

LOCAL BOUNDARY COMMISSION

STATE OF ALASKA

IN THE MATTER OF PETITION OF THE CITY)
OF DILLINGHAM FOR ANNEXATION OF)
NUSHAGAK COMMERCIAL SALMON DISTRICT)
WATERS AND WOOD RIVER SOCKEYE)
SALMON HARVEST AREA WATERS, TOGETHER)
CONSISTING OF APPROXIMATELY 396)
SQUARE MILES OF WATER AND 3 SQUARE)
MILES OF LAND)

and

IN THE MATTER OF PETITION OF THE CITY)
OF MANOKOTAK FOR ANNEXATION OF)
THE WEARY/SNAKE RIVER TRACT, THE SNAKE)
RIVER SECTION AND THE IGUSHIK SECTION)
OF THE NUSHAGAK COMMERCIAL SALMON)
DISTRICT AND THE IGUSHIK VILLAGE TRACT)
CONSISTING OF APPROXIMATELY 118)
SQUARE MILES OF WATER AND 37 SQUARE)
MILES OF LAND)

ANNEXATION EXHIBIT LIST

The City of Dillingham submits the following list of exhibits it expects to present to the Local Boundary Commission at the public hearing on the City's annexation petition. The exhibits are attached in hard copy form but are intended to be presented as digital files using a projector during the hearing. The City reserves the right to add rebuttal exhibits in response to information presented at the public hearing.

<i>Exhibit No.</i>	<i>Description</i>
1	Number of Distinct Setnet Permits in the Nushagak District (Table from p.68 of City's Annexation Petition)
2	Resolution No. 2016-07 (Signed version of Exhibit Z to City's Reply Brief)
3	Ordinance No. 2016-04 (Signed version of Exhibit V to City's Reply Brief)
4	Chapter 4.07 Dillingham Municipal Code
5	Excerpts of Local Boundary Commission Decision (from pages 94-107 of City's Annexation Petition)
6	Harbor Photographs (Exhibit BB to City's Reply Brief)
7	2014 Average Gross Earnings of Set Net Permit Holders (Exhibit D to City's Reply Brief- Reply Brief p.6)
8	Table One - 2008 Bristol Bay Fisheries Participation and Harvest by Residency (City's Reply Brief p. 12-13)
9	Dillingham FY 13 Operating & Special Revenue Fund Expenditures Directly Attributable to Serving Commercial Fishing Fleet, to support and Benefit Fisheries, Commercial Fishermen, and Processors. (Page 13 Petition).
10	Manokotak Residents with Permits (Exhibit D to City's responsive brief)
11	2014 Dillingham City Harbor Permits
12	Special Revenue Fund Expenditures

DATED this 14th day of November 2016.

BOYD, CHANDLER & FALCONER, LLP

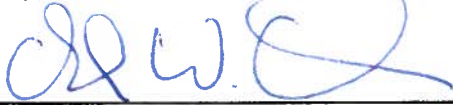
By: 
 Brooks W. Chandler
 City Attorney
 City of Dillingham

Exhibit 1

NUMBER OF DISTINCT SETNET PERMITS IN THE NUSHAGAK DISTRICT

[Locations: off of Clarks Point, on the Combine (East side by Nushagak Point and Queen Slough), Coffee Point (west side below Kanakanak) and in the Wood River (when open).]

(Note: includes emergency transfers)

YEAR	SETNET PERMITS - DILLINGHAM RESIDENTS					SETNET PERMITS - NON-DILLINGHAM RESIDENTS				
	No. Permits	No. Landings	% of total landings	Pounds	% total pounds	No. Permits	No. Landings	% of total landings	Pounds	% total pounds
2000	80	5,786	38%	2,617,796	40%	151	9,597	62%	4,003,895	60%
2001	73	4,246	34%	2,079,493	38%	139	8,318	66%	3,339,346	62%
2002	59	2,447	43%	1,364,889	46%	91	3,241	57%	1,609,641	54%
2003	54	3,694	38%	2,163,593	40%	98	6,095	62%	3,268,410	60%
2004	52	3,737	35%	1,578,204	35%	105	7,017	65%	2,869,192	65%
2005	54	4,428	38%	2,094,686	40%	109	7,352	62%	3,171,742	60%
2006	62	5,370	42%	2,387,448	38%	105	7,401	58%	3,893,247	62%
2007	67	3,915	37%	2,732,720	37%	102	6,552	63%	4,673,150	63%
2008	63	3,463	34%	2,315,293	35%	114	6,645	66%	4,346,533	65%
2009	61	4,849	31%	2,916,272	36%	116	10,570	69%	5,181,782	64%
2010	64	5,586	33%	2,698,993	30%	122	11,425	67%	6,257,136	70%
2011	65	4,479	33%	1,897,518	33%	124	9,240	67%	3,792,235	67%
2012	66	4,538	35%	1,790,842	38%	120	8,589	65%	2,910,371	62%
2013	72	4,951	45%	1,524,673	43%	115	5,980	55%	1,997,111	57%

SOURCE: J. Barrett, Dillingham Harbormaster

(4) FEASIBILITY AND PLAUSIBILITY OF THOSE ASPECTS OF THE CITY'S ANTICIPATED OPERATING AND CAPITAL BUDGETS THAT WOULD BE AFFECTED BY THE ANNEXATION THROUGH THE PERIOD EXTENDING ONE FULL FISCAL YEAR BEYOND THE REASONABLY ANTICIPATED DATE FOR COMPLETION OF THE TRANSITION SET OUT IN 3 AAC 110.900;

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

(5) ECONOMIC BASE OF THE TERRITORY WITHIN THE CITY AFTER ANNEXATION;

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

(6) VALUATIONS OF TAXABLE PROPERTY IN THE TERRITORY PROPOSED FOR ANNEXATION;

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

(7) LAND USE IN THE TERRITORY PROPOSED FOR ANNEXATION;

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

D-1

Exhibit 2

CITY OF DILLINGHAM, ALASKA

RESOLUTION NO. 2016-07

A RESOLUTION OF THE DILLINGHAM CITY COUNCIL AMENDING THE 2016-2021 CAPITAL IMPROVEMENT PLAN AND THE FY2017 LEGISLATIVE PRIORITIES LIST ADOPTED AUGUST 8, 2015, RESOLUTION NO. 2015-45

WHEREAS, Dillingham Municipal Code 2.68.160 requires that the Dillingham Planning Commission prepare and recommend to the City Council an annual update of a six year capital improvements plan; and

WHEREAS, the Planning Commission adopted Resolution No. 2015-09 recommending the 2015 update of the Six Year Capital Improvement Plan 2016-2021; and

WHEREAS, the City Council adopted Resolution No. 2015-45 approving the 2016-2021 CIP and the FY2017 legislative priorities; and

WHEREAS, a determination was made to reevaluate the existing CIP list since the information used to evaluate several of the projects had changed substantially; and

WHEREAS, it is the intent of the Dillingham City Council to provide the Governor, the State Legislature, State agencies, the Alaska Congressional Delegation, and other potential funding sources with adequate information regarding the City's capital project funding needs;

NOW, THEREFORE, BE IT RESOLVED that the City of Dillingham 2016-2021 Capital Improvement Plan is hereby amended and adopted as the current official six year capital improvement plan for the City of Dillingham.

BE IT FURTHER RESOLVED that:

1. The following capital improvement projects and project funding needs are identified as priorities for the FY2017 State Legislative Request:

1	Wastewater System Upgrades	\$1,000,000
2	Public Safety Building Replacement	\$21,000,000
3	Outfall Protection	\$100,000
4	Downtown Street Paving	\$1,032,380
5	Landfill Cell Expansion	\$95,700
6	Water System Improvements	\$1,365,000
7	All Tide Dock Protection	\$95,700
8	Sewer Expansion	\$2,100,000
9	Harbor Float Replacement	\$100,000
10	Public Works Mechanics Truck	\$35,000
11	Public Safety Vehicle	\$44,000
12	Dillingham City School Energy Efficient Improvement	\$75,000

2. Projects for the FY2017 Federal Legislative Request will be selected from this list; and

27,042,760 -

Exhibit 3

CITY OF DILLINGHAM, ALASKA

ORDINANCE NO. 2016-04

AN ORDINANCE OF THE DILLINGHAM CITY COUNCIL AMENDING THE BUDGET BY ADOPTING BUDGET AMENDMENT NO. 1 AND APPROPRIATING FUNDS FOR THE FY 2016 CITY OF DILLINGHAM BUDGET

WHEREAS, the City Council has approved the Operating Budget and Capital Improvement Budget for FY 16 to the City Council in accordance with Title 4 of the Dillingham Municipal Code pursuant to A.S. 20.20.500(3); and

WHEREAS, duly advertised public workshops were held and the City Council reviewed the budget amendment recommendations presented; and

WHEREAS, the City Council has set the rate of levy of property tax for the City of Dillingham for FY 2016 budget at 13 mills; and

WHEREAS, the budget presented, reviewed and changed is in accordance with sound and efficient municipal management principles. The City Council should have the power to transfer appropriated monies from one General Government Fund or Special Revenue Fund to another and from one Capital Project to another by resolution and the City Manager should have the power to transfer funds from one line item object to another object code within a fund and within a Capital Improvement Project; and

WHEREAS, additional FY 2016 funds are available for appropriation by ordinance;

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

1. The FY 2016 Operating Budget and Capital Improvement Budget amendment as recommended by the City Manager is hereby adopted for the City of Dillingham.
2. The amounts set forth in the budget as amended by the City Council for the respective departments and/or funds shall be, and hereby are, appropriated for the fiscal year ending June 30, 2016.
3. The City Council shall have the power to transfer approved and appropriated General Fund or Special Revenue Fund monies from one to another and from one Capital Project to another by resolution.
4. The City Manager shall have the power to transfer funds from one line item object code to another within a fund and within a Capital Improvement Project.

D-3

Pg 1 of 4

BE IT ENACTED BY THE COUNCIL OF THE CITY OF DILLINGHAM that:

Section 1. Classification. This ordinance is a non-code ordinance.

Section 2. Severability. If any portion of this ordinance or any application thereof to any person or circumstances is held invalid, the remainder of the ordinance and the application to other persons or circumstances shall not be affected thereby.

Section 3. Appropriation summary. The total appropriation from the Treasury in Section 4 was a total of \$12,194,620 and the amended appropriation is \$13,560,704.

Section 4. Appropriations.

A. General Fund Government Operations

City Council	\$ 74,350
City Clerk	138,638
Administration	354,443
Finance	700,285
Legal	109,000
Insurance	122,082
Non-Departmental	203,175
Planning	65,712
PS Administration	177,277
PS Dispatch	507,728
PS Patrol	889,426
PS Corrections	612,300
PS DMV	54,810
PS Animal Control Officer	107,681
PS Fire Department	297,591
PS IT Support	14,000
PW Administration	211,421
PW Buildings & Grounds	345,178
PW Shop	393,006
PW Streets	534,817
Library	121,165
Meeting Hall	3,000
Foreclosures	15,000
City School District	1,300,000
Transfer Subsidy for Operations	1,580,957
Transfer to Equipment/Capital	
Reserves Fund	125,000
Total General Fund Appropriations:	\$ 9,038,042

Special Revenue & Other Funds Appropriations

Nushagak Fish Tax	\$ -0-
Water	390,252
Waste Water	292,183
Landfill	971,844

D-3

Pg 2 of 4

Port-Dock	670,653
Port-Harbor	247,364
E-011	53,071
Senior Center	354,558
Debt Service	1,179,590
Library Grants	108,685
Equipment Replacement/Reserve	160,000
Ambulance Replacement Fund	-0-
Mary Carlson Estate	6,780
Capital Project (Planning) Fund	20,000
Dillingham School Capital Project	67,682
Total Special Revenue & Other Funds Appropriations	<u>\$ 4,522,662</u>
Total Appropriations	<u>\$ 13,890,704</u>

Section 5. Revenues

General Fund

Taxes

Sales Taxes	\$ 2,700,000
Alcohol Sales Taxes	300,000
Transient Lodging Sales Taxes	85,000
Real Property Taxes	1,600,000
Personal Property Taxes	550,000
Penalty and Interest on Property Taxes	60,000
Penalty and Interest on Sales Taxes	16,000
Gaming Sales Tax	75,000
Payment in Lieu Taxes (PILT)	443,838

Other Revenues

Jail Contract Revenue	527,000
Revenue Sharing	198,888
Shared Fisheries	20,000
Raw Fish Tax	433,564
Revenues from State of Alaska	651,183
Administrative Overhead	377,214
Charges for Current Services	55,000
Licenses Fees Fines and Permits	21,600
Lease and Rental Income	30,000

Investment Income	30,000
Other Revenues	92,600
Transfer from E-011	44,571
Transfer from Nushagak Fish Tax	-0-
Total General Fund Revenues	<u>\$ 8,311,488</u>

D-3

Pg 3 of 4

Special Revenue & Other Funds Revenues	
Nushagak Fish Tax	\$ -0-
Water	188,498
Waste Water	323,168
Landfill	164,418
Port - Dock	868,559
Port - Harbor	150,160
E-911	76,760
Senior Center	219,160
Library Grants	108,685
Debt Service	825,713
Mary Carlson Estate Permanent Fund	<u>3,000</u>
Total Special Revenue Funds & Other Funds Revenues	<u>\$ 2,824,117</u>

TOTAL REVENUES **\$ 11,236,685**

Section 6. Transfers	
Transfers from General Fund to Other Funds	
Water	\$ 203,756
Waste Water	-0-
Landfill	807,428
Senior Center	135,398
Ambulance Reserve	60,500
Equipment Replacement	105,000
Capital Project (Planning)	20,000
Debt Service	<u>353,877</u>
Total General Fund Transfers	\$ 1,625,457

Transfer from Dock Fund to Harbor Fund 97,204
 Transfer from Dock Fund to Equipment Replacement 55,000

Total Revenues & Fund Transfers	\$ 13,073,746
Total Appropriations	<u>\$ 13,890,704</u>
Net Increase (Decrease) to Fund Balances	<u>\$ (428,958)</u>

Section 7. Effective Date. This ordinance is effective upon passage.

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

 Alice Ruby, Mayor

D-4

ATTEST:

[SEAL]

Pg 4 of 4

 Janice Williams, City Clerk
 City of Dillingham
 Page 4 of 4

Ordinance No. 2016-04

EXHIBIT V Page 4 of 4

Exhibit 4

(5 hits)

Chapter 4.07 REGIONAL FISHERIES IMPROVEMENT FUND

Sections:

- 4.07.010 Definitions.
- 4.07.020 Establishment of fund.
- 4.07.030 Annual transfer.
- 4.07.040 Adoption of regional priorities, capital improvements program.
- 4.07.050 Use of funds.

4.07.010 Definitions.

As used in this chapter:

"Regional fisheries improvement fund" means a fund to be used only for capital projects, including planning, designing, engineering and associated costs that are anticipated to improve the commercial and subsistence fisheries within the city.

"Regional priorities" means an annual compilation of the fisheries improvement capital projects formulated after public hearings in Dillingham and outreach with communities within the Bristol Bay region including Aleknagik, Clark's Point, Ekuk, Ekwok, Koliganek, Manokotak, New Stuyahok and Portage Creek for presentation to the state legislators and Governor. (Ord. 12-06 § 1 (part), 2012.)

4.07.020 Establishment of fund.

There shall be established a regional fisheries improvement fund beginning July 1, 2012. Monies to be deposited into this fund will be from revenues to be collected as raw fish tax and held as an unappropriated reserve in an amount not less than five percent of total fish tax revenue collected in the previous fiscal year or any other amount the council deems appropriate. (Ord. 12-06 § 1 (part), 2012.)

4.07.030 Annual transfer.

Annually at the adoption of the fiscal budget a portion of the anticipated unappropriated reserve derived from funds collected as raw fish tax may be transferred to this fund. (Ord. 12-06 § 1 (part), 2012.)

4.07.040 Adoption of regional priorities, capital improvements program.

The council shall seek input on regional priorities with communities within the Bristol Bay region including Aleknagik, Clark's Point, Ekuk, Ekwok, Koliganek, Manokotak, New Stuyahok and Portage Creek in conjunction with the adoption of that portion of the city's fiscal budget to be transferred to this fund. (Ord. 12-06 § 1 (part), 2012.)

4.07.050 Use of funds.

The council may authorize expenditures from the regional fisheries improvement fund for planning, design and engineering for capital projects that are anticipated to improve the commercial and subsistence fisheries within the city. A commitment of funds may be made by the council to be used for the entire share or the local share requirement. (Ord. 12-06 § 1 (part), 2012.)

D-4

Exhibit 5

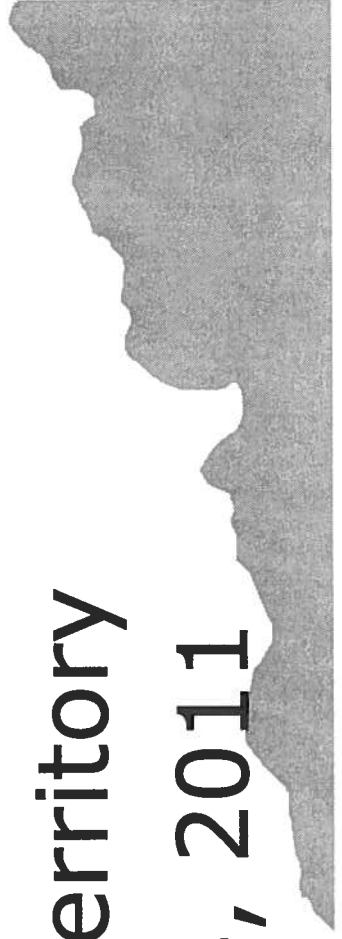
Local Boundary Commission

Excerpts from Decision
Approving City of
Dillingham Petition to
Annex Territory

Dec. 14, 2011

D-5

Pg 1 of 11



3 AAC 110.090(A)

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

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

3 AAC 110.090(B)

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

3 AAC 110.100 CHARACTER

In a broad view, the Nushagak Bay communities including the City of Dillingham all benefit from the tax revenue the annexation would produce. They would benefit because they use city services, whether for fishing purposes or not. If Dillingham cannot financially sustain itself, these other communities will suffer if these services are no longer available, or are of diminished quality. As the community, in general, benefits from the proposed annexation, it is reasonable to conclude that the territory is suitable for the reasonably anticipated community purpose of producing additional revenue for the direct and indirect benefit of the Nushagak Bay area communities.

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

3 AAC 110.110 RESOURCES

The commission finds that the city has met 3 AAC 110.110 because the city has and is expected to continue to provide essential municipal services on an efficient, cost effective level. The local fish tax revenue will provide it the resources to continue to do so. The expenses resulting from this annexation are a minimal portion of the additional revenue accumulated from the severance tax collected, however the petitioner has met 3 AAC 110.110 because the actual income and the reasonably anticipated ability to generate and collect local revenue and income from the territory will fund the essential municipal services that have been continually provided to the territory.

3 AAC 110.120

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

3 AAC 110.130 BOUNDARIES

3 AAC 110.130(a) states that the proposed expanded boundaries of the city must include all land and water necessary to provide the development of essential municipal services in an efficient, cost-effective manner.

The commission finds the city is already providing essential municipal services. The proposed annexation will not make it more difficult for the city to provide these services.

3 AAC 110.130(B)- The commission finds that the territory is contiguous to the city, and would not create enclaves.

3 AAC 110.130(c)(1)- The commission finds that the proposed expanded boundaries of the city are on a scale suitable for city government Other Alaskan municipalities are reasonably large, on a scale suitable for city (municipal) government. While the proposed expanded boundaries are larger than most other municipalities they are proportionate per capita to other municipalities. The city of Dillingham will be large, but it is not without comparison or precedent. For these reasons, the commission finds that proposed expanded boundaries of the city are on a scale suitable for city government.

Page 7-8

3 AAC 110.130(C)(2) BOUNDARIES

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

3 AAC 110.135

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

The city is the appropriate government for the territory because the rest of the region's communities need a stronger regional hub for their sustainability. We find that the city of Dillingham is the appropriate government for the territory because the city is the region's hub, because the annexation could encourage, not hinder, borough formation, because the proposed annexation would have no effect upon the number of local government units, and because **approving the annexation petition does not remove any present or future fish tax revenue for existing communities or a future borough.**

Page 10

3 AAC 110.970

The commission finds that the harbor, with its docks and support facilities, is an essential municipal service under the circumstances. We find that it is reasonably necessary to the community. We find this because Dillingham is the largest port in Nushagak Bay, or for quite a distance beyond Nushagak Bay. We find that the docks and related facilities are city owned and maintained, and are essential to the fishers, as either a place to resupply, to seek refuge from weather, and for other boat or crew needs.

We find that 3 AAC 110.970(d) includes “levying and collecting taxes” and “public safety protection” as services which the LBC can consider to be essential municipal services, and we consider them to also be essential municipal services here. **We find that the petition has met 3 AAC 110.970’s requirements.**

3 AAC 110.981

The approval of this petition extends city government to the territory proposed for annexation where no government currently exists. **The commission finds that fishers already benefit from the municipal services the city currently provides.** Further, the annexation will extend local government to the territory and seasonal population. The commission finds that **the proposed boundary change promotes maximum local self government under art. X, sec. 1, Constitution of the State of Alaska.**

Exhibit 6

ALASKA SMALL BOAT HARBORS

Links to online photographs

CORDOVA

<http://library.water-resources.us/docs/MMDL/FLD/Images/CoastalProtection/Cordova%20Harbor-1-Large.jpg>

HOMER

https://upload.wikimedia.org/wikipedia/commons/c/ce/USACE_Homer_Spit_Alaska.jpg

KODIAK

<http://www.bing.com/images/search?q=Boat+Harbor+Kodiak+Alaska&view=detailv2&id=BA3312A91F863F73A396FADD9C493CBE228B1A0C&selectedIndex=28&ccid=GdiS3ypW&simid=608021693340192255&thid=OIP.M19d892df2a561e1b581436e2b528a096o0&ajaxhist=0>

SEWARD

<http://static.panoramio.com/photos/large/47443774.jpg>

<http://www.bing.com/images/search?q=seward+alaska+photos+small+boat+harbor&view=detailv2&qpv=seward+alaska+photos+small+boat+harbor&id=B43675F59F7AE760C5B526CB22D75E8870FED220&selectedIndex=34&ccid=Shd5g6lQ&simid=608003645890956765&thid=OIP.M4a177983a95026e1551d3d6d10388d3co0&ajaxhist=0>

UNALASKA

<http://static.panoramio.com/photos/large/14598921.jpg>

<http://www.bing.com/images/search?q=small+boat+harbor+unalaska+photos&view=detailv2&qpv=small+boat+harbor+unalaska+photos&id=F0166F5EC52B215FD86376C0FBEBB7F395EE0F7D&selectedIndex=14&ccid=r%2fLRGLV5&simid=608022273159857595&thid=OIP.Maff2d118b57915387b29ef1a144a4237o0&ajaxhist=0>

VALDEZ

http://photos.wikimapia.org/p/00/03/18/70/67_big.jpg

<http://www.bing.com/images/search?q=boat+harbor+valdez+alaska&view=detailv2&qpv=boat+harbor+valdez+alaska&id=46C088D452855F10BFEDAF7E62BC99AC507F3928&selectedIndex=22&ccid=CRM%2bJVAU&simid=607989846152383489&thid=OIP.M09133e255014bba0af4f4e8c1187bc79o0&ajaxhist=0>

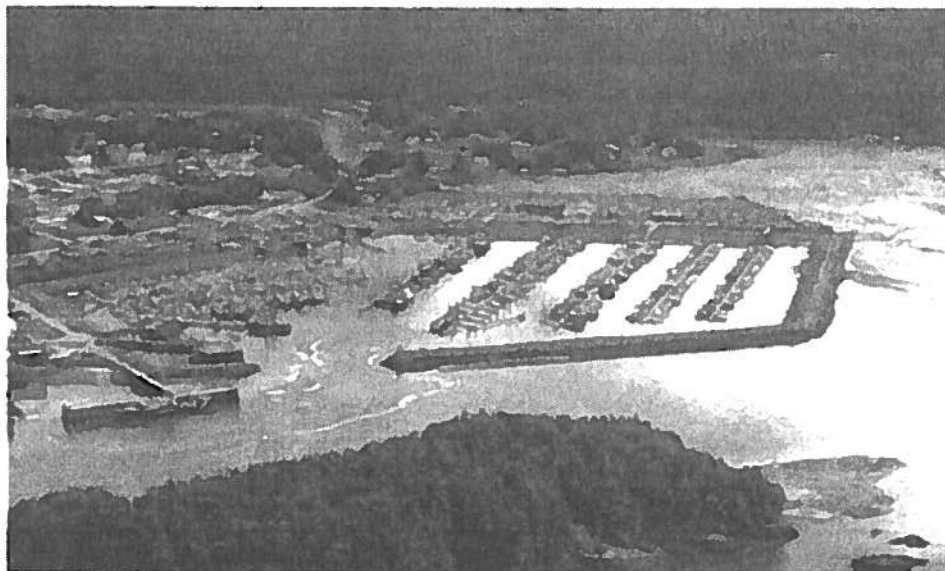
WHITTIER

<https://lightcentric.files.wordpress.com/2010/06/whittier-alaska-052920100013.jpg>

<http://www.bing.com/images/search?q=Whittier+Alaska+Port&view=detailv2&id=0E1C4D673F543EA227E8AA9CA43B7CE06548910E&selectedIndex=10&ccid=BnTIM9Pe&simid=608022706941790472&thid=OIP.M0674f533d3de4487a998436a75f1a737H0&ajaxhist=0>

D-6

Pg 1 of 8



Cordova small boat harbor with Spite Island in the foreground, 2000.

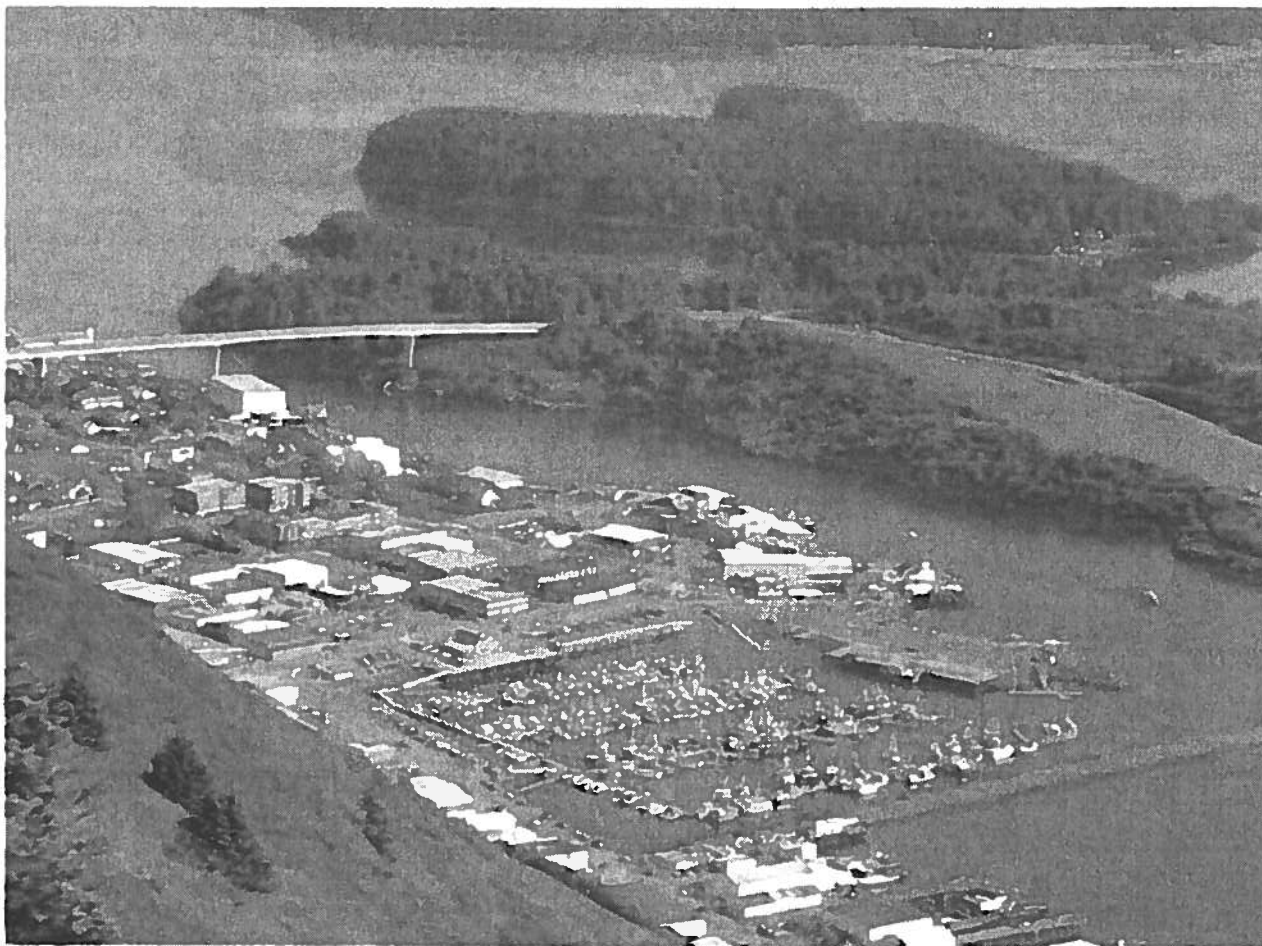
D-6
Pg 2 of 8

EXHIBIT B2 Page 2 of 8



D-6
Pg 3 of 8

EXHIBIT BB Page 3 of 8



D-6
Pg 4 of 8

EXHIBIT B0 Page 4 of 8



D-6
Pg 5 of 8

EXHIBIT BB Page 5 of 8



D-6

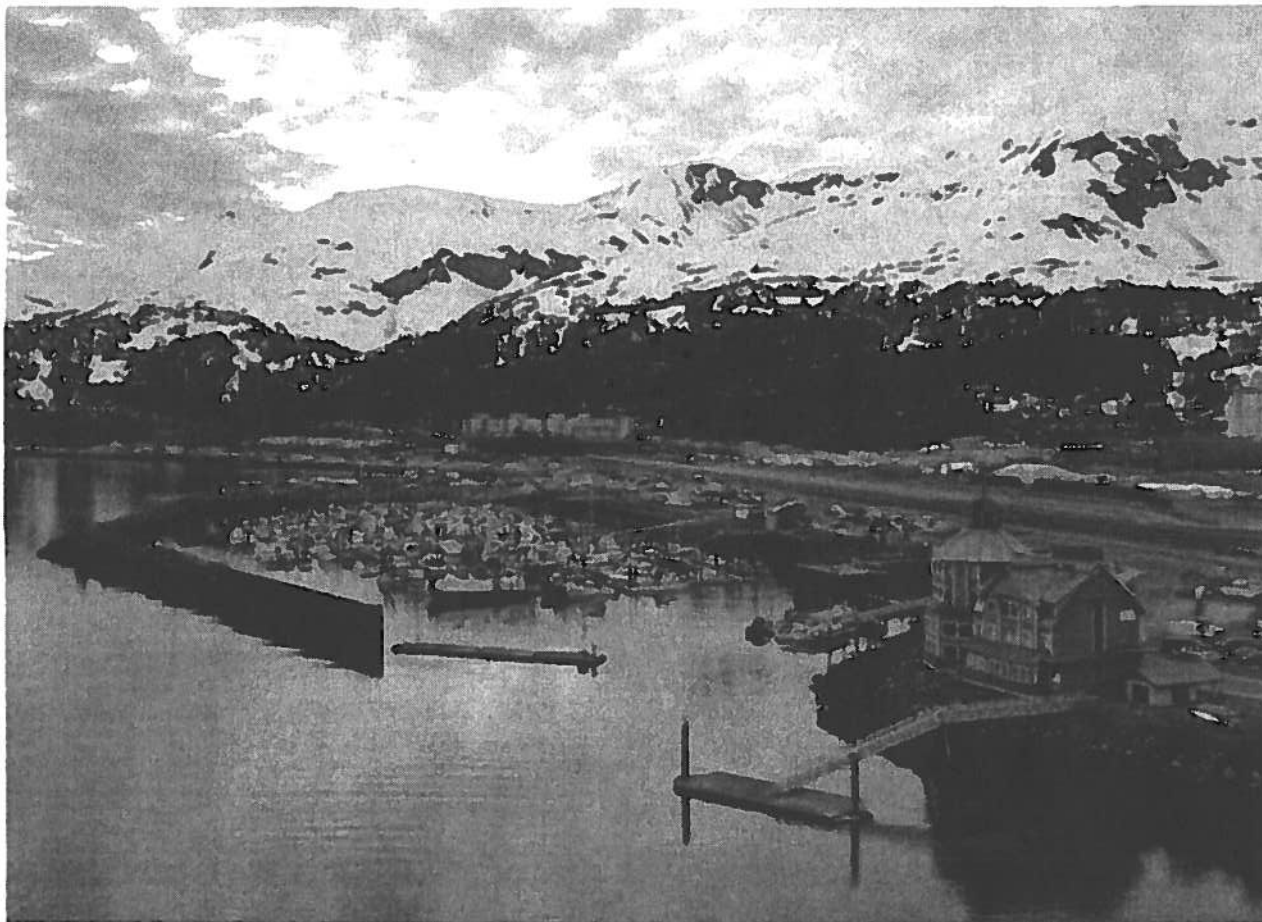
Pg 6 of 8

EXHIBIT BB Page 6 of 8



D-6
Pg 7 of 8

ENSET BB Page 7 of 8



D-6
Pg 8 of 8

EXHIBIT 06 Page 8 of 8

Exhibit 7

2014 city	fishery	Number of Fishermen Who Fished	Total Pounds Landed	Estimated Gross Earnings	calculated ave gross earnings in 2014 per fisherman who fished
Manokotak set netters fishing Bristol Bay	SD4T	36	1,582,431	2,067,602	\$57,433
Dillingham setnetters fishing Bristol Bay	SD4T	85	3,048,462	3,701,598	\$43,548
Clarke Point setnetters fishing Bristol Bay	SD4T	4	113,467	112,827	\$28,207
Aleknagik setnetters fishing Bristol Bay	SD4T	4	97,896	112,532	\$28,133
New Stuyahok setnetters fishing Bristol Bay	SD4T	2	X	X	
source: CFEC, March 2014, Permit & Fishing Activity by year, state, census area, or city.					Source: calc by Sheinberg

D-7

Pg 1 of 1

Exhibit 8

This situation is analogous to Wasilla residents who work in Anchorage. They live in one city yet regularly commute to another city to work. These Wasilla residents clearly have economic, social and transportation connections to Anchorage. It is common for transportation, economic, and social connections to exist among municipalities and regions.

Even in Bristol Bay this situation is the rule, not the exception. Table One below presents Commercial Fisheries Entry Commission (CFEC) data for Bristol Bay in 2008. The residency of fishermen who participate in each of the five Bristol Bay fisheries is shown. Each fishery and all the Bristol Bay commercial fishing district waters are regional in nature to the extent that fishermen from not only the adjacent home community, but also from all over Bristol Bay, all over Alaska, and from outside the state, use the waters and have economic, social and transportation connections to them. In Togiak, just under half the fishermen are from outside of Togiak, yet, Togiak was allowed to annex the entire 183 square miles of its adjacent commercial fishing district into its municipal boundary, thus enabling it to derive tax benefits from the adjacent fishery resource that is harvested by people from throughout the region and state.

In Bristol Bay's five commercial fishing districts, participation rates by:

- the adjacent community varies from 2% to 55%;
- Bristol Bay region fishermen, but not from the adjacent community, varies from 4% to 18%;
- Alaskans from outside Bristol Bay varies from 12% to 41%;
- Non-Alaskan residents varies from 14% to 61%.

Bristol Bay commercial fishing waters are all "regional" in nature. What the Local Boundary Commissioners must examine and determine is whether Dillingham has an economic, social and transportation connection to these waters it is proposing to annex, and, if the totality of the facts in this case warrant annexation. 3 AAC 110.135.

Table One - 2008 Bristol Bay Fisheries Participation and Harvest, by Residency also showing Local Fish Tax in Effect in the District		
District	Residency of Persons with Commercial Landings	Percentage of Total Pounds of Harvest
TOGIAC DISTRICT		7,000,839
• Togiak 3% Local Fish Tax in effect	207 total persons	total pounds
Togiak/Twin Hills residents	55%	76%
Other Local Bristol Bay residents	18%	8%
Other Alaskan residents	12%	8%
Non Alaskan residents	14%	7%
Unknown	3%	2%
UGASHIK DISTRICT		14,157,202
• Pilot Point 3% Local Fish Tax in effect	341 total persons	total pounds

<ul style="list-style-type: none"> • Lake and Peninsula Borough 2% Local Fish Tax in effect • Total = 5% Local Fish tax in effect 		
Pilot Point residents	3%	3%
Other Local Bristol Bay residents	9%	8%
Other Alaskan residents	41%	41%
Non Alaskan residents	46%	49%
Unknown	1%	0%
NAKNEK DISTRICT		62,367,864
<ul style="list-style-type: none"> • Bristol Bay Borough 3% Local Fish tax in effect 	1,088 total persons	total pounds
Naknek/Kvichak residents	13%	11%
Other Local Bristol Bay residents	5%	4%
Other Alaskan residents	26%	22%
Non Alaskan residents	54%	62%
Unknown	2%	2%
EGEGIK DISTRICT		
<ul style="list-style-type: none"> • Egegik 3% Local Fish Tax in effect • Lake and Peninsula Borough 2% Local Fish Tax in effect • Total = 5% Local Fish tax in effect 	584 total person	41,582,661
Egegik residents	2%	1%
Other Local Bristol Bay residents	4%	3%
Other Alaskan residents	31%	24%
Non Alaskan residents	61%	71%
Unknown	2%	1%
NUSHAGAK DISTRICT		43,742,147
<ul style="list-style-type: none"> • No Local Fish Tax in effect 	807 total persons	total pounds
Dillingham residents	19%	19%
Other Local Bristol Bay residents	13%	10%
Other Alaskan residents	28%	30%
Non Alaskan residents	38%	40%
Unknown	2%	1%

Source: Commercial Fisheries Entry Commission

The following are important notes to the figures generated for harvests and participation in the Bristol Bay fishing districts:

- 1) The figures represent commercial catches on S03T and S04T permits only. Test fishing, confiscated catch, personal use or discards are not included.
- 2) Harvests represent all species of salmon.
- 3) Harvest pounds are represented by "round pounds" - the weight of whole fish.
- 4) Alaska resident and Nonresident status is determined by declared residency. Some recipients of emergency transfers of permits do not have declared residencies.
- 5) Local / Nonlocal Alaska resident status is taken only from persons with declared residencies.
- 6) Participation represents the number of persons who recorded landings on fish tickets. More than one

Exhibit 9

maintained harbor, docks, boat ramps, restrooms, bathhouse, and benefit from local processors, trash-hauling, street maintenance, etc.

Dillingham FY 13 Operating & Special Revenue Fund Expenditures Directly Attributable to Serving Commercial Fishing Fleet, to support and Benefit Fisheries, Commercial Fishermen, and Processors	
General Fund Comm. Fish Related Expenditure: Harbors	\$196,651
General Fund Comm. Fish Related Expenditure: Landfill	\$44,000
General Fund Comm. Fish Related Expenditure: Public Safety Response	\$162,400
General Fund Comm. Fish Related Expenditure: Public Safety: Personal Floating Devices	\$1,000
Total Expenditures, From General Fund	\$404,051
Other: 2014 Oil Containment Equipment⁴	\$35,000
Nushagak Fish Tax Expenditure: Transfer to General Fund (to help pay \$404,051 in expenses listed above)	\$400,920
Nushagak Fish Tax Expenditure: Property Tax Payer Refund	\$10,833
Nushagak Fish Tax Expenditure: Low Income Fisher Refund	\$1,798
Nushagak Fish Tax Expenditure: Transfer to Fisheries Infrastructure Fund	\$46,422
Nushagak Fish Tax Expenditure: Transfer to Borough Study Fund	\$24,853
Total Expenditures, from Nushagak Fish Tax	\$484,826
FY 2013 2.5% Nushagak Fish Tax Revenue	\$848,910
Nushagak Fish Tax Balance, at end of FY 13, for Future Commercial Fishery Related Improvements	\$362,468

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

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

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

Exhibit 10

PERMIT & FISHING ACTIVITY BY YEAR, STATE, CENSUS AREA, OR CITY

[Link to Different Year...](#) [Alaskan Community & Census Areas List](#) [Table Description](#)

Year: 2014		State or Census Area: DILLINGHAM CA			City: Manokotak (070133)		
Fishery Group	Fishery Code	Permit Activity (1)		Fishing Activity (2)			
		Number of Permit Holders	Number of Permits Issued	Number of Fishermen Who Fished	Number of Permits Fished	Total Pounds Landed	Estimated Gross Earnings
Herring	G 34T	2	2	1	1	X	X
	G 34W	2	2	0	0	0	0
	L 12T	43	43	0	0	0	0
	Group Total (3)	45	47	1	1	X	X
Salmon	S 03T	26	26	21	21	839,220	995,593
	S 04T	38	38	36	36	1,582,431	2,067,602
	Group Total (3)	64	64	57	57	2,421,651	3,063,195
All Fisheries Combined	Group Total (3)	92	111	57	58	X	X

Link to...

David L. L.

Exhibit 11

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

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

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

The reason for the proposed boundary change is to more fairly distribute the costs for providing, operating, and maintaining the public facilities and services supporting commercial fishing in Nushagak Bay. Currently, a significant number of non-residents receive the benefit of these services that directly assist them in their fishing business without contributing equitably to operation and maintenance of the city services and facilities. As an example, in the Dillingham Harbor in 2013 and 2014, 57-56 percent (respective years) of the vessels belong to people who are not Dillingham residents (this includes both skiffs and commercial fishing vessels). While everyone pays harbor use fees, this revenue does not equal the city’s costs for operating and maintaining the services and infrastructure Dillingham provides to the fleet and related processors. For example, in 2013, \$75,000 was transferred from the Dock Special Revenue Fund to harbors to make up the difference between harbor fees and revenue.

2014 Dillingham City Harbor Permits	All Harbor Permits	Transient Moorage	Total	% of Total
<i>Dillingham resident</i>	252	0	252	44%
<i>Local Villages resident</i>	34	4	38	7%
<i>Other Alaskan resident</i>	95	10	105	19%
<i>Out of State resident</i>	164	7	171	30%
<i>Out of Country resident</i>	2	0	2	0% (Negligible)
Total	547	21	568	100%

Source: Dillingham Harbors

Like most places in Bristol Bay, fishery resources and the commercial fishing and seafood processing industries are the backbone of Dillingham’s economy and integral to many residents’ livelihoods and way of life. Dillingham, with its population of about 2,350 **2,431 (ADOLWD, July 2014)**, is the economic, transportation and public service center for western Bristol Bay. The region’s hospital, airport, University campus, public boat harbor, all-tide dock, boat launches, its regional health, housing, community development quota (CDQ), Native for and not-for profit organizations, and more are all located in Dillingham.

The City of Dillingham’s population is estimated at times to almost double during the peak fisheries months of May through August as summer residents or visitors come to town to

D-11

Exhibit 12

CITY OF DILLINGHAM		Year 1 Annexation FY 2015	Year 2 Annexation FY 2016	Year 3 Annexation FY 2017	Year 4 Annexation FY 2018
	TRANSFER TO CAPITAL PROJECT PLANNING	\$20,000	\$20,000	\$20,000	\$20,000
61	Total Transfers	\$1,070,914	\$1,052,237	\$1,052,237	\$1,052,237
	Special Revenue Fund Expenditures				
	Nushagak Fish Tax Expenses				
	Property Tax Payer Refund		\$0		\$15,293
	Low Income Fisher Refund		\$0		\$2,464
	Transfer to General Fund		\$0		\$434,242
	Transfer to Equipment Replacement Fund		\$0		\$100,000
	Transfer to Fisheries Fund		\$0		\$30,000
	Transfer to Borough Study Fund		\$0		\$18,000
	Total Nushagak Fish Tax Expenses		\$0	\$0	\$600,000
62	Other Special Revenue Fund Expense	\$2,949,885	\$2,746,006	\$2,712,509	\$2,705,710
63	OVERALL EXPENDITURES	\$12,402,625	\$12,197,547	\$12,254,975	\$12,899,954
64	OVERALL SURPLUS / DEFICIT	-\$588,978	-\$181,547	-\$190,794	\$65,460
	(Before GF Fund Balance Transfer)				
	Fund Balances Transfers	\$588,978	\$181,547	\$190,794	\$0
	Note: Per FY14 Audited Financial Statement there was a \$4,505,267 in General Fund, Fund Balance. This account will be used for the Fund Balance Transfers.				

D-12
Pg 1 of 1