

March 30, 2012
Mr. Brent Williams
Local Boundary Commission Staff
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Subject: Comments on Preliminary Report Regarding the Local Action Petition to Incorporate a Home Rule Borough of Petersburg and Dissolve the Home Rule City of Petersburg

After reviewing the above preliminary report my comments and questions follow:

1. At the top of Page 22 you make a statement-- "...current assets and liabilities will become the borough's...and then footnote a conversation with city attorney Sara Heideman. On page 31, first paragraph "The city's bonded indebtedness will become the obligation of Service Area 1 only." We have had numerous conversations regarding these statements. There are two schools of thought. The first says that the current assets and liabilities of the city become a responsibility of the borough not just Service Area 1. The second thought is that the bonded indebtedness would remain an obligation to Service Area 1 but could be changed by the Assembly without a vote of the people. In the final report would you provide a much more detailed interpretation?
2. The first paragraph on page 21 states-- "The borough would also provide land use, planning, and platting." Petersburg's Petition does not define these general terms. From your information and discussions with Petersburg, would you be more specific in what is intended? Obviously, that makes a big difference in costs and implementation.
3. In my October 17, 2011 Responsive Brief, page 12, I discussed the inequity of Petersburg's proposal to charge a 4 mil rate south of the Petersburg City limit sign and 11.02 mils on the north side of the line on Mitkoff Island. "The Petition proposes Service Area 1 which would include all of the current area within the City of Petersburg be subject to 11.02 mil rate while the rest of the proposed borough would be a 4 mil rate. Driving south on Mitkoff Highway we come to a City of Petersburg boundary sign. Stop at this point and take a look. To the north of the sign is a 11.02 mil rate; to the south is a 4 mil proposed rate. The services provided on both sides of that sign are the same. Is it equitable for residents on one side of the sign to pay 7.02 mils more for the same services when both have equal access to city services? The decision to draw this line is arbitrary and unfair as any court would determine." The issue was not addressed in the Preliminary Report. In fairness to the people living and owning property south of the Petersburg City limit sign on Mitkoff Island, the LBC needs to address this inequality and take a position in the final report.

4. Page 12, second paragraph-- you make the statement “they have the common interest of having water rule their lives...”. Using the logic presented in the report, then, we have a common interest with Wrangell, Ketchikan and other southeast communities. There is a difference. When I lived in Petersburg, I got into the car and drove downtown or out the road. I could get by without a boat. I did not have to listen to the marine forecasts. It did not cost me \$30 and most of a day each time I needed a part or supplies. If water is the common interest, then all of SE needs to be a single borough.

5. Page 15, you refer to the Lake and Peninsula Borough as a comparison to the Petersburg Borough proposal. When I compared the two charters, there are many differences. The Lake and Peninsula Borough has a much greater rural representation. The Lake and Peninsula Borough charter does a much better job in recognizing the distance and communication problems of its rural population. Petersburg’s Petition p. 141 shows Service Area 1 as having 2661 voters to 223 voters outside the city. With such a lopsided representation, views will never be adequately represented.

6. Page 16 last two paragraphs--In Duncan Canal we receive little or no signal with any phone carrier. If we do happen to have a signal, it does not hold to complete a call. When I talked with ATT recently, I was told we are on the outer fringe of signal range and should not have any phone service. They also said we are too small a population to invest in the equipment necessary for service. (You would be welcome to bring your phone here and test it out.) We may be able to listen to KFSK 50% of the time, and the other 50% only infrequently with a booster.

7. Petersburg’s Petition establishes Petersburg as Service Area 1. Alaska Statutes, Sec. 29.35.110 states “Borough revenues received through taxes collected on a nonareawide basis may be expended on general administrative costs and functions that render service only to the area outside all cities in the borough.” Again there are two interpretations. The first school of thought says since the City of Petersburg is dissolved and will be Service Area 1, taxes collected in Service Area 1 can only be expended in Service Area 1. The second interpretation says it can be used throughout the borough. Please address this dichotomy of thought and concern in detail in the final report.

8. At the bottom of page 11 you make the statement “Commerce however finds ... would you please provide me with a copy of the analysis that “Commerce” used to make this conclusion.

9. On page 32 there is a statement “Commerce finds that education ... are essential municipal service.” What costs and responsibilities for education are shifted from the state to the borough? In the final report, would you please provide an analysis that compares the States school funding to Petersburg before and after borough incorporation. Please include those costs that would shift to the borough.

10. Page A3 shows a table of “Current Assets” and “Current Liabilities”. Would you please provide the table and background information that is included in these figures.

11. Page A7 shows a table of median income for Petersburg. Is there a more detailed table that you used to develop this information? If so, may I have a copy?

Respectfully,

R.E. Lynn