incorporate on
18 its own initiative through the legislative process a Deltana
19 (ph) borough because it had been tried three times and the last
20 time it was rejected 91.5 percent to 8.5 percent. And so John
21 Rader, he wrote a chapter in Metropolitan Experiment in Alaska.
22 John Rader again was the first state attorney general and he
23 sponsored the Mandatory Borough Act. He had a statement in
24 there that if the commission ever tried to get too aggressive
25 that the legislature would simply defund it and -- even though

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1 its constitutionally based. So I think that, you know, the
2 commission has been aggressive, but if it gets overly
3 aggressive it will probably suffer.

4 MR. GRACE: This is Mike Grace. And I would like to
5 address that issue. Just kick it about. The LBC taking a more
6 aggressive action. From what I understand, and Dr. Fischer
7 will probably be able to verify this, is that the Alaska
8 constitution says that all government comes from the people and
9 is based upon their will. And so one of the things I see that
10 perhaps is puzzling to me is that as a citizen who is not a
11 government employee or a government agent, is that I see that
12 the processes for forming a borough generally has been
13 initiated by city or municipal governments. And to me it looks
14 like government -- you know, layers of government creating more
15 layers of government when they're not necessarily initiated by
16 the citizens in a grass roots way. And so I think the idea of
17 the LBC, or even the legislature for that matter, initiating
18 petitions to form boroughs when the people are not necessarily
19 requesting such a thing kind of reverses the whole role and
20 relationship between government and the citizenry. And if
21 anybody has any comments to that or different points of view
22 I'd like to hear that.

23 CHAIRMAN CHRYSAL: Okay. Dr. Fischer has a comment.

24 DR. FISCHER: Yes. The general statement is -- relates
25 to oh, I can read it straight from the constitution. The

1 source of government. All political powers inherent in the
2 people, all government originates with the people, is founded
3 upon their will only and suited solely for the good of the
4 people as a whole. That's a general statement. The local
5 government system is part of the state. It's under the state
6 constitution and one of the provisions in the constitution in
7 Article X is that the entire state, and I'll read it
8 specifically -- the entire state shall be divided into boroughs
9 organized or unorganized. They shall be established in a
10 manner in accordance with standards provided by law. And by
11 law means by the legislature as well as under the constitution.
12 So the establishment of boroughs is a mandated function of the
13 state. The entire state is to be divided into boroughs,
14 organized and unorganized. And we see in Section 10 of the
15 local government article it's multiple unorganized boroughs.
16 So that is mandated by -- that doesn't deal with whether it's -
17 - whether a particular borough is organized or unorganized.
18 And the record of the constitution is clear on that, that
19 insofar as possible this will be done with consent of the
20 people in a given area. But if necessary, the state will act
21 if it's in the interest of the state, or for other purposes,
22 that the state can organize -- decide what is to be organized.
23 So this is not for or against the will of the people and so on.
24 The establishment of unorganized boroughs is a function of the
25 state. It shall be done by the state. Whether it's organized

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1 or not it's usually -- not usually, we have the Mandatory
2 Borough Act. Generally it's been by application of the people
3 themselves.

4 CHAIRMAN CHRYSTAL: A question I would have -- this is
5 Lynn Chrystal. I would have a question in that regard. If the
6 state would in fact initiate something to organize an area or
7 divide it up, where would it start? With the executive branch,
8 with the legislative branch?

9 DR. FISCHER: The legislature has the authority to
10 initiate things, to establish it. The process at this point
11 has been generally coming from a given area, if they want to
12 organize, they want to be a first class borough rather than a
13 second class borough, or they want to be a second rather than a
14 first. Whether they go home rule or not is a up to the people.
15 So you have a process that in part was legislative
16 determination and in part was from the local people.

17 CHAIRMAN CHRYSTAL: Any comments? I guess the question
18 that was written here is what did the constitutional framers
19 intend for local governments? And of course that's a huge
20 broad statement. But in a nut shell could you comment on how
21 you as a framer envisioned local government. I know you talked
22 about maximum local government, which we all strive to do. But
23 how are we doing in that regard?

24 DR. FISCHER: Well, as I said in the beginning, I think
25 in some areas we're doing very well. Home rule has worked.

1 The home rule provision is that the home rule borough, home
2 rule city can exercise all legislative powers not specifically
3 denied by law. And the legislature and the courts have come up
4 with certain rules, especially the courts. But the legislature
5 has a long list of powers denied to local government, home rule
6 governments including local income tax and various other
7 things, along with -- I don't think it's really restricting
8 local governments, home rule governments from adjusting the
9 local government charter to local conditions. Anchorage is
10 very metropolitan -- is a very urbanized metropolitan area, the
11 North Slope is a totally different region. They have their own
12 charters, they go their own way. There are certain rules that
13 have to be followed but that has worked extremely well. The
14 implementation of a borough has not. But generally the local
15 governments are very responsible.

16 CHAIRMAN CHRYSAL: I lived in Barrow prior to Prudhoe
17 Bay. So I experienced some of the differences in our cultures
18 in Alaska. And we've kind of -- anybody else have a question
19 or comment? We kind of touched on this earlier, but can and
20 should the LBC initiate petitions? And if so, when and why?
21 Kind of a broad question, or statement. If anybody wants to
22 jump in on that?

23 MS. VANDOR: This is Margie Vandor. I was looking at
24 the constitutional provision as to why we were created. And it
25 doesn't mentioned for proactive. It really talks about we're

1 established -- the board may consider any proposal regarding
2 boundary changes. It doesn't say you propose them. But then
3 again, you know, if you propose it to yourself you've got -- is
4 that a proposal? You know, you do have staff. You are under a
5 department. And there are statutes and regs. I'm sorry, I
6 don't have all of those in front of me right now but I do
7 believe in the past they're based upon these borough studies
8 and just times that the staff or the division believes that a
9 boundary change should be initiated. There have been times
10 that that has been looked at. I can't recall one that actually
11 made it through. And Dan, maybe you can help me on that.

12 MR. BOCKHORST: Margie, when I was there -- and this is
13 addressed in Senator Wilkens letter of August 28th. I think
14 Commissioner Harrington has a copy of that letter with him. He
15 and I chatted a little bit before he left. But it does look at
16 this question of the ability of the commission to initiate a
17 boundary change but it has not taken that action. Certainly
18 not on anything that was of any controversy.

19 MS. VANDOR: And also, I mean just because there is
20 only one other organized borough and the issue of whether, you
21 know, the diplomacy about competing interests, in the Mobile
22 Oil case, the court said, you know, if you're carving a new
23 borough out of the unorganized borough you don't have to be an
24 interest -- you know, it isn't required for that particular
25 boundary type change to go to the legislature. That's what was

1 said. You know, you didn't send it to the legislature. But
2 the court delineates the difference between borough formation
3 of an organized borough out of an unorganized borough, if you
4 will, from an annexation or a detachment, which is your true
5 boundary type change. You know, corporation petitions are a
6 little bit different sometimes, depending on whether they are
7 crossing lines into other cities or boroughs, or combining.
8 And, you know, that's also true too, but when you're dealing
9 with just forming a borough from an unorganized borough there's
10 no conflict. It's not a boundary change in the traditional
11 sense of conflict of interest. And that's one of the things.
12 So, you know, I'm not comfortable without thoroughly
13 researching this but yes, you could go ahead and initiate your
14 own petitions but I do believe the Department has the authority
15 as well. And so -- you know, I'm certain of it. So there is -
16 - there are other means for the executive branch to be involved
17 in this. That's policy and I don't do policy.

18 CHAIRMAN CHRYSTAL: Well, I'm not suggesting we want to
19 do that. I'm just -- we're just throwing out all these things
20 as to how we stand. Mr. Johansen, did you want to add anything
21 to that?

22 MR. JOHANSEN: I defer to Margie's expertise and
23 extensive experience. At the same I also look at Article X,
24 Section 3, that first sentence, the entire state shall be
25 divided into boroughs, organized and unorganized. And the last

1 sentence, methods by which boroughs can be organized,
2 incorporated, by a request by (indiscernible - away from
3 microphone). So it seems feasible to put in a statute maybe
4 some additional power to those who seek to issue petitions.
5 But once again, that would have to be put to the legislature
6 and go through a lengthy process.

7 CHAIRMAN CHRYSTAL: Right.

8 MR. BOCKHORST: This is Dan Bockhorst. Can I make a
9 comment too?

10 CHAIRMAN CHRYSTAL: Mr. Bockhorst, go ahead first.

11 MR. BOCKHORST: Under the Commission's regulations 3
12 AAC 110.410 it talks about entities that can initiate a
13 petition. It provides for the Commissioner of the Department
14 to do so, or a person designated by the Commission. I think
15 there was a concern in developing that, and I think Margie
16 testified on it, that the Commission initiated a petition and
17 then deciding the petition creates somewhat of a conflict. And
18 that's how that was addressed. So the Commission's regulations
19 themselves, which of course are subject to review by the
20 Department of Law and public comment, doesn't provide expressly
21 for -- it's a process for petitioning to be initiated by the
22 Commission but rather if the Commission has a concern it could
23 designate a person to initiate the petition to come before the
24 Commission.

25 CHAIRMAN CHRYSTAL: Dr. Fischer?

1 DR. FISCHER: As I read, the Commission or Board may
2 consider any proposed local government boundary change. It can
3 consider any proposed change. I'm a citizen, I come before the
4 Commission and I propose a change. Can a Department
5 regulation, or any kind of regulation say Vic Fischer cannot
6 propose a change to the Commission? If I have a constitutional
7 right -- do I have a constitutional right to propose a change?
8 Can anyone say the Department, the Commissioner can propose a
9 change but a citizen cannot propose a chance? The
10 constitutional says any proposed change -- local government
11 boundary change.

12 CHAIRMAN CRYSTAL: Very interesting.

13 MS. VANDOR: Well, also -- I mean I'm not saying you
14 couldn't initiate a petition. I don't think the law says that
15 you can't. But there are procedures that have to be
16 established in law. And those standards -- you know, we have
17 several court cases on the books that the legislature has not
18 gone forward or the LBC itself to establish standards. And
19 those particular annexations and attempts to change boundaries
20 were tossed out until they establish the standards and
21 regulations. The last sentence of this is that the Commission
22 may establish procedures whereby boundaries may be adjusted by
23 votable action. That's of course something that should be
24 initiated and truly not a controversial thing because the local
25 government wants it. But, you know, the thing that this

1 article in Section 12 is that it says any proposed local
2 government boundary change. And I think that if there's
3 already a local government and that's the boundary change that
4 the court was looking at, saying if you are forming a borough
5 out of the unorganized borough you aren't changing boundaries
6 of a government because there's nothing there and you are
7 carving a new borough out of that unorganized borough.

8 You know, a lot of what Section 12 deals with are going
9 to be your traditional annexations, detachments, things where
10 you are -- or you have competing interests with another local
11 government. That's a lot of what the court has analyzed this
12 to be. You know, the fact that a regulation -- is your concern
13 that the regulation doesn't allow for anyone to file a
14 petition?

15 DR. FISCHER: No. Actually I am proposing to establish
16 an unorganized borough in let's say the Chevak Region. So I'm
17 proposing to change the boundaries of the unorganized borough -
18 - existing unorganized borough, and I come to the Commission
19 with that proposed change. Can your regulations say that they
20 cannot consider my proposed change?

21 MS. VANDOR: I am not unequivocally prepared to say on
22 that. Because, you know, we are dealing with the unorganized
23 borough. We're dealing with a non-entity. And there's no
24 government except for these -- except for the legislature.

25 DR. FISCHER: It's usually.....

1 MS. VANDOR: But yeah, I realize that if you're wanting
2 to carve something out of the unorganized borough format and
3 can you -- I mean if there is a process in place and the
4 regulations do that, I don't see why not. I'm just saying I
5 don't have the whole set of regulations in front of me. You
6 know, I'd need to analyze that.

7 DR. FISCHER: Okay. I'll hold off making that
8 proposal.

9 MS. VANDOR: Okay. But I mean you see a lot of the
10 conversation has been about the fact that the legislature has
11 no authority to establish the unorganized boroughs.

12 DR. FISCHER: Right, right.

13 MS. VANDOR: And, you know, the focus, as long as I've
14 been with the LBC, has been on organized. You know, more
15 boroughs to be organized and.....

16 MR. BETTISWORTH: To look at just Vic making this
17 proposal, what about if the tribal organization of Chevak came
18 to the Boundary Commission and said we want to form a single
19 site borough out there on our place. And it's going to be an
20 unorganized borough.

21 MS. VANDOR: The legislature is still going to be the
22 governing body.

23 MR. BETTISWORTH: It has to be approved by the
24 legislature upon recommendation of the Boundary Commission.
25 Right.

1 MS. VANDOR: Right.

2 DR. FISCHER: The question was who can initiate it?
3 And I'm just concerned about the question can the Local
4 Boundary Commission consider a proposal that comes from out of
5 space? From me or from out of space, from somebody? Arlis
6 Sturgulewski and Vic Fischer have a proposal to divide the
7 unorganized borough into regional unorganized boroughs. We
8 come to the Commission. It's 60 years since the Constitutional
9 Convention. It's been 60 years since statehood, or 55, however
10 many years. I don't know. We've given it a lot.....

11 MR. BOCKHORST: Mr. Chairman?

12 CHAIRMAN CHRYSTAL: Just a minute, please. Dr. Fischer
13 is making a point.

14 DR. FISCHER: I'm finishing. We've given the
15 legislature enough time to do what the constitution says the
16 state will do. The time has come -- we proposed that the
17 Commission make a recommendation to the legislature to divide
18 the unorganized boroughs.

19 CHAIRMAN CHRYSTAL: Okay. Who was on the phone here
20 right now -- just a minute ago? Was that Dan?

21 MR. BOCKHORST: This is Dan Bockhorst.

22 CHAIRMAN CHRYSTAL: Okay, Dan. Go ahead, please.

23 MR. BOCKHORST: Again, I think the Commission did
24 address this issue and I think -- as Mr. Fischer indicates, I
25 think the Commission had the attitude at the time they could

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1 initiate and take in consideration of any boundary proposal.
2 However, as Margie said, there's a process that boundary
3 proposals has to have, a definition. And there has to be
4 something for the Commission to consider and that's why the
5 Commission enacted that regulation, in my recollection. And it
6 also provides some kind of arm's length transaction that, you
7 know, the -- so Mr. Fischer would come to the Commission and
8 say hey, there's been a problem here that hasn't been addressed
9 in 60 years and the Commission is saying we agree with you that
10 it should be considered by the Commission, please forward a
11 petition to us and we will consider that. So that's how I
12 think -- you know, the Commission was really concerned that
13 there would be a diminished credibility if they were the
14 prosecutor, if you will, and the judge of a proposal to be
15 considered by it. So that wasn't intended to be a diminishment
16 of the Commission's authority to consider a petition. It was
17 simply a procedural way to get something considered by the
18 Commission. So the Commission could actually designate -- the
19 Commission could even take the issue on its own. It wouldn't
20 have to wait for Vic to come to them for a question. It could
21 go to a party and say we want you to bring forward a proposal
22 for us, we want to consider this. So I think the authority
23 exists there.

24 CHAIRMAN CRYSTAL: Thank you.

25 DR. FISCHER: Thank you.

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1 CHAIRMAN CRYSTAL: Somebody else down here?
2 Commissioner Harcharek?

3 COMMISSIONER HARCHAREK: I was thinking back about the
4 '96 report with Tom Stewart and Dr. Rogers. They were
5 basically discussing the same thing and they were going to use
6 the cookie cutter. I can't remember exactly, but they wanted
7 to use a cookie cutter approach but again, they got it tied up
8 in the procedural aspect and no action was subsequently taken.
9 I think it's prime time for action to be taken, somebody to
10 come up with the proposal. And the fact that this Commission
11 itself can designate or request somebody to do it. And then we
12 are at that arm's length away, as Mr. Bockhorst mentioned. And
13 then we can take action. Because that procedural part, I agree
14 with you, Margie, is very important. We have to stay an arm's
15 length away. But it does not conclude us from asking or
16 designating someone to do that for us. Thank you.

17 CHAIRMAN CRYSTAL: I don't know if that's a full arm's
18 length away, but a little bit anyway. Mr. Williams?

19 MR. WILLIAMS: I would defer to Commissioner Wilson.
20 He had his hand up earlier.

21 CHAIRMAN CRYSTAL: Okay. Commissioner Wilson?

22 COMMISSIONER WILSON: Yeah. I was confused. We got
23 the letter from Gary Wilken. Obviously the legislature,
24 they're listed there in the statute as being able to initiate a
25 petition. Why he did not do that instead of shoving it around

1 to us to get in on it?

2 CHAIRMAN CRYSTAL: I don't think he had enough support
3 to do that. I'm guessing.

4 COMMISSIONER WILSON: Yeah.

5 CHAIRMAN CRYSTAL: He didn't say that but.....

6 MR. BETTISWORTH: I do have the letter here if anybody
7 wants to see it.

8 CHAIRMAN CRYSTAL: Okay. Anything else, Commissioner
9 Wilson?

10 COMMISSIONER WILSON: No. I was just curious why he
11 didn't -- you may be right, he didn't feel the legislature --
12 but still, if we initiate it, it's going to have to go to the
13 legislature. If he thought he didn't have the backing there to
14 pass it, why would.....

15 DR. FISCHER: Oh, it's much easier if it comes from the
16 Commission because you submit it to the legislature within the
17 first 10 days of the session and then each House has to turn it
18 down. They have 45 days, each House, by majority vote has to
19 approve a resolution denying a request. That's much easier
20 than requiring a positive.....

21 COMMISSIONER WILSON: I can see that.

22 DR. FISCHER:act of the legislature.

23 COMMISSIONER WILSON: Thank you. Good point. Cleared
24 that up.

25 MR. WILLIAMS: Chair?

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1 CHAIRMAN CRYSTAL: Yes, sir?

2 MR. WILLIAMS: I have a point to make and a question to
3 ask.....

4 CHAIRMAN CRYSTAL: Sure.

5 MR. WILLIAMS:if I may. First of all, I haven't
6 heard it discussed yet, but under 3 AAC 110.410 the people
7 themselves in an area may initiate a petition if they have
8 enough signatures. The percentages range from 10 to 25 percent
9 depending on the kind of petition it is, the kind of boundary
10 change that's proposed. But there's a way coming directly from
11 the people, if they are requesting this change. And the
12 question I have is a question for Dan Bockhorst and perhaps
13 other knowledgeable people in the room might have the answer.
14 Can you tell us a little bit, since you have encyclopedia
15 knowledge of all the cases, of the -- I think it was a 1966
16 case, Osallen (ph), Wood River where -- what the LBC's role is
17 there? I don't want to put you on the spot if you don't.....

18 MR. BOCKHORST: The Wood River case?

19 MR. WILLIAMS: The Wood River case of 1966. I was
20 looking at.....

21 MR. BOCKHORST: Yeah. As I recall that was a case that
22 went to the Alaska Supreme Court. There was a situation
23 where -- at that time, if I recall correctly, the courts were
24 the one by which sanctified cities were incorporated as opposed
25 to the Local Boundary Commission. And the court ended up

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1 creating the City of Wood River within the corporate boundaries
2 of the City of Dillingham. And the Local Boundary Commission
3 did -- in one of the instances that I was referring to, the
4 Commission did take the initiative to accommodate -- obviously
5 rather ridiculous circumstance where you have a city government
6 within a city government. So the Commission did take
7 initiative to dissolve the City of Wood River through a
8 legislative recommendation through the legislature and it was
9 approved. And it was challenged in the courts and the court
10 upheld it. That's my recollection.

11 MR. WILLIAMS: So ,y question then is so the LBC was
12 the initiator when -- in giving the two municipalities a chance
13 to work things out and when they did not do it the LBC
14 initiated the recommendation to the legislature, is that
15 correct?

16 MR. BOCKHORST: That is my understanding, yes.

17 MR. WILLIAMS: Thank you, Dan.

18 MR. BOCKHORST: I was 14 years old at the time.

19 MR. WILLIAMS: No further questions, Chair.

20 CHAIRMAN CHRYSAL: That's okay. Mr. Williams wasn't
21 even 14, I don't think.

22 MR. RUBY: I guess my question is -- this is Scott Ruby
23 -- to probably Margie, is you're talking about this request
24 before multiple unorganized boroughs. Right now there is a
25 statute that says there's only one unorganized borough. So

1 would that precludes the Commission on considering a petition
2 for multiple, one, because it would be in violation of, or it
3 would go against -- the outcome, if they approved it, would be
4 against a current statement?

5 MS. VANDOR: And that is one of those dilemmas where,
6 you know, you've got a state law and normally what you do is
7 you defend it as being, you know, properly adopted and you
8 would defend it if that's challenged. And certainly that is a
9 conflict, especially when you don't have another statute that
10 allows you to -- you know, to change the residual borough by
11 taking petitions to do so. I just don't think -- even now in
12 the regs I don't think we've ever addressed the issue of the
13 standards for unorganized boroughs and the things that you look
14 at. It would be quite different, I think. You know, some
15 similarities, of course, because the constitution requires
16 certain similarities to the best extent you could do it, even
17 in the unorganized borough. And then the legislature would be
18 the one to determine what it wanted to -- what types of, you
19 know, powers it wanted to exercise here, or delegate to others,
20 you know, in that. And that's going to vary. But just to --
21 but right now, as I read the statute, there's probably a
22 problem.

23 CHAIRMAN CRYSTAL: Okay. Commissioner Harcharek?

24 COMMISSIONER HARCHAREK: A comment that Scott Ruby
25 mentioned, one organized borough that's (indiscernible, but

1 that's contrary to the constitution. The constitution says
2 unorganized boroughs, not -- with the s, not without the s. So
3 which has precedent, the constitution or laws made by folks who
4 probably have never read the constitution?

5 DR. FISCHER: Maybe the Boundary Commission could sue
6 the state and declare that provision unconstitutional, with one
7 for a single unorganized borough.

8 COMMISSIONER HARCHAREK: Because it is
9 unconstitutional.

10 MR. BOCKHORST: Mr. Chairman?

11 CHAIRMAN CHRYSTAL: Yes, sir.

12 MR. BOCKHORST: So just to get back to Commissioner
13 Harcharek's comment and Vic Fischer's comment, Vic made his
14 point at the beginning -- I mean equally important to the "s"
15 on the word boroughs is the other -- are the other provisions
16 in that constitutional provision that says each borough must
17 embrace an area population with common interests to the maximum
18 degree possible, taking into consideration population, economy,
19 transportation, geography, and other things. The "s" alone
20 makes it unconstitutional. The other -- the constitutional
21 requirement that each borough embrace an area population, so
22 you've got, you know, Tok in the same unorganized borough as
23 Metlakatla and Adak, is ridiculous.

24 CHAIRMAN CHRYSTAL: Well, you don't spit on the
25 Superman team. So.....

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1 COMMISSIONER HARCHAREK: I think I missed a good one.
2 I need to hear it.

3 CHAIRMAN CHRYSTAL: I just said you don't spit on
4 Superman's team.

5 MR. BOCKHORST: Tok incidentally was included in the
6 mandatory borough created for the Fairbanks North Star Borough
7 which the Local Boundary Commission modified.

8 MR. BETTISWORTH: Say that again? Since I'm from
9 Fairbanks I need to hear this.

10 MR. BOCKHORST: Tok was originally included in the 1963
11 boundaries defined to the Fairbanks North Star Borough and the
12 Local Boundary Commission modified it to exclude it. So Tok
13 was part of the mandatory borough to begin with.

14 MR. BETTISWORTH: Did that include Delta too?

15 CHAIRMAN CHRYSTAL: No.

16 MR. BETTISWORTH: I think it did.

17 MR. BOCKHORST: The boundaries were much bigger than
18 what they are now.

19 MR. BETTISWORTH: They went from Nenana to Porter.

20 MR. BOCKHORST: I don't know. I don't think it
21 included Delta.

22 CHAIRMAN CHRYSTAL: Well, it's a little bit after noon
23 so I guess we better break for lunch.

24 MR. WILLIAMS: Chair, can we give -- this is Brent
25 Williams. Can we give the -- with the Chair's permission I had

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1 planned to disconnect the call and then resume it when we come
2 back. Could we give the telephone participants a particular
3 time for them to be back?

4 CHAIRMAN CHRYSTAL: Yeah. Got to have enough time to
5 get out and back. So 1:30?

6 MR. WILLIAMS: As you wish. I just think we could give
7 them a time and then disconnect the call.

8 CHAIRMAN CHRYSTAL: Okay. 1:30 would be a good time.
9 That would give us almost an hour and a half.

10 (Off record - 12:15 p.m.)

11 (On record - 1:30 p.m.)

12 CHAIRMAN CHRYSTAL: Okay. Borough formation. We kind
13 of got a little bit out of it. Trying to get rid of the
14 disincentives. Anybody got any thoughts of how or why?

15 COMMISSIONER HARRINGTON: I think we have talked about
16 this pretty thoroughly, about the disincentives. The question
17 I have is are we going to do anything about it?

18 CHAIRMAN CHRYSTAL: Yeah. Well, that decision would be
19 for a later date because we don't have anything as far as an
20 action item here. So.....

21 COMMISSIONER HARRINGTON: Well, may I suggest
22 something?

23 CHAIRMAN CHRYSTAL: Sure.

24 COMMISSIONER HARRINGTON: Since the major disincentive
25 has to do with the school funding, and since Ketchikan Gateway

1 Borough is already proactively doing this, I would like to
2 volunteer to write up a resolution for the LBC to consider in a
3 very straight forward factual neutral way stating that there
4 are some -- that this is one of the disincentives and that if
5 the state wants to assist in the formation of a borough, this
6 is one way you can do that is by reverting this disincentive.
7 And since I have an expert readily available in Ketchikan, I'll
8 volunteer his services to help me out. If you will go along
9 with that I can write it up, send it to staff and.....

10 CHAIRMAN CRYSTAL: Anybody could present something to
11 us. That doesn't mean we would have to do anything with it.
12 We really can't commit to anything.

13 COMMISSIONER HARRINGTON: I know. But I can commit to
14 getting it to you for consideration at some future date.

15 CHAIRMAN CRYSTAL: I would think we would be open to
16 anybody submitting whatever they think is good.

17 MR. WILLIAMS: I think, if I understand -- this is
18 Brent Williams, Chair, that a vote to approve a resolution, or
19 to consider a resolution would be, as the Chair said, best
20 adopted at another meeting.

21 CHAIRMAN CRYSTAL: Oh, absolutely, not at this
22 session.

23 MR. WILLIAMS: And what I'm hearing is the Commissioner
24 saying on his own without -- he wants to write something and
25 then if the Commission wants, to approve it at a subsequent

1 meeting.....

2 CHAIRMAN CHRYSTAL: Right.

3 MR. WILLIAMS:or not.

4 CHAIRMAN CHRYSTAL: All right. Dr. Fischer, as far as
5 the question about how to encourage borough formation, would
6 you think that the school thing was the best approach or would
7 you have another idea?

8 COMMISSIONER WILSON: How about the application
9 procedure? Isn't that kind of a detriment? I've heard some of
10 them complain about that.

11 DR. FISCHER: I think that -- I'm not sure. I'm not
12 sure that it can be approached all by itself. Because if the
13 school funding requirement, as we look at the whole issue, it's
14 a disincentive. But I'm still trying to form the right
15 discipline in my head. Why would we care? I'm not sure.

16 CHAIRMAN CHRYSTAL: Okay.

17 DR. FISCHER: I'm not sure.

18 CHAIRMAN CHRYSTAL: Commissioner Wilson, you brought up
19 simplifying the petition process?

20 COMMISSIONER WILSON: Right.

21 CHAIRMAN CHRYSTAL: Okay. This has been one of the
22 things that we wanted to talk about today. And how do we do
23 that? You know, one of the things I sometimes will -- take
24 that church property there in Palmer where there is this little
25 tiny piece of property was annexed into Palmer and yet it

1 requires a staff and everybody to do so much leg work and so
2 many hours of work to prepare something where there's
3 absolutely no opposition to it. Is there a way to simplify the
4 process? This is where the attorneys will have to come in
5 obviously. But it seems like there should be a way that you
6 can make the process simpler for some of these non-objective
7 type things instead of putting the staff through this, or get
8 this volume of paperwork this thick for some simple little
9 thing.

10 MR. JOHANSEN: This is Erling Johansen. Seems what
11 you're following now is the statutes that in place and the
12 regulations that are in place based on those statutes. So if
13 you want to have a simplified process for what might be
14 considered simple transactions, you have to define what is said
15 in those transactions, you have to come up with some additional
16 regulations.

17 CHAIRMAN CHRYSAL: Now these are regulations at the
18 state level? You mean not our Boundary Commission regulations
19 but.....

20 MR. JOHANSEN: Regulations that would address how you
21 do your work. And so they would probably be drafts prepared by
22 the staff. And there's a whole process to that. And public
23 input and such. So there's a whole process for that.

24 MS. VANDOR: And if I might, this is Margie Vandor,
25 point out, you know, for annexations there really aren't

1 statutes that set the standards. It requires the board to
2 adopt regs to further procedures and standards. So it is
3 within your realm to amend your own regulations to deal with
4 this. But as Erling points out, you got to know what you're
5 dealing with and how you're going to define that so that, you
6 know, the annexation process is still meaningful and meets
7 certain standards. But certain -- it's like the local action,
8 you don't need to do a whole lot if everybody is agreeable to
9 please annex my territory. You know, where is the opposition?
10 Right. And so there are ways to address that and you could do
11 that in regulations.

12 CHAIRMAN CRYSTAL: Right. Well, in trying to define
13 something, I can't explain it but I'll know it when I see it.
14 Commissioner Harcharek?

15 COMMISSIONER HARCHAREK: Back when Dan Bockhorst was
16 with the commission we did a whole division of commission
17 procedures and that entailed hearings and such, and public
18 input. But we could do that again to simplify this whole
19 procedure and get rid of some of the one owners just pushing
20 paper stuff. But, you know, there's a process that we set in
21 place and give direction to the -- to Brent here, to draft up
22 what our intent is. We bring it to public hearing, you know, a
23 meeting like this where that's all we're dealing with is the
24 simplification of those regulations. Get the input, get them
25 adopted and that's it. As Marjorie said, there's no need --

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1 you know, there's nothing in the statutes that prevents us from
2 doing this and actually it's within our venue of
3 responsibilities to be able to do that. And I perceive it
4 being done very simply. We just basically give directions to
5 Brent of what our intent is, we do draft discussions in a
6 public meeting and then there is the adoption procedure. It's
7 not a very -- well, I say it's not -- it's not a hard task to
8 do it. And it could be done very simply. I think when --
9 whoever brought it up, I think the time is ideal to simplify
10 some of these like these more onerous procedures.

11 CHAIRMAN CHRYSTAL: Hand in hand, of course it goes
12 with simplifying the writing of the petition.

13 COMMISSIONER HARCHAREK: Exactly. Exactly.

14 CHAIRMAN CHRYSTAL: Just as we got this notice from the
15 City of Gustavus after their process and they talked about
16 having to hire a consultant to demystify the process.

17 COMMISSIONER HARCHAREK: Yeah. Exactly.

18 CHAIRMAN CHRYSTAL: That's an onerous burden on some
19 small local community. And if we can make it better, I think
20 we should. Commissioner Harrington?

21 COMMISSIONER HARRINGTON: Two things. First of all, I
22 think -- two very separate thoughts here. The first one is as
23 we approach annexations within the unorganized borough I see
24 there is a state function. A very clear state function. As we
25 deal with annexations within organized boroughs it's almost

1 more of a borough function unless there is opposition or
2 conflict. That'd be conflict between the first class city and
3 a borough and there's a state issue here. But if it's a city
4 and a borough and they are both in agreement that says this
5 annexation ought to take place, they go through the hearings, I
6 don't see a state issue if we still speak to it. I think it
7 would be one of those natural things. They can bring it to us
8 and we could rubber stamp and approve it. That's the one
9 thought.

10 Now the second thought is the oldest provisions within
11 the all the rest of these things, it's almost like we need a
12 Idiot's Guide to Annexation and organization.

13 CHAIRMAN CHRYSTAL: LBC For Dummies?

14 COMMISSIONER HARRINGTON: It would spell it out in very
15 clear step by step process that says what we need here is ample
16 -- just follow these steps for these legal boundaries or these
17 sorts of things specified. Don't need to contact your
18 surveyor, or somebody, to get the legal display, whatever it
19 is. It's a step by step listed. So that we do the
20 demystifying for the municipalities.

21 CHAIRMAN CHRYSTAL: Mr. Williams?

22 MR. WILLIAMS: Thank you, Chair. This is Brent
23 Williams. As the staff we are in the most contact with
24 petitioners potential questions and we've heard from at least
25 two of these. The City of Gustavus wrote us the letters that

1 you had before you, and the minister at the hearing for the
2 Palmer annexation. That was a simplified process. Take from
3 that what you will. Recently I reviewed a petition -- not a
4 filled out petition, just a form, mind you, for detachment and
5 annexation. It had been 63 pages, I got it down to 29. That's
6 still pretty long. But our regulations require certain amounts
7 of information. If the Commission would like to revise the
8 recommendations it would be a long process because then the
9 staff would be asked to revise the regulations and then the
10 commission would need to decide if they needed to go to the
11 Department of Law, to the governor's office, the legal process.
12 So there's quite a bit of work that -- Dan might be able to
13 speak about that process, or Margie or Erling. But there's
14 something that the staff is interested in doing is revising the
15 regulations and to my mind how can the petitioner get the
16 information that the Local Boundary Commission needs in as
17 efficient a form as possible? And then that's just filling out
18 the petition itself. The second question has been referred to,
19 should the LBC change the petition process and how? Should it
20 be a yet more expanded petition process for those that are
21 deemed to be non-controversial. And I do deem that. But even
22 for the full fledged petition, can the process go any quicker?
23 And it's hard in some ways to find -- there needs to be a type
24 of public comment report. Will we have two reports, or will
25 one suffice? That's an open question? There truly needs to be

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1 a chance for public comment. And how thick and how extensive a
2 submitted petition is is up to the petitioner. Some
3 petitioners choose to include more information than other
4 petitioners. That is up to them. So I hear what you're saying
5 and I'm interested in the process as well. But it does take
6 quite a while. And I was not here during the last regulatory
7 revision. Some of you were. And I'm not sure off the top of
8 my head how the 2008 regulations differ from those in 2002. I
9 haven't sat down and compared them. But I think a fair
10 question to pose is -- that I'll pose to Dan, if I may, or for
11 Margie, whoever is -- would like to jump into the fray and
12 answer it. And then Dan, I don't believe you personally were
13 involved with the greater revision. But I'm curious, what
14 changes were felt needed to be made between 2002 and 2008? And
15 if somebody is here.....

16 MR. BOCKHORST: Well, Mr. Chairman, if I could speak to
17 that?

18 CHAIRMAN CHRYSTAL: Certainly.

19 MR. BOCKHORST: Okay. First of all.....

20 CHAIRMAN CHRYSTAL: This is Mr. Bockhorst.

21 MR. BOCKHORST:the first comment I would make is
22 that the current regulations of the Local Boundary Commission
23 are a product of 54 years of statehood. And that I was
24 involved in the prior effort to refine the regulations of the
25 Commission. The Commission was sensitive to this issue at the

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1 time and I think that it's a very legitimate concern. The
2 Commission did -- there are differential provisions in there
3 for different types of petitions. There was efforts in there
4 to create a summary determination, for example, by the
5 Commission and efforts to minimize the procedural things. I
6 think, you know, I don't know that it would require an overhaul
7 of the regulations as much as to perhaps focus on those few
8 sections of the regulations that differentiate between the
9 different types of petitions. So there's already provisions in
10 the regulations that recognize, you know, the distinction
11 between say, for example, a consolidated -- some of these very
12 complex, potentially controversial proceedings. And issues
13 that are non-controversial, the Commission did try to deal with
14 that. And so I think that you -- the opportunity to refine
15 that exists and it shouldn't be as onerous as comprehensive
16 revisions to the regulations. I think, you know, there are
17 provisions that already contemplate doing that and if they're
18 not working or you want to expand them, then take a look at
19 that part of it. But as Margie said, you know, you are
20 required to establish standards and procedures. And what you
21 have is not something that has been, you know, considered.
22 It's a product of dealing with court cases and making sure that
23 the procedures are -- I mean there are lots of --
24 unfortunately, lots of circumstances where if you don't take a
25 particular step, you know, somebody will take you to court.

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1 And unfortunately that creates difficulty. And so these were
2 carefully developed, thoughtfully developed in concert with --
3 you know, a lot of effort -- a great deal of effort and it was
4 not intended to create inefficiencies or difficulties. So I
5 think you have a framework. There are provisions in there that
6 deal with the intention of trying to make the non-controversial
7 ones easier to institute. Commissioner Harrington's attitude
8 and notion about perhaps involving borough governments with
9 dealing with other issues, that's something that had not been
10 considered at the time. And so I think, you know, you have a
11 framework that it can be dealt with without too much
12 difficulty.

13 MR. WILLIAMS: Thank you, Dan. I appreciate that.

14 CHAIRMAN CRYSTAL: Commissioner Harcharek?

15 COMMISSIONER HARCHAREK: I concur with what Dan
16 Bockhorst just said. We're not looking at an overhaul of all
17 the procedures. We're looking at specific issues. In the case
18 of the annexation, whatnot, from Gustavus, I believe those can
19 be simplified relatively easily. But we're not looking at an
20 overhaul of all our procedures. We're just doing specific ones
21 that take the burden off -- as much as possible off of a city
22 like Gustavus where they do a non-controversial, an unopposed
23 annexation. You know, I'm not even contemplating going -- I'm
24 not even suggesting revising all our regulations. I went
25 through it once and that was major overhaul. We don't need to

1 do that. There's no justification to do it, but for something
2 as simple as the city of Gustavus, it can be simplified
3 relatively easy, I believe. Thank you.

4 CHAIRMAN CHRYSTAL: Thank you. I can remember I was
5 fairly new on the Commission when we went through that change
6 of regulations. We spent a lot of time on it.

7 COMMISSIONER HARCHAREK: We revised the entire scope of
8 all of the regulations. And that was pretty comprehensive,
9 pretty well done. And basically we never perceived this
10 problem that Gustavus encountered. You know, that's why we
11 need to just pinpoint what we're going to address and not take
12 a machete to it.

13 MR. BALDWIN: Mr. Chairman?

14 CHAIRMAN CHRYSTAL: Yes, sir.

15 MR. BALDWIN: This is Jim Baldwin. I just -- I'd like
16 to add one comment, maybe a couple comments. You know, it's
17 hard to tell whether the problem that you've identified can be
18 solved, you know, by changing the regulations or by changing
19 the way the Department interprets it. In any case, I think
20 it's fairly obvious, at least it's obvious to me, that it's a
21 very extensive process when one gets involved in petitioning
22 for a boundary change or a borough formation. That's just the
23 way it is. I mean in my experience I know in one instance that
24 I've been involved with I know that one of the petitioners, you
25 know, spent \$300,000 (ph) in consultant fees and that's one of

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1 the main problems. I'm not sure you can resolve the complexity
2 of the situation when you have complex issues involved in
3 petitions. But maybe you can work on the money end of it as
4 well, which is getting grant funds available from the
5 legislature to help pay petitions, cover some of the costs. I
6 know in one instance, at least in the Prince of Wales
7 situation, they got a special appropriation from the
8 legislature to help fund their village expense. So I think
9 it's worthwhile, what you're talking about, as far as
10 simplifying the regulations but I've never seen regulations get
11 simplified in my lifetime, they've always gotten more and more
12 complex when people try to change them. So I'd just encourage
13 you to take a look at options for helping out with funding the
14 cost of these things.

15 CHAIRMAN CRYSTAL: Thank you, Mr. Baldwin. I think
16 the -- if I may paraphrase what the Commission is talking about
17 here, we're not talking about changing the really complex tough
18 issues. We're just talking about the easy simplified ones
19 where there is no opposition. And maybe you're right, maybe we
20 can't make it simple. But hope springs eternal. So hopefully
21 we can get some of these changed a little bit. Any other
22 comments on the simplifying of either the petition itself or
23 the writing of the petition? Okay. Mr. Williams, I'm not
24 sure, we're on number 12 there. Discuss the need by a city to
25 annex instead of the present need by the territory proposed for

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1 annexation to be in the city.

2 MR. WILLIAMS: Chair, this is Brent Williams. Just
3 looking at, I'd heard mentioned previously that the regulation
4 3 AAC 110.09(b)(a) talks about that the territory must show a
5 need for city government. And aside from the merits of that,
6 because that was brought up in the case that is under appeal
7 now, but it was brought up about what if a city demonstrates a
8 need for that territory. And so I was reflecting that I
9 understood the concern.

10 COMMISSIONER HARRINGTON: So you were asking does the
11 territory need to be annexed to the city versus the city needs
12 to annex that territory for cash purposes or something else?

13 MR. WILLIAMS: Sir, it currently reads currently that
14 the territory must show a need, but if the city needs.....

15 MS. VANDOR: The territory must exhibit a reasonable
16 need for city government.

17 COMMISSIONER HARRINGTON: Right.

18 COMMISSIONER WILSON: That was my argument at the
19 Dillingham meeting. I couldn't understand the need to annex
20 all that water. That water didn't show me any need to be.....

21 CHAIRMAN CHRYSTAL: Okay. That's under review at the
22 present time in the court system, so we need to not go there.

23 COMMISSIONER WILSON: Well, I won't use that specific
24 case then.

25 CHAIRMAN CHRYSTAL: Okay. Use some other.....

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1 COMMISSIONER HARRINGTON: Let's back up and talk about
2 the dam that was annexed. The dam didn't need to be inside the
3 city.

4 CHAIRMAN CHRYSTAL: Right. But the city.....

5 COMMISSIONER HARRINGTON: But the city needed the dam
6 inside the city to be able to regulate it. And that's -- the
7 regulation speaks to the area in order for the city to assert
8 some control there. We sort of interpreted it as being that if
9 the city needs it -- demonstrates a need for it, then the area
10 needs to be in the city.

11 CHAIRMAN CHRYSTAL: Yeah.

12 MR. BETTISWORTH: I can remember a situation in Kake
13 where the city wanted to annex the water shed, and we actually
14 allowed them to do that annexation so they could have control
15 of that water shed.

16 CHAIRMAN CHRYSTAL: Oh, really?

17 MR. BETTISWORTH: Yeah. Isn't that right, Dan? This is
18 C.B.

19 MR. BOCKHORST: Yes, it was.

20 CHAIRMAN CHRYSTAL: And was it logged, or not logged
21 or.....

22 MR. BETTISWORTH: (Indiscernible - simultaneous
23 speaking).

24 CHAIRMAN CHRYSTAL: Oh, you don't know.

25 MR. BETTISWORTH: But I know that logged the island. I

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1 don't know whether they logged the water shed or not.

2 CHAIRMAN CHRYSTAL: Interesting.

3 MR. WILLIAMS: This is Brent Williams. Often
4 municipalities want -- they don't have actual control if it's
5 the state or a federal function but they want some say in
6 natural resource development as it were, like along the borders
7 they like to have some say about matters like that.

8 COMMISSIONER HARRINGTON: So it sounds like -- John
9 Harrington. Sounds like we historically have used the fact
10 that if there is a need by the city that is included in this
11 regulation, although the main reading of the regulation is not
12 clearly stated there. You know, we're going to need to modify
13 that language slightly.

14 CHAIRMAN CHRYSTAL: Lynn Chrystal. Wouldn't the term
15 maximum local self government come into play somehow or other
16 in that type of a scenario where you have the local government
17 having more control over that area? Just a thought.

18 COMMISSIONER WILSON: Well, what do you mean by maximum
19 control?

20 CHAIRMAN CHRYSTAL: Good question. I think that's one
21 of those thing we're -- it's written into the constitution,
22 isn't it, maximum local self government? If I'm not mistaken,
23 isn't that where you're trying to encourage the -- as much as
24 possible, the local government to be involved and in control of
25 their local area rather than coming from somewhere else.

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1 COMMISSIONER WILSON: It's the definition of maximum
2 local, not maximum government.

3 CHAIRMAN CHRYSTAL: Right. Maximum local self
4 government. Didn't I say that? Thought I said maximum local
5 self government.

6 COMMISSIONER HARRINGTON: The emphasis would be maximum
7 local, not maximum government.

8 CHAIRMAN CHRYSTAL: Right.

9 DR. FISCHER: Basically managing their own affairs
10 insofar as possible.

11 CHAIRMAN CHRYSTAL: Right. Okay. I meant to say that.

12 MR. RUBY: This is Scott. I guess I'd like to throw
13 out a couple observations. It's interesting that in places
14 like the Kotzebue annexation where they're looking at taking
15 the port. You know, the port wants to be in the city, the city
16 wants to have the port and it's kind of that way. In a
17 situation such as -- you were talking about Kake where I
18 suspect the regional corporation or whoever owned the land did
19 not want to be.....

20 MR. BETTISWORTH: The village. The village and the
21 city.

22 MR. RUBY: the village, And so, you know, I think
23 in that case the city wants it and there's a lot of other cases
24 where, you know, a city might say geez, we'd really like to,
25 you know, annex this, it'll give us a little bit more of a

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1 base, it shares the costs, we can provide the services more
2 economical, but the people in that area or the owners of that
3 land would say, you know, we don't want to be part of the city
4 or the borough because, you know, then we -- we're going to
5 have to pay your taxes on that. You know, you've already
6 assumed that. We don't want those services that you're
7 offering to us. So I think there's a little bit of a
8 differentiation there between --- you know, what the regulation
9 says now is if that the area outside is desirous to have this
10 it can do it versus the city, could be perceived as looking
11 just to expand. That might be -- there's some differences --
12 subtle differences in the situations.

13 MR. BETTISWORTH: In the case of Kake, what was really
14 going on was the logging company was the one that was pursuing,
15 not -- well, objected to the idea that they would annex this
16 portion and control it. Because the logging company wanted the
17 logs.

18 CHAIRMAN CHRYSAL: Any other thoughts and comments,
19 questions on that issue? Okay. This ought to be a good one.
20 Discuss the concept of single site boroughs. Does anybody want
21 to enter into that one right away?

22 COMMISSIONER WILSON: Well, I think I comment about
23 this, I think. A single type borough is an oxymoron as far as
24 I'm concerned. When you're talking a borough, and there's no
25 specific entity, they don't seem to go hand in hand in my mind.

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1 It seems a borough has a regrowth perspective. But obviously
2 the LBC has taken a slightly different perspective over the
3 years.

4 MR. WILLIAMS: Yes, Chair, this is Brent Williams. The
5 reason that got on the agenda is because we had several
6 inquiries about no petitions in the past couple years, I'd say,
7 about single site boroughs. Basically a city and an area
8 immediately outside it would like to become a borough. We have
9 not received, that I can think of, any such petitions. But
10 it's conceivable that one could arise. And I've read comments
11 from Dr. Fischer and others on this topic. So the reason it's
12 in there is for purposes of discussion because I would not be
13 surprised if down the road we receive such a petition. Then it
14 gets back to the idea of what did the constitutional framers
15 have in mind, what size of a borough. There's nothing in the
16 standards that say a borough must be X number of square miles.
17 They talk about a regional scale. And for most of us -- many
18 of us that are involved with the Local Boundary Commission,
19 there have been some petitions in the past that involved
20 smaller areas, or perhaps one city. So those things have been
21 seen in the past and they could be seen in the future.

22 MR. BEISINGER: Mr. Williams, this is Clarence
23 Beisinger.

24 MR. WILLIAMS: Yes, sir.

25 MR. BEISINGER: May I speak, Mr. Chairman?

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1 CHAIRMAN CRYSTAL: Sure, go ahead, please.

2 MR. BEISINGER: You know, with what Mr. Williams has
3 said there I think it's highly likely that that could be seen,
4 at least here in Nenana area where I'm at participating in the
5 city council meetings the city assembly has hired, City of
6 Nenana, Shamberg & Associates, to do the borough study. And in
7 those city council meetings they have stated to the public that
8 the main thing they're going to be having Shamberg & Associates
9 look at is to -- in the study, is Nenana forming it's own
10 geographical borough. As I mentioned earlier it would run from
11 just south of the North Star Borough to just north of the
12 Denali Borough, eventually annexing in those areas north and
13 south of existing city limits of Nenana, but you'd only have
14 one community. You wouldn't have a larger geographical area.
15 And that study of course is going to be proceeding forward.
16 Shamberg will be having their meet and greet here next summer
17 and that process will be going forward. But that is what the
18 City of Nenana has been expressing to the community here, that
19 they'd like to have their own borough. And once the study is
20 done I imagine they could, you know, get the petition written
21 up and filed. But I know from listening and reading with
22 Article X, Section 3, it sounds like, according to the state
23 constitution, the ideas for these boroughs encompass a larger
24 geographical area and more than just, you know, one town or
25 village, or city, if you will.

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1 CHAIRMAN CRYSTAL: Thank you, sir.

2 MR. BOCKHORST: Mr. Chairman?

3 CHAIRMAN CRYSTAL: Yes, sir.

4 MR. BOCKHORST: Dan Bockhorst. I'll see if I could

5 just add a couple of comments. First of all, I think Vic

6 Fischer addressed this early on, that the ideal would have been

7 to have done this early in statehood in terms of dividing up

8 the state into appropriate boundaries. The longer the status

9 quo remains, when you're dealing with this incrementally as

10 we're talking about here, the much more difficult it is to

11 implement some kind of a reasonable standard. And I've seen it

12 over and over again when you get relatively small places and in

13 absence, in a vacuum without other competing petitions, it is

14 much more difficult to implement these policies. And I think

15 this was one of the advantages, and C.B. can speak to this as

16 well. The model borough boundary effort was precipitated by a

17 rash of multiple competing petitions for regions. And it just

18 got to the point where the Local Boundary Commission put all

19 petitions on hold for any borough government incorporation or

20 annexation until it completed the model borough boundaries.

21 And, you know, there still is resistance to considering them.

22 But it is much more -- you know, dealing with these things

23 incrementally, as we have now, it's a very difficult problem.

24 The constitution calls for minimum numbers of local government

25 units and when you start bulkinizing Alaska and creating

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1 multiple boroughs you're not fulfilling that objective. Also
2 clearly I think borough governments are regional entities. I
3 remember one proposal that came before you, you never reached
4 the stat us a full petition because the staff didn't facilitate
5 it. But it was for a Liziowski (ph) Great Borough. The
6 Liziowski Straits proposed borough encompassed the community of
7 Pelican, which is currently a school district that has --
8 according to a recent statement I read, seven -- or is expected
9 to have seven students in it for the entire district. So this
10 can get preposterous. And unless it's dealt with collectively
11 at some point in time. The legislature obviously did a great
12 deal of that in 1963. Incidentally, if I could just tell one
13 anecdote. Clint Tillian, who was in the legislature in 1963-
14 64, according to Clint Tillian, and this has been stated in
15 Local Boundary Commission documents. It's been recorded.
16 Clint Tillian indicated that there was an agreement that was
17 reached in 1963 among legislators in terms of the Mandatory
18 Borough Act that there would be eight boroughs created in 1963,
19 which encompassed 80 some percent of the population. Today
20 it's 85 percent. I think it was around 80 percent then. And
21 then the next year, the '64 legislature, it was the same. The
22 two year legislature, that was the '63-64 session, they would
23 come back and deal with the rest of the state as a whole. The
24 plan at that time, according to Clint Tillian, was to deal with
25 it comprehensively. And it never happened. It is shocking,

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1 frankly, to see -- I don't know how the state can rationalize
2 the way it took a 180 degree reversal in its policy about
3 borough formation. It mandated formation of eight areas and
4 then just a total reversal and took a hands off attitude. As
5 Vic Fischer indicated, the Constitutional Convention minutes
6 clearly indicate that mandatory borough formation was an option
7 and the state policy, you know, it wasn't unreasonable. What
8 is unreasonable is taking a policy with regard to 80 percent of
9 the population and then doing a total about face. I mean it
10 raises so many other issues.

11 If I could just make one other point and then I'll be
12 quiet. I want to go back to a comment that was.....

13 CHAIRMAN CHRYSAL: Well, make it as quick as you can.

14 MR. BOCKHORST: Could I, Mr. Chairman?

15 CHAIRMAN CHRYSAL: Yes, sir. Go ahead, please.

16 MR. BOCKHORST: Okay. About the question when
17 Commissioner Harrington raised this issue about dealing with
18 the education question and whether the Local Boundary
19 Commission wishes to weigh in. And a comment was made, why do
20 we care? Well, I would submit you really ought to care because
21 you have in the past gone on record -- the Constitution
22 Convention delegates wanted the state to create inducement to
23 borough formation. You've not done that. Not -- and I don't
24 mean you, the Local Boundary Commission, I mean you, the State
25 of Alaska, has not done -- has not created inducements. What

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1 you've done is you've created disincentives. And again, it's
2 very difficult to overstate the disincentives. It has
3 literally a very crushing burden on this community in
4 Ketchikan, and it does in other communities. It is a major
5 issue and by far, and the Commission has long recognized this
6 in the past, education -- the required contribution for
7 education is the biggest disincentive. We don't -- here in
8 Ketchikan, don't object to supplementary for our education. We
9 enjoy having good schools and we are proud of our schools, but
10 about half of the money that we spend of the \$10 plus million a
11 year -- that the 14,000 people in this community spend on
12 education is simple money that is saving the State of Alaska
13 that they don't have to spend on it because we're an organized
14 borough. If we weren't an organized borough the state would
15 take on this additional burden. And, you know, I think you
16 ought to care, personally, and I think you ought to care -- to
17 me, any other disincentive that exists is minuscule compared to
18 the education issue. And if we lose that disincentive I
19 think -- and this is why, if you had an opportunity to read the
20 1977 Getche's (ph) five page, he predicted this. The same
21 thing. He said without full funding the basic need you're
22 going to see the stagnation of regional government in Alaska
23 and his prediction is right on target. So I would suggest you
24 ought to care and that there's reason to care, in particular
25 about the education issue. Thank you.

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1 CHAIRMAN CRYSTAL: Thank you, Mr. Bockhorst.
2 Comments? C.B., did you -- you had your hand up a few minutes
3 ago. Did you still want to make a comment?

4 MR. BETTISWORTH: Well, I guess I lost track of where
5 we were at. Dan went off a little bit on this education thing.
6 We were talking about.....

7 CHAIRMAN CRYSTAL: Mostly single site boroughs. We
8 started out on this thing.

9 MR. BETTISWORTH: Single site boroughs. I guess I was
10 going to respond to the people in Nenana. It seems to me that
11 if they're going to annex up to the south -- north side of the
12 Denali Borough, they're going to include Anderson. So they're
13 not going to be a single site borough.

14 MR. BEISINGER: Sir, Anderson already is in the Denali
15 Borough.

16 MR. BETTISWORTH: Okay. All right. Sorry about that.

17 MR. RUBY: This is Scott. I've had some
18 conversations -- because we administered a grant, I've had some
19 conversations with Bart Shamberg. That is just one of four or
20 five options that they're looking at within that borough study.
21 They're also looking at potential advantages and disadvantages
22 of being consolidated with the Denali Borough, being
23 consolidated with the Fairbanks-North Star Borough, and then a
24 larger, what we would say is more of a regional government. So
25 -- but certainly that is one of the options they're looking at

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1 is a single site borough and, you know, it's hard to know
2 whether or not that's the preferred option going into the
3 study. But it's certainly one that is getting serious
4 consideration.

5 COMMISSIONER HARRINGTON: And I appreciate hearing that
6 they are considering it but I cannot speak to that because
7 we'll be speaking to the writer (ph). And I would rather focus
8 strictly on my attitude toward a single site borough. Which is
9 obviously negative. That is, unless you are talking about a
10 fairly substantial region or -- to me it just does not make
11 sense. It's do something other than have a city.

12 CHAIRMAN CHRYSTAL: Dr. Fischer?

13 DR. FISCHER: I don't suggest that anyone would comes
14 in with a proposal for a borough organization should have to
15 consider or maybe even provide a burden of proof, the
16 consideration of the pertinent model borough as defined and
17 includes that particular area for post borough incorporation.
18 Just make it a part of your regulations, if you would. The
19 Commission will consider it that way but the applicant should
20 address foundation. And I would certainly do that in the case
21 of Nenana, and I have no idea what they're considering.

22 MR. BETTISWORTH: I agree with Vic.

23 CHAIRMAN CHRYSTAL: Well -- yes, sir, Commissioner
24 Wilson?

25 COMMISSIONER WILSON: On the other hand if Nenana is

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1 willing to take on that burden, you know, and supposedly that's
2 going to help the state, I don't know if we'd be gaining
3 anything by denying it or trying to force them to greatly
4 enlarge it. If the idea is to take the burden off the state by
5 having the city provide more than schools, is that what we're
6 after, or we just want more area included? If they're not
7 willing to do that are we just going to cut their throat there
8 a little bit?

9 CHAIRMAN CHRYSTAL: I haven't weighed in on this so --
10 I'm just trying to get a discussion going here.

11 DR. FISCHER: Well, I think that's good point. I'm not
12 saying that the answer would be a go or no go. I think the
13 model boundary should have part of the go or no go decision by
14 the Commission. I think it should be a consideration because
15 the last thing that you want to end up doing is an incorporated
16 borough here, another incorporated -- either incorporated
17 borough there and another one and a bunch of no man's land left
18 over that could not ever move toward any kind of a self
19 government jurisdiction.

20 CHAIRMAN CHRYSTAL: I see what you mean.

21 DR. FISCHER: That's what I have in mind. That you
22 just don't end up with left over pieces and a smaller scale
23 have what you have in the unorganized borough now that's not
24 going to lead to anything.

25 CHAIRMAN CHRYSTAL: Anything else? Mr. Williams,

1 correct me if I'm not right but we have two single site
2 boroughs in the state? Skagway and Yakutat? Is that basically
3 it?

4 MR. WILLIAMS: Well, their the only ones I can think of
5 now.

6 CHAIRMAN CHRYSTAL: Petersburg?

7 MR. WILLIAMS: Well, we -- there is -- I would consider
8 Petersburg myself but we're not discussing that.

9 CHAIRMAN CHRYSTAL: That's still under advisement.

10 MR. WILLIAMS: Skagway has been characterized as a
11 single site borough and Yakutat has been characterized as a
12 single site borough. And I can't think of any others that have
13 been characterized as such. I take that back. Sitka. Well,
14 there's, as I understand, no -- very few people living in the
15 City and Borough of Juneau, who do not live in what used to be
16 the City of Sitka and the immediate surrounding area. Port
17 Alexander on the bottom of the island detached from it when the
18 borough became unified. And there might be a few folks in
19 coves on the island. As I understand it there's no other
20 residents.

21 CHAIRMAN CHRYSTAL: There aren't (indiscernible). The
22 back side there (indiscernible).

23 MR. WILLIAMS: That's all I have, sir.

24 CHAIRMAN CHRYSTAL: I guess for a legal stat, maybe you
25 don't even want to answer this question, but once you've

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1 established a precedent of a single site borough, doesn't it
2 make it more difficult to turn down the next one if it's just a
3 single site? Maybe you don't even want to answer that, I don't
4 know.

5 MS. VANDOR: This is Margie Vandor. And I will say if
6 there's anything that is unique, it is each petition that comes
7 to the LBC. And so in my opinion I think the (indiscernible)
8 decisives and res judicata argument is then beaten to death on
9 certain case in mind, that you are tied to a decision made many
10 years before, maybe on a very similar petition you didn't
11 accept then but then you accept later. You know, your regs
12 allow new petitions to come, you know, even the same one, two
13 years later you turned it down. So they're all created very
14 unique and I wouldn't -- you know, of course the other side
15 would argue that. But I think considering your constitutional
16 standards and your status and that these are fundamental policy
17 decisions that your board makes. I mean you are quasi
18 legislative. You have a legislative function. You're not
19 going to, in my opinion, fall into that automatic category
20 precedence because of the earlier petitioner.

21 CHAIRMAN CHRYSAL: Well, I knew of course it would
22 never be an automatic thing but I just thought it would just
23 start to make it tougher, or whatever, you know.

24 MS. VANDOR: It might be tougher and it might be
25 brought up a lot more but I'm just saying I think it's an

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1 argument that -- you're in pretty good standing to say we are
2 dealing with this petition right now, it is unique.

3 CHAIRMAN CHRYSTAL: Well, the whole state is so unique,
4 it's changed so much just in the almost 50 years I've been up
5 here with the discovery of oil in all these places. It's so
6 different.

7 MR. BETTISWORTH: Just one final comment. I'd like to
8 reiterate what Vic said, which is that, you know, one of the
9 criteria that you examine in a few borough petition would be
10 how does it conform to the model boundaries? And I think that
11 was my intent at the time as we made those. And so I would --
12 I don't know how you do that but if you put that in your
13 procedures or your criteria for examining how you form a new
14 borough, I think that would satisfy your questions.

15 COMMISSIONER WILSON: Well, where was Sitka in the
16 model borough when you were doing that?

17 MR. BETTISWORTH: It was already formed before we
18 started. I can't answer the question. I can't remember if it
19 was a model.....

20 COMMISSIONER WILSON: Does that include the whole
21 Baranof Island?

22 MR. BETTISWORTH: I can't -- I don't remember.

23 COMMISSIONER WILSON: That's -- if it does that's.....

24 MR. BOCKHORST: Mr. Chairman?

25 CHAIRMAN CHRYSTAL: Yes, sir.

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1 MR. BOCKHORST: Dan Bockhorst. In terms of -- I mean
2 the model borough boundaries looked at the entire unorganized
3 area and parts of the unorganized areas there were areas
4 identified by the Local Boundary Commission in that process
5 that should be annexed to existing organized boroughs. With
6 regard to Sitka, I don't believe the boundaries -- I don't
7 believe there was any suggested adjustment although I don't
8 have those in front of me. But theoretically not all of the
9 areas of the unorganized borough were identified by the
10 Commission as being areas that should be new boroughs. Parts
11 of them should be part of existing boroughs.

12 COMMISSIONER HARRINGTON: I think the southeast. As I
13 look at a map of the southeast, you know, we are creating
14 enclaves as we go. Yeah, we made the comment about Hyder as
15 being off and should be part of the Ketchikan Gateway Borough.
16 And we're waiting for.....

17 MR. WILLIAMS: Excuse me, Chair. Recently the enclave
18 has come up recently in -- by the petitioners in their appeal.
19 Sorry, sir.

20 COMMISSIONER HARRINGTON: Okay. Then I won't say that
21 that's something we need to think about avoiding.

22 MR. RUBY: This is Scott Ruby. I have one example to
23 explore that, my understanding is, for the Prince of Wales
24 Island petition, you're looking at Port Alexander. And, you
25 know, whether it would be included or not, and if it's not then

1 it would be a similar situation. They have an enclave of a
2 very small community.....

3 COMMISSIONER HARRINGTON: Precisely.

4 MR. RUBY:kind of donut holed in there. And, you
5 know, what might you do with that is one example for
6 discussion.

7 COMMISSIONER HARRINGTON: That's one of those areas
8 that I was thinking about. Do you then go to them and say do
9 you want to be part of Prince of Wales or do you want to be
10 with Sitka? And their optimum option is not there to do
11 neither. I think there is a need to avoid those holes in our
12 mapping.

13 CHAIRMAN CHRYSAL: I have a question for Dr. Fischer.
14 Kind of similar to this, I guess, in a way. Since you did the
15 constitution and we became a state and all this kind of stuff,
16 the state has changed so much. Do you think the basic tenens
17 of the constitution and the whole purpose of boundaries and
18 boroughs and all that kind of stuff, has it changed all that
19 much or do you think the basic tenens are still the same even
20 though we've changed?

21 DR. FISCHER: I think the basic principals of the
22 constitution remain, starting with Section 1 of Article I,
23 which is in the Declaration of Rights. And right on through
24 the resource article and the local government article and the
25 others. The principal of maximum local self government I think

1 is accepted and that hasn't changed. Locum construction shall
2 be given to powers of local government. I certainly think that
3 that's still appropriate and has been going through. The one
4 change was necessary such as the inclusion of city
5 representation and the borough assembly. I think there was
6 probably a change because there was hope that it would bring --
7 that that initial provision would bring cooperation instead it
8 just created essentially at the borough assembly level. Home
9 rule has been implemented very effectively. No, I think the
10 basic purposes remain. The need for a state level boundary
11 commission, a state level boundary such as this remains. The
12 appropriate provision for a local government agency to advise
13 us as local government, the principal remains even though it
14 hasn't been as effective as its been in years past. So I don't
15 think -- I would say the provisions of the local government as
16 far as most of the other parts of the constitution remain
17 within what tended to be as basic principals and basic
18 fundamental structures meant to survive into the distant future
19 and we adapted those to local considerations. And I think all
20 in all the Commission has function. The fact that you are
21 having this seminar shows that the Commission is alive and
22 considering what its appropriate functions and duties ought to
23 be.

24 CHAIRMAN CRYSTAL: Thank you.

25 MR. BOCKHORST: Mr. Chairman?

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1 CHAIRMAN CHRYS TAL: Yes, sir?

2 MR. BOCKHORST: Dan Bockhorst. I just don't -- the
3 Commission's current regulations do prescribe that the
4 Commission may -- they don't require them to, but may consider
5 boundaries both for annexations and incorporations.
6 Incorporation I is in Section 060 of your regulations, then
7 there's a similar one for annexation.

8 CHAIRMAN CHRYS TAL: Okay. Anybody else? We'll move on
9 to the next discussion. Why did unified municipalities come
10 about and what are they? Good question, because we seem to
11 have different names for different groups around the state.

12 DR. FISCHER: Why they came about? Because it made
13 sense. The constitutional convention committee of local
14 government, at the beginning of deliberations, considered that
15 maybe we ought to provide for a single government at the area
16 wide level and do away with cities. And the area wide unit
17 came to be known as the borough. There was consideration
18 that -- however, that city governments exist, they provide
19 services and in some areas they would meet -- serve city
20 function determinus with the larger borough concept. In a way
21 that's happened in a unified municipality, especially the ideas
22 the framers had then. But sometimes I feel sometimes we need
23 to change a few of the municipalities is that they created a
24 more effective unit of maximum self government. In each case
25 it was the people of the area decided to do it. Now in my view

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1 the unified municipal governments are boroughs. They are not
2 cities, they are boroughs. Because they encompass the entire
3 borough area more than the original city. And it is simply a
4 name that somebody created, but it does not establish a third
5 level -- a third type of local government. The power of
6 taxation can be granted only to cities and boroughs, not to any
7 other unit. So the unified unit can only be the borough unless
8 you call it -- they call it now a city. But Yakutat is a
9 borough. It is not a unified municipality even though it is
10 unified. So I think it's just nomenclature but it is a borough
11 in my definition.

12 MR. WILLIAMS: Certainly. Doctor, just if I may.
13 Thank you, Dr. Fischer. I understand everything you're saying.
14 What puzzles me in some -- why, by statute, unified
15 municipalities, why they have their form as opposed to having
16 them go into a borough, because there are several unified
17 municipalities around the state and people then, you know,
18 appear to be clear as to what form of government they live in.
19 They appear to think there is -- that they're still a city or
20 they're in a third form of government despite what you've
21 articulated. And I've heard.....

22 MR. BOCKHORST: Mr. Chairman?

23 CHAIRMAN CHRYSAL: Just a second. Mr. Williams
24 is.....

25 MR. BOCKHORST: Okay.

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1 MR. WILLIAMS: I've heard that referred to,
2 municipalities referred to as cities when they are not cities
3 and they have not been cities for decades since we've been city
4 and then borough unified. But I'm not clear by the state form
5 why this didn't remain a borough, dissolve the city. I'm
6 saying it was for a -- now the tradition of having cities, they
7 have an awkward pseudo title in some cases and people in them -
8 - we had calls from folks in Sitka, for example, aren't we --
9 isn't Sitka the largest city that size in the country? And no,
10 because there hasn't been a City of Sitka since roughly 1975.
11 So that's all I have, Chair. Thank you.

12 DR. FISCHER: May I just follow up on this?

13 CHAIRMAN CHRYSTAL: Sure.

14 DR. FISCHER: It's -- who was it? Shakespeare said
15 what's in a name? Anchorage calls itself the Municipality of
16 Anchorage. If you look at the headquarters of the Municipality
17 of Anchorage it says city hall. It doesn't mean anything.
18 There are two levels and the larger unit that unified in
19 Anchorage was the borough. The city was a piece of the
20 borough. So to me the logic is that it's the larger unit that
21 governs for purposes of let's say constitution, although I
22 don't think it matters. But setting up the unified, using
23 unified is the wrong term because there can only be two types.

24 MR. WILLIAMS: This is Brent Williams. I'm understand
25 whatever you're saying, it's just that people -- you said

1 calling something a borough becomes a unified municipality and
2 the folks in some of the municipalities are not sure what form
3 of government they live within. Then you get people from
4 further away but in the same municipality, are they part of
5 Anchorage, are they not in Anchorage, and they're puzzled.
6 They know they live in the state of Alaska but they're not sure
7 what municipality -- what forum they live in.

8 DR. FISCHER: Right. Cities and boroughs are both
9 municipalities. So -- but we call them -- we don't call them
10 statutorily municipalities, I don't think. I think DCRA, or
11 whoever is out there, local government.....

12 CHAIRMAN CHRYSTAL: Right here.

13 DR. FISCHER: Okay. Scott.....

14 CHAIRMAN CHRYSTAL: They have different things on it.

15 DR. FISCHER:next time you publish a map,
16 eliminate the unified as a separate category, and that list in
17 the left-hand corner, and put them wherever you feel like
18 having them.

19 MR. WILLIAMS: This is Brent Williams. They're not
20 simply listed as municipalities because they're listed as
21 boroughs unified or non-unified.

22 MR. BETTISWORTH: This is C.B. Bettisworth. You know,
23 I think about Juneau. It's called the City and Borough of
24 Juneau, which is a unified borough. You guys list it as -- do
25 we list it as the Borough of Juneau or.....

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1 MR. WILLIAMS: We list it -- it's name is the City and
2 Borough of Juneau. Generally listed as the unified borough.

3 MR. BALDWIN: Mr. Chairman?

4 CHAIRMAN CRYSTAL: Yes, sir.

5 MR. BALDWIN: This is Baldwin. This is an issue of
6 particular interest to me. It was a frustration. I think, as
7 has been stated here particularly by Vic Fischer, I don't think
8 there is any question that they're borough governments. And
9 let me just give you three reasons why I say that. And I share
10 the frustrations and I laughed when Vic said, okay, if you walk
11 over to the Anchorage Municipal headquarters you see the
12 listing there as city hall. What is the governing body of the
13 Municipality of Anchorage? It's the assembly. Article 10,
14 Section 4 of our constitution says that the governing body of
15 an organized borough shall be the assembly. The governing body
16 of a city government is the city council. They're not --
17 they're an assembly. Second of all, if it's a city government
18 instead of a borough, then that would mean they must be an
19 unorganized borough. And thirdly, the Commission has already
20 addressed this issue because of the frustrations of this
21 question. It is specifically defined in law that a borough
22 is -- that a unified municipality is a borough government. In
23 3 AAC 110.990(1) you're defined it already as a unified
24 municipality is a borough. So I don't think there's any
25 question. And it is, C.B., as you said, I read in the paper

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1 ever so often that the manager of the City and Borough of
2 Juneau refers to themselves as the city manager. They're not a
3 city government.

4 CHAIRMAN CHRYSTAL: So if I may -- this is Lynn
5 Chrystal. As a layman without much information on legalese,
6 whether you call yourself a Municipality of Anchorage or the
7 City and Borough of Juneau, or the City and Borough of Sitka,
8 it's all the same thing legally, no matter what you might call
9 it. That's what I assume, but.....

10 MR. BETTISWORTH: It's semantics.

11 CHAIRMAN CHRYSTAL: Yeah.

12 MS. VANDOR: Yeah. And -- this is Margie Vandor. I'm
13 sitting here looking at the various charters of these unified
14 municipalities. And they -- most of them allow for it to be
15 called the borough, or the city and borough, but they refer to
16 themselves as a borough. And I'm just looking at a few of
17 them. The City and Borough of Juneau and the City and Borough
18 of Sitka, they also referred to themselves as the Greater City
19 of Sitka and the Greater -- you know, but if you look at their
20 charters they are acting as boroughs. And so they kind of deal
21 with their name and the fact that there'll -- there will be a
22 variation of names periodically and it's still the same thing.
23 So I just wanted to point that out. It's another source to
24 look at.

25 MR. WILLIAMS: This is Brent Williams.

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1 MS. VANDOR: Yes?

2 MR. WILLIAMS: I think we all agree that there's
3 boroughs and cities, and that's it. The statute come up with a
4 third term themselves, I've got one now, it's a Home Rule First
5 Class Borough or a Municipality as if the people that drew up
6 the statute thought that there was a different form of
7 government. And it is still -- I think as Dr. Fischer said
8 earlier, by any name it's still a rose, but the people who live
9 there get -- as we've pointed out, do not seem to be entirely
10 sure of the form of government they live under.

11 CHAIRMAN CHRYSAL: Or are they using that term "or" as
12 not as additional thing but rather they're reading themselves
13 into the same thing. Well, I thinking it might have been
14 worded a little differently.

15 DR. FISCHER: Mr. Chairman?

16 CHAIRMAN CHRYSAL: Yes, sir?

17 DR. FISCHER: I've got to excuse myself for about 20
18 minutes.

19 CHAIRMAN CHRYSAL: Okay. Well, we are about due for a
20 break anyway. So it's quarter to 3:00 now. We'll come back at
21 3:00 o'clock.

22 (Off record - 2:45 p.m.)

23 (On record - 3:00 p.m.)

24 CHAIRMAN CHRYSAL: Okay. We're back on the air. The
25 next question, why does the LBC not consider unification

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1 petitions? I'm not sure what's meant by that particular
2 question, but Mr. Williams, since you wrote it we'll put the
3 onus on you. All right, sir.

4 MR. WILLIAMS: I guess my -- unification have occurred
5 without going through the LBC, for example, Anchorage. And so
6 it's -- if no boundaries were changed therefore it's not
7 necessary. My question was why was unification had, which it
8 wasn't tallied by election, why do they not go through the
9 Local Boundary Commission? Is it necessary or is it not
10 necessary?

11 COMMISSIONER HARRINGTON: It's goes back on the local
12 government which stay out of the way and let them do what they
13 want to do.

14 CHAIRMAN CHRYSTAL: Well, if they don't have to come
15 through the LBC I guess they wouldn't.

16 MR. WILLIAMS: I don't know whether it's required or
17 not. If it's a local boundary change because the city is gone.

18 CHAIRMAN CHRYSTAL: Okay. So it's not indifferent not
19 considering anything.....

20 MR. WILLIAMS: It wasn't brought to the Local Boundary
21 Commission. I don't know what was going on in the mid '70s,
22 why it was not considered a need to undergo LBC review.

23 CHAIRMAN CHRYSTAL: Wasn't there an argument with
24 respect to Eagle River as far as unification? Didn't the
25 Boundary Commission step in on that?

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1 DR. FISCHER: No. That was.....

2 MR. BOCKHORST: Mr. Chairman?

3 CHAIRMAN CHRYSTAL: Just a second, please?

4 DR. FISCHER: No, let Dan go.

5 CHAIRMAN CHRYSTAL: Okay. Go ahead, Dan.

6 DR. FISCHER: Give you a shorter answer.

7 MR. BOCKHORST: In terms of Eagle River and

8 unification, what happened is kind of interesting. The state

9 legislature detached Eagle River from the greater Anchorage

10 area borough and allowed the voters in Eagle River to

11 incorporate a separate borough government. And that resulted

12 in a legal challenge. And while that legal challenge was

13 pending the voters in Anchorage voted to unify, and this was

14 the vote of people not including the separate Eagle River

15 Borough. After unification occurred the court determined that

16 the action taken by the legislature to create Eagle River

17 Borough was unconstitutional and the people in Eagle River were

18 brought back into a unified borough government.

19 COMMISSIONER WILSON: And the Local Boundary Commission

20 had nothing to do with any of that?

21 MR. BOCKHORST: The Commission did not review the Eagle

22 River Borough petition. And, you know, although the Commission

23 -- this is part of that whole bulkinization question that we

24 talked about earlier about minimum numbers of local government

25 units. I forgot to make that point. You're not just looking

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1 at single site boroughs in the unorganized borough. What you
2 start doing -- what you define as a borough government, if you
3 start -- I mean we arguably here in the Ketchikan Gateway
4 Borough we could see four -- if people wanted to make the
5 arguments, we could see four different borough governments.
6 You've heard repeatedly about detachment efforts in Kenai
7 Peninsula Borough and Fairbanks North Star Borough, Anchorage.
8 you know, it is an issue the Commission has wrestled with for
9 years.

10 MR. WILLIAMS: Chair, if I may?

11 CHAIRMAN CHRYSTAL: Yes, sir.

12 MR. WILLIAMS: This is Brent Williams. I'm just not
13 sure why LBC is not involved. There's a good reason, I just
14 don't know what the reason is why the LBC is not involved in
15 this unification cases that were occurring in 1974 and 1975,
16 thereabouts. If someone has the answer I'd be happy to hear
17 it.

18 CHAIRMAN CHRYSTAL: C.B. is shaking his head, so.....

19 MR. BOCKHORST: Well -- Mr. Chairman?

20 CHAIRMAN CHRYSTAL: Yes, sir.

21 MR. BOCKHORST: Could be it's the same reason that the
22 City of Wood River was created. I mean the law at the time and
23 the law currently prescribes that unification occurs, it
24 doesn't involved the Commission. It doesn't mean you can't
25 make an argument for it. But right now, I mean that's what the

1 law prescribes. The Commission of course can incorporate a
2 unified borough government, unified municipality upon -- I mean
3 an unorganized area may petition for unified -- creation of a
4 unified municipality. But I mean the law does not prescribe
5 that an existing organized borough and cities within it has to
6 go to the Local Boundary Commission for unification. And that
7 doesn't mean it isn't -- you can't make arguments for it, but
8 that's just the way the law reads.

9 MR. WILLIAMS: Thank you, Dan.

10 CHAIRMAN CHRYSAL: Anything else on that issue?
11 Running out of issue.

12 MR. WILLIAMS: Chair, this is Brent Williams. The next
13 one, Number 16, was brought up in a recent petition this under
14 appeal but I don't believe that is in the appellate's brief.
15 But it was brought up at the hearing, you might recall.

16 MR. JOHANSEN: I don't think it's proper to discuss it,
17 not if it's part of that case that's on appeal.

18 CHAIRMAN CHRYSAL: Well, how about if we would discuss
19 the fact that -- you know, this might set me off, but say a
20 person is in town and they have no children. And they protest
21 against school taxes. You know, it's always been upheld by the
22 courts over the years everywhere that education is a basic
23 right and whether you have children or don't have children you
24 still have to pay. Don't talk about it or you're in agreement?

25 MS. VANDOR: Oh, no. I was looking for the case file.

1 CHAIRMAN CHRYSAL: Right. So I don't want to -- well,
2 we've run out of topics that were listed. Anybody have
3 anything that they'd like to bring up?

4 COMMISSIONER HARCHAREK: I have one sort of like what
5 you.....

6 CHAIRMAN CHRYSAL: I mean in regards to what we've
7 been talking about.

8 COMMISSIONER HARCHAREK: Yeah. It's in regards to what
9 we've talked about. Up until recently the state did not
10 require the North Slope Borough to tax outlying properties.
11 Properties like subsistence (indiscernible) and such. But
12 they've changed their position on that and now they're
13 requiring it. And there's a family that owns a business
14 between Prudhoe Bay and Barrow that -- you know, it's a very
15 productive business. But that family doesn't avail themselves
16 of any of the services, only the borough. But now they're
17 going to be taxed and without a doubt they're going to
18 challenged it. And that's the whole mix. I just found it
19 found it very interesting. You know, they're within the
20 borough and most subsistence (indiscernible), there's really no
21 value to them other than, you know, it'd be more expensive to
22 collect the taxes than -- you know, than it's worth. But this
23 is the sole exception. You know, he has a very -- I was say
24 very successful but a lucrative subsistence venture out there.
25 And, you know, they don't consider themselves a part of the

1 borough. You know, they're just out there sitting alone. I
2 just find it interest, the concept. And you're going to --
3 we're also going to receive objections if we decide we're going
4 to -- some place down the line if some entity decides they're
5 going to have a borough that's going to take in the City of
6 Bettles because they're, you know, in a similar position.
7 And -- but they don't really even balk. If there's any kids
8 born in Bettles they're home schooled. And, you know, I just
9 see -- I don't know if this will ever come to the Commission
10 but there are things to consider, you know, when we're looking
11 at we don't want to leave any enclaves out there. They're not
12 a part of a borough or an unorganized borough. I think we just
13 got to keep that in mind as we look at petitions as they come
14 to us. That was just something I wanted to bring up. Not any
15 need for further discussion on it but I just wanted to mention
16 the situation.

17 CHAIRMAN CHRYSAL: Well, you know, the whole home
18 school issue comes up quite a bit around the state. And most
19 people are thinking because you home school your kids the
20 state's not providing any information. But they in fact do
21 provide a lot of aid to those parents who are home schooling.
22 Materials, and it goes on and on. So there's quite a bit of
23 money that's spent by the state on home schooled kids. You
24 know, it's not just a free wheel deal.

25 COMMISSIONER WILSON: That's true.

1 CHAIRMAN CHRYSYAL: A lot of people aren't aware of
2 that but there's quite a bit.

3 COMMISSIONER WILSON: We went into that when I was in
4 the legislature and we discovered that the state's cost to home
5 school a child is considerably less than putting them in a
6 public school.

7 CHAIRMAN CHRYSYAL: Oh, yeah. Well, you don't have to
8 build a building for them.

9 COMMISSIONER WILSON: Yeah. And they achieve higher
10 scores in the long run. But I've seen that abused. I've seen
11 people take their kids out of school because they got mad at
12 something that happened at school and they didn't learn
13 nothing. They were supposed to be home schooled and they
14 weren't. So it can be abused. There's no question about that.

15 CHAIRMAN CHRYSYAL: Yeah. We had a family move in a
16 couple doors down from with five kids and we all thought wow,
17 we need some more kids for the school. And they're home
18 schooling them. But they're doing a great job. They're a
19 wonderful family. Well, Dr. Fischer, is there anything else
20 that you might want to impart to us? Some of your knowledge
21 before we leave here? We certainly appreciate you coming down
22 and spending time with us from your busy schedule. You're not
23 supposed to be so busy, by the way. I thought you retired.

24 DR. FISCHER: I am delighted to have been here. The
25 only last words I would have is please call me Vic.....

1 CHAIRMAN CRYSTAL: Well.....

2 DR. FISCHER:in meetings.

3 COMMISSIONER WILSON: Well, I got one thing I'd like to
4 ask Vic. When you were organizing back then, I don't know, do
5 you by any chance remember a fellow by the name of Frank Barr?

6 DR. FISCHER: Of course I do. Frank Barr was a
7 delegate from Fairbanks and he was a pilot and a real
8 participant in the constitutional convention.

9 COMMISSIONER WILSON: He was my hero growing up, Frank
10 Barr.

11 DR. FISCHER: Well, he was a wonderful guy.

12 COMMISSIONER WILSON: Well known Bush pilot. And I
13 went to some meetings held in Sitka when I was going to high
14 school when they were drafting the constitution. I remember
15 Frank Barr, he was a big -- big problem he had was with the
16 word borough. He hated the word borough. He said call me
17 anything but boroughs.

18 DR. FISCHER: Well, as you may have noted along the
19 way, I did not like borough.

20 COMMISSIONER WILSON: You didn't?

21 DR. FISCHER: But I was a member of the local
22 government committee so I stuck it out. But my preference was a
23 new word, something like Muleypak (ph) for a municipal area.
24 If we're going to have something new and different let's have a
25 different name for it.

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1 CHAIRMAN CHRYSTAL: Was that an Athabaskan name or an
2 Eskimo name?

3 DR. FISCHER: Upik.

4 CHAIRMAN CHRYSTAL: Upik. Okay. I knew it was one or
5 the other.

6 DR. FISCHER: Upik for an area. Place or area.

7 CHAIRMAN CHRYSTAL: Area.

8 DR. FISCHER: And now everybody knows what a borough
9 is. Well, more or less. It's an accepted word.

10 CHAIRMAN CHRYSTAL: A lot of the parts of the country
11 thought don't understand the word borough. They don't know
12 what it is.

13 DR. FISCHER: Right.

14 COMMISSIONER WILSON: Well, New York has boroughs.

15 CHAIRMAN CHRYSTAL: The City of New York is boroughs.
16 And of course then you got parishes down in Louisiana.

17 DR. FISCHER: Well, I will just say a last word and
18 that is I've always admired those of you, and who have come
19 before you, who have done this very heavy lifting, and hardly
20 ever appreciated by anyone outside of this community. And I
21 think the Boundary Commission has taken lots of abuse along the
22 way. And if there's anything I can do to help educate the
23 public, I will be glad to do so.

24 CHAIRMAN CHRYSTAL: Thank you.

25 DR. FISCHER: And thank you, Dan, for being part of

1 this. Your knowledge is phenomenal.

2 MR. BOCKHORST: Thank you. Thank you for the comment.
3 Mr. Chairman?

4 CHAIRMAN CHRYSTAL: Yes, sir?

5 MR. BOCKHORST: Vic, before we close out here one
6 issue. You raised a formal question inadvertently here in
7 terms of the word borough government. As I understand it,
8 there was a purpose in the constitutional convention of calling
9 Alaska's regional government something other than counties, in
10 a large part because you didn't want courts in Alaska to apply
11 case law that wasn't germane or relevant to this new form of
12 government that Alaska was going to have, correct?

13 MR. FISCHER: Correct.

14 MR. BOCKHORST: I mean I think that has kind of been
15 lost in some cases. Unfortunately in some critical cases. So
16 anyway, Vic, Margie, Jim Baldwin, C.B., Commission members, I
17 appreciated the chance to chat with you today. As Vic said, I
18 respect the work you do and wish you all the best.

19 CHAIRMAN CHRYSTAL: Thank you, Mr. Bockhorst, and we
20 appreciate your insight, your information. It was very, very
21 helpful. I know it was to me, I'm sure it is to most everybody
22 here. So thanks again for joining in. We got a few
23 housekeeping things to do here yet but.....

24 MR. BOCKHORST: Okay. If it's okay I'll sign off then.

25 CHAIRMAN CHRYSTAL: Thank you.

1 MR. WILLIAMS: Thank you very much, Dan, for
2 participating.

3 MR. BOCKHORST: Thank you.

4 MR. BETTISWORTH: I just want to reiterate what Vic
5 said. After spending 10 years on the Commission I know what a
6 hard job this is. And it's heartening to see the commitment,
7 thoughtfulness on the part of the current commissioners in, you
8 know, addressing the issues that are before the Commission.
9 It's great to see. Thank you.

10 CHAIRMAN CRYSTAL: And thank you for taking part out
11 of your somewhat busy schedule.

12 MR. BETTISWORTH: Well, I only make it that way.

13 CHAIRMAN CRYSTAL: Don't screw up that school in
14 Valdez. I'm going to be sitting up the hill looking down on
15 that construction site. Well, we'll just wait just a few
16 minutes and then we'll go on to the items we have left on our
17 agenda here. You ready to go?

18 MR. WILLIAMS: I think so, sir. Yes, sir.

19 CHAIRMAN CRYSTAL: Okay.

20 MR. WILLIAMS: It won't take very long.

21 CHAIRMAN CRYSTAL: Okay. The next item is a
22 resolution of thanks for former Commissioner Larry Semmens.
23 I'll go ahead and read it.

24 The Department of Commerce and Economic Development,
25 Division of Community & Regional Affairs, joins the members of

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1 the Local Boundary Commission in thanking Larry Semmens for his
2 dedication while serving on the LBC from September 10th, 2009
3 to March 6, 2013. Commissioner Semmens brought team precision
4 into his analysis, his logic and common sense added greatly to
5 the decision making, and his presence is greatly missed by his
6 former LBC colleagues and staff.

7 And I heartily endorse that. Larry was a good member
8 of the Commission and I hate to see him go away. Hopefully
9 there's a possibility he'll be back.

10 MR. WILLIAMS: Chair, this is Brent Williams. This is
11 just a draft, and of course the Commissioners can change it.
12 Just an idea that I came up with. And I talked to Mr. Taylor
13 and I thought what I'd do is -- the Department and
14 Commissioners can decide if they like then I can, with your
15 permission, apply all of your electronic signatures to it and I
16 can send it to him in the mail for him to frame. So.....

17 CHAIRMAN CHRYSTAL: Good idea. Could I have a motion
18 to pass that resolution?

19 COMMISSIONER HARRINGTON: So moved.

20 COMMISSIONER HARCHAREK: Second.

21 CHAIRMAN CHRYSTAL: The motion from Commission
22 Harrington, seconded by Commissioner Harcharek. All in favor
23 say aye?

24 IN UNISON: Aye.

25 CHAIRMAN CHRYSTAL: Motion carries unanimously. Now we

1 have election of the LBC vice chair. Commissioner Semmens was
2 the vice chair. Do we have any nominee? Yes, sir?

3 COMMISSIONER WILSON: I'd like to nominate Bob
4 Harcharek.

5 COMMISSIONER HARRINGTON: Second.

6 CHAIRMAN CHRYSTAL: Okay. We have a motion to nominate
7 Bob Harcharek, seconded by Commissioner Harrington. Any other
8 nominations? Do we need a roll call vote or do we just say aye
9 to this?

10 MR. WILLIAMS: Probably should have a roll call vote.

11 CHAIRMAN CHRYSTAL: Okay. Would you conduct a roll
12 call vote then?

13 MR. WILLIAMS: Yes, sir. Commissioner Harrington?

14 COMMISSIONER HARRINGTON: Yes.

15 MR. WILLIAMS: Commissioner Wilson?

16 COMMISSIONER WILSON: Yes.

17 MR. WILLIAMS: Commissioner Harcharek?

18 COMMISSIONER HARCHAREK: I abstain.

19 MR. WILLIAMS: Chair Chrystal?

20 CHAIRMAN CHRYSTAL: Yes.

21 MR. WILLIAMS: I make that three votes to yes with one
22 abstention.

23 Motion passes.

24 CHAIRMAN CHRYSTAL: the next item is the suspension of
25 3 AAC 110.690(b) for the next meeting.

1 COMMISSIONER HARCHAREK: So moved.

2 COMMISSIONER HARRINGTON: Second.

3 CHAIRMAN CHRYSTAL: Okay. Just to explain what this is
4 to -- this is allowing people to call in at our expense for
5 these meetings. So if somebody wants to call in and listen to
6 a meeting we have to pay for the phone charges. Okay? All in
7 favor say aye.

8 IN UNISON: Aye.

9 CHAIRMAN CHRYSTAL: Aye. Motion passes. Comments from
10 Commissioners and LBC staff. Let's start with Commissioner
11 Harrington. You have anything that we haven't discussed
12 already?

13 COMMISSIONER HARRINGTON: No. That's pretty much.....

14 CHAIRMAN CHRYSTAL: You're good to go?

15 COMMISSIONER HARRINGTON: Yeah.

16 CHAIRMAN CHRYSTAL: All right. Commissioner Harcharek?

17 COMMISSIONER HARCHAREK: I appreciate this meeting. It
18 brought to the forefront, you know, some major things. Some
19 major items that I need, I believe the Commission needs to be
20 proactive on and I really appreciate Vic being here. As
21 always, he's my mentor and friend and the suggestions that when
22 we look at future incorporations that we look at the model
23 boundaries, I think that is a very important item. And it
24 going to prevent enclaves and I think it's going to reinforce
25 or follow the wishes of the members of the constitutional

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1 convention. You know, 50 some years we haven't taken any
2 action or direction, and if we don't it will probably be
3 another 50 years before any action is taken in doing that. So
4 thank you. Appreciate it, Vic.

5 CHAIRMAN CHRYSTAL: Commissioner Wilson?

6 COMMISSIONER WILSON: Well, I learned quite a bit,
7 there were a few questions I had in my mind, a lot of different
8 things, from Vic and Dan both and Mr. Bettisworth. It was well
9 worth the meeting. Maybe I don't quite agree with the --
10 what's the word that Bob uses, in getting proactive all that
11 much but other than that I was enjoying it very much. Thank
12 you.

13 CHAIRMAN CHRYSTAL: And I.....

14 COMMISSIONER HARCHAREK: I'd like to add one more
15 thing. I think the.....

16 CHAIRMAN CHRYSTAL: You had your chance.

17 COMMISSIONER HARCHAREK:C.B., thank you greatly.
18 I learned from you today. And actually, one of the things, you
19 know, that you provided and Dan Bockhorst, is some of the past.
20 It's valuable that we need. Because when the Commission -- you
21 know, when there's change in governors, quite often the entire
22 commission changes. And we need continuity. This Commission
23 needs continuity. And thank you for that.

24 MR. BETTISWORTH: You're welcome. I've enjoyed it.
25 It's been great.

1 CHAIRMAN CHRYSTAL: I really have nothing to say other
2 than thank you once again, everybody, and especially Vic. I
3 have a hard time saying that first name. And if anybody here
4 has not bought his book, do it? Go out now and buy it. It's
5 wonderful. And how about staff, anything from staff tonight?

6 MR. WILLIAMS: Thank you, Chair. This is Brent
7 Williams. I want to thank everyone for participating, the
8 Commissioners and Erling and Vic and C.B. and Dan and Marjorie,
9 and Scott for being here, and Wanda. I learned a whole lot. A
10 whole lot more time goes into planning the meeting than to the
11 meeting actually lasts. It looked like at one time it could
12 have gone on for two days but that's not going to happen. So
13 that's fine too. But I think it's good to have this meeting to
14 put our heads together and learn and for educational purposes.
15 So I'm pleased that occurred. Thank you.

16 MR. BETTISWORTH: Could I ask a question? Do you
17 intend on sort of summarizing this in some sort of a document?

18 MR. WILLIAMS: This is Brent Williams. We intend to
19 have a transcript prepared by Ms. Ventres and there will be a
20 summary of the transcript.

21 MR. BETTISWORTH: Good.

22 CHAIRMAN CHRYSTAL: Thank you for our other guest as
23 well, Marjorie. Marjorie's not really a guest, I guess, since
24 you're part of the team. Thank you for coming by and.....

25 MR. RUBY: This is Scott. I do have I guess a couple

1 of thoughts I'd like to throw out for the Commissioners to
2 think about. I'm not sure when your next meeting is but having
3 just almost having an operating budget for next year and
4 getting ready to start the one for FY15, the budget request is
5 if -- I guess I'd be interested in if the Commission thinks
6 updating the model borough study is a project that should be
7 undertaken. If it is, that's something that we would put in as
8 a budget request, into the -- for the state in the capital
9 budget. That generally needs to be done by August. We have to
10 have it written up and proposed to the governor's office. But
11 if that something that might be valuable along that way to work
12 with Brent on, I guess putting together a proposal, or what
13 that would be.

14 The other thing, with the Commission it's very odd
15 because you're imbedded in the Division's budget. And there
16 could be highly variable costs for that. This year legal costs
17 is one that has sky rocketed. In fact, I just got the I think
18 March billing from the Department of Law which is \$2000 more
19 than I thought it was going to be and it was already high. So,
20 you know, we will be looking at going in for increased budget
21 next year for both -- well, for legal fees and likely for
22 travel.

23 COMMISSIONER HARRINGTON: You can cut our salaries in
24 half.

25 MR. RUBY: So there are increased costs that are

1 occurring. And I think part of that, you know, it came up in
2 the legislature this year as, you know, is the activity
3 increasing or decreasing with the LBC -- Local Boundary
4 Commission. I was actually asked that in legislative hearings
5 a couple times. It was like well, it's increasing. And Brent
6 and I talked about this beforehand and, you know, we just
7 pumped out a list of all the petitions going out. And it did
8 catch the attention of some legislators of that activity, and
9 so I think we can make an easy case for increasing, not only
10 the budget for travel and for meetings and budget. There are
11 projects -- special projects or studies that could be
12 undertaken that would help you do your job, or help you in the
13 policy analysis. That would be something I would certainly
14 entertain, I'm sure the Commissioner would intervene, proposing
15 for the budget.

16 MR. BETTISWORTH: Couple of comments.

17 CHAIRMAN CHRYSAL: Um-hum.

18 MR. BETTISWORTH: One is at the time we did the model
19 boundaries we never did an economic analysis and feasibility of
20 those model boundaries. If you're going to do a model boundary
21 study I would include some money to do at least an economic
22 feasibility for those areas. The other one that we did when I
23 was on the Commission is we advocated for the Commission to be
24 paid. I think that they ought to get a per diem just like all
25 these other commissions do. They have at least as hard a work

1 and at times I think your lives are threatened doing what it is
2 you do. So I would be an advocate for getting you guys paid.

3 DR. FISCHER: Another last word. In preparing to come
4 here I looked at my copy of the Citizens Guide to Alaska's
5 Constitution. This is a marvelous book. It's prepared by
6 Gordon Harrison. This is the Fifth Edition of it. Initially
7 it was a very little pamphlet. What it does, my copy of the
8 local government article. What Gordon does is he discusses the
9 background of a local government article. Has a general
10 discussion. And then he looks at each section of the local
11 government article and that's true for every article in the
12 constitution, gives the language of the section, and he
13 discusses what has happened under that section, cites of
14 pertinent laws. And it's all in essentially lay terms. And
15 for those who have to explain what this local government
16 article is about, what the provisions mean, what the role of
17 the Commission is, this is a wonderful abstract. And I would
18 suggest that the staff obtain a copy for every member of the
19 Commission. It actually makes wonderful, wonderful reading
20 from the first page to the end, looking at every article, what
21 it means, where it came from and so on.

22 MR. WILLIAMS: This is Brent Williams. Where can we
23 obtain this.....

24 DR. FISCHER: At the Alaska Legislative Affairs
25 Agency.....

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1 MR. WILLIAMS: Okay. Thanks.

2 DR. FISCHER:or through your favorite legislator.

3 CHAIRMAN CHRYSTAL: I've got a copy of your book that
4 you wrote on the Alaska Constitution. It looks very
5 interesting.

6 DR. FISCHER: Well, this is much better because it look
7 at what's happened to it and the decisions and so on.

8 CHAIRMAN CHRYSTAL: Sounds great.

9 MR. WILLIAMS: Thank you.

10 CHAIRMAN CHRYSTAL: I wonder if the LIO would have that
11 on hand?

12 DR. FISCHER: They might.

13 CHAIRMAN CHRYSTAL: I know our LIO has different books
14 and I don't know if they have this one or not.

15 DR. FISCHER: They might have it.

16 CHAIRMAN CHRYSTAL: That's Alaska's constitution?

17 DR. FISCHER: Yeah. The Citizen's Guide.

18 MS. VANDOR: He was kind of legislative research,
19 wasn't he, for many years?

20 DR. FISCHER: Yes. He was -- came as a political
21 science professor to the Institute of Social and Economic
22 Government Research. And then he worked -- was head of
23 legislative research. He was the executive director of the
24 Redistricting Commission I think in 2002, or whatever it was,
25 and he's a fabulous guy. He's one of the writers, he's an

1 artist and spent several weeks at Stampede Mine, if you know
2 where that is. It's in Denali Park now. He's got a wilderness
3 cabin there.

4 CHAIRMAN CHRYSTAL: One of those inn holdings in the
5 middle of the park.

6 DR. FISCHER: He's in the Preserve.

7 CHAIRMAN CHRYSTAL: Oh, in the Preserve, not in the
8 park itself.

9 DR. FISCHER: Right.

10 CHAIRMAN CHRYSTAL: All right. Well, I guess we're
11 adjourned. Thank you very much everybody.

12 MR. WILLIAMS: Do we need a motion to adjourn?

13 CHAIRMAN CHRYSTAL: Oh, that's right, we do. I thought
14 we did that already.

15 COMMISSIONER WILSON: Motion that we adjourn.

16 CHAIRMAN CHRYSTAL: Okay.

17 COMMISSIONER HARRINGTON: Second.

18 CHAIRMAN CHRYSTAL: Motion and second to adjourn. All
19 in favor?

20 IN UNISON: Aye.

21 CHAIRMAN CHRYSTAL: We're adjourned.

22 (Off record - 3:40 p.m.)

23 (END OF PROCEEDINGS)

24

25

