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Local Boundary Commission Staff  
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RE: Comments In Support of Dillingham Annexation Petition

Dear Local Boundary Commission Staff:

I've been a year-round resident of Dillingham for 32 years. I am not a commercial fisherman. I am a home owner and a tax payer. In the past I have served on a City subcommittees to investigate other potential revenue sources to repay a School Renovation Bond. It always seemed that the revenue options had their limitations or opponents. I support the City of Dillingham's petition to annex portions of Nushagak Bay & Wood River for the following reasons:

The Nushagak District is the only District in Bristol Bay without a raw fish sales tax going to a municipality. The proposed 2.5% tax would be the lowest tax rate in all the BB Districts. This would amount to about \$250 per every \$10,000 of gross income. And that is before the federal tax credit. This seems to be a reasonable rate to support the local infrastructure that supports the commercial fishery. Especially when compared to the \$3,800 I pay a year in property tax and the 6% sales tax we all pay. Harvesters of a public resource should help support the public infrastructure and facilities that they depend on.

The Dillingham boat harbor is not self-supporting and the City has had to annually cover a \$200,000 to \$300,000 in the deficit using general funds. That is money that could be used to either support the school or other city programs. Or even allow a reduction of the sales or property tax rate.

Approximately 70% of the 800 or so people that fish in Nushagak District are not residents of the District. This annexation would give the city the authority to realize some revenue from the fish that these nearly 560 commercial fishermen harvest. That is revenue the City could use to improve the infrastructure and facilities that support the fishery.

Also, if some of that 70% of the fleet chose to not fish in the Nushagak District to avoid the raw fish tax this could have a potential benefit to the local fleet by reducing competition. This could mean higher local incomes and possibly result in fewer fishing closures to achieve escapement goals or fewer closures due to processor limits.

Residents from outside the City (regional, state and out of state) use Dillingham facilities and strain our limited resources for public safety, fire, ambulance, land fill and boat harbor during the annual commercial fishing season.

I don't doubt that there are some people that do not use the Dillingham boat harbor, land fill, bath house, etc., But all you have to do is come back during a commercial fishing closure and see for yourself how crowded the harbor and streets can be when the population of town doubles.

Dillingham serves as the service, grocery and medical hub for the Nushagak Bay and River district residents, and residents of Twin Hills, Togiak and even to Goodnews Bay. This includes the residents of Manokotak who regularly shop and use Dillingham facilities. There are no year-round residents of Ekuk, who seem to have bottom-less pockets to fight Dillingham's efforts to annex the Nushagak Bay fishery. Ekuk tribal office and their HUD housing projects are located in Dillingham. They use the same City resources that the rest of us do.

I believe the argument for forming a borough is a red herring. Although it has the potential to extend the property taxation authority the cost of another government entity and administering taxation may be a wash. A thorough cost-benefit analysis needs to be conducted before forming a borough that may actually be more of a drain on the residents.

Lastly, the Dillingham City Council initially decided not to pursue LBC and legislative adoption of this annexation petition. Instead they chose to put the matter to the voters. Efforts were made on both sides to get people registered to vote. Over 720 people voted and the tally came out to support the petition. Just because some people don't like the results, doesn't mean we should ignore the majority of the voters.

Thank you for this opportunity to comment

Sincerely,

Mark J. Lisac