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STATE OF ALASKA

THE LOCAL BOUNDARY COMMISSION

BEFORE COMMISSIONERS:

Lynn Chrystal - Chair
John Harrington
Robert Harcharek
Darroll Hargraves

PUBLIC MEETING and DECISIONAL MEETING

DAY TWO

Edna Bay, Alaska

May 16, 2014

ANCHORAGE TRANSCRIPTIONS

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ANCHORAGE, ALASKA 99501

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P R O C E E D I N G S

(On record - 8:00 a.m.)

CHAIRMAN CHRYSTAL: Good morning, everybody. We'll call the meeting to order at 8:00 o'clock just like we promised. Could we have a roll call, please, Mr. Williams?

MR. WILLIAMS: Yes, Chair. Commissioner Harcharak?

COMMISSIONER HARCHARAK: Here.

MR. WILLIAMS: Commissioner Harrington?

COMMISSIONER HARRINGTON: Here.

MR. WILLIAMS: Commissioner Hargraves?

COMMISSIONER HARGRAVES: Here.

MR. WILLIAMS: Chair Chrystal?

CHAIRMAN CHRYSTAL: Here. And that does constitute a quorum. We'd like to acknowledge the staff that's present. Guests and staff.


MR. WILLIAMS: Brent Williams here in Edna Bay.

MR. ENINGOWUK: Brice Eningowuk in Edna Bay.

CHAIRMAN CHRYSTAL: Okay. And our originating site is Edna Bay School. Is anybody out in teleconference land this morning to identify themselves?

MR. TILLINGHAST: The respondents are here. Jon Tillinghast, T-i-l-l-i-n-g-h-a-s-t, and Ron Wolfe, W-o-l-f-e.

CHAIRMAN CHRYSTAL: Thank you. Anybody else out there?

MR. BLOOD  John Blood, Juneau, government specialist.

1 I spell my name B-l-o-o-d.

2 CHAIRMAN CHRYSTAL: Thank you.

3 MR. RIEVES: Mike Rieves in Hollis.

4 CHAIRMAN CHRYSTAL: What is your name, please?

5 MR. RIEVES: Rieves, R-i-e-v-e-s.

6 CHAIRMAN CHRYSTAL: Thank you, sir. Anybody else?

7 Looks like that's about it. Okay. We're here this morning to
8 start our Decisional Meeting. And assuming we finish it here
9 sometime this morning we'll have a decision. We have up to 90
10 days, so maybe it won't happen but I'm sure something will
11 happen this morning. And I'd like to have a motion for
12 approving the agenda we have this morning.

13 COMMISSIONER HARRINGTON: So moved.

14 CHAIRMAN CHRYSTAL: Moved by Commissioner Harrington.

15 COMMISSIONER HARGRAVES: Second.

16 CHAIRMAN CHRYSTAL: Second by Commissioner Hargraves.

17 Could we have a vote, please? All in favor?

18 IN UNISON: Aye.

19 CHAIRMAN CHRYSTAL: Aye. Motion passes, the agenda is
20 approved. Okay. This is our time that we always make our
21 question. Comments by members of the public concerning items
22 that are neither on the agenda nor pending before the
23 commission. In other words, something other than what we're
24 here for today. Hearing none. Okay. We'll start off with the
25 decision regarding the Edna Bay Incorporation proposal. In the

1 back of the room there's copies of our check list and copies of
2 the agenda if anybody wants to follow along. Yes, sir?

3 COMMISSIONER HARRINGTON: A general questions before we
4 get started. I'd like to ask staff if anything in the hearing
5 has caused them to change their recommendation in any way?

6 MR. WILLIAMS: No, sir. This is Brent Williams.

7 COMMISSIONER HARRINGTON: Thank you.

8 CHAIRMAN CHRYSAL: Okay. Neither us. Okay. Starting
9 out. 3 AAC 110.920 - Determination of Community. (a) In
10 determining whether a settlement comprises a community, the
11 commission may consider relevant factors including whether the
12 (1) settlement is inhabited by at least 25 permanent residents;
13 (2) the permanent residents live in a geographical proximity
14 that allows frequent personal contacts and interaction and (3)
15 the permanent residents at a location are discreet in
16 identifiable social unit as indicated by such factors as
17 resident, public school enrollment, number of sources of
18 employment, voter registration, precinct boundaries, permanency
19 of dwelling units, and the number of commercial or industrial
20 establishments, community service, and service centers.
21 (Note: community under 3 AAC 110.995, is a social unit
22 comprised of 25 or more permanent residents.)
23 *Use this consideration when addressing the 3 AAC 110.005
24 below: (b) The commission will presume that a population does
25 not constitute a community if (1) public access to or the

1 right to reside at the location of the population is restrict,
2 or (2) repealed, or (3) the location of the population is
3 provided by an employer and is occupied as a condition of
4 employment primarily by persons who do not consider the place
5 to their permanent residence.

6 What is the Commission's.....

7 COMMISSIONER HARCHARAK: Mr. Chairman? Without any
8 question, without any doubt, Edna Bay is definitely a community
9 and an outstanding one at that.

10 CHAIRMAN CHRYSTAL: Okay. Any other comments from
11 Commissioners? Yes, sir?

12 COMMISSIONER HARRINGTON: Clearly the answer on 3(a)
13 here is yes to all three. And having to do with (b) the three
14 items, clearly the answer is no to those.

15 CHAIRMAN CHRYSTAL: Okay. Anybody else? Okay. I
16 think we can determine that we are agreed that staff recommends
17 and Commission agrees that we do have a community.

18 Okay. Next up, does the territory -- well, we just
19 answered that question. Does the territory proposed for
20 incorporation as a city encompass a community? And I think
21 we've decided that it is yes.

22 Is there a demonstrated need for city government?
23 Comments from Commissioners? Yes, sir.

24 COMMISSIONER HARRINGTON: Yesterday we -- this is
25 Harrington. If I may be kind of sort of concise in what I

1 heard yesterday, we heard from U.S. Forest Service and from
2 DCCRA staff, and they highlighted some of the needs that I
3 interpret as what's been going on, what this community has said
4 is a current non-profit has four basic functions. They are
5 being impeded by the fact that they are not a government
6 entity, that becoming a government entity will facilitate doing
7 those four tasks more efficiently. I think that was confirmed
8 by the two staff people that spoke, one with the Forest Service
9 and one with DCCRA. So I would say there is a demonstrated
10 need. Clearly it is a limited need. They do not seem to want
11 to do much beyond what they currently are doing, but they do it
12 far more effectively as a city. And in fact are having
13 problems because they are not one.

14 CHAIRMAN CHRYSTAL: Right.

15 COMMISSIONER HARRINGTON: So I would say the need is
16 clearly demonstrated.

17 CHAIRMAN CHRYSTAL: To further clarify the need basis,
18 under 3 AAC 110.010(a), need. In accordance with Alaska
19 statute 2905.011(a)(5), does the community demonstrate a
20 reasonable need for city government? In this regard the
21 commission may consider these factors:

- 22 (1) existing or reasonably anticipate social, economic
23 conditions;
24 (2) existing or reasonably anticipated health, safety
25 and general welfare;

1 (3) existing or reasonably anticipated economic
2 development;

3 (4) and adequacy of existing services.

4 That's just a further clarification of what the
5 qualifications are for need. Does everybody agree that we have
6 a need for this?

7 COMMISSIONER HARCHARAK: I agree. And I'd like to make
8 a comment, Mr. Chairman. This is Commissioner Harcharak. I
9 believe this community has demonstrated (indiscernible) out of
10 anticipating other needs, which as the community develops, will
11 be met. I believe that they -- with the time that's remaining
12 that the anticipated needs, when they arise, that they will be
13 dealt with in a fashion that any fully established community
14 would do. That includes their statement that would tax if
15 necessary and to find ways to pay for this anticipated needs.
16 And I find that commendable.

17 CHAIRMAN CHRYSTAL: Okay. Any further comments on that
18 portion? Okay. The next item, Alaska statute 2905.021(a), the
19 limitations of incorporation of a city. Can the services to be
20 provided by the proposed city be provided by annexing the
21 community in the unorganized borough to an existing city?

22 COMMISSIONER HARCHARAK: Mr. Chairman, the answer to
23 that is no. There's no way. There is no city with the
24 proximity of it, and additionally there is no city even
25 distance from them that meets the needs of this community as

1 this community is a unique one in its existence.

2 CHAIRMAN CHRYSTAL: Does everybody agree with that?
3 They're pretty well stuck out here. There isn't any existing
4 city you could hook up to. Okay. The next item further under
5 need, 3 AAC 110.010(b), in accordance with Alaska statute
6 2905.021(a), and to promote a minimum number of local
7 government units in accordance with Article X, Section 1,
8 Constitution of the State of Alaska, can the essential
9 municipal services for this community in the unorganized
10 borough be provided more efficiently and more effectively by
11 annexation to an existing city? And of course I think we've
12 covered that. We don't have to worry about that. Does
13 everybody agree?

14 COMMISSIONER HARRINGTON: Correct.

15 CHAIRMAN CHRYSTAL: Okay. The next item is Alaska
16 statute 2905.010(a)(3), incorporation of a city. Does the
17 economy of the community include the human and financial
18 resources necessary to provide municipal services? In
19 considering the economy of the community, the Local Boundary
20 Commission shall consider property value, economic base,
21 personal income, resource and commercial development,
22 anticipated functions, and the expenses and income of the
23 proposed city, including the ability of the community to
24 generate local revenue. And this is addressed in 3 AAC 110.020
25 on the next page. Okay. This comes under resources.

1 3 AAC 110.020, Resources. In accordance with Alaska
2 statute 2905.031(a)(3), does the economy of the proposed city
3 include the human and financial resources necessary to provide
4 the development of essential municipal services on an efficient
5 cost effective level? In this regard the Commission will
6 consider, and we'll discuss each one.

7 (A) the reasonably anticipate functions of the
8 proposed city?

9 CHAIRMAN CHRYSTAL: Yes, sir? Commissioner Harrington?

10 COMMISSIONER HARRINGTON: Thank you. Let me start with
11 a general statement that finances are problematic. And that's
12 true within any small community. The problems we have to
13 determine is are the powers, or help that they plan to use and
14 plan to develop, do they have the financial and have a
15 reasonable ability to function and do those? Yes, because they
16 already are doing those four functions. So I would say this is
17 not an overwhelming balance. This is something we are looking
18 to see, can they continue to do those things that they are
19 doing and do it more effectively as a city? And I think the
20 answer is yes.

21 CHAIRMAN CHRYSTAL: Any other proposed comments here?
22 Okay. The next item is, (B) the reasonably anticipated
23 expenses of the proposed city. And that kind of follows into
24 exactly what you just said, they're already doing it now and so
25 you have to assume that it's going to be continued on. There

1 should be no reason why not. Anybody disagree with that?

2 Okay.

3 (C) The ability of the proposed city to generate and
4 collect revenue at the local level. Any comments?
5 Commissioner Harrington?

6 COMMISSIONER HARRINGTON: Thank you. When the need
7 arises they have a demonstrated ability to step forward and
8 take care of those things. I would say obviously it is not
9 built into the next step, but down the road when they need to
10 add additional services they clearly have the human resources
11 necessary to step forward and do those processes.

12 CHAIRMAN CHRYSTAL: Right. The present time, as I
13 understand it, the only anticipated revenue would be for the
14 boat harbor, the slip rental. But there's obviously a way for
15 the community to develop other revenues if they so desire,
16 which is their right. Anybody else? Okay.

17 The next item is, (D) the reasonably anticipated income
18 of the proposed city. And as I said, the only one now we have
19 is the -- local revenue anyway, is the boat harbor. But there
20 could be reasonably anticipated income from state grants and
21 that type of thing. Anybody else? Okay.

22 (E) The feasibility and plausibility of the
23 anticipated operating and capital budgets of the proposed city
24 through the period extending one full fiscal year beyond the
25 reasonably anticipated date. Comments?

1 COMMISSIONER HARRINGTON: I feel like I'm hogging it.
2 I'll let somebody else say something.

3 CHAIRMAN CHRYSTAL: I think that the proponents of this
4 city have obviously looked into this and I think they're using
5 the right approach. Slow, go slow, and not get too carried
6 away with things. And I think they got a good idea and a good
7 handle on their own community, what it needs. If they don't
8 need, etcetera. This is not Anchorage obviously. Yes, sir?

9 COMMISSIONER HARGRAVES: Mr. Chairman, I think as we go
10 through all of this it might be the thing for some people to
11 read this and think about this, to contemplate it and come to
12 the conclusions well, this is stretching things a while lot.
13 What we have to come back to is this is a second class city.
14 We have second class cities working much like these folks have
15 proposed. We have second class cities that sometimes don't
16 make it. There's provisions in the statutes to take care of
17 that. The proposal that we have in front of us is for a second
18 class city, and so that's the measure that we have to make when
19 we consider each of these points. And that's why I can concur
20 with everything here.

21 CHAIRMAN CHRYSTAL: Okay.

22 COMMISSIONER HARGRAVES: They've met everything.

23 MR. WILLIAMS: Chair, this is Brent Williams. I don't
24 believe the Commission has to do this, but the respondent
25 yesterday spoke about having brought the decision several years

1 ago and the Commission did choose to discuss Naukati, which it
2 doesn't have to do, resources would be the perfect place to
3 do.....

4 CHAIRMAN CHRYSTAL: Okay.

5 MR. WILLIAMS:if I may suggest that.

6 CHAIRMAN CHRYSTAL: Okay. I was not on the commission
7 during the Naukati decision. It was just a couple months
8 before my time. I've been here seven years, but the Naukati
9 thing was like about two or three months before I cam on board.
10 I know you two gentlemen were involved. So -- yes,
11 Commissioner Hargraves?

12 COMMISSIONER HARGRAVES: This is Commissioner
13 Hargraves. I think that Naukati decision got some things put
14 into it that did shock and cause some problems. I've seen
15 nothing to equate Edna Bay with Naukati. Any proposal that has
16 come from here has different components. These folks can make
17 adjustments, they can perhaps comes up with ways to deal with
18 any problems that come up within the future, and it would not
19 be my proposal to tell these folks in Edna Bay how to do it.
20 It wasn't my proposal in Naukati to tell those folks how to do
21 it. I opposed that. I think we decide whether or not to let
22 you classify as a second class city, and if we decide that I'm
23 not sure we have too much business telling you how to raise
24 money, how to spend money. The statutes and regulations will
25 control that. And it will be my purpose here today to deal

1 with the directions to Edna Bay about how they are to proceed
2 with those things. So there's a difference.

3 CHAIRMAN CHRYSTAL: Right. Commissioner Harcharak?

4 COMMISSIONER HARCHARAK: I was on the Naukati decision
5 meeting and the reason the Commission chose to impose a couple
6 of requests, basically we approved the Naukati decision, but we
7 put a couple of stipulations in there. One was to vote on
8 whether or not to collect taxes. The reason being at that
9 meeting there was strong opposition boast of waste by the
10 participants in the audience. The members of the Naukati
11 community. I don't know that the opposed to collecting taxes.
12 And they had no source of revenue and couldn't propose any of
13 their own. And we just, as a requirement on it, is we'll
14 approve your petition to become a second class city but you
15 need to take a vote on whether or not you would in the future
16 impose taxes. This community, however, is totally opposite. I
17 heard numerous times yesterday that if, in the future it was
18 necessary to find resources -- sources of financial resources,
19 that you indeed would be willing to do so on yourself. That is
20 basically the difference. You expressed the willingness to
21 place taxes if necessary. In Naukati they were adamantly
22 opposed to taxes, period. And so we -- just the fact that in
23 the future I think this community will rise to that occasion if
24 necessary. Or you may find some other more creative ways of
25 raising finances. So I'm comfortable with that, and basically

1 concurring with Commissioner Hargraves. Almost like looking at
2 apples and oranges and trying to compare them.

3 CHAIRMAN CHRYSTAL: Okay. Thank you. Anybody else?

4 COMMISSIONER HARGRAVES: Mr. Chairman?

5 CHAIRMAN CHRYSTAL: Yes, sir.

6 COMMISSIONER HARGRAVES: Could I direct a question to
7 staff?

8 CHAIRMAN CHRYSTAL: Sure.

9 COMMISSIONER HARGRAVES: From the time that we take our
10 vote, what happens in this community? Can you describe the
11 process that -- do they become a second class city from the
12 time that we vote until later?

13 MR. WILLIAMS: Yes. Yes, Commissioner Hargraves.
14 Chair, this is Brent Williams. Of course if you vote no, it
15 ends. And you can amend it. If you vote yes then the Division
16 of Elections will schedule an election. It would be a by mail
17 election. And it would take place -- first, if you vote yes,
18 we'll have a meeting -- telephonic meeting in Anchorage about -
19 - within one month. The staff, after we leave here, will draft
20 a decision whether it's yea or nay, based on what you've said,
21 and then you will meet in about two to three -- June 4th, I
22 think it is, to approve or amend the draft decision that we are
23 drafting. And once it's approved, or changed here, that would
24 be mailed and that starts a couple things. It starts the
25 process of reconsideration. Reconsideration can be asked if it

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1 meets certain criteria, which are in the regulations. And it's
2 also the official notification to the Division of Elections and
3 they will hold an election, if you voted to approve the
4 petition, within 120 days. It takes the Division of Elections
5 about a full 120 days to get -- to conduct the election.

6 COMMISSIONER HARGRAVES: Mr. Chair?

7 CHAIRMAN CHRYSTAL: Yes, sir.

8 COMMISSIONER HARGRAVES: Question to the petitioners,
9 is that pretty much your understanding and you've got a grasp
10 on how that proceeds?

11 UNIDENTIFIED VOICE: Yes.

12 COMMISSIONER HARGRAVES: Thank you.

13 CHAIRMAN CHRYSTAL: Okay. Let's move on with the
14 resources section here. Another thing that we should discuss -
15 - I'm sorry?

16 COMMISSIONER HARRINGTON: You have to verify that the
17 nodding of the heads was a yes to move on?

18 CHAIRMAN CHRYSTAL: Much head nodding, yes. Okay. One
19 of the items that comes under consideration is receipt of the
20 final organizational grant under Alaska statute 2905.180. Mr.
21 Williams, what is that organizational grant? What is the
22 amount of it?

23 MR. WILLIAMS: If the petition is approved it's
24 \$75,000. \$50,000 for the first year, 25,000 for the second
25 year and then that's that.

1 CHAIRMAN CHRYSTAL: Okay. And the next thing is, for
2 completion of the transition set out in Alaska statute
3 2905.130, Alaska statute 2905.140, and 3 AAC 110.900. This
4 basically is the transition from not having a government into a
5 full fledged second class city if we approve?

6 MR. WILLIAMS: Yes, sir. It's the transition from the
7 community association.....

8 CHAIRMAN CHRYSTAL: Right.

9 MR. WILLIAMS:to the would be city government if
10 there's not another borough.....

11 CHAIRMAN CHRYSTAL: Right.

12 MR. WILLIAMS:or city involved.

13 CHAIRMAN CHRYSTAL: Okay. Is there any commission
14 comments on that part? It's pretty straight forward. Okay.
15 And of course we've talked about the economic base of the
16 proposed city. The evaluations of taxable property within the
17 proposed city is not really a big issue right now because the
18 residents do not anticipate taxing real property at this time.

19 The anticipated and reasonably anticipated industrial,
20 commercial and resource development within the proposed city,
21 and personal income of residents of the proposed city. These
22 are all things that we can discuss and consider. Does anybody
23 have any comments on it?

24 MR. WILLIAMS: Chair, this is Brent Williams.

25 CHAIRMAN CHRYSTAL: Yes, sir.

1 MR. WILLIAMS: I didn't recall hearing the topic of the
2 economic base which are the economic underpinnings of the
3 community. We talked about having the financial resources but
4 I didn't hear discussions of the economic base. Perhaps I
5 missed that.

6 CHAIRMAN CHRYSTAL: Anybody have any comments on the
7 economic base? Yes, sir, Commissioner Hargraves?

8 COMMISSIONER HARGRAVES: I think some things came
9 through. I don't think that it was presented solidly,
10 effectively by the petitioners. But I think I can see enough
11 threads of say that for a second class city, it exists. It's
12 there. There's an ocean out here full of fish and some people
13 say it used to have crabs. But -- so the economic phase I
14 think exists and it will evolve as time goes on.

15 CHAIRMAN CHRYSTAL: Yes, sir. Commissioner Harrington?

16 COMMISSIONER HARRINGTON: Also I think, again going
17 back to my comment about balance, given the powers they are
18 seeking to function with the city and the economic base of the
19 city, it's a good match at this time.

20 CHAIRMAN CHRYSTAL: I think you're right. Further
21 comments? Okay. And these are items that we may consider in
22 this issue. Land use within the proposed city. The need for
23 and availability of employable skills and unskilled persons to
24 serve the city government. And a reasonably predictable level
25 of commitment and interest of the residents in sustaining that

1 city government.

2 I think these last two issues are very clear. I think
3 obviously we have a lot of skilled people that can take over,
4 because they're already doing it. And so I would assume
5 they're going to continue doing a good job. And of course the
6 level of commitment and interest of the citizens of this
7 community is pretty obvious. We saw it yesterday, we see it
8 again this morning. There is obviously a huge commitment to
9 making this work. And that's what it takes is a commitment of
10 the people that live here. Any other comments on that?

11 MR. WILLIAMS: Chair, this is Brent Williams again.

12 CHAIRMAN CHRYSTAL: Yes?

13 MR. WILLIAMS: For 110.020(G)(H) and (I), I was talking
14 with -- it's something that I might have missed, but I did hear
15 some -- I may have missed the discussions of the evaluations of
16 those two factors. Valuations in the city.

17 CHAIRMAN CHRYSTAL: Well, we really don't have anything
18 to go by as far as the total evaluations other than the fishing
19 income, personal income of people, that type of thing. Is that
20 what you're referring to?

21 MR. WILLIAMS: Yes, sir. It's just that there is --
22 they did not -- the Commission needs to discuss, consider the
23 taxable property. I mean you have just stated that there's
24 nothing, no data to discuss and.....

25 CHAIRMAN CHRYSTAL: Right. There hasn't been any kind

1 of assessment of private dwellings, private homes, private
2 business here in town, so there really isn't anything for us to
3 compare it to. And I don't think it's necessary to do so
4 because they're not anticipating having a property tax. So
5 until that happens we don't really -- I don't think we need to
6 worry about that too much, quite frankly.

7 MR. WILLIAMS: Understood, sir. I just wanted to make
8 sure that all that was covered, as Commissioner Harcharak said.
9 So as long as all those three are -- (H) and (I) are discussed.

10 CHAIRMAN CHRYSTAL: Okay. And the personal income, of
11 course, of residents, we haven't asked for nor have we been
12 given that information.

13 MR. WILLIAMS: Excuse me, sir. But we did discuss the
14 possible development of industrial commerce?

15 CHAIRMAN CHRYSTAL: I think there was some comments by
16 the proponents originally with a possible timber sale, small
17 timber sales, fishing. Possibility of fish buyers. I think
18 that was in the proposal. Setting up more of a permanent
19 establishment here and that type of thing. Yes? Commissioner
20 Hargraves?

21 COMMISSIONER HARGRAVES: A question to staff.

22 CHAIRMAN CHRYSTAL: Okay.

23 COMMISSIONER HARGRAVES: When they get their selected
24 lands, can they automatically sell the timber rights over that
25 land?

1 MR. ENINGOWUK: This is Brice Eningowuk. I'm not too
2 sure on that. I don't have a lot of experience assisting with
3 that kind of -- those types of matters.

4 COMMISSIONER HARGRAVES: What do the petitioners think,
5 Mr. Chair?

6 CHAIRMAN CHRYSTAL: Can anybody answer that question?
7 About timber rights on lands that would be selected by the
8 city?

9 MR. RICHTER: This is Don Richter. I do know -- I
10 don't know positively how they did it, but Thorne Bay acquired
11 land when they became a city and they have logged it. They put
12 it up in timber sales. So I don't know the process per se, but
13 I've seen that.

14 COMMISSIONER HARGRAVES: My assumption is that if they
15 can, they can subdivide it and sell it as lots.

16 MR. RICHTER: Thorne Bay actually did that. They
17 subdivided the land into lots.

18 COMMISSIONER HARGRAVES: Okay. I thought you kind of
19 answered my question.

20 MR. WILLIAMS: Chair, I believe Lawrence Blood is on
21 the line and he could certainly know more than I would about
22 the question. So I'd like to direct it to him.

23 CHAIRMAN CHRYSTAL: Mr. Blood, did you kind of hear the
24 gist of that question?

25 MR. BLOOD: Mr. Chairman, I heard that it was something

1 to do with timber sales within the boundaries of Thorne Bay?

2 CHAIRMAN CHRYSTAL: Yeah. Well, the question is here,
3 was the fact that assuming the second class city goes forward
4 and they select lands, can that land -- can the timber rights
5 be sold on that land for revenue sources?

6 MR. BLOOD: Mr. Chairman, I don't usually like giving
7 answers off the top of my head here, but I do not see any
8 reason why it could not.

9 CHAIRMAN CHRYSTAL: Yeah. Well, the answer from the
10 petitioners was that they had heard that Thorne Bay did that.
11 And so that's how the Thorne Bay thing came into that question.

12 MR. BLOOD: Mr. Chairman, I can confirm that Thorne Bay
13 did do timber sales and subdivide that property, just on the
14 southside of the city there.

15 CHAIRMAN CHRYSTAL: Okay. Thank you very much, Mr.
16 Blood. Anything further on that?

17 COMMISSIONER HARCHARAK: Yes, Mr. Chair. Commissioner
18 Harcharak. Yesterday somebody -- we talked about fish buyers
19 and there are no fish buyers in town. People who catch fish
20 have to take them around to Port Protection. And that itself
21 is a potential of plans for resources. I know there's a lot of
22 fishermen here, people interested in it, and I've heard nothing
23 but the fact that there's a host of fish out in that -- right
24 outside the door here and if somebody wanted to establish a
25 fish buying business, that's definitely a tax base that this

1 community could rely upon. And it's a long way to Port
2 Protection. And it would make more sense if somebody started
3 here. Now they got a tax base. I mean it's almost ideal.

4 CHAIRMAN CHRYSTAL: Okay. Any further comments on that
5 one? Okay. The next item is the incorporation of the city
6 under 2905.011(a)(4). Is the population of the community
7 stable enough to support city government? And under that --
8 just a second, let me go down through it. Under 3 AAC 110.030
9 Population. In accordance with Alaska statute 2905.011(a)(4),
10 is the population of the proposed city sufficiently large and
11 stable to support the proposed city government? In this regard
12 the Commission may consider relevant factors including census
13 enumerations, durations of residency, historical population
14 patterns, seasonal population changes, age distributions,
15 contemporary and historical public school enrollment data, and
16 non-confidential data from the Department of Revenue regarding
17 applications under Alaska statute 43.23 for permanent fund
18 dividends. Okay. Commissioner Harcharak, you had a comment on
19 that?

20 COMMISSIONER HARCHARAK: I would just say, Mr.
21 Chairman, this is probably one of the most, if not the most,
22 stable community I've had the pleasure of visiting. And
23 historically people have lived here since the land lottery and
24 prior to it. I believe it meets all this criteria, including
25 the conduct of the school system. Granted more people are

1 the conduct of the school system. Granted more people are
2 going to have to make some babies or, you know, find some way
3 to increase that population. But if.....

4 CHAIRMAN CHRYSTAL: We've never discussed that before,
5 have we?

6 COMMISSIONER HARCHARAK: That is truly the way I would
7 wake up this (indiscernible) community. But, you know, there's
8 a possibility of other individuals coming into this community
9 and a number of them have children. And I believe that this
10 community meets all this criteria.

11 CHAIRMAN CHRYSTAL: Okay. Commissioner Harrington?

12 COMMISSIONER HARRINGTON: We have seen in the report
13 the census data that's adjusted over time. There has been a
14 loss of population here. That's true throughout southeast
15 Alaska, especially as the logging industry has decreased. But
16 as to what Mr. Harcharak had commented, there is a long term
17 stable core to the population. We saw people that have lived
18 here for 30 years, testifying yesterday. So my sense is this
19 will remain a community. A very stable core community with the
20 potential for growth in the foreseeable future.

21 CHAIRMAN CHRYSTAL: Right. Anybody else? Yes, sir.

22 COMMISSIONER HARCHARAK: Commissioner Harcharak. I
23 read the stuff about the census data, and since I collect
24 censuses -- do the census collection in the North Slope
25 Borough, or am involved with that since the '70s, the State of

1 Alaska depends on the federal census, and the last 2010 census
2 I've had major problems with inaccuracies. And I was not the
3 only one in the state. There were numerous complaints sent to
4 the Department of Commerce that the census was inaccurate and
5 did not account for numerous people in the community because of
6 the way the census was taken, and the fact that part of it, I'm
7 assuming most of it, if not all of it, was done by mail here
8 for Edna Bay. Many people did not respond to those mail
9 censuses, did not return them. Our challenge went for naught
10 because they weren't going to spend any more money. But that's
11 also something serious. There are questions on the basis for
12 the 2010 census.

13 CHAIRMAN CHRYSTAL: Thank you. I think that from my
14 perspective the population of Edna Bay is obviously not huge,
15 and I don't know, maybe it never will be. But I think that the
16 important part is the very core of the community is very
17 strong. I think the people that have been here for many, many
18 years, and love the place, I think that's sufficient to keep
19 things going. And while it may not be real big, it's big
20 enough to make a community. Okay.

21 Under incorporation of the city, do the boundaries of
22 the proposed city include all areas necessary to provide
23 municipal services on an efficient scale? And follow up
24 underneath that, 3 AAC 110.040 Boundaries. In accordance with
25 Alaska statute 2905.011(a)(2), do the boundaries of the

1 proposed city include all land and water necessary to provide
2 the development of essential municipal services on an efficient
3 cost effective level? In this regard the Commission may
4 consider relevant factors including land use, subdivision
5 platting and ownership patterns, population density, existing
6 and reasonably anticipated transportation patterns and
7 facilities, natural geographic features, environmental factors,
8 extraterritorial powers of cities, salability of land for
9 residential, commercial or industrial purposes, and suitability
10 of the territory for reasonably anticipated community purposes.

11 MR. WILLIAMS: Chair?

12 CHAIRMAN CHRYSTAL: Yes, sir?

13 MR. WILLIAMS: This is Brent Williams. If I may
14 clarify this, the language of the statute is slightly different
15 from that of the regs. I'd suggest that as opposed to most of
16 the other ones that were like into the regulation, that you
17 address the statute separately and then address the regulation
18 separately.

19 CHAIRMAN CHRYSTAL: Attorneys. We love them. Okay.
20 So we want to address the statute of Alaska 2905 before we
21 address the boundaries underneath.....

22 MR. WILLIAMS: Yes.

23 CHAIRMAN CHRYSTAL:or at the same time?

24 MR. WILLIAMS: That's it.

25 CHAIRMAN CHRYSTAL: All right. Let's see, one says

1 boundaries and the other one says boundaries. That just kind
2 of led me right into it. Okay. Do the boundaries. Does the
3 proposed city include all areas necessary to provide municipal
4 services on an effective scale?

5 MR. WILLIAMS: Efficient scale.

6 CHAIRMAN CHRYSTAL: I don't have my bifocals on. I
7 didn't quite catch that. Efficient. You are actually correct.
8 Would you like to make a comment on that?

9 COMMISSIONER HARRINGTON: I would love to make a
10 comment on that.

11 CHAIRMAN CHRYSTAL: I'll bet you would. Commissioner
12 Harrington?

13 COMMISSIONER HARRINGTON: Okay. This is an issue that
14 the respondent has brought up. There seems to be a basic
15 underlying rationale for the structure, the boundaries of the
16 city. It was thought through. It may not be perfect but our
17 process is not to determine correctness but to determine
18 adequacy. The rationale seems solid to me. They're trying to
19 make sure that there are some lands that the state can give
20 them as part of their city, which would be important to the
21 future of the city. That's a rational logical reason. I know
22 a lot of this is not populated but the total boundaries of the
23 city that they've set up makes sense to me.

24 CHAIRMAN CHRYSTAL: Anybody else? I think one of the
25 most important things that I noticed when I was reading through

1 this is the fact that they -- the boundaries were extended out
2 enough to protect the water shed. Getting out there with the
3 Karch formation where the water is flowing through, and unless
4 you have a big enough boundary you could cut yourself short, I
5 can see that. So I think that was extremely important and a
6 good idea. So -- yes, sir?

7 COMMISSIONER HARGRAVES: Mr. Chairman, the easement
8 extraterritorial sections are the ones that causes me the most
9 concern. And that's what I have the most questions about. In
10 the state of Alaska I think we have some pretty large first
11 class cities that are too small. They just simply have crowded
12 and they were established years ago and today they're too
13 small. By the same token we have some first class cities that
14 are way too large. You may know about some of those that are
15 big estates in some of the other estates. So I don't know what
16 the correct size for a city is. We're talking about a second
17 class city here. We want to be sure that the water shed is
18 protected. We want you to have drinking water and domestic use
19 of water. And once you go past that you can start arguing
20 about creeks and rivers for salmon. But I don't think that's
21 the purview of a second class city. If you're getting your
22 drinking water within your confines, as you should probably,
23 that's enough for us to discuss. There's something about these
24 boundaries that quite frankly puts in my mind the feeling that
25 Edna Bay is proposing something that is too large for a second

1 class city. Now I'm willing to look at all of the options, but
2 if I look at this core where everybody lives I think that was
3 the original state allotment -- what you call the state
4 allotment, or a state subdivision, that's a comparatively small
5 area. And now we're going to balloon out to this gigantic area
6 and take in a lot of sections that you'll never be able to set
7 foot on. I don't know how you'd get out there. Being from the
8 tundra, Commissioner Harcharak just can't hardly how you can
9 walk through to even set foot on some of those sections out
10 there. So the bottom line for me is to propose the question of
11 are we proposing too big of an area for a second class city?
12 I'm willing to keep an open mind, but for the time being I'm
13 viewing my position as being to reduce your petition somewhat.
14 I'll have lots of questions about what -- or why you selected
15 the areas and I'm certainly open to petitioners to make the
16 case for keeping it in the proposal. But for me to get
17 comfortable I'm going to have to figure out how to reduce that
18 size somewhat or hear arguments that are very convincing that
19 we should maintain those boundaries that's proposed.

20 CHAIRMAN CHRYSAL: Okay. Mr. Harcharak, did you raise
21 your hand?

22 COMMISSIONER HARCHARAK: Commissioner Harcharak. With
23 my good friend, I tend to disagree. I look at the boundaries
24 that were set out. Granted it is large. It's too large for
25 the current population. Commissioner Hargraves mentioned that

1 he doesn't know how you'd get out there. You'd get out there
2 the same way you built the city, piece by piece, step by step,
3 quarter mile by quarter mile. You're not even talking about
4 miles. Part of the -- I guess it would be -- well, looking at
5 the map it would be the right-hand corner of this map,
6 (indiscernible) section of the map, part of that is for
7 potential lumber development. The extraction of lumber. It
8 will provide a future resource base. If it's too large, it's
9 not too large by much because I believe you're looking at
10 potential resource development and you're not looking at five
11 or 10 years down the road. And that was the problem that
12 somebody mentioned about some of the first class cities being
13 too small. They never looked at -- anticipated the future.
14 Regulations change by the state at the whims of our legislators
15 or our governor. And I believe the fact that it allows for
16 potential development is a critical point. How you're getting
17 out there? As I said, quarter mile by quarter mile. And I
18 also would like to hear from the petitioner of things I may not
19 have conceived of when you drew the city boundaries. I heard
20 the complaint that SeaAlaska, that it was, you know,
21 (indiscernible) because it was too large, and their reasoning
22 was they wanted to get that lumber instead of letting you have
23 it. That's a supposition. I'd like to hear from you folks.

24 CHAIRMAN CHRYSAL: Yeah. I think we would too. I
25 would prefer us to be a little too big than a little too small.

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1 COMMISSIONER HARCHARAK: So would I.

2 CHAIRMAN CHRYSTAL: I think the down side of being too
3 big is not as bad as the down side of being too small. So
4 anyway, it would be hear from whoever was in charge of trying
5 to decide the limits, and why did you expand this far, why
6 didn't you go bigger, why didn't you go smaller? Could you
7 come over here so we can hear it on the phone? And your name,
8 of course.

9 MR. GREIF: Petitioner's representative Lee Greif. I
10 have four points. First and most important, I believe, was to
11 allow for the maximum land entitlement. Probably the least
12 important was it saved money in surveying fees. It was
13 convenient to run already established line.

14 CHAIRMAN CHRYSTAL: Sure.

15 MR. GREIF: And then to encompass anticipated growth
16 for the period of 10 years past incorporation. These areas,
17 for example, include the planned hydro facility, and our
18 concerns about it you've discussed that. You've agreed to
19 that. But there are also -- for access there are roads in a
20 lot of these -- a lot of this area already. Forest Service
21 roads that aren't being used right now because they're not
22 logging there right now and it's logged over some of it. But
23 there are roads. We do have access.

24 And then the third, or the last, was that we wanted to
25 be sure and have the proper grounds for future development of

1 the refuse management program that we are dreaming about at
2 this time and anticipate having in the future. Also, for the
3 best ground for an industrial site. We believe that we need an
4 industrial site in this community. And so those are my four
5 points for making those boundaries what they are. I have to
6 agree with you, at first when I looked at that I thought wow,
7 this is big. And then when we started considering all of these
8 future problems that we'd be dealing with, it didn't seem quite
9 so big after all. And I believe that -- I respect your concern
10 but I just believe that we would really still like to keep
11 those grounds.

12 COMMISSIONER HARCHARAK: Mr. Chairman? Questions
13 for.....

14 CHAIRMAN CHRYSTAL: Commissioner Harcharak, please.

15 COMMISSIONER HARCHARAK: Commissioner Harcharak. The
16 question is would you elaborate on the industrial site,
17 potentially. What are you thinking about?

18 MR. GREIF: We're thinking saw mill sites, we're
19 thinking -- in conjunction we're thinking putting the refuse
20 management plant in the industrial site. That those two would
21 work hand in hand. And it's a problem that we have right now.
22 We will deal with it in our own ways, and some of them aren't
23 good ways. But everyone seems to think that this is such a
24 huge endeavor, but it's not a huge endeavor. We've looked into
25 it somewhat, just to get an idea what the cost would be. And

1 this is something that I believe we could do even at where we
2 are right now financially. I may be wrong because we haven't
3 gone completely into it, but we would if we set out to do it.
4 But this is a dream. This is something that I want to see
5 done. This is something that all southeast Alaska has a
6 problem with. And we're so far away from a place of landfill,
7 for example, that it is a big problem. And that's a desire.

8 COMMISSIONER HARCHARAK: Thank you.

9 CHAIRMAN CHRYSTAL: Could you show me on the map
10 approximately where that hydro situation would be, or that
11 hydro proposal?

12 MR. GREIF: Survey Creek. Pat knows that better than I
13 do.

14 MR. RICHTER: This is the creek right here.

15 CHAIRMAN CHRYSTAL: Okay.

16 MR. RICHTER: Make sure I got the road here. Makes a
17 tight turn right there. Yeah. It would possibly be about
18 right.....

19 COMMISSIONER HARGRAVES: What section is that in?

20 MR. RICHTER: It would be Section 30 is where the fall
21 is. It would be pretty close to Section 30.

22 COMMISSIONER HARGRAVES: Section 30.

23 MR. RICHTER: Yeah. Right here.

24 CHAIRMAN CHRYSTAL: Right here. Okay. Right in there,
25 is that where you're talking about?

1 MR. RICHTER: Right here. This water shed starts clear
2 over here. If you look over here the water shed starts all the
3 way on the boundary over here. The boundary starts clear over
4 here for that. Survey Creek comes up here. The water shed
5 actually starts right here.

6 MR. BLOOD: (Indiscernible), and I hope that.....

7 MR. RICHTER: The water shed runs this direction.

8 CHAIRMAN CHRYSTAL: Okay. And so it's running away
9 from Edna Bay.

10 MR. RICHTER: There's a ridge here.

11 CHAIRMAN CHRYSTAL: Okay.

12 MR. WILLIAMS: Chair, this is Brent William. The
13 record -- Mr. Richter, that's okay. If you could tell what --
14 as Mr. Hargraves asked, what section numbers you are
15 discussing.

16 MR. RICHTER: Okay.

17 CHAIRMAN CHRYSTAL: It would be Section 30, right?

18 MR. GREIF: Thirty, but then you also have to give it
19 this one.

20 MR. RICHTER: You also have Section 19, Section 18,
21 Section -- it goes all the way to Section 7.

22 CHAIRMAN CHRYSTAL: Okay.

23 MR. RICHTER: And also the water shed for that also is
24 then down to Section 8, 17 and 20, and also --- well, we
25 wouldn't be effected by 29.

1 CHAIRMAN CHRYSTAL: Okay. Thank you.

2 MR. WILLIAMS: Mr. Chairman?

3 CHAIRMAN CHRYSTAL: Yes, sir.

4 MR. WILLIAMS: This is Brent Williams. May I say
5 something?

6 CHAIRMAN CHRYSTAL: Yes.

7 MR. WILLIAMS: There is a map in page 21 of the final
8 report, and I'd like to point out that it has a diagonal line
9 in the bottom right-hand corner. I don't have -- can't make
10 out the section of that, but there is a diagonal line, whereas
11 on the earlier map I believe was read by SeaAlaska had it as a
12 rectangle. And I'd also like to say that I looked at the
13 proposed boundaries of the petition and I had some questions
14 about it. And so I investigated it to -- as Commissioner
15 Harcharak, it is within 10 years. You look at the territory
16 comprising present local community plus reasonably predictable
17 growth development and public safety need during the 10 years
18 following the specific date of incorporation. So I looked at
19 that and as it's in the preliminary report, based on
20 conversations I had with various state and federal officials,
21 Mr. Dunn, who we heard from yesterday, and state forestry
22 officials, and from the fact that I found it reasonably
23 anticipated from those folks -- talking to folks that there
24 would be development in those areas, growth and development and
25 public safety needs is going to be proposed, and reasonably

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1 predictable that the SeaAlaska bill would go through congress
2 and SeaAlaska would get those lands and then there'd be cutting
3 there. And then just to be sure I called -- I wanted more
4 information, so I called up Ms. Myla Polstra and then I grilled
5 her for over an hour, because it's my job to investigate these
6 things. I did want to hear from the horse's mouth, as it were,
7 about the proposed city's needs for this land. So I understand
8 and respect Commissioner Hargraves' concerns. But to the
9 staff's mind that puts the -- if we are on 110.040(b), that it
10 does have the -- it does meet that criteria of having the
11 available land of the present community, plus the reasonable
12 and predictable growth for development during these 10 years
13 following incorporation should the petition be granted.

14 CHAIRMAN CHRYSAL: Okay. Any further -- Commissioner
15 Hargraves?

16 COMMISSIONER HARGRAVES: To get back to this hydro
17 electric unit, that would be in Section 30?

18 MR. RICHTER: Yeah.

19 MR. GREIF: Yes.

20 COMMISSIONER HARGRAVES: And the water shed that comes
21 down from up above it is established streams, it's -- you're
22 not going to get your water cut off? There's nothing that I
23 can see, state, federal or what have you, that would cut that
24 water off of a hydro electric plant. I would view it a little
25 differently if you had to depend on it for domestic drinking

1 water. But anyway, that's in Section 30. It looks to me like
2 the city itself is talking about -- you're proposing something
3 like 30 square miles. Is each one of these a section?

4 MR. WILLIAMS: Twenty-seven and a half, sir, is
5 the.....

6 COMMISSIONER HARGRAVES: Twenty-seven and a half.
7 Okay. There are some sections that have mostly water in it.
8 But do you concur that these are the lines?

9 MR. RICHTER: Yes, sir.

10 COMMISSIONER HARGRAVES: Does that reflect the
11 proposal? So you're saying that the proposal is for 27 1/2
12 sections?

13 MR. WILLIAMS: Square miles.

14 COMMISSIONER HARGRAVES: Square miles. Well, that's a
15 section.

16 MR. WILLIAMS: Yes.

17 COMMISSIONER HARGRAVES: And it takes you up from a
18 core area of about 1.2 square miles, one section? Okay.

19 CHAIRMAN CHRYSTAL: Okay. Any other further comments?

20 MR. TILLINGHAST: Mr. Chairman, because -- are the
21 respondents are going to get a chance to respond to the
22 petitioner's comments?

23 CHAIRMAN CHRYSTAL: No, sir. Only if the Commission
24 has questions.....

25 MR. TILLINGHAST: (Indiscernible) denial of due

1 process. I'd put that on the record.

2 CHAIRMAN CHRYSTAL: Okay.

3 COMMISSIONER HARGRAVES: Who is that?

4 CHAIRMAN CHRYSTAL: It's the respondents. Okay. No
5 problem. Okay. Any other comments on this section? Then
6 we'll move on to.....

7 COMMISSIONER HARRINGTON: Could we have a five minute
8 recess?

9 CHAIRMAN CHRYSTAL: Okay. Five minute recess.

10 (Off record)

11 (On record)

12 CHAIRMAN CHRYSTAL: Okay. We'll call the meeting back
13 to order. It's eight minutes after 9:00. We're at the top of
14 page 4 of the discussion. It's still under 2905.011(a)(2),
15 incorporation of a city. Commissioner Harrington?

16 COMMISSIONER HARRINGTON: Appreciate your moving it. I
17 was a little confused where we were on this page and that's
18 part of the reason I asked for the agenda. Also we've been
19 hearing a lot of information from the petitioners. I realize
20 that we do not need to ask questions of the respondent, but
21 frankly I think it is only appropriate and their right that we
22 ask another question of the respondent. And so with your
23 permission, I would like to ask the respondent, based on what
24 he's heard, what are his concerns about the size of this
25 community?

1 MR. TILLINGHAST: Thank you, Commissioner. I think I
2 heard 95 percent of the question. You're asking for our
3 concerns about the boundaries?

4 CHAIRMAN CHRYSTAL: Yes.

5 MR. TILLINGHAST: One thing we want to point out, and
6 that's that the unpopulated remote lands that Edna Bay proposes
7 to include in their new city are United States Forest Service
8 lands. So as I mentioned yesterday, there's quite a hurdle to
9 get approval to do anything from the Forest Service,
10 particularly if it would involve conveying an interest in those
11 lands. There was a time when the state could have selected
12 some of those lands under the Statehood Act. But under -- and
13 I believe it was the Alaska Lands Selection Acceleration Act of
14 2004 that the state had until 2009 to finalize its selections
15 under the Statehood Act. That time has come and gone. That
16 option, to the best of my knowledge, isn't available any more.
17 So talking about an industrial site or even a refuse site on
18 Forest Service land to us is problematic. And I think I'll
19 leave it at that.

20 CHAIRMAN CHRYSTAL: Okay. Thank you, sir.

21 COMMISSIONER HARRINGTON: Thank you, sir.

22 CHAIRMAN CHRYSTAL: Any other comments or questions on
23 this before we.....

24 COMMISSIONER HARRINGTON: So at this point I believe --
25 excuse me, Commissioner Harrington. I'd like to say let's

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1 start with 3 AAC 110.040 Boundaries. I know we sort of got
2 into it but it'd be nice to go systematically through it.....

3 CHAIRMAN CHRYSTAL: Okay.

4 COMMISSIONER HARRINGTON:because I got confused.

5 CHAIRMAN CHRYSTAL: Well, we all are. This is under
6 the regulation portion 3 AAC 110.040 Boundaries. And in
7 accordance with the item above, Alaska statute 2905.11(a)(2),
8 do the boundaries of a propose city include all lands and water
9 necessary to provide the development of essential municipal
10 services on an efficient cost effective basis? In this regard
11 we may consider relevant factors, land use, subdivision
12 planning, ownership patterns, population density, existing and
13 reasonably anticipated transportation patterns and facilities,
14 natural geographic features and environmental factors,
15 extraterritorial powers of cities, salability of land for
16 residential, commercial or industrial purposes, and suitability
17 of the territory for reasonably anticipated community purposes.
18 So basically do you have any more comments on that? We've kind
19 of gone through most of this already, but -- anybody have any
20 further comments on it?

21 COMMISSIONER HARRINGTON: Well, I think we need to sort
22 of discuss these things at some point. Now land use in this
23 area -- especially within federal land, there is limited amount
24 of -- it is a complex process to use it. However, as a city,
25 you'll at least have a seat at the table for federal land when

1 it comes to having an ability to talk with them. So where
2 there is a federal land within their community, it becomes a
3 process whereby you can at least have your input heard.

4 Population density, number 2. At this point it's going
5 to be a very slightly -- very low density population given the
6 number of people and the number of lots. Hopefully that will
7 change upward over the years, but is there room for growth?
8 Obviously. But I think the reasons they included this area --
9 again, I think it makes sense, perhaps not perfectly, but I
10 think it makes sense the boundaries they selected.

11 Existing and reasonably anticipated transportation
12 patterns. This land obviously is not the land in fault. It
13 includes only an area transition on the broader end of the
14 existing road system. So I don't see that as a factor in the
15 outside boundaries. Please.....

16 CHAIRMAN CHRYSTAL: Yeah, please continue.

17 COMMISSIONER HARRINGTON: Okay. The natural geographic
18 features and environmental factors. I think we heard about the
19 water shed, we've heard about the Karch, we've heard the desire
20 to sort of have that within their boundaries. Again it seems
21 to be appropriate.

22 CHAIRMAN CHRYSTAL: As long as we're on that -- excuse
23 me.....

24 COMMISSIONER HARRINGTON: Sure.

25 CHAIRMAN CHRYSTAL:Commissioner. I think this is

1 one of the most important parts of this, the size of the
2 community, is the national geographic features. And trying to
3 keep a hold on containing what they need within their
4 community. In other words, I think they -- I'm sure that even
5 though there would be protections for the water shed if
6 somebody else was logging there. I think if there was a second
7 class city sitting at the table I think they would have a
8 bigger voice in how that land is taken care of. I think it's
9 extremely important to maintain a control over your own destiny
10 as much as possible. So anyway, continue, please.

11 COMMISSIONER HARRINGTON: I'm not sure exactly what the
12 extraterritorial powers of the city have to do with this. I'd
13 like the staff to give us clarification on that.

14 MR. WILLIAMS: This is Brent Williams, Commissioner.
15 All of these factors under 110.040, the Commission may consider
16 the need to. But sometimes cities can have powers outside
17 their city boundaries. That's what that refers to.

18 COMMISSIONER HARRINGTON: So essentially this would be
19 non-applicable in this case?

20 MR. WILLIAMS: I don't see a direct application here.

21 COMMISSIONER HARRINGTON: Okay.

22 CHAIRMAN CHRYSTAL: And the salability of land for
23 residential purposes, I think that you're not going to be
24 entitled to a lot of land. 300 and some acres. But I presume
25 it would be available for somebody that wanted to develop

1 something, that'd be the purpose of it.

2 COMMISSIONER HARGRAVES: Mr. Chairman?

3 CHAIRMAN CHRYSTAL: Yes, sir.

4 COMMISSIONER HARGRAVES: Commissioner Hargraves.

5 Question to staff. Is it possible for a second class city to
6 select state lands outside of the proposed boundaries?

7 MR. WILLIAMS: I've never heard of that. The statute
8 talks about within the proposed boundaries. The available
9 lands.

10 COMMISSIONER HARGRAVES: Somewhere in the history of
11 first class cities it seems to me that there have been
12 instances where they've selected some lands outside of the
13 boundaries.

14 MR. WILLIAMS: That might be so, sir. I'm just not
15 aware of it. It's also possible, I'm not saying it's likely,
16 I'm just saying it's conceivable that the state could agree to
17 a land swap. It might not happen, but it might.

18 COMMISSIONER HARGRAVES: To the petitioners, that is
19 something you may want to check out. Because if it hasn't been
20 done, something in my mind says that it's legally possible.

21 CHAIRMAN CHRYSTAL: I've never heard of it, at least in
22 my experience. But who knows?

23 COMMISSIONER HARGRAVES: I've heard of it but I don't
24 know when I heard of it.

25 CHAIRMAN CHRYSTAL: Commissioner Harrington?

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1 COMMISSIONER HARRINGTON: Actually I have that same
2 kind of a memory that there was some instance where there was
3 some selections outside of the city boundaries. But again, I'm
4 -- I could be totally wrong.

5 CHAIRMAN CHRYSTAL: I would guess that if there was
6 such a thing it probably only occurred within the boundaries.
7 The city didn't have any land to select any more. There wasn't
8 anything available.

9 COMMISSIONER HARGRAVES: That was the (indiscernible -
10 simultaneous speech).

11 CHAIRMAN CHRYSTAL: That could be the case, yeah.
12 Okay. I think we've beat that one to death on 3 AAC .40. The
13 next item under the sub sections, the same thing, to promote
14 the limitation of community. Are the boundaries of the
15 proposed city on a scale suitable for city government? And of
16 course we've been hammering on that pretty good. Any comments
17 or questions on that?

18 COMMISSIONER HARGRAVES: Mr. Chairman?

19 CHAIRMAN CHRYSTAL: Yes, sir.

20 COMMISSIONER HARGRAVES: I'm going to write no on those
21 two.

22 CHAIRMAN CHRYSTAL: Okay. Anybody else want to.....

23 COMMISSIONER HARGRAVES: What they have is suitable but
24 to my mind it's over suitable. It is too much. And until I
25 change my mind on that I'm going to mark no.

1 CHAIRMAN CHRYSTAL: Okay. Commissioner Hargraves, I
2 respectfully disagree. I think that it's -- I think the size
3 is fine. Commissioner Harrington?

4 COMMISSIONER HARRINGTON: That's what I think.

5 CHAIRMAN CHRYSTAL: Okay. All right. Do the
6 boundaries of the proposed city include entire geographical
7 areas or large unpopulated areas? Once again we get into the
8 what is large? And what is entire geographical area? Is there
9 a legal term for that, entire geographic area, Mr. Williams?

10 MR. WILLIAMS: This came up in an earlier petition
11 where the thing was entirely large, geographical and -- at the
12 time of that particular notice the staff recommended and the
13 commission determined that it did not include region which
14 usually goes to the borough but be that as it may, aside from
15 the definitions -- I don't want to get too far into there, the
16 staff found out it did not clear the large geographical area as
17 appropriate for a city, but even to some of the CS, then
18 there's a next question you all can address.

19 CHAIRMAN CHRYSTAL: Right.

20 MR. WILLIAMS: So the question is you all need to
21 decide if the answer to sub 2 is yes or no.

22 COMMISSIONER HARRINGTON: I don't think we have to say
23 on 2. It is a definite yes. There is a large area.....

24 CHAIRMAN CHRYSTAL: Right.

25 COMMISSIONER HARRINGTON:unpopulated.

1 CHAIRMAN CHRYSTAL: And then if yes, are the boundaries
2 justified by the application of the standards in 3 AAC 110.005,
3 3 AAC 110.042, and are otherwise suitable for city government?

4 COMMISSIONER HARRINGTON: Now are those sites of the
5 questions that are following below this, or are those separate?

6 CHAIRMAN CHRYSTAL: I believe this is probably
7 separate.

8 MR. WILLIAMS: This -- the next question.....

9 CHAIRMAN CHRYSTAL: Because it deals with non-
10 contiguous in the next one.

11 COMMISSIONER HARRINGTON: So what exactly are the
12 justification of the application standards for 3 AAC 110.005?

13 MR. WILLIAMS: It has everything you're going through.
14 3 AAC 110.005(2) is all of the qualification, the regulations
15 for -- to incorporate a city. So if you go -- so if you find
16 that it's a large region, or large in populated areas and the
17 term area generally goes with borough for our regulation
18 definitions, but if you find that is yes, then that would
19 prevent the city from incorporating unless you find that the
20 boundaries otherwise justify the application standards of 3 AAC
21 010.....

22 COMMISSIONER HARRINGTON: Okay. So as we have
23 discussed area before this, and that is we've discussed after
24 this, we could come back and say yes, if it fits.

25 MR. WILLIAMS: You'd probably want to come back to this

1 one if you haven't (indiscernible - simultaneous speech).

2 COMMISSIONER HARRINGTON: So this a question we need to
3 return to, is that correct?

4 MR. WILLIAMS: Return to it after you've gone through
5 all the standards.

6 COMMISSIONER HARRINGTON: Thank you.

7 CHAIRMAN CHRYSTAL: Okay. All right. Now is the
8 territory proposed for incorporation noncontiguous? That would
9 be no.

10 COMMISSIONER HARRINGTON: No.

11 CHAIRMAN CHRYSTAL: Okay. Does it contain enclaves?
12 No? Anybody disagree with that?

13 COMMISSIONER HARRINGTON; An enclave would be a
14 (indiscernible) or a similar.....

15 CHAIRMAN CHRYSTAL: Property surrounded.

16 COMMISSIONER HARRINGTON: That surrounds without having
17 anything in the middle of it.

18 CHAIRMAN CHRYSTAL: Right.

19 COMMISSIONER HARRINGTON: No, this is clearly all a
20 piece.

21 CHAIRMAN CHRYSTAL: Okay. And on the bottom there, if
22 yes to either question, and we did not answer yes to either
23 question, so I guess we can skip over that, right? Okay. At
24 the top of the page, does the petition for incorporation of the
25 proposed city describe boundaries overlapping the boundaries of

1 an existing organized borough or city? We have easily no on
2 that.

3 Okay. We can skip the next one because that says if
4 so. Okay. Then we move on to transition. 3 AAC 110.900
5 Transition. Does the petition include a transition plan that
6 demonstrates the capacity of the municipal government to extend
7 essential municipal services into the boundaries proposed for
8 change in the shortest practical time after the effective date
9 of the proposed change? Mr. Williams, is this correct? They
10 have that, in your mind?

11 MR. WILLIAMS: That's correct.

12 CHAIRMAN CHRYSTAL: Okay. Any other questions?

13 COMMISSIONER HARRINGTON: Seems to fit based on lack
14 (indiscernible).

15 CHAIRMAN CHRYSTAL: Yeah. Okay. Does the petition
16 include a practical plan for the assumption of all relevant and
17 appropriate powers, duties, rights and functions presently
18 exercised by an existing borough, city, unorganized borough,
19 service area, or other appropriate entity located within the
20 boundaries proposed for change? Yes, sir?

21 COMMISSIONER HARRINGTON: Since the entity is located
22 within the boundaries is the one proposing the change and the
23 powers are being transferred if the city is established, I
24 think clearly the answer is yes.

25 CHAIRMAN CHRYSTAL: Right. Anybody else? Okay. Was

1 the plan prepared in consultation with the officials of each
2 existing borough, city and unorganized borough service area?
3 Not applicable, right? There was nobody to talk to.

4 MR. WILLIAMS: Except for the community association
5 itself.

6 CHAIRMAN CHRYSTAL: Well, that's true. Yeah. Okay.
7 All right. Is the plan designed to effect an orderly,
8 efficient and economical transfer within the shortest practical
9 time, not to exceed two years after the date of the proposed
10 change? And this is yes, Mr. Williams, I presume?

11 MR. WILLIAMS: Yes.

12 CHAIRMAN CHRYSTAL: Okay.

13 COMMISSIONER HARRINGTON: As we've talked about, if a
14 city is established the powers that are currently in the non-
15 profit will move over as would the assets. So it would almost
16 be instantaneous from the date of the change.

17 CHAIRMAN CHRYSTAL: Right. Absolutely. Okay. Does
18 the petition include a practical plan for the transfer and
19 integration of all relevant and appropriate assets and
20 liabilities of existing borough, city or unorganized borough
21 service area, and other entities located within the boundaries
22 proposed for change? Well, since there is, they'll have assets
23 and they have no liabilities. So I think we've already
24 discussed it today, they're transferring the assets to the new
25 city and there are no liabilities. Is this correct? There's

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1 nothing different.

2 COMMISSIONER HARGRAVES: Mr. Chairman.

3 CHAIRMAN CHRYSTAL: Yes?

4 COMMISSIONER HARGRAVES: We know that that's what the
5 petitioners say, they're a non-profit corporation, am I
6 correct? In that legal status as a non-profit corporation,
7 what is it that guarantees that you collapse, go out of
8 existence and pledge (ph) that money with a new city? Is there
9 a legal thing that requires that?

10 CHAIRMAN CHRYSTAL: Mr. Williams?

11 MR. WILLIAMS: This is Brent Williams. Nothing that
12 requires it. They say in the petition they plan to do that. I
13 suppose it's possible, if the commission (indiscernible) that
14 the assets will not be transferred but I don't know why they
15 would want to do that. What is their motive?

16 COMMISSIONER HARRINGTON: Well, what's a hundred bills
17 (indiscernible)?

18 MR. WILLIAMS: Other than accountability, that is a
19 long (indiscernible).

20 CHAIRMAN CHRYSTAL: I would think that in my mind,
21 anyway, and you correct me if I'm wrong, Mr. Williams, but
22 since the people that are the non-profit are signing off and
23 signing as a petition, it's like a contract. No? To me it
24 would be. And that's what it should be, they've signed it.

25 COMMISSIONER HARGRAVES: Honestly, I don't think

1 there's anything that requires you to have to do that.

2 CHAIRMAN CHRYSTAL: Okay. Commissioner Harrington?

3 COMMISSIONER HARRINGTON: We do have sworn testimony
4 from the offices of the non-profit that say that is what will
5 happen.

6 CHAIRMAN CHRYSTAL: Yeah, they were sworn.

7 COMMISSIONER HARRINGTON: I don't see that we could do
8 much more than that.

9 COMMISSIONER HARGRAVES: But we think that's what's
10 going to happen, that's what they've said, but I don't think
11 there's any legal thing that guarantees that.

12 COMMISSIONER HARRINGTON: But the sworn testimony
13 becomes an issue that would end up in court.

14 COMMISSIONER HARGRAVES: Well, that's an interesting
15 point.

16 CHAIRMAN CHRYSTAL: I never thought of them not doing
17 this. So I wasn't worried, quite frankly.

18 COMMISSIONER HARGRAVES: Some day we'll think that.

19 CHAIRMAN CHRYSTAL: Any other questions on that issue?
20 Okay. Was the plan prepared in consultation with other
21 existing borough, city and unorganized borough service area
22 wholly or partly included within the boundaries proposed for
23 change? And that would be obviously a no. It's not
24 applicable.

25 Is the plan designed to affect an orderly, efficient

1 and economical transfer within the shortest practical time, not
2 to exceed two years? Didn't we just do that a second ago?

3 CHAIRMAN CHRYSTAL: The same question right here.

4 MR. WILLIAMS: Which one is that, sir?

5 CHAIRMAN CHRYSTAL: On page 5, there's basically the
6 same question. Back to back.

7 COMMISSIONER HARRINGTON: It's exactly the same.

8 CHAIRMAN CHRYSTAL: Yeah. The bottom two sections are
9 exactly the same without going through it here.

10 MR. WILLIAMS: We have the.....

11 CHAIRMAN CHRYSTAL: Yeah. Okay. We went through that
12 already. I thought I was repeating myself and then I realized
13 I was.

14 Okay. Does the plan specifically address procedures
15 that ensure that the transfer and integration occur without
16 loss of value of assets, loss of credit reputation.....

17 MR. WILLIAMS: Sorry, sir. It is different because
18 under 900, first one (a), we did have (b) talks about is the
19 relevant powers, duties and functions, and then (c) talks about
20 -- interprets assets and liabilities. So the language is very
21 similar.....

22 CHAIRMAN CHRYSTAL: Right.

23 MR. WILLIAMS:but one of them talks about hours
24 and duties and assets and liabilities. So they are.....

25 CHAIRMAN CHRYSTAL: Okay. The top one especially.

1 Yeah, I guess it is.

2 MR. WILLIAMS: Well, then I suggest that you need to
3 address them all since they are dissimilar and the language is
4 repeated but (indiscernible - away from microphone).

5 CHAIRMAN CHRYSTAL: Okay. We addressed (c) already.
6 We talked about the appropriate assets and liabilities. So I
7 guess we'll go on to the next one. Was the plan prepared in
8 consultation with officials of each existing borough, city and
9 unorganized borough, service area, wholly or partly included
10 within the boundaries? And we said this was not applicable.
11 Okay. And is the plan designed to affect an orderly, efficient
12 and economical transfer within the shortest practical time, not
13 to exceed two years after the date of the proposed change? And
14 the plan did propose that. Is that correct, Mr. Williams?

15 MR. WILLIAMS: Yeah. I mean the transition plan was
16 just from the community organization to the city. So they --
17 you are on (e), research?

18 CHAIRMAN CHRYSTAL: Yeah, that bottom one.

19 MR. WILLIAMS: Well.....

20 CHAIRMAN CHRYSTAL: Well, it doesn't say (e). It's the
21 bottom paragraph there on page 5.

22 MR. WILLIAMS: Oh, page 5. Well, yeah. I mean they --
23 yes, they have an orderly transfer planned to go from the
24 organization to the city.

25 CHAIRMAN CHRYSTAL: And here's the one that kind of

1 actually addresses a little bit of what Mr. Hargraves said.
2 Does the plan specifically address procedures that ensure that
3 the transfer and integration occur without loss of value in
4 assets, loss of credit reputation, or reduced bond rating for
5 liabilities? And they did address the transfer, is that
6 correct, Mr. Williams?

7 MR. WILLIAMS: They testified saying that everything
8 would go, assets and liabilities would go from the organization
9 to the city if the petition goes through.

10 CHAIRMAN CHRYSTAL: Okay. The next item is, optional
11 by vote of the commission. Is it necessary.....

12 MR. ENINGOWUK: You can ask them to mute their phones.

13 CHAIRMAN CHRYSTAL: It went away. Okay. Power of
14 suggestion. Would somebody mute your phone, please? We're
15 getting a lot of feedback. Thank you.

16 Is it necessary for the commission to require that all
17 boroughs, cities and unorganized borough service areas, or
18 other entities, wholly or partially included within the
19 boundaries of the proposed change execute an agreement
20 prescribed or approved by the commission for the assumption of
21 powers, duties, rights and functions, and for the transfer and
22 integration of assets and liabilities?

23 MR. WILLIAMS: That one speaks concerns by
24 Commissioner Hargraves, is that you all could do that if you so
25 desire.

1 CHAIRMAN CHRYSTAL: So in other words.....

2 COMMISSIONER HARRINGTON: It may be appropriate, since
3 we've raised the concern, to just vote to require that
4 they.....

5 CHAIRMAN CHRYSTAL: The funds be transferred.

6 COMMISSIONER HARRINGTON:that a document be drawn
7 up between -- by the non-profit stating that that's happening.

8 CHAIRMAN CHRYSTAL: Would that be sufficient, Mr.
9 Williams?

10 MR. WILLIAMS: It would be sufficient. I'm not sure
11 that it's necessary. I don't believe there'd be an amendment
12 to the petition. I don't think you'd (indiscernible). But it
13 could be a condition. If it's a condition then you would need
14 to put a public notice and have a subsequent hearing. So.....

15 COMMISSIONER HARGRAVES: Couldn't you just vote it as a
16 motion?

17 COMMISSIONER HARCHARAK: Mr. Chairman, I don't believe
18 that is necessary. And, you know, we're just making them jump
19 through another hoop that, you know -- it doesn't make sense.

20 CHAIRMAN CHRYSTAL: I don't believe it's necessary
21 either. I think that the people -- the community group that's
22 organized this has been very straight forward from day one and
23 I don't anticipate they would ever not be. Does anybody have
24 any problem with that?

25 COMMISSIONER HARRINGTON: No.

1 CHAIRMAN CHRYSTAL: Okay. Okay. Does the transition
2 plan state the names and titles of all the officials of each
3 existing borough, city and unorganized borough service area
4 that were consulted? Once again this would be non-applicable.
5 Right?

6 MR. WILLIAMS: Correct.

7 CHAIRMAN CHRYSTAL: Anybody disagree? Okay. Are the
8 dates on which that -- well, this is not applicable as well.
9 Under (f), was the prospective petitioner unable to consult
10 with officials of existing borough, city or unorganized borough
11 because these officials have chosen not to consult or were
12 unavailable? Once again, not applicable. Okay.

13 Let's see, we can go all the way down to -- we can skip
14 the rest of that page, right, Mr. Williams?

15 COMMISSIONER HARGRAVES: Right.

16 MR. WILLIAMS: Right.

17 CHAIRMAN CHRYSTAL: Okay. Over on the top of page 7.
18 Okay. This is 3 AAC 110.910, statement of non-discrimination.
19 Does the effect of the proposed change deny any person the
20 enjoyment of any civil or political right, including voting
21 rights, because of race, color, creed, sex or national origin?

22 COMMISSIONER HARRINGTON: No.

23 CHAIRMAN CHRYSTAL: We agree this would be a no?

24 COMMISSIONER HARRINGTON: Right.

25 CHAIRMAN CHRYSTAL: Any necessary discussion? Okay.

1 3 AAC 110.970(a), determination of essential municipal
2 services. Does a provision of this chapter call for the
3 identification of essential municipal services for a borough?
4 No? It's not a borough. Okay.

5 Okay. We can go down to -- pardon?

6 MR. WILLIAMS: One moment, sir, if I may. Just pause
7 things for a moment, if you would. Because that -- I'm not
8 sure how that occurs, but that would need to be for a city. So
9 just strike out the word borough and substitute city, and then
10 proceed.

11 CHAIRMAN CHRYSTAL: Okay. Commissioner Harrington?

12 COMMISSIONER HARRINGTON: The essential municipal
13 services that they've called out have been very clear as to
14 services that are currently served. They've left the door
15 open for potential new services but only after a vote of the
16 people. So I think that's fully a yes.

17 CHAIRMAN CHRYSTAL: Right. Anybody else? Okay. Under
18 the sub (1) there, Mr. Williams, are reasonably necessary to
19 the community. What does that -- we were just talking about
20 the essential municipal services and we kind of agreed that
21 they have identified what they plan to do. Is that correct?
22 Okay.

23 MR. WILLIAMS: And if you -- there are parts, other
24 provisions in the regulations that do call for the education of
25 the municipal attorney. It shows nearly every other

1 regulation. And so once you establish that you would need to
2 find are (1), (2) and (3) met.

3 CHAIRMAN CHRYSTAL: Okay. Well, number 1, we think
4 that has been met properly?

5 COMMISSIONER HARRINGTON: Very much.

6 CHAIRMAN CHRYSTAL: And then number 2 is promote
7 maximum local self government. Commissioner Harrington?

8 COMMISSIONER HARRINGTON: Maximum local self
9 government. The maximum has to do with the local, not to do
10 with the government. So it's maximum local government. So
11 that clearly by the way they constructed this, they have
12 maximized the control of those things within the local
13 government. So I think it's a clear answer of yes.

14 CHAIRMAN CHRYSTAL: I guess another analogy would be
15 the fact that transferring power from the state to the
16 community, is basically what that means, I think. Maybe not in
17 legalese, but.....

18 Okay. Number 3, cannot be provided more efficiently
19 and more effectively by the creation or modification of some
20 other subdivision of the state. Like a proposed borough or
21 something. Commissioner Harrington?

22 COMMISSIONER HARRINGTON: Clearly the impetus for
23 establishing a city was so that they can more effectively and
24 efficiently create this system by themselves because it's not
25 being done well by any subdivision of the state. So I would

1 say it's a definite yes.

2 CHAIRMAN CHRYSTAL: Okay.

3 COMMISSIONER HARGRAVES: So is that a yes or no?

4 COMMISSIONER HARRINGTON: Yes.

5 CHAIRMAN CHRYSTAL: Yes.

6 COMMISSIONER HARGRAVES: Yes, cannot be provided? No,
7 cannot.....

8 CHAIRMAN CHRYSTAL: I'm sorry. We agree that it's a --
9 I'm sorry, you're right. We agree that it's no, because that's
10 what the staff found. Yeah, thank you.

11 COMMISSIONER HARGRAVES: That language can be put in a
12 positive form.

13 CHAIRMAN CHRYSTAL: Sometimes I think English is a
14 second language for me. I don't know. Under 3 AAC
15 110.981(7) -- kind of talked about this, but determination of
16 maximum local self government. Does the proposed boundary
17 change promote maximum local self government under Article X,
18 Section 1, Constitution of the State of Alaska? In this regard
19 the commission will consider for city incorporation or
20 annexation in the unorganized borough whether the proposal
21 would extend local government to territory and population of
22 the unorganized borough where no local government currently
23 exists? And that would be a big yes. Is that correct? Okay.

24 Next one is 3 AAC 110.982(6), the minimum number of
25 local government units. Does the proposed boundary change

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1 promote a minimum number of local government units under
2 Article X, Section 1, Constitution of the State of Alaska? In
3 this regard the commission will consider for city incorporation
4 whether incorporation of a new city is the only means by which
5 residents of the territory can receive essential municipal
6 services.

7 COMMISSIONER HARGRAVES: That's an obvious yes.

8 CHAIRMAN CHRYSTAL: Yes. I agree. Okay. Under 3 AAC
9 110.042, the best interest of the state. Is incorporation in
10 the best interest of the state under Alaska statutes
11 2905.100(a)? In this regard the commission may consider
12 relevant factors including whether incorporation, number 1,
13 promotes maximum local self government as determined under
14 3 AAC 110.981; number 2, promotes a minimum number of local
15 government units as determined under 3 AAC 110.982, and in
16 accordance with Article X, Section 1 of the Constitution of the
17 State of Alaska; number 3, it will relieve the state government
18 of the responsibility of providing local services. And number
19 4, is reasonably likely to expose the state government to
20 unusual and substantial risk as the prospective successor to
21 the city in the event of the city's dissolution. So do we feel
22 this is in the best interest of the state?

23 COMMISSIONER HARGRAVES: Mr. Chairman?

24 CHAIRMAN CHRYSTAL: Yes, sir.

25 COMMISSIONER HARGRAVES: This has to do with what is in

1 the best interest of the state and I think each sub point can
2 be answered yes. I can put yes for those. But I'm still
3 concerned about the size of the area, the boundaries. It's not
4 clear to me that that's in the total best interest of the
5 state.

6 CHAIRMAN CHRYSTAL: Okay. And we still have to go back
7 to.....

8 COMMISSIONER HARRINGTON: Because the potential for the
9 city -- pardon me.

10 CHAIRMAN CHRYSTAL: Okay. Please go ahead.

11 COMMISSIONER HARRINGTON: Because the issue of the
12 potential of city dissolution has been brought up in the
13 hearing, I think we need to spend at least a few remarks on
14 that issue. Yes, this community was going to be relying
15 substantially on state and federal funds. That's not unusual
16 for any small city. If all of those funds dry up, this
17 community is going to be in a difficult place as will all of
18 the communities in Alaska. Yet the powers that they are trying
19 to gather are so limited that I would expect that this city
20 would probably survive longer than a whole lot of other cities
21 within the state, if we were impacted by severe limitations on
22 state and federal funds. So I wanted to speak specifically to
23 the fact that it is not -- as a matter of fact, it is
24 substantially less risk in my mind of going under, being
25 dissolved, than a lot of other communities given that

1 situation.

2 CHAIRMAN CHRYSTAL: Okay. Any other comments? Well
3 spoken, by the way. I agree totally. Any other comments?
4 Okay. All right. Now we got to go back to -- where are we
5 here?

6 MR. WILLIAMS: On page 4, sub (2), which is like two-
7 thirds of the way down, the second half of sub (2). You all
8 determined that the proposed city (indiscernible) entirely
9 geographical region for a large and populated areas. And then
10 you -- yes, which you did, then you address the next question
11 there.

12 CHAIRMAN CHRYSTAL: On page 3?

13 MR. WILLIAMS: Four.

14 CHAIRMAN CHRYSTAL: Oh, I'm sorry. No wonder it didn't
15 fit. Okay. Here we go. Okay. We're on item number 2,
16 working down, right?

17 COMMISSIONER HARRINGTON: Right.

18 CHAIRMAN CHRYSTAL: And then we want to determine
19 whether -- agree among ourselves about the size of the
20 community.

21 COMMISSIONER HARRINGTON: With Commissioner Hargraves
22 exception of regarding the size, that is the only question in
23 my mind that exists. I am obviously taking a view from
24 Commissioner Hargraves and I think we have met all of the other
25 standards such that we can say yes to this one. And we will

1 need to deal specifically with the size, when it comes to
2 voting or something.

3 CHAIRMAN CHRYSTAL: Right. Exactly. Well, we're at
4 the point where -- let's see. We got to have a motion. I
5 believe it would be appropriate to have a motion for accepting
6 or not accepting the petition, and then if they wish to make an
7 amendment for size, that would come after the first general
8 motion. Yes, sir?

9 COMMISSIONER HARCHARAK: I'd like to make a motion to
10 approve the petition as presented.

11 COMMISSIONER HARRINGTON: Second.

12 CHAIRMAN CHRYSTAL: Okay. We have a motion by
13 Commissioner Harcharak to accept the petition as presented.
14 Seconded by Commissioner Harrington.

15 MR. WILLIAMS: Chair.....

16 CHAIRMAN CHRYSTAL: Yes, sir.

17 MR. WILLIAMS:(indiscernible) location for that
18 part you just presented, did you all answer yes or no to that
19 question?

20 CHAIRMAN CHRYSTAL: The majority answered yes, I
21 believe. We just discussed it, yeah. And Commissioner
22 Hargraves obviously disagrees.

23 COMMISSIONER HARGRAVES: Mr. Chairman?

24 CHAIRMAN CHRYSTAL: Yes, sir.

25 COMMISSIONER HARGRAVES: I'd like to make an amendment

1 to the motion that the amendment would be to exclude the
2 following sections from the petitioner's petition. Those are
3 sections -- wish this were more readable -- but exclude
4 sections 30 -- can you see what that is?

5 CHAIRMAN CHRYSTAL: 31.

6 COMMISSIONER HARGRAVES: 31, 19, 18, 17. Is that 07?

7 CHAIRMAN CHRYSTAL: 07, yeah.

8 COMMISSIONER HARGRAVES: 07 and 8. That excludes six
9 sections from the petition.

10 CHAIRMAN CHRYSTAL: Okay. We have a motion by
11 Commissioner Hargraves to exclude sections 30, 31, 19, 18, 17,
12 7 and 8 from the petition if granted. Do we have a second?

13 COMMISSIONER HARRINGTON: I will second it.

14 CHAIRMAN CHRYSTAL: Okay. We have a motion and a
15 second.

16 COMMISSIONER HARGRAVES: Mr. Chair?

17 CHAIRMAN CHRYSTAL: Yes, sir.

18 COMMISSIONER HARGRAVES: Could I speak to the motion?

19 CHAIRMAN CHRYSTAL: Absolutely.

20 COMMISSIONER HARGRAVES: Commissioner Hargraves. This
21 could be coming across as pretty arbitrary. I don't like to
22 change assumptions of a local group making decisions about what
23 they want to propose but again, for a second class city, and I
24 know that the history in this state has been spotted, we've
25 seen some huge things and we've seen some small. There was

1 nothing presented to me that made it sound like the
2 petitioner's had a good solid basis for taking in all of this
3 area. If the day comes, and something comes up and you want to
4 set a saw mill out there somewhere, you can annex. The files
5 are in place, the Local Boundary Commission can hear your
6 petition and can approve annexation. The question becomes how
7 much vacant unpopulated, unusable lands should a small first
8 class city hold?

9 CHAIRMAN CHRYSTAL: Second class. I'm sorry.

10 COMMISSIONER HARGRAVES: I'm sorry. Second class city
11 hold? And that's the purpose of this motion.

12 CHAIRMAN CHRYSTAL: Okay. Any discussion? I happen to
13 disagree with the motion but -- no more discussion? Could we
14 have a vote on the motion, please? Roll call, Mr. Williams?

15 MR. WILLIAMS: Yes. Commissioner Harrington?

16 COMMISSIONER HARRINGTON: No.

17 MR. WILLIAMS: Commissioner Hargraves?

18 COMMISSIONER HARGRAVES: Yes.

19 MR. WILLIAMS: Commissioner Harcharak?

20 COMMISSIONER HARCHARAK: No.

21 MR. WILLIAMS: Chair Chrystal?

22 CHAIRMAN CHRYSTAL: No. Okay. The motion fails three
23 to one.

24 COMMISSIONER HARGRAVES: Mr. Chairman?

25 CHAIRMAN CHRYSTAL: Yes, sir.

1 COMMISSIONER HARGRAVES: I appreciate your indulgence.

2 CHAIRMAN CHRYSTAL: I salute you, sir. Absolutely.

3 Now we're back on the main motion. Are there any discussions
4 or amendments to the main motion to approve the petition as
5 presented? Hearing none, could we have a roll call vote,
6 please?

7 MR. WILLIAMS: Yes, Chair. Commissioner Harrington?

8 COMMISSIONER HARRINGTON: Yes.

9 MR. WILLIAMS: Commissioner Hargraves?

10 COMMISSIONER HARGRAVES: Yes.

11 MR. WILLIAMS: Commissioner Harcharak?

12 COMMISSIONER HARCHARAK: Yes.

13 MR. WILLIAMS: Chair Chrystal?

14 CHAIRMAN CHRYSTAL: Yes. Okay. The motion passes.

15 The petition is granted and we will move forward. And we still
16 have some things we got to discuss here yet, but
17 congratulations. A lot of hard work. You got a lot of hard
18 work ahead of you. It won't be easy, I'm sure, but I think you
19 guys can do it. Okay. We just have a couple of things.

20 Comments from Commissioners and staff at this point.

21 Anything else? Okay. Our next meeting will be Wednesday, June
22 4th -- I'm sorry?

23 COMMISSIONER HARGRAVES: Yes. Commissioner Hargraves.
24 I want to personally thank the petitioners. I haven't
25 mentioned it but you did a fantastic job with this. It's nice

1 to see a community that is cohesive, does their home work, and
2 presents a petition like you have. I commend you and I think
3 very highly of Edna Bay and all the people out here.

4 CHAIRMAN CHRYSTAL: I concur. It's been wonderful.
5 You guys are -- we have a lot of hearings all over the state
6 and you guys have done very well. Yes, sir?

7 COMMISSIONER HARCHARAK: I'd like to -- I concur with
8 Commissioner Hargraves and I'd like to make a comment that I
9 have a son that's a pilot, getting a plane. I wish I had a
10 float plane because I'd probably that vacant house that's for
11 sale because I can honestly say I've never been in a community
12 that is so selfless and so cohesive. It is just a real
13 pleasure. And it's unique. I've been on this commission quite
14 a few years and I've never been to a community where it is so
15 together. You're unified and everyone is of the same mind.
16 You have differences but you talk to each other. You go both
17 ways and that's what democracy is about and that's what the
18 founders who wrote the constitution meant when they were
19 developing the Alaska Constitution. So again, congratulations.

20 CHAIRMAN CHRYSTAL: If you guys put in a golf course I
21 may do the same thing. I can't come here without a golf
22 course. I can't live here without a golf course. Okay. Our
23 next meeting will be Wednesday. The staff will be drafting the
24 draft proposal, finalizing this, and we will have a
25 teleconference meeting on June 4th at 10:00 a.m. And we will

1 either approve or amend the written decision based on our
2 meeting here today. So that is it. And I would -- for once
3 I'm going to actually ask for a motion to adjourn.

4 COMMISSIONER HARRINGTON: Move to adjourn.

5 CHAIRMAN CHRYSTAL: Move to adjourn. Do we have a
6 second?

7 COMMISSIONER HARGRAVES: Second.

8 CHAIRMAN CHRYSTAL: Okay. All in favor?

9 IN UNISON: Aye.

10 (Off record)

11 END OF PROCEEDINGS

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