

# EXHIBIT A

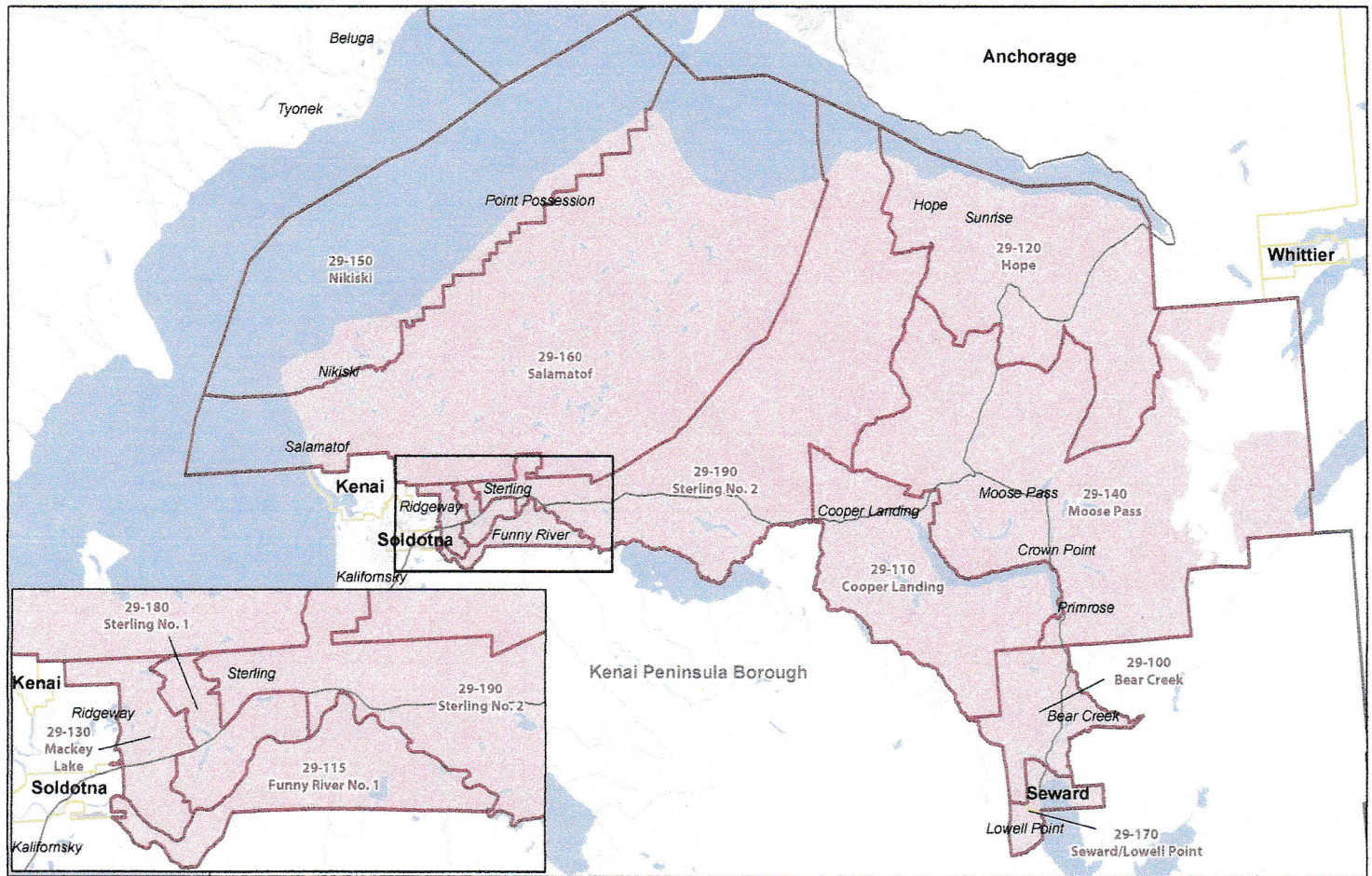
## Division of Elections 2014 General Election Official Results

State of Alaska - 2014 General Election November 4, 2014 Official Results										Date: 11/24/14 Time: 13:19:18 Page: 1 of 11
	TURN OUT			UNITED STATES SENATOR						
	Reg. Voters	Cards Cast	% Turnout	Reg. Voters	Total Votes	Berich, Mark (DEM)	Fish, Mark S. (LIB)	Ganousis, Ted (NA)	Sullivan, Dan (REP)	Write-In Votes
Jurisdiction Wide										
29-100 Bear Creek	1450	610	42.07%	1450	603	266	35	19	281	2
29-110 Cooper Landing	345	146	42.32%	345	143	53	10	3	76	2
29-115 Funny River No. 1	824	323	39.20%	824	320	75	16	3	221	6
29-120 Hope	175	74	42.29%	175	74	40	2	3	29	0
29-130 Mackey Lake	1091	412	37.76%	1091	411	98	20	11	280	2
29-140 Moose Pass	336	131	38.99%	336	130	64	4	8	54	0
29-150 Nikiski	1823	800	43.88%	1823	794	173	37	16	567	0
29-160 Salamatof	2064	940	45.54%	2064	933	192	47	23	665	1
29-170 Seward-Lowell Point	1799	685	38.08%	1799	677	300	37	24	309	0
29-180 Sterling No. 1	1722	645	37.46%	1722	642	129	28	13	472	0
29-190 Sterling No. 2	1941	779	40.13%	1941	769	176	38	21	531	3
District 29 - Absentee	0	2256	-	0	2243	724	63	36	1410	10
District 29 - Question	0	277	-	0	263	81	21	15	143	3
District 29 - Early Voting	0	73	-	0	73	32	4	0	37	0
Total	13570	8151	60.07%	13570	8075	2403	362	195	5075	40

State of Alaska - 2014 General Election November 4, 2014 Official Results										Date: 11/24/14 Time: 13:20:34 Page: 1 of 12
	TURN OUT			UNITED STATES SENATOR						
	Reg. Voters	Cards Cast	% Turnout	Reg. Voters	Total Votes	Berich, Mark (DEM)	Fish, Mark S. (LIB)	Ganousis, Ted (NA)	Sullivan, Dan (REP)	Write-In Votes
Jurisdiction Wide										
32-800 Chiniak	134	34	25.37%	134	34	16	3	1	14	0
32-805 Cordova	1825	719	39.40%	1825	708	375	39	17	276	1
32-810 Flats	1717	374	21.78%	1717	370	156	24	7	180	3
32-815 Kodiak Island South	202	26	12.87%	202	25	5	5	2	13	0
32-820 Kodiak No. 1	1757	677	38.53%	1757	667	308	37	12	308	2
32-825 Kodiak No. 2	1711	630	36.82%	1711	619	295	30	9	284	1
32-830 Mission Road	3168	1358	42.87%	3168	1339	562	50	26	699	2
32-835 Old Harbor	133	64	48.12%	133	64	40	4	7	13	0
32-840 Ozuzinkie	134	66	49.25%	134	64	40	8	4	12	0
32-845 Port Lions	198	66	33.33%	198	66	27	4	1	34	0
32-847 Seldovia/Kachemak Bay	439	166	37.81%	439	164	77	9	7	71	0
32-850 Tatitlek	117	18	15.38%	117	18	14	2	0	2	0
32-855 Tyonek	333	45	13.51%	333	45	40	3	1	1	0
32-860 Yakutat	475	264	55.58%	475	262	165	10	4	83	0
District 32 - Absentee	0	1478	-	0	1458	791	42	29	586	10
District 32 - Question	0	263	-	0	254	104	10	5	132	3
District 32 - Early Voting	0	47	-	0	47	30	3	0	14	0
Total	12343	6295	51.00%	12343	6204	3045	283	132	2722	22

# House District 29

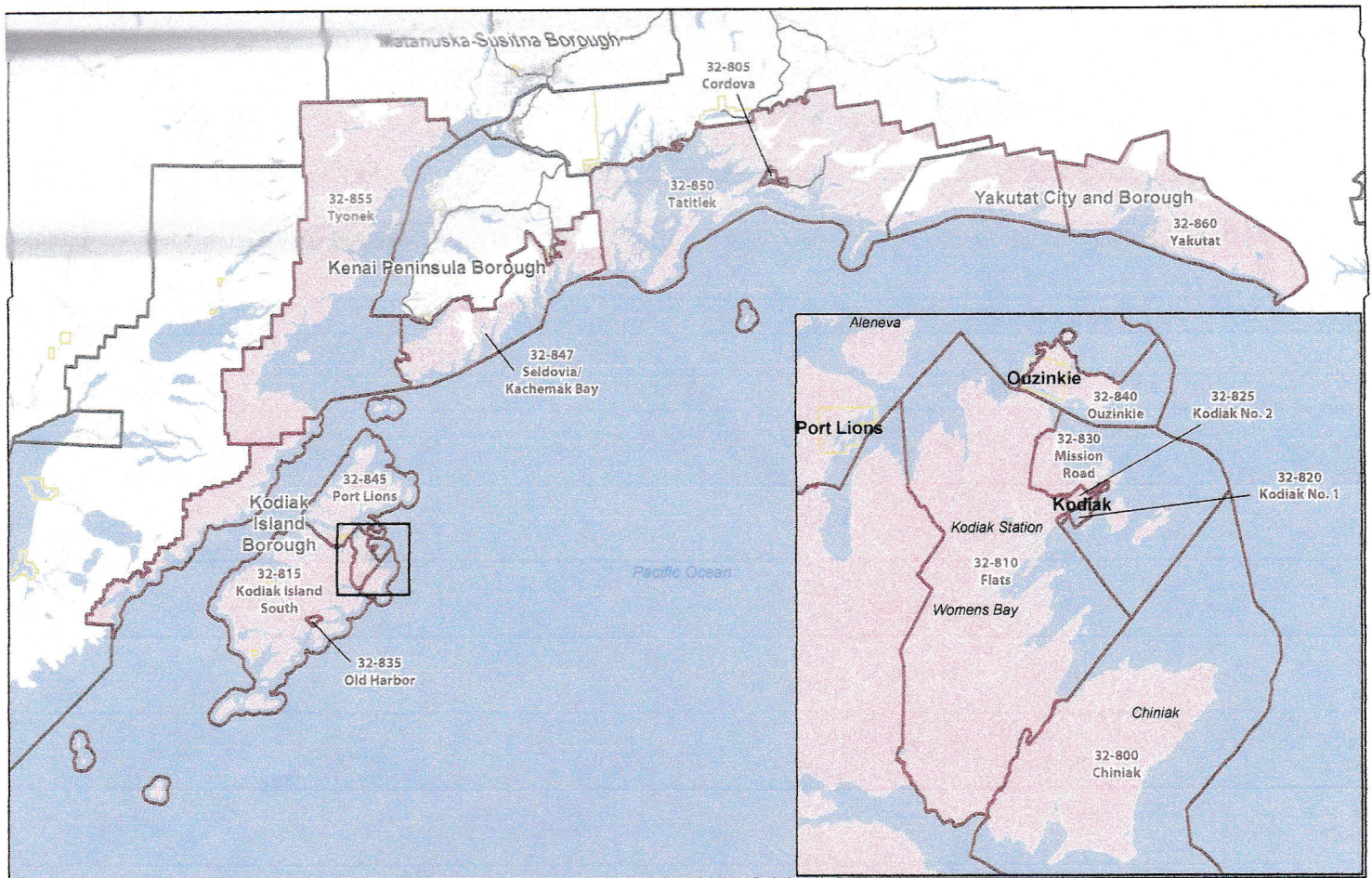
## Redistricting Plan July 14, 2013





# House District 32

Redistricting Plan July 14, 2013



## **EXHIBIT C-1**

### **Legal Description of the Boundaries of the Territory Proposed for Incorporation**

Commencing at the township line between T5N and T6N R17W S.M., and the mean high water line on the westerly shore of Cook Inlet;

Thence westerly along the township line between T5N and T6N to the westerly boundary of the Kenai Peninsula Borough;

Thence northerly and easterly along the boundary of the Kenai Peninsula Borough through Cook Inlet to the protracted northeast corner of T11N R5W in Turnagain Arm;

Thence southeasterly to the intersection of the southerly mean high water line of Turnagain Arm and the 150th meridian west of Greenwich within T10N R4W S.M.;

Thence southerly along the 150th meridian to the township line between T8N and T9N R4W;

Thence westerly along the township line between T8N and T9N to the northwest corner of T8N R9W S.M.;

Thence southerly along the range line between R9W and R10W to the southeast corner of T6N R10W S.M.;

Thence westerly along the township line between T5N and T6N to the southeast corner of Section 32 T6N R10W;

Thence northerly along the section line between Sections 32 and 33 to the northeast corner of Section 32;

Thence westerly along the section line to the northwest corner of Section 31 T6N R10W on the corporate boundary of the city of Kenai;

Thence northerly and westerly along the corporate boundary of the city of Kenai to the intersection with the mean low water line of Cook Inlet and the section line between Sections 23 and 26 T6N R12W S.M.;

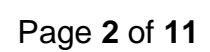
Thence westerly along the section line extended three miles into Cook Inlet;

Thence southwesterly to the protracted southeast corner of T6N R14W in Cook Inlet;

Thence westerly along the protracted township line between T5N and T6N to the mean high water line on the westerly shore of Cook Inlet the true point of beginning.



## A Map of the Territory Proposed for Incorporation



### **EXHIBIT C-3**

#### **Current Legal Descriptions of the Boundaries of Each Service Area, Planned in the City Proposed for Incorporation**

##### **Exhibit C-3a**

##### **LEGAL BOUNDARY FOR FIRE SERVICE AREA**

Commencing at the township line between T5N and T6N R17W S.M., and the mean high water line on the westerly shore of Cook Inlet;

Thence westerly along the township line between T5N and T6N to the westerly boundary of the Kenai Peninsula Borough;

Thence northerly and easterly along the boundary of the Kenai Peninsula Borough through Cook Inlet to the protracted northeast corner of T11N R5W in Turnagain Arm;

Thence southeasterly to the intersection of the southerly mean high water line of Turnagain Arm and the 150th meridian west of Greenwich within T10N R4W S.M.;

Thence southerly along the 150th meridian to the township line between T8N and T9N R4W;

Thence westerly along the township line between T8N and T9N to the northwest corner of T8N R9W S.M.;

Thence southerly along the range line between R9W and R10W to the southeast corner of T6N R10W S.M.;

Thence westerly along the township line between T5N and T6N to the southeast corner of Section 32 T6N R10W;

Thence northerly along the section line between Sections 32 and 33 to the northeast corner of Section 32;

Thence westerly along the section line to the northwest corner of Section 31 T6N R10W on the corporate boundary of the city of Kenai;

Thence northerly and westerly along the corporate boundary of the city of Kenai to the intersection with the mean low water line of Cook Inlet and the section line between Sections 23 and 26 T6N R12W S.M.;

Thence westerly along the section line extended three miles into Cook Inlet;

Thence southwesterly to the protracted southeast corner of T6N R14W in Cook Inlet;

Thence westerly along the protracted township line between T5N and T6N to the mean high water line on the westerly shore of Cook Inlet the true point of beginning.

(KPB Ord. No. 93-29, § 1(part), 1993; Ord. No. 82-13, § 1, 1982; Ord. No. 77-59 (part), 1977; Ord. No. 74-55, § 1(part), 1974; Ord. No. 69-13, § 1(part), 1969; Ord. No. 69-12, § 1(part), 1969; KPC § 27.25.020(a))



Exhibit C-3b

LEGAL BOUNDARY FOR NORTH PENINSULA RECREATION SERVICE AREA

Beginning in Turnagain Arm at the N.E. corner of T11N, R5W, (projected) Seward Meridian, state of Alaska;

Thence south to the N.E. corner of T9N, R5W;

Thence southwest to the N.E. corner of T6N, R10W;

Thence south to the S.E. corner of T6N, R10W;

Thence west to the S.E. corner of Section 32, T6N, R10W;

Thence north to the N.E. corner of Section 32, T6N, R10W;

Thence west to the boundary of the corporate limits of the city of Kenai, the S.E. corner of Section 25, T6N, R11W;

Thence northerly and westerly following the boundary of the corporate limits of the city of Kenai, as follows: "thence north to the N.E. corner of the SE  $\frac{1}{4}$  of Section 24, T6N, R11W, thence west to the S.E. corner of the NW  $\frac{1}{4}$  of Section 24, T6N, R11W, thence north to the N.E. corner of the NW  $\frac{1}{4}$  of Section 24, T6N, R11W, thence west to the N.E. corner of the NW  $\frac{1}{4}$  of Section 20, T6N, R11W, thence south to the S.E. corner of the NW  $\frac{1}{4}$  of Section 29, T6N, R11W, thence west to the S.E. corner of the W  $\frac{1}{2}$  E  $\frac{1}{2}$  E  $\frac{1}{2}$  NW  $\frac{1}{4}$  Section 25, T6N, R12W, thence north to the N.E. corner of the W  $\frac{1}{2}$  E  $\frac{1}{2}$  E  $\frac{1}{2}$  NW  $\frac{1}{4}$ , Section 25, T6N, R12W, thence west to a point on the shore of Cook Inlet that is common to Section 23 and Section 26, T6N, R12W," thence leaving the corporate limits of the city of Kenai southwesterly to the S.E. corner of T6N, R14W, (projected) said corner being in Cook Inlet;

Thence west to the Kenai Peninsula Borough boundary, the S.W. corner of T6N, R23W, (projected);

Thence following the boundary of the Kenai Peninsula Borough north to the N.W. corner of T8N, R23W, (projected);

Thence west to the S.E. corner of T9N, R24W, (projected);

Thence north to the N.E. corner of T12N, R24W, (projected);

Thence west to the S.E. corner of T13N, R24W, (projected);

Thence north to the N.E. corner of T15N, R24W, (projected);

Thence east to the N.E. corner of T15N, R12W, (projected);

Thence south to the N.W. corner of T13N, R11W, (projected);

Thence east to the N.E. corner of T13N, R10W, (projected);

Thence south to the S.E. corner of T13N, R10W, (projected) said corner being in Cook Inlet;

Thence southeasterly to the S.E. corner of T12N, R9W, (projected), said corner being in Cook Inlet;

Thence northeasterly to the N.E. corner of T12N, R7W, (projected), said corner being in Cook Inlet;

Thence southeasterly to the N.E. corner of T11N, R6W, (projected) said corner being in Turnagain Arm;

Thence east to the N.E. corner of T11N, R5W, (projected), the point of beginning.

(KPB Ord. No. 74-16, § 1(part), 1974; KPC § 27.35.010)



Exhibit C-3c

LEGAL BOUNDARY FOR NIKISKI SENIOR CENTER SERVICE AREA

Commencing at the township line between T5N and T6N, R17W, S.M., and the mean highwater line on the westerly shore of Cook Inlet;

Thence westerly along the township line between T5N and T6N to the westerly boundary of the Kenai Peninsula Borough;

Thence northerly and easterly along the boundary of the Kenai Peninsula Borough through Cook Inlet to the protracted northeast corner of T11N, R5W in Turnagain Arm;

Thence southeasterly to the intersection of the southerly mean highwater line of Turnagain Arm and the 150th meridian west of Greenwich within T10N, R4W, S.M.;

Thence southerly along the 150th meridian to the township line between T8N and T9N, R4W;

Thence westerly along the township line between T8N and T9N to the northwest corner of T8N, R9W, S.M.;

Thence southerly along the range line between R9W and R10W to the southwest corner of T6N, R10W, S.M.;

Thence westerly along the township line between T5N and T6N to the southeast corner of Section 32, T6N, R10W;

Thence northerly along the section line between Sections 32 and 33 to the northeast corner of Section 32;

Thence westerly along the section line to the northwest corner of Section 31, T6N, R10W on the corporate boundary of the city of Kenai;

Thence northerly and westerly along the corporate boundary of the city of Kenai to the intersection with the mean low water line of Cook Inlet and the section line between Sections 23 and 26, T6N, R12W S.M.;

Thence westerly along the section line extended three miles into Cook Inlet;

Thence southwesterly to the protracted southeast corner of T6N, R14W in Cook Inlet;

Thence westerly along the protracted township line between T5N and T6N to the mean highwater line on the westerly shore of Cook Inlet the true point of beginning.

Excepting therefrom all of T6N, Ranges 10, 11 and 12W.

(KPB Ord. No. 93-05, § 1, 1993)

Exhibit C-3d

PROPOSED LEGAL BOUNDARY FOR NIKISKI ROAD SERVICE AREA

Commencing at the township line between T5N and T6N R17W S.M., and the mean high water line on the westerly shore of Cook Inlet;

Thence westerly along the township line between T5N and T6N to the westerly boundary of the Kenai Peninsula Borough;

Thence northerly and easterly along the boundary of the Kenai Peninsula Borough through Cook Inlet to the protracted northeast corner of T11N R5W in Turnagain Arm;

Thence southeasterly to the intersection of the southerly mean high water line of Turnagain Arm and the 150th meridian west of Greenwich within T10N R4W S.M.;

Thence southerly along the 150th meridian to the township line between T8N and T9N R4W;

Thence westerly along the township line between T8N and T9N to the northwest corner of T8N R9W S.M.;

Thence southerly along the range line between R9W and R10W to the southeast corner of T6N R10W S.M.;

Thence westerly along the township line between T5N and T6N to the southeast corner of Section 32 T6N R10W;

Thence northerly along the section line between Sections 32 and 33 to the northeast corner of Section 32;

Thence westerly along the section line to the northwest corner of Section 31 T6N R10W on the corporate boundary of the city of Kenai;

Thence northerly and westerly along the corporate boundary of the city of Kenai to the intersection with the mean low water line of Cook Inlet and the section line between Sections 23 and 26 T6N R12W S.M.;

Thence westerly along the section line extended three miles into Cook Inlet;

Thence southwesterly to the protracted southeast corner of T6N R14W in Cook Inlet;

Thence westerly along the protracted township line between T5N and T6N to the mean high water line on the westerly shore of Cook Inlet the true point of beginning.

(KPB Ord. No. 93-29, § 1(part), 1993; Ord. No. 82-13, § 1, 1982; Ord. No. 77-59 (part), 1977; Ord. No. 74-55, § 1(part), 1974; Ord. No. 69-13, § 1(part), 1969; Ord. No. 69-12, § 1(part), 1969; KPC § 27.25.020(a))



## EXHIBIT C-4

### Exhibit C4a Current Map For the Fire Service Area

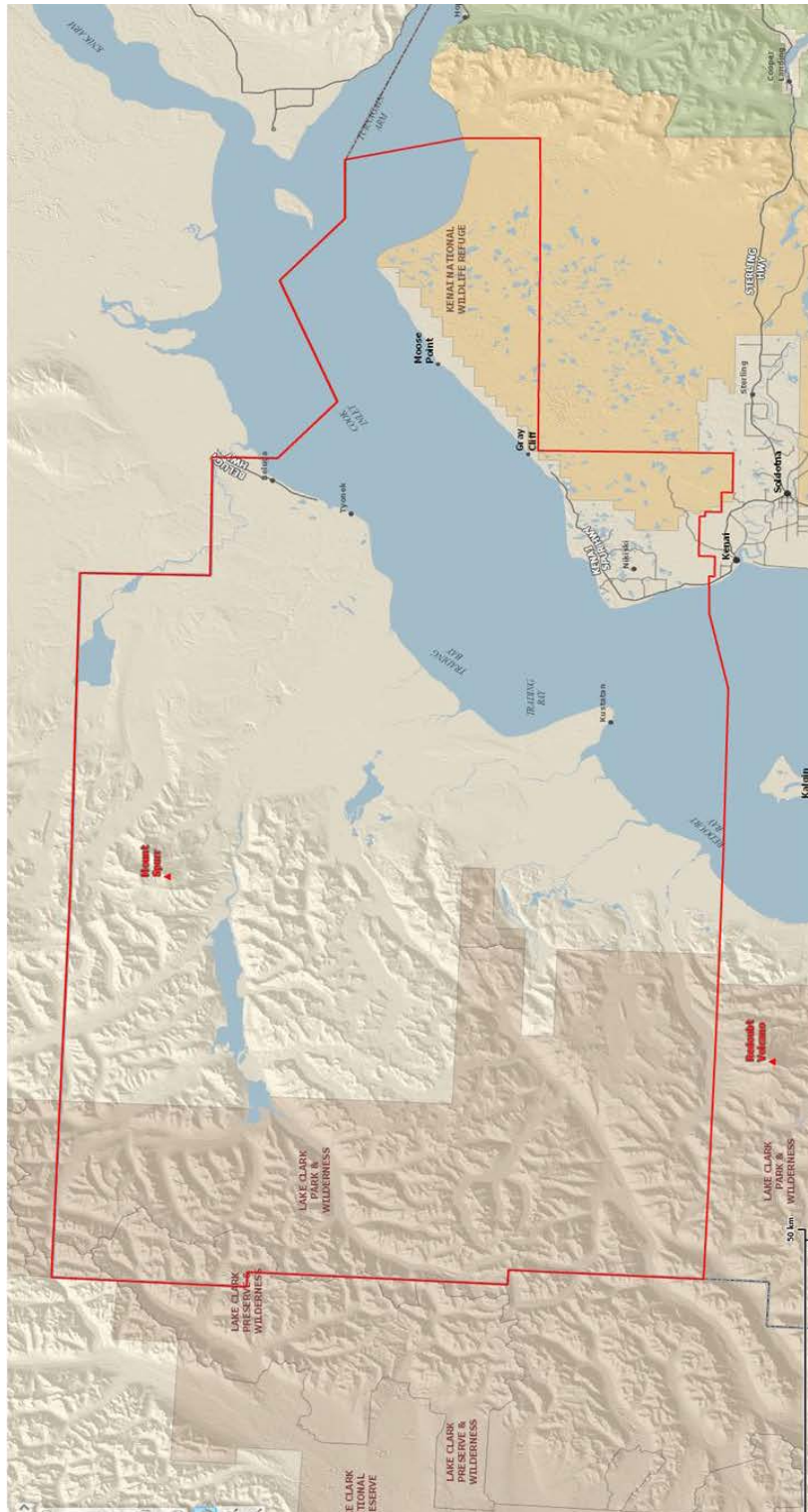


Exhibit C4b

Current Map For the North Peninsula Recreation Service Area

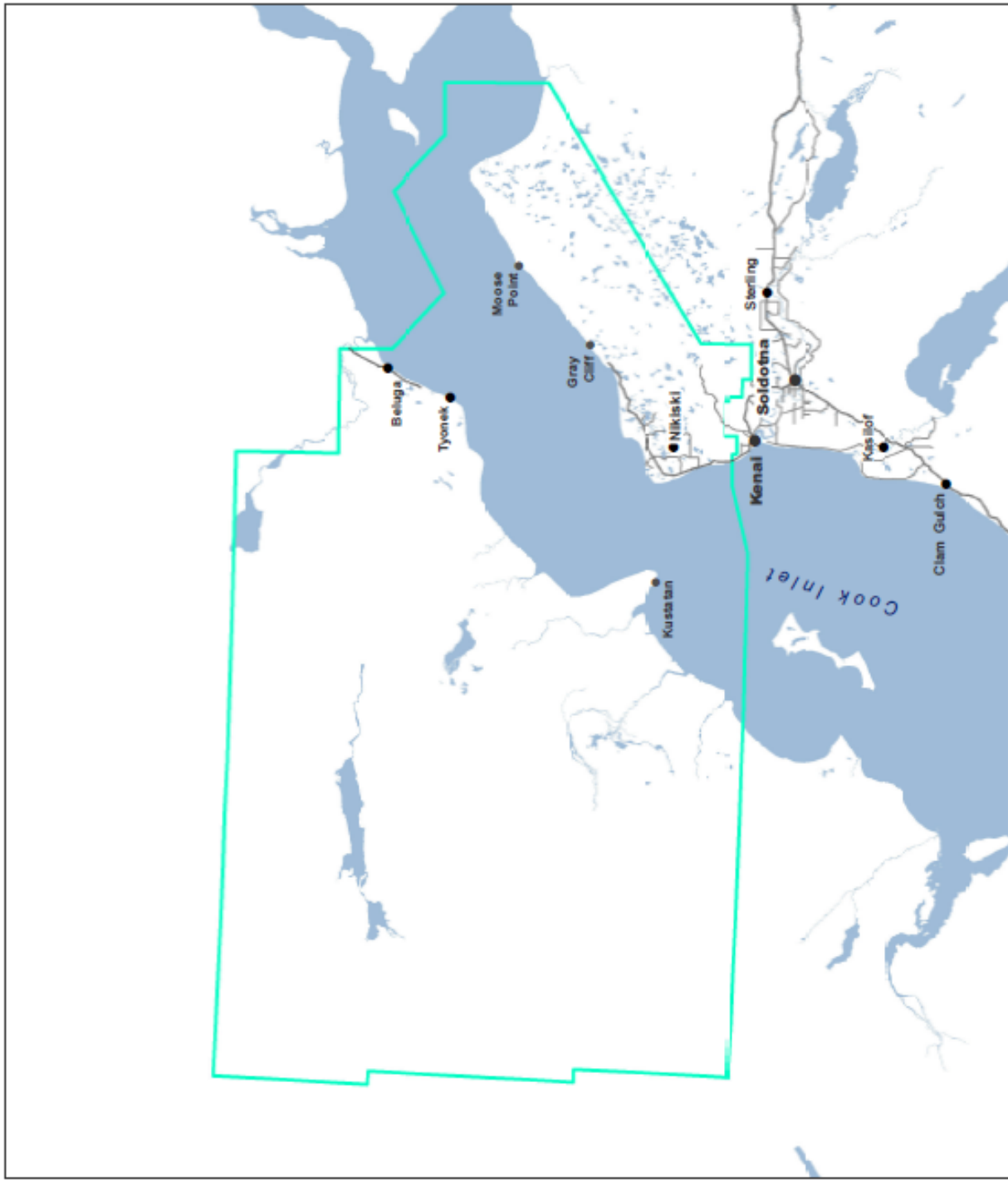




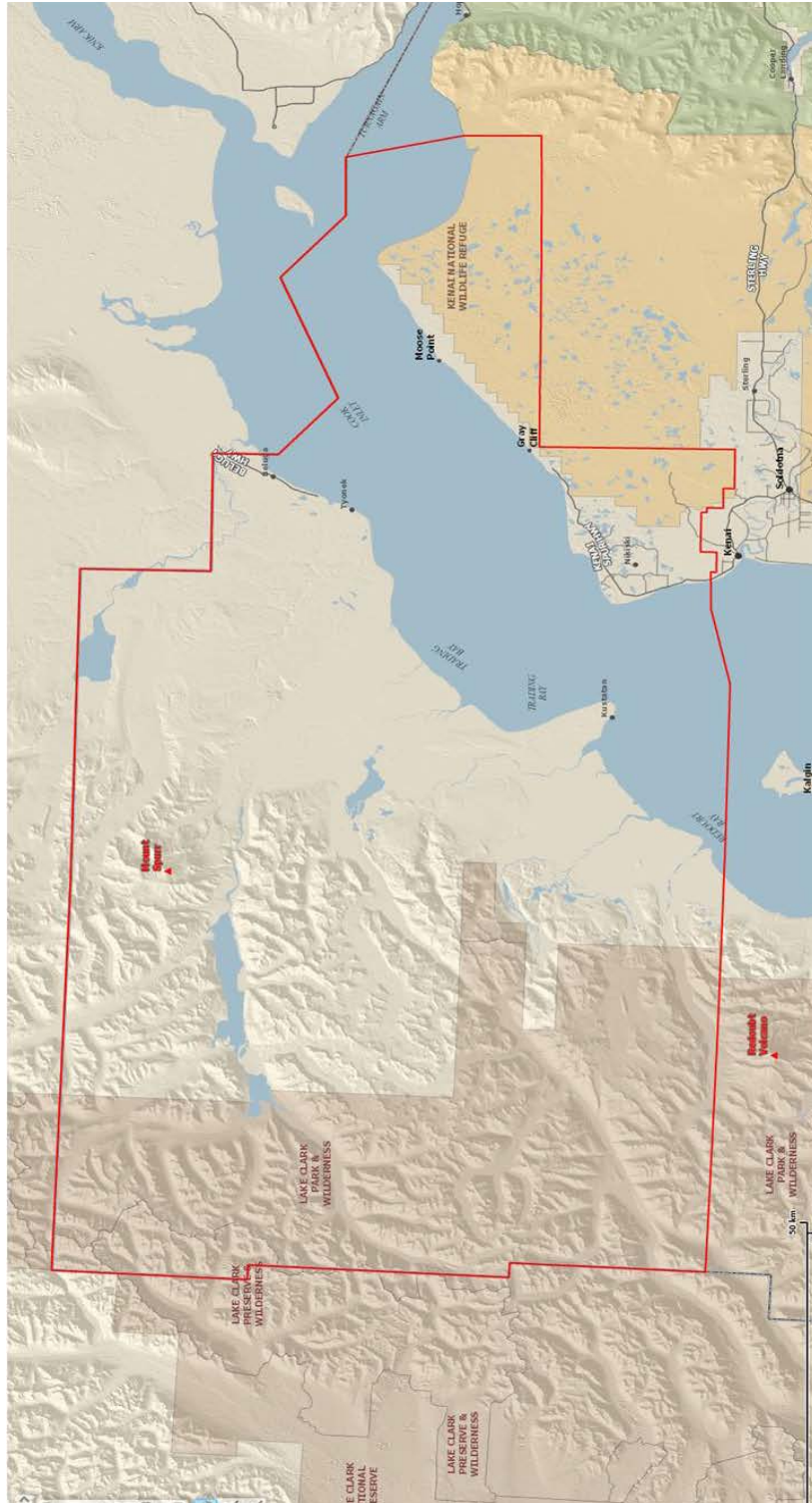
Exhibit C4c

Current Map For the Nikiski Senior Service Area



## Exhibit C4d

### Proposed Map For the Nikiski Road Service Area



## **EXHIBIT D**

### **Information Relating to Public Notice**

This exhibit provides information relevant to public notice of this incorporation proceeding, and service of the petition. The information includes specifics about local media; adjacent municipal governments; places to post notices; location(s) where the Petition may be viewed; and persons whose potential interest in the incorporation proceedings may warrant the courtesy of notice.

### **Local Media**

The following is a list of the principal news media serving the territory within the proposed boundaries:

#### **Newspaper**

##### **Peninsula Clarion**

Will Morrow, Editor  
150 Trading Bay Rd  
Kenai, AK 99611  
Phone: 907-283-7551  
Fax: 907-283-3299

##### **Alaska Dispatch News**

Alice Rogoff, Publisher  
300 W. 31<sup>st</sup> Ave.  
Anchorage, AK  
Phone: 907-257-4200  
Fax: 907-279-7579

## **EXHIBIT D**

### **Radio Stations**

#### **KSRM, Inc.**

**KSRM 920 AM / KWHQ 100.1 FM / KKIS 96.5 FM / KSLD 1140 AM / KFSE 106.9 FM**

John C. Davis, Owner

Tony Gorman, General Manager

40960 Kalifornsky Beach Road

Kenai, AK 99611

Phone: 907-283-8700

Fax: 907-283-9177

Toll free: 1-855-631-3995

#### **KDLL, Public Radio**

**Pickle Hill Public Broadcasting, INC**

Tony Gorman, General Manager

14896 Kenai Spur Hwy, Suite 303

Kenai, AK 99611

Phone: 907-283-8433

#### **KXBA, FM K-Bay 93.3**

**Peninsula Communications, INC**

PO Box 109

Homer, AK 99603

Phone: 907-235-6000

Fax: 907-235-6683



## **EXHIBIT D**

### **Adjacent Municipal Governments**

The following is a list of cities and organized boroughs whose boundaries extend within 20 miles of the boundaries of the proposed city:

#### **City of Kenai**

210 Fidalgo Ave.

Kenai, AK 99611

Phone: 907-283-7535

Fax: 907-235-6683

#### **Kenai Peninsula Borough**

144 North Binkley Street

Soldotna, AK 99669

Phone: 907-262-4441

Fax: 907-262-1892

#### **City of Soldotna**

177 N. Birch St.

Soldotna, AK 99669

Phone: 907-262-9107

#### **Native Village of Tyonek**

100 A St

Tyonek, AK 99682

Phone: 907-583-2147

#### **Native Village – Tyonek Office**

B St

Tyonek, AK 99682

Phone: 907-583-2111

## **EXHIBIT D**

### **Places to Post Notices Relating to This Proposal**

The following three or more prominent locations readily accessible to the public, within or near the boundaries proposed for incorporation, are designated for posting notices concerning this incorporation proposal:

#### **Nikiski Post Office**

51708 Kenai Spur Hwy

Nikiski, AK 99635

Phone: 907-776-5258

#### **Nikiski Senior Center**

50025 Lake Marie

Nikiski, AK 99635

Phone: 907-776-7583

#### **Treehouse Restaurant Community Board**

51708 Kenai Spur Hwy

Nikiski, AK 99635

Phone: 907-776-8500

#### **M&M Market Community Board**

51805 Kenai Spur Hwy

Nikiski, AK 99635

Phone: 907-776-2127

#### **Native Village of Tyonek**

100 A St

Tyonek, AK 99682

Phone: 907-583-2147

#### **Native Village – Tyonek Office**

B St

Tyonek, AK 99682

Phone: 907-583-2111

## EXHIBIT D

### **Where the Public Can Review the Petition Materials**

Per 3 AAC 110.460(b), a full set of petition documents will be available for public review at the dates and times listed below:

<b>Location</b>	<b>Days and times open to public</b>
Online at: <a href="http://www.nikiskiinc.org/">http://www.nikiskiinc.org/</a>	Anytime
Nikiski Post Office 51708 Kenai Spur Hwy Nikiski, AK 99635 Phone: (907)776-5258	All Week 8am – 7pm
The Studio 53437 Nikiski Ave Nikiski, AK 99635	T-S 8am – 2pm
Treehouse Restaurant 51708 Kenai Spur Hwy Nikiski, AK 99635 Phone: 907-776-8500	M-S 7am – 9pm

### **Persons Who May Warrant the Courtesy of Notice of the Filing of the Incorporation Petition**

The following is a list of names and addresses of persons whose potential interest in the incorporation proceedings may warrant the courtesy of notice:

#### **City of Kenai**

210 Fidalgo Ave.

Kenai, AK 99611

Phone: 907-283-7535

Fax: 907-235-6683

## **EXHIBIT D**

### **Kenai Peninsula Borough**

144 North Binkley Street

Soldotna, AK 99669

Phone: 907-262-4441

Fax: 907-262-1892

### **City of Soldotna**

177 N. Birch St.

Soldotna, AK 99669

Phone: 907-262-9107

### **Native Village of Tyonek**

100 A St

Tyonek, AK 99682

Phone: 907-583-2147

### **Native Village – Tyonek Office**

B St

Tyonek, AK 99682

Phone: 907-583-2111

### **Nikiski Community Council**

Fred Miller, President

General Delivery

Nikiski, AK 99635

Phone: 907-776-8555



\*TAF= Tax Authority Fund

**2015 MILL RATE**  
**TAX YEAR 2015 - FY 2016**

\*TAG = Tax Authority Group

TAF	TAG	
	<b>10 SELDOVIA</b>	
10 Seldovia	4.60	
11 Seldovia RSA	0.75	
50 Borough	4.50	
	<b>9.85</b>	
	<b>11 SELDOVIA RSA</b>	
11 Seldovia RSA	0.75	
50 Borough	4.50	
67 Road Maint.	1.40	
	<b>6.65</b>	
	<b>20 HOMER</b>	
20 Homer	4.50	
50 Borough	4.50	
52 So. Hospital	2.30	
	<b>11.30</b>	
	<b>21 HOMER ODLA</b>	
20 Homer	4.50	
21 Homer ODLA	9.9625	
50 Borough	4.50	
52 So. Hospital	2.30	
	<b>21.2625</b>	
	<b>30 KENAI</b>	
30 Kenai	4.35	
50 Borough	4.50	
51 Cent. Hosp.	0.01	
	<b>8.86</b>	
	<b>40 SEWARD</b>	
40 Seward	3.12	
43 Sew/Bear Cr. Flood	0.75	
50 Borough	4.50	
	<b>8.37</b>	
	<b>41 SEWARD SPECIAL</b>	
41 Seward Special	3.12	
43 Sew/Bear Cr. Flood	0.75	
50 Borough	4.50	
	<b>8.37</b>	
	<b>43 SEWARD-BEAR CREEK FLOOD SA</b>	
43 Sew/Bear Cr Flood	0.75	
50 Borough	4.50	
67 Road Maint.	1.40	
	<b>6.65</b>	
	<b>52 SOUTH HOSPITAL</b>	
52 So. Hospital	2.30	
50 Borough	4.50	
	<b>6.80</b>	
	<b>53 NIKISKI FIRE</b>	
53 Nikiski Fire	2.90	
50 Borough	4.50	
51 Cent. Hosp.	0.01	
54 No. Pen Rec.	1.00	
67 Road Maint.	1.40	
	<b>9.81</b>	
	<b>54 N. PENINSULA RECREATION</b>	
54 No.Pen.Rec.	1.00	
50 Borough	4.50	
51 Cent. Hosp.	0.01	
58 Cen.Emer.Ser.	2.65	
67 Road Maint.	1.40	
	<b>9.56</b>	

TAF	TAG	
	<b>55 NIKISKI SENIOR</b>	
55 Nikiski Sen.	0.20	
50 Borough	4.50	
51 Cent. Hosp.	0.01	
53 Nikiski Fire	2.90	
54 No. Pen Rec.	1.00	
67 Road Maint	1.40	
	<b>10.01</b>	
	<b>57 BEAR CREEK FIRE</b>	
57 Bear Creek Fire	3.25	
43 Sew/Bear Cr. Flood	0.75	
50 Borough	4.50	
67 Road Maint.	1.40	
	<b>9.90</b>	
	<b>58 CENTRAL EMERGENCY SERVICES</b>	
58 Cen. Emer.Ser.	2.65	
50 Borough	4.50	
51 Cent. Hosp.	0.01	
67 Road Maint.	1.40	
	<b>8.56</b>	
	<b>61 CENTRAL HOSPITAL WEST</b>	
50 Borough	4.50	
51 Cent. Hosp.	0.01	
67 Road Maint.	1.40	
	<b>5.91</b>	
	<b>63 CENTRAL HOSPITAL EAST</b>	
50 Borough	4.50	
51 Cent. Hosp.	0.01	
64 Cent. Pen. EMS	1.00	
67 Road Maint.	1.40	
	<b>6.91</b>	
	<b>64 CENTRAL PEN. EMERGENCY MEDICAL</b>	
64 Cent Pen. EMS	1.00	
50 Borough	4.50	
52 South Hosp.	2.30	
67 Road Maint.	1.40	
	<b>9.20</b>	
	<b>65 SOUTH HOSPITAL/ROADS</b>	
50 Borough	4.50	
52 South Hosp.	2.30	
67 Road Maint.	1.40	
	<b>8.20</b>	
	<b>67 KPB ROAD MAINTENANCE</b>	
50 Borough	4.50	
67 Road Maint.	1.40	
	<b>5.90</b>	

TAF	TAG	
	<b>68 ANCHOR POINT FIRE/EMERGENCY</b>	
68 Fire/Emergency	2.75	
50 Borough	4.50	
52 South Hosp.	2.30	
67 Road Maint.	1.40	
	<b>10.95</b>	
	<b>70 SOLDOTNA</b>	
70 Soldotna	0.50	
50 Borough	4.50	
51 Cent. Hosp.	0.01	
58 Cent. Emer. Ser.	2.65	
	<b>7.66</b>	
	<b>80 KACHEMAK*</b>	
80 Kachemak	1.00	
50 Borough	4.50	
52 South Hosp.	2.30	
	<b>7.80</b>	
	<b>81 KACHEMAK EMERGENCY SERV.</b>	
81 Kachemak EMS	2.60	
50 Borough	4.50	
52 South Hosp.	2.30	
67 Road Maint.	1.40	

**10.80**

**50K Borough TAF's and Homer 20K**  
**All other City TAF mills do not apply**

**EMS VOLUNTEER 10,000 EXEMPTION**  
**ALL BOROUGH TAF's**  
**HOMER (20) & SEWARD (40)**

**\*Kachemak City TAG 80-No tax on**  
**personal property/boats/aircraft**

**100,000 PERSONAL EXEMPTION**  
**ALL BOROUGH TAF's**  
**HOMER (20) & SOLDOTNA (70)**

**AIRCRAFT TAX:**  
**FLAT TAX FOR ALL BOROUGH TAF's,**  
**SELDOVIA (10) & SOLDOTNA (70)**  
**Borough Flat Portion + City Flat Portion**  
**TAG'S 20,40 & 41**  
**Full value X TAF Millrate**  
**Plus (+) Borough Flat Portion**

**BOAT TAX:**  
**FLAT TAX FOR ALL BOROUGH TAF's**  
**HOMER(20),SOLDOTNA(70),SELDOVIA(10)**  
**Borough Flat Portion + City Flat Portion**  
**TAG'S 40 & 41 (Seward )**  
**Full value X TAF Millrate PLUS (+)**  
**Borough Flat Portion**  
**TAG 30 Class 1 & 2 Exempt and**  
**Class 3-7 Full value X TAF Millrate**  
**PLUS (+) Borough Flat Portion**

**Senior Exemptions:**  
**Borough 300,000 exempt unless Variable**  
**10,20,30,40,41,70,80 upto 150,000 exempt**  
**over is Taxed at City TAF Rate**

**Disability Tax Credit:**  
**TAF 30 Kenai \$250.00**  
**Borough TAF's \$500.00**

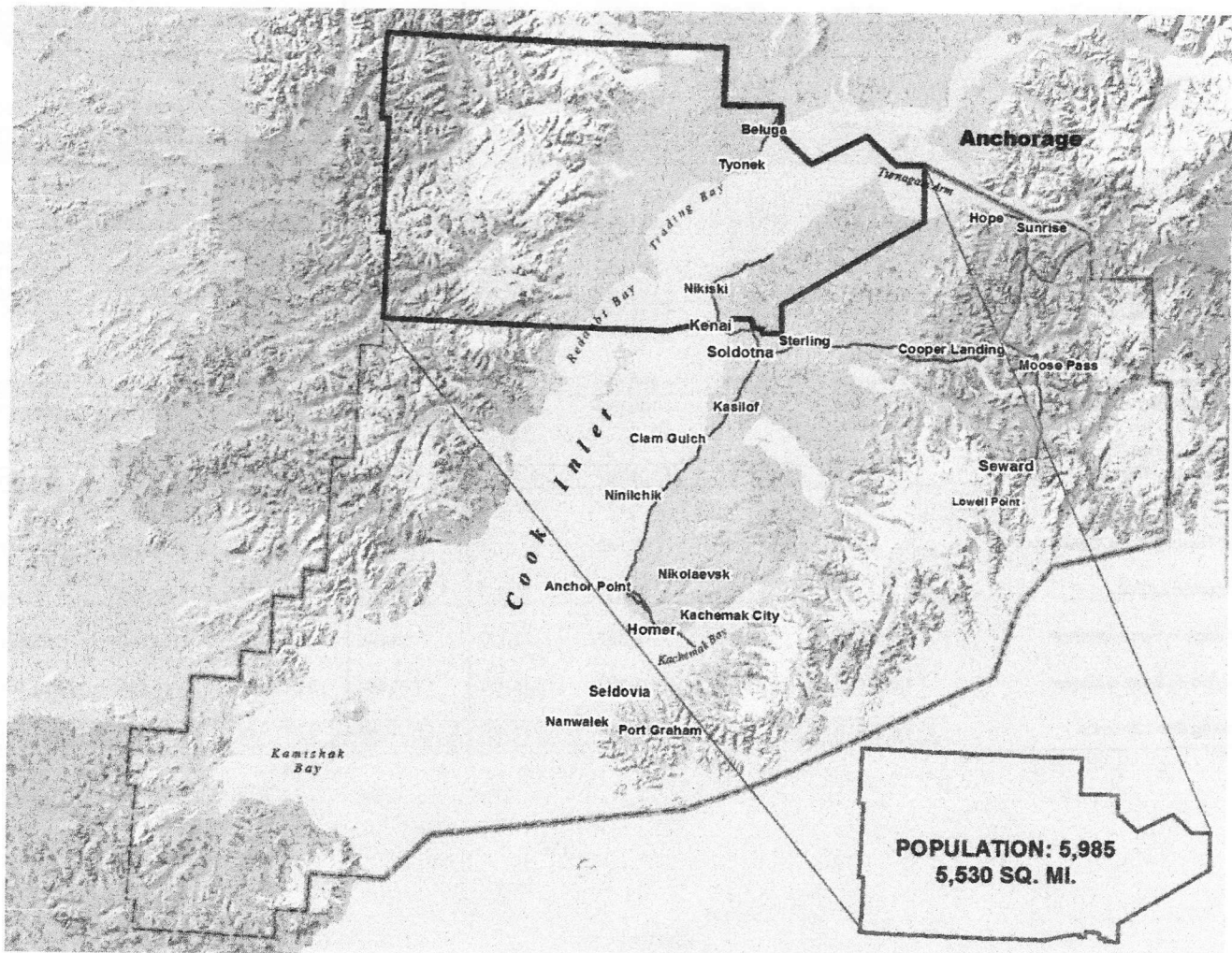
\*TAF= Tax Authority Fund  
\*TAG = Tax Authority Group

## North Peninsula Recreation Service Area

The recreation service area was formed to provide recreation services for the Nikiski and Tyonek area residents. Established in 1974, five elected members serve on its board. The service area has 9.25 permanent employees. Programs include basketball, volleyball, flag football, dodge ball, kickball, hockey, teen night, open gym schedule, community classes and aquatic programs. The service area sponsors "Family Fun" in June as a community wide event. The Boys & Girls Club of South Central Alaska provides the recreation services for the Village of Tyonek.

Facilities in Nikiski, operated/owned by the North Peninsula Recreation Service Area, consist of an indoor swimming pool with waterslide, multipurpose fields, community playgrounds, covered natural ice rink, two separate trail systems, skateboard park, racquetball courts with exercise area, disc golf course and a community center. The Nikiski Community Recreation Center (NCRC) currently houses a teen center, full swing golf simulator, gymnasium used for sporting activities and leagues, and a banquet room and classroom spaces used for rentals for small and large group gatherings.

Revenues are derived primarily through property tax. The mill rate for fiscal year 2016 is 1.00 mills. Other revenues include facility user fees, program fees, and interest income.



### NPRSA Board of Directors

Paul Lorenzo  
Michele Carver  
Sharon Thompson  
Timothy Johnson  
Stacy Oliva

Recreation Director: Rachel Parra  
Recreation Supervisor: Tammy Berdahl  
Pool Supervisor: Nigel LaRiccia

**Fund: 225 North Peninsula Recreation Service Area - Budget Projection**

<b>Fund Budget:</b>	<b>FY2013 Actual</b>	<b>FY2014 Actual</b>	<b>FY2015 Original Budget</b>	<b>FY2015 Forecast Budget</b>	<b>FY2016 Assembly Adopted</b>	<b>FY2017 Projection</b>	<b>FY2018 Projection</b>	<b>FY2019 Projection</b>
Taxable Value (000's)								
Real	629,504	653,208	627,014	627,014	678,459	692,028	705,869	719,986
Personal	37,895	42,544	44,172	45,240	43,754	43,754	43,754	43,754
Oil & Gas (AS 43.56)	625,046	737,513	840,230	840,230	939,865	892,872	857,157	857,157
	1,292,445	1,433,265	1,511,416	1,512,484	1,662,078	1,628,654	1,606,780	1,620,897
Mill Rate	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Revenues:								
Property Taxes								
Real	\$ 631,531	\$ 648,466	\$ 627,014	\$ 627,014	\$ 678,459	\$ 692,028	\$ 705,869	\$ 719,986
Personal	35,420	42,870	43,289	44,335	42,879	42,879	42,879	42,879
Oil & Gas (AS 43.56)	627,603	738,431	840,230	831,784	939,865	892,872	857,157	857,157
Interest	1,916	1,748	5,787	5,787	6,018	6,259	6,509	6,769
Flat Tax	3,472	3,687	3,665	3,665	3,665	3,738	3,813	3,889
Motor Vehicle Tax	18,305	18,684	18,276	18,276	18,495	18,865	19,242	19,627
Total Property Taxes	1,318,247	1,453,886	1,538,261	1,530,861	1,689,381	1,656,641	1,635,469	1,650,307
State Revenue	63,910	67,990	-	-	-	-	-	-
Interest Earnings	6,700	30,444	25,385	25,385	26,662	33,999	38,512	40,130
Other Revenue	220,855	221,898	222,661	222,661	221,377	225,805	230,321	234,927
Total Revenues	1,609,712	1,774,218	1,786,307	1,778,907	1,937,420	1,916,445	1,904,302	1,925,364
Expenditures:								
Personnel	987,275	1,041,724	1,031,275	1,031,275	1,122,324	1,167,217	1,213,906	1,262,462
Supplies	95,671	109,808	116,700	116,700	116,700	119,034	121,415	123,843
Services	461,232	447,436	504,292	504,292	533,950	555,308	577,520	600,621
Capital Outlay	12,001	22,942	22,500	22,500	16,250	16,575	16,907	17,245
Total Expenditures	1,556,179	1,621,910	1,674,767	1,674,767	1,789,224	1,858,134	1,929,748	2,004,171
Operating Transfers To:								
Capital Projects Fund	50,000	50,000	100,000	100,000	175,000	225,000	225,000	225,000
Total Operating Transfers	50,000	50,000	100,000	100,000	175,000	225,000	225,000	225,000
Total Expenditures and Operating Transfers	1,606,179	1,671,910	1,774,767	1,774,767	1,964,224	2,083,134	2,154,748	2,229,171
Net Results From Operations	3,533	102,308	11,540	4,140	(26,804)	(166,689)	(250,446)	(303,807)
Projected Lapse	-	-	58,617	58,617	62,623	65,035	67,541	70,146
Change in Fund Balance	3,533	102,308	70,157	62,757	35,819	(101,654)	(182,905)	(233,661)
Beginning Fund Balance	1,608,886	1,612,419	1,714,727	1,714,727	1,777,484	1,813,303	1,711,649	1,528,744
Ending Fund Balance	\$ 1,612,419	\$ 1,714,727	\$ 1,784,884	\$ 1,777,484	\$ 1,813,303	\$ 1,711,649	\$ 1,528,744	\$ 1,295,083

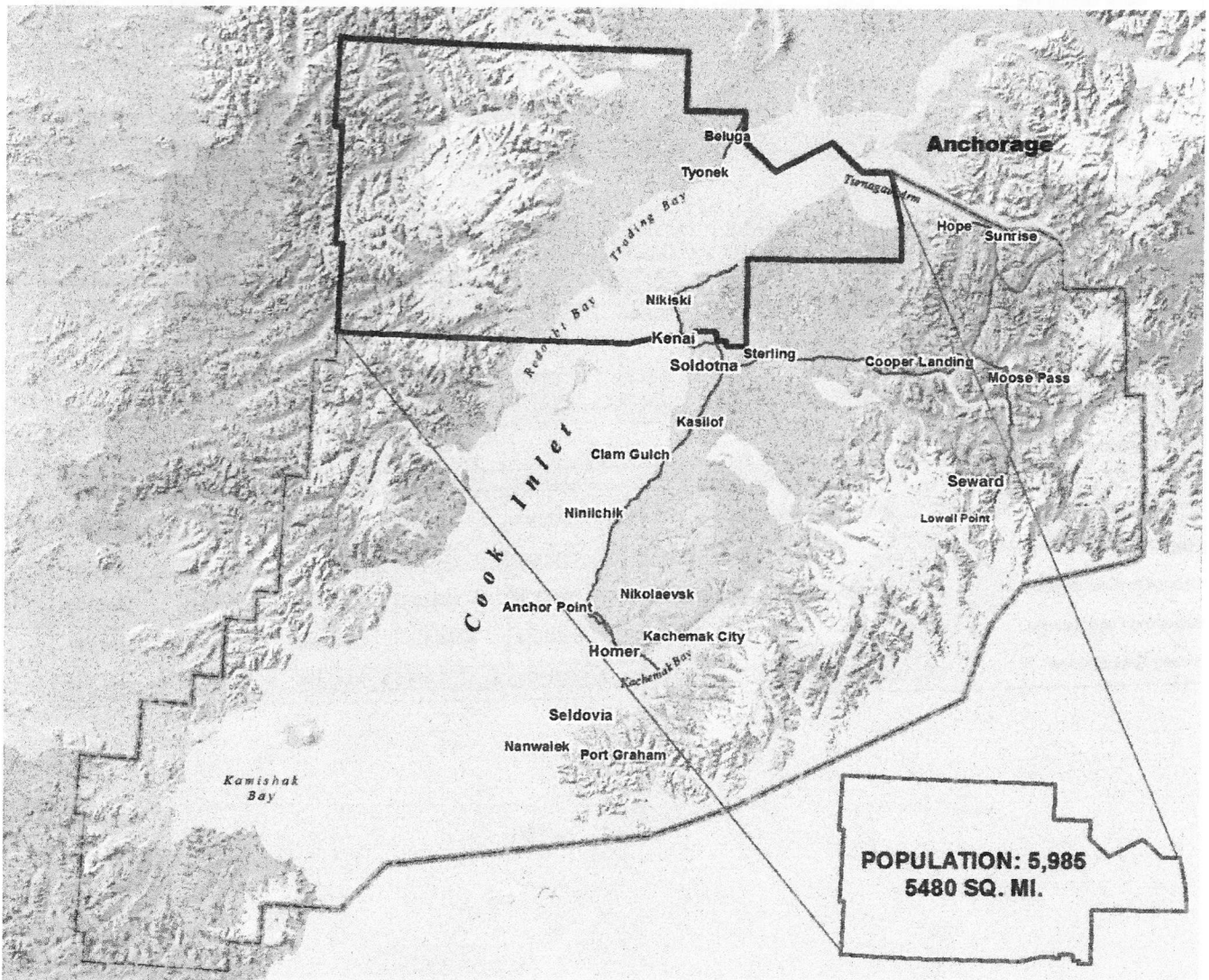


### Nikiski Fire Service Area

This Nikiski Fire Service Area was established on August 19, 1969 and was the first fire service area in the Borough. The seven-member board is elected for three-year terms. The service area provides fire protection, emergency medical services, and search and rescue capabilities to a population of 5,985 within a 5,480 square mile area that includes the Cook Inlet and major industrial complexes critical to the Borough.

Many of the 22 permanent employees, and 30 volunteer members are cross-trained to respond not only to fire and medical emergencies but also specialize in high angle, confined space, industrial firefighting, cold water surface and dive rescue. Four fire stations are located within the service area. Two stations are located on the Kenai Spur Highway, at Milepost 17.9 and 26.5. The other two stations are located in Beluga and Tyonek. Members respond on average to 900 emergency calls a year.

The major source of revenue is property tax. Additional funding is provided through ambulance billing fees charged to users of the ambulances and interest income. The mill rate is 2.90 mills for fiscal year 2016.



#### Board Members

Mark Cialek  
Janet Hilleary  
Sharon Brower  
Dan Hammond  
Stan Gerhauser  
Louis Oliva  
Chrystal Leighton

Fire Chief: James C. Baisden



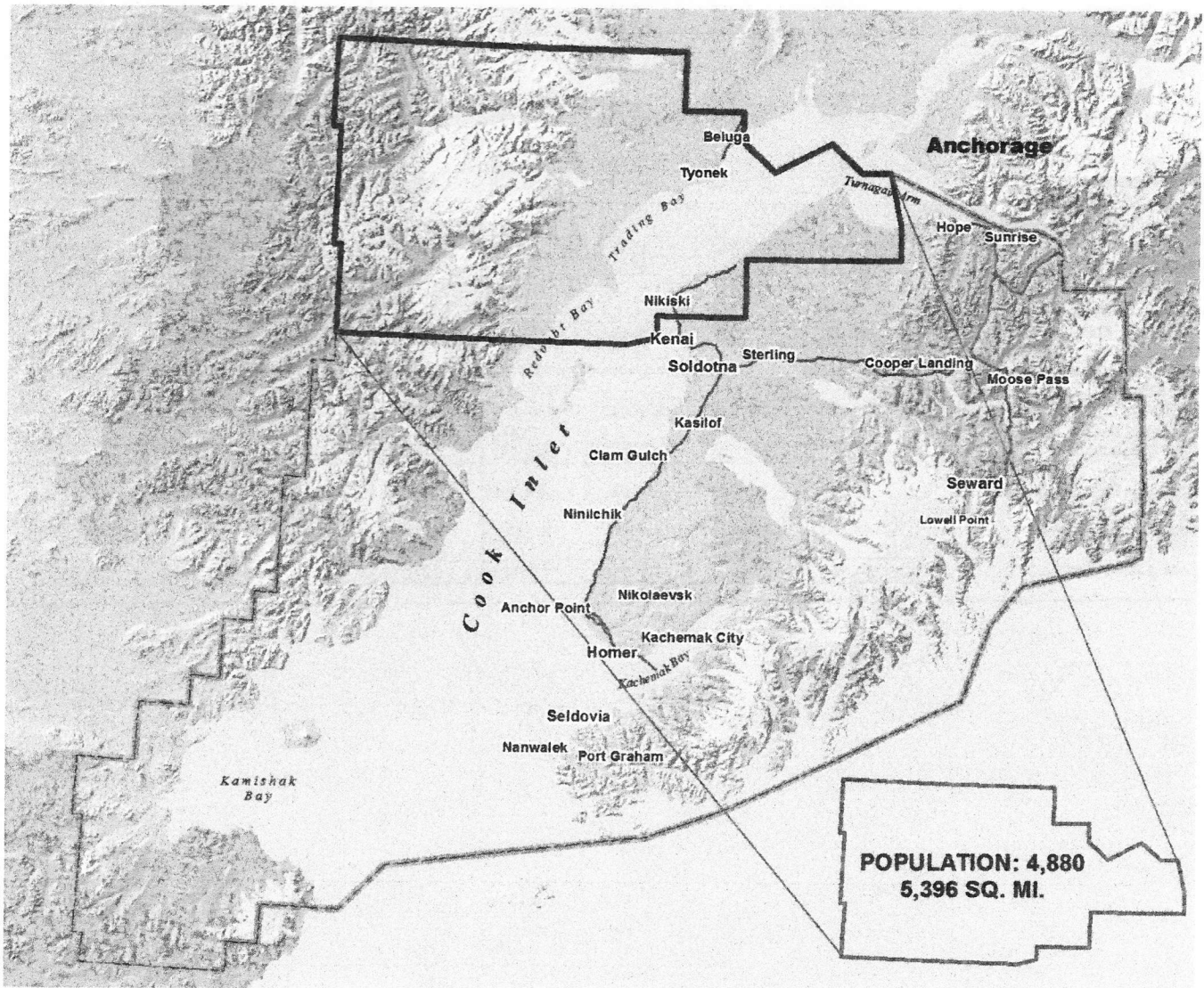
**Fund: 206 Nikiski Fire Service Area - Budget Projection**

<b>Fund Budget:</b>								
	FY2013 Actual	FY2014 Actual	FY2015 Original Budget	FY2015 Forecast Budget	FY2016 Assembly Adopted	FY2017 Projection	FY2018 Projection	FY2019 Projection
Taxable Values (000's)								
Real	629,504	653,208	627,014	627,014	678,459	692,028	705,869	719,986
Personal	37,223	41,818	43,425	44,493	43,078	43,078	43,078	43,078
Oil & Gas (AS 43.56)	606,266	703,294	766,776	766,776	878,259	834,346	800,972	800,972
	1,272,993	1,398,320	1,437,215	1,438,283	1,599,796	1,569,452	1,549,919	1,564,036
Mill Rate	3.00	2.90	2.90	2.90	2.90	2.90	2.90	2.90
Revenues:								
Property Taxes								
Real	\$ 1,884,122	\$ 1,870,263	\$ 1,818,341	\$ 1,818,341	\$ 1,967,531	\$ 2,006,882	\$ 2,047,019	\$ 2,087,960
Personal	114,676	132,932	123,414	126,449	122,428	122,428	122,428	122,428
Oil & Gas (AS 43.56)	1,826,467	2,050,915	2,223,650	2,199,156	2,546,951	2,419,603	2,322,819	2,322,819
Interest	5,642	5,154	8,331	8,331	9,274	9,098	8,985	9,066
Flat Tax	10,400	10,700	10,980	10,980	10,980	11,200	11,424	11,652
Motor Vehicle Tax	54,915	54,183	54,827	54,827	54,549	55,640	56,753	57,888
Total Property Taxes	3,896,222	4,124,147	4,239,543	4,218,084	4,711,713	4,624,851	4,569,428	4,611,813
Federal Revenue	-	76,400	-	9,925	-	-	-	-
State Revenue	253,998	267,593	-	-	-	-	-	-
Interest Earnings	16,946	82,221	73,086	73,086	68,527	88,663	104,886	115,194
Other Revenue	264,124	277,809	245,000	245,000	275,000	281,875	288,922	296,145
Total Revenues	4,431,290	4,828,170	4,557,629	4,546,095	5,055,240	4,995,389	4,963,236	5,023,152
Expenditures:								
Personnel	3,078,160	3,249,201	3,171,857	3,171,857	3,439,455	3,577,033	3,720,114	3,868,919
Supplies	150,565	171,080	233,265	233,265	256,900	262,038	267,279	272,625
Services	488,777	497,115	663,668	663,668	699,149	727,115	756,200	786,448
Capital Outlay	103,243	116,036	240,691	250,616	183,691	187,365	191,112	194,934
Total Expenditures	3,820,745	4,033,432	4,309,481	4,319,406	4,579,195	4,753,551	4,934,705	5,122,926
Operating Transfers To:								
Special Revenue Fund	55,164	59,588	69,632	69,632	67,669	70,376	73,191	76,119
Capital Projects Fund	200,000	200,000	750,000	750,000	500,000	500,000	500,000	500,000
Total Operating Transfers	255,164	259,588	819,632	819,632	567,669	570,376	573,191	576,119
Total Expenditures and Operating Transfers	4,075,909	4,293,020	5,129,113	5,139,038	5,146,864	5,323,927	5,507,896	5,699,045
Net Results From Operations	355,381	535,150	(571,484)	(592,943)	(91,624)	(328,538)	(544,660)	(675,893)
Projected Lapse	-	-	237,021	237,567	251,856	261,445	271,409	281,761
Change in Fund Balance	355,381	535,150	(334,463)	(355,376)	160,232	(67,093)	(273,251)	(394,132)
Beginning Fund Balance	4,033,301	4,388,682	4,923,832	4,923,832	4,568,456	4,728,688	4,661,595	4,388,344
Ending Fund Balance	\$ 4,388,682	\$ 4,923,832	\$ 4,589,369	\$ 4,568,456	\$ 4,728,688	\$ 4,661,595	\$ 4,388,344	\$ 3,994,212

### Nikiski Senior Service Area

Voters in the Nikiski area approved the formation of the Nikiski Senior Service Area in October 1993 to provide programs and services for the senior citizens within the service area. A five-member board of directors, elected by the voters in that service area, has the power to provide for these services and programs. The board members, who are qualified voters in the Borough and residents of the Nikiski Senior Service Area, serve staggered three-year terms.

Funding is provided by a mill rate levy not to exceed 0.20 mills on taxable property and by a portion of grant funds provided by the Kenai Peninsula Borough to all senior citizen groups within the Borough. The mill rate for FY 2016 is set at .20 mills.



### Board Members

Lois Solmonson  
James Evenson  
Mary Olsen  
Julie Marcinkowski  
Leigh Hagstrom-Sanger

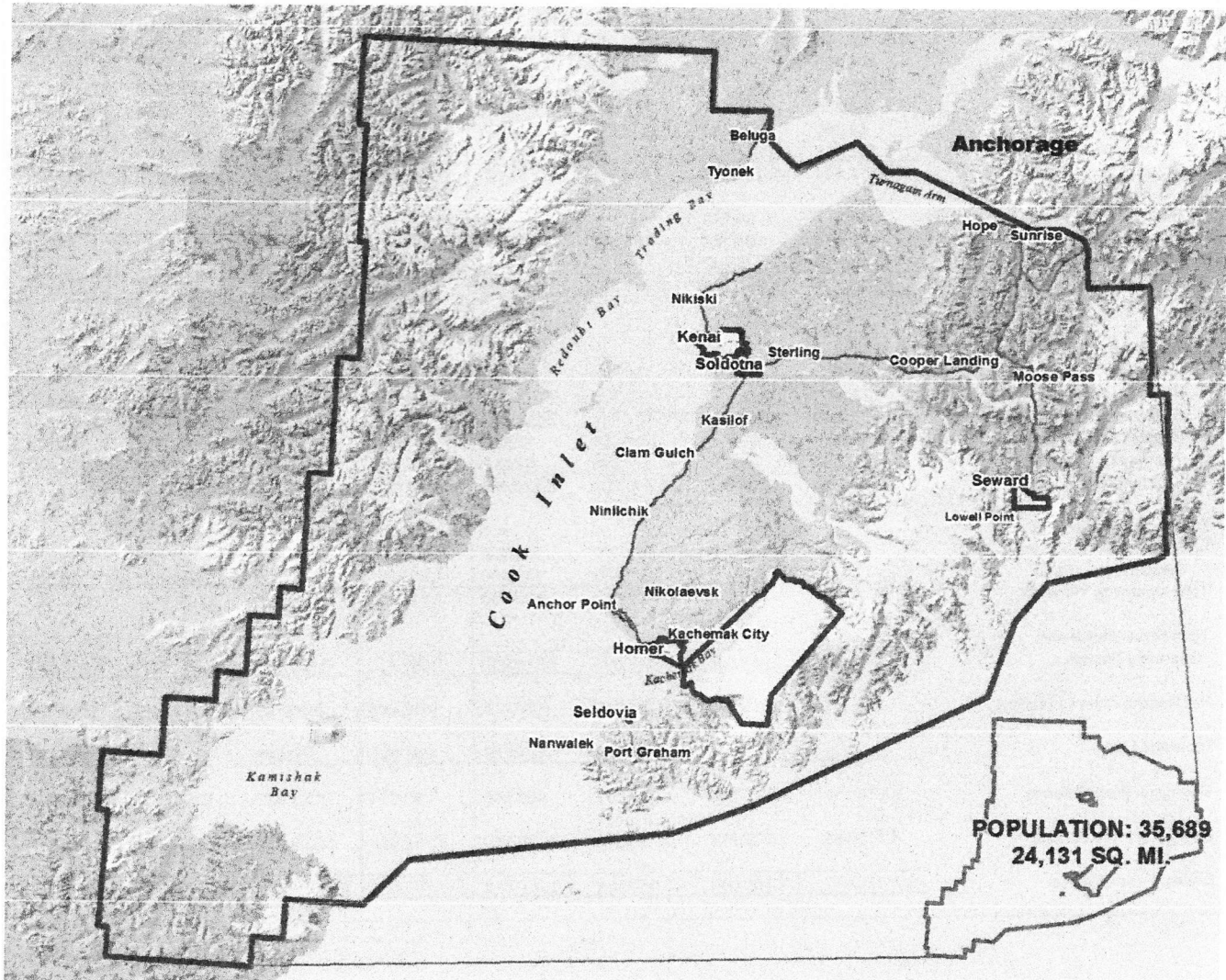
**Fund: 280 Nikiski Seniors Service Area - Budget Projection**

<b>Fund Budget:</b>	<b>FY2013 Actual</b>	<b>FY2014 Actual</b>	<b>FY2015 Original Budget</b>	<b>FY2015 Forecast Budget</b>	<b>FY2016 Assembly Adopted</b>	<b>FY2017 Projection</b>	<b>FY2018 Projection</b>	<b>FY2019 Projection</b>
Taxable Value (000's)								
Real	570,608	588,964	565,289	565,289	607,262	619,407	631,795	644,431
Personal	32,633	37,171	37,647	38,546	37,525	37,525	37,525	37,525
Oil & Gas (AS 43.56)	600,699	698,563	752,729	752,729	865,408	822,138	789,252	789,252
	1,203,940	1,324,698	1,355,665	1,356,564	1,510,195	1,479,070	1,458,572	1,471,208
Mill Rate	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20
Revenues:								
Property Taxes								
Real	\$ 114,369	\$ 116,615	\$ 113,058	\$ 113,058	\$ 121,452	\$ 123,881	\$ 126,359	\$ 128,886
Personal	6,090	7,466	6,939	7,119	6,915	6,903	6,891	6,879
Oil & Gas (AS 43.56)	120,652	139,713	150,546	149,182	173,082	164,428	157,850	157,850
Interest	310	271	272	272	272	277	283	289
Flat Tax	556	617	590	590	590	602	614	626
Motor Vehicle Tax	2,955	3,016	2,950	2,950	2,986	1,856	1,893	1,931
Total Property Taxes	244,932	267,698	274,355	273,171	305,297	297,947	293,890	296,461
Interest Earnings	837	3,644	2,558	2,558	2,878	4,131	5,235	6,092
Total Revenues	245,769	271,342	276,913	275,729	308,175	302,078	299,125	302,553
Operating Transfers From:								
General Fund	52,981	52,981	52,981	52,981	52,981	52,981	52,981	52,981
Total Operating Transfers	52,981	52,981	52,981	52,981	52,981	52,981	52,981	52,981
Total Revenues and Operating Transfers	298,750	324,323	329,894	328,710	361,156	355,059	352,106	355,534
Expenditures:								
Services	273,210	285,610	318,942	318,942	332,712	342,712	352,712	357,712
Capital Outlay	-	-	-	30,850	-	-	-	-
Total Expenditures	273,210	285,610	318,942	349,792	332,712	342,712	352,712	357,712
Change in fund balance	25,540	38,713	10,952	(21,082)	28,444	12,347	(606)	(2,178)
Beginning Fund Balance	148,710	174,250	212,963	212,963	191,881	220,325	232,672	232,066
Ending Fund Balance	\$ 174,250	\$ 212,963	\$ 223,915	\$ 191,881	\$ 220,325	\$ 232,672	\$ 232,066	\$ 229,888

### Road Service Area

Four road maintenance service areas were established in 1982 after voter approval. During fiscal year 1991-92 the Borough Assembly consolidated the four areas into one borough-wide area for greater efficiency. A seven-member board, with at least one representative from each service area and two at-large members, is appointed by the Mayor and confirmed by the Assembly for three-year terms. The Roads Director and seven staff oversee the maintenance of over 641 miles (98% gravel and 2% paved) of roads within the Road Service Area.

The mill levy for fiscal year 2016 is set at 1.40 mills. Revenue is raised through property taxes.



### Board Members

Jake Denbrock  
Louis Oliva Jr.  
Cam Shafer  
Stan (Sam) McLane  
Robert Ruffner  
Larry Smith  
Ed Holsten

Roads Director: Pat Malone



**Fund: 236 Road Service Area - Budget Projection**

<b>Fund Budget:</b>	<b>FY2013 Actual</b>	<b>FY2014 Actual</b>	<b>FY2015 Original Budget</b>	<b>FY2015 Forecast Budget</b>	<b>FY2016 Assembly Adopted</b>	<b>FY2017 Projection</b>	<b>FY2018 Projection</b>	<b>FY2019 Projection</b>
Taxable Value (000's)								
Real	3,651,155	3,671,547	3,498,964	3,498,964	3,686,011	3,759,731	3,834,926	3,911,625
Personal	146,743	160,646	179,813	181,894	185,964	185,964	185,964	185,964
Oil & Gas (AS 43.56)	779,156	899,350	1,065,077	1,065,077	1,153,556	1,095,878	1,052,043	1,052,043
	<u>4,577,054</u>	<u>4,731,543</u>	<u>4,743,854</u>	<u>4,745,935</u>	<u>5,025,531</u>	<u>5,041,573</u>	<u>5,072,933</u>	<u>5,149,632</u>
Mill Rate	1.40	1.40	1.40	1.40	1.40	1.40	1.40	1.40
Revenues:								
Property Taxes								
Real	\$ 5,109,258	\$ 5,087,823	\$ 4,898,550	\$ 4,898,550	\$ 5,160,415	\$ 5,263,623	\$ 5,368,896	\$ 5,476,275
Personal	204,499	238,282	246,703	249,559	255,143	255,143	255,143	255,143
Oil & Gas (AS 43.56)	1,094,494	1,260,376	1,491,108	1,448,707	1,614,978	1,534,229	1,472,860	1,472,860
Interest	20,838	17,487	13,273	13,273	14,061	14,106	14,194	14,409
Flat Tax	42,666	40,685	44,817	44,817	44,817	45,713	46,627	47,560
Motor Vehicle Tax	142,889	143,927	143,821	143,821	143,408	146,276	149,202	152,186
Total Property Taxes	<u>6,614,644</u>	<u>6,788,580</u>	<u>6,838,272</u>	<u>6,798,727</u>	<u>7,232,822</u>	<u>7,259,090</u>	<u>7,306,922</u>	<u>7,418,433</u>
State Revenue	78,813	91,940	-	-	-	-	-	-
Interest Earnings	12,801	64,382	40,461	40,461	32,545	51,461	56,769	60,886
Other Revenues	30,000	5,447	-	-	-	-	-	-
Total Revenues	<u>6,736,258</u>	<u>6,950,349</u>	<u>6,878,733</u>	<u>6,839,188</u>	<u>7,265,367</u>	<u>7,310,551</u>	<u>7,363,691</u>	<u>7,479,319</u>
Expenditures:								
Personnel	1,046,320	1,154,128	1,136,618	1,136,618	1,181,312	1,228,564	1,277,707	1,328,815
Supplies	73,997	110,204	82,920	82,920	90,500	92,310	94,156	96,039
Services	5,009,653	4,697,431	5,231,514	5,231,514	5,231,478	5,440,737	5,658,366	5,184,701
Capital Outlay	5,964	39,721	43,050	43,050	44,125	45,008	45,908	46,826
Interdepartmental Charges	(65,795)	(61,798)	(77,200)	(77,200)	(77,200)	(80,288)	(83,500)	(86,840)
Total Expenditures	<u>6,070,139</u>	<u>5,939,686</u>	<u>6,416,902</u>	<u>6,416,902</u>	<u>6,470,215</u>	<u>6,726,331</u>	<u>6,992,637</u>	<u>6,569,541</u>
Operating Transfers To:								
Special Revenue Funds	-	-	200,000	200,000	112,000	220,000	-	-
Capital Project Fund	-	-	400,000	400,000	1,000,000	1,000,000	1,000,000	1,650,000
Total Operating Transfers	<u>-</u>	<u>-</u>	<u>600,000</u>	<u>600,000</u>	<u>1,112,000</u>	<u>1,220,000</u>	<u>1,000,000</u>	<u>1,650,000</u>
Total Expenditures and Operating Transfers	<u>6,070,139</u>	<u>5,939,686</u>	<u>7,016,902</u>	<u>7,016,902</u>	<u>7,582,215</u>	<u>7,946,331</u>	<u>7,992,637</u>	<u>8,219,541</u>
Net Results From Operations	666,119	1,010,663	(138,169)	(177,714)	(316,848)	(635,780)	(628,946)	(740,222)
Projected Lapse	-	-	352,930	641,690	355,862	369,948	384,595	361,325
Change in Fund Balance	666,119	1,010,663	214,761	463,976	39,014	(265,832)	(244,351)	(378,897)
Beginning Fund Balance	1,113,758	1,779,877	2,790,540	2,790,540	3,254,516	3,293,530	3,027,698	2,783,347
Ending Fund Balance	<u>\$ 1,779,877</u>	<u>\$ 2,790,540</u>	<u>\$ 3,005,301</u>	<u>\$ 3,254,516</u>	<u>\$ 3,293,530</u>	<u>\$ 3,027,698</u>	<u>\$ 2,783,347</u>	<u>\$ 2,404,450</u>

EXHIBIT E-1

Source	REVENUE*										Total Revenues
	Real Property	Personal Property	Oil & Gas	Property Tax Interest	Flat Tax	Vehicle Tax	Motor Property Tax	Interest Earnings	Other Revenue		
Nikiski Fire Service Area	\$ 1,967,531	\$ 122,428	\$ 2,546,951	\$ 9,274	\$ 10,980	\$ 54,549	\$ 4,711,713	\$ 68,527	\$ 275,000	\$5,055,240	
North Peninsula Recreation Area	678,459	42,879	939,865	6,018	3,665	18,495	1,689,381	26,662	221,377	\$1,937,420	
Nikiski Senior Service Area	121,452	6,915	173,082	272	590	2,986	305,297	2,878	0	\$308,175	
Road Service Area	5,160,415	255,143	1,614,978	14,061	44,817	143,408	7,232,822	32,545	0	\$7,265,367	
										<b>\$14,566,202</b>	

\*As published by KPB - Ref. Exhibit E

## EXHIBIT F

## PRO-FORMA BUDGET FOR THE CITY OF NIKISKI, FY 2016-2025

Fiscal Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Projected Population	5,985	6,044	6,086	6,129	6,173	6,217	6,221	6,267	6,313	6,360
NPRSA Mill Rate	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
NFSA Mill Rate	2.90	2.90	2.90	2.90	2.90	2.90	2.90	2.90	2.90	2.90
NRSA Mill Rate	1.40	1.40	1.40	1.40	1.40	1.40	1.40	1.40	1.40	1.40
NSSA Mill Rate	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20
<b>Total Mill Rate, 4 SAs</b>	<b>5.50</b>	<b>5.50</b>	<b>5.50</b>	<b>5.50</b>	<b>5.50</b>	<b>5.50</b>	<b>5.50</b>	<b>5.50</b>	<b>5.50</b>	<b>5.50</b>

<b>Revenues</b>										
NPRSA	\$1,599,795	\$1,636,041	\$1,673,108	\$1,711,016	\$1,749,781	\$1,789,426	\$1,829,968	\$1,871,429	\$1,913,830	\$1,957,191
NFSA	\$4,639,406	\$4,744,519	\$4,852,014	\$4,961,945	\$5,074,366	\$5,189,335	\$5,306,908	\$5,427,145	\$5,550,106	\$5,675,853
NRSA	\$2,239,713	\$2,290,458	\$2,342,352	\$2,395,422	\$2,449,694	\$2,505,196	\$2,561,956	\$2,620,001	\$2,679,362	\$2,740,067
NSSA	\$319,959	\$327,208	\$334,622	\$342,203	\$349,956	\$357,885	\$365,994	\$374,286	\$382,766	\$391,438
Additional Tax & Revenues	\$803,194	\$821,392	\$840,002	\$859,033	\$878,496	\$898,400	\$918,755	\$939,571	\$960,858	\$982,628
New City State Grants	\$50,000	\$25,000								
<b>Total Revenues</b>	<b>\$9,652,066</b>	<b>\$9,844,618</b>	<b>\$10,042,098</b>	<b>\$10,269,619</b>	<b>\$10,502,294</b>	<b>\$10,740,242</b>	<b>\$10,983,580</b>	<b>\$11,232,432</b>	<b>\$11,486,922</b>	<b>\$11,747,178</b>
<b>Expenditures</b>										
NPRSA	\$1,772,974	\$1,813,144	\$1,854,224	\$1,896,234	\$1,939,197	\$1,983,132	\$2,028,064	\$2,074,013	\$2,121,003	\$2,169,058
NFSA	\$4,395,504	\$4,495,092	\$4,596,936	\$4,701,087	\$4,807,598	\$4,916,523	\$5,027,915	\$5,141,831	\$5,258,328	\$5,377,464
NRSA	\$625,000	\$639,160	\$653,642	\$668,451	\$683,596	\$699,084	\$714,923	\$731,121	\$747,686	\$764,626
NSSA	\$332,712	\$340,250	\$347,959	\$355,843	\$363,905	\$372,150	\$380,582	\$389,204	\$398,022	\$407,040
Additional Insurance	\$11,000	\$11,249	\$11,504	\$11,765	\$12,031	\$12,304	\$12,583	\$12,868	\$13,159	\$13,457
<b>Total, All Service Areas</b>	<b>\$7,137,190</b>	<b>\$7,298,895</b>	<b>\$7,464,264</b>	<b>\$7,633,380</b>	<b>\$7,806,327</b>	<b>\$7,983,193</b>	<b>\$8,164,066</b>	<b>\$8,349,036</b>	<b>\$8,538,198</b>	<b>\$8,731,645</b>
City Manager	\$173,000	\$176,920	\$180,928	\$185,027	\$189,219	\$193,506	\$197,891	\$202,374	\$206,959	\$211,648
City Clerk	\$137,700	\$140,820	\$144,010	\$147,273	\$150,610	\$154,022	\$157,512	\$161,081	\$164,730	\$168,462
Maintenance/Operations	\$98,500	\$100,732	\$103,014	\$105,348	\$107,735	\$110,176	\$112,672	\$115,225	\$117,835	\$120,505
Legal Services	\$400,000	\$409,063	\$418,331	\$427,809	\$437,501	\$447,414	\$457,551	\$467,917	\$478,519	\$489,360
<b>Total, All Personnel</b>	<b>\$809,200</b>	<b>\$827,534</b>	<b>\$846,283</b>	<b>\$865,457</b>	<b>\$885,065</b>	<b>\$905,118</b>	<b>\$925,625</b>	<b>\$946,597</b>	<b>\$968,043</b>	<b>\$989,976</b>
<b>Total Expenses</b>	<b>\$7,946,390</b>	<b>\$8,126,429</b>	<b>\$8,310,547</b>	<b>\$8,498,837</b>	<b>\$8,691,392</b>	<b>\$8,888,311</b>	<b>\$9,089,691</b>	<b>\$9,295,633</b>	<b>\$9,506,241</b>	<b>\$9,721,622</b>
<b>Net Results from Operations</b>	<b>\$1,705,676</b>	<b>\$1,718,189</b>	<b>\$1,731,551</b>	<b>\$1,770,782</b>	<b>\$1,810,902</b>	<b>\$1,851,931</b>	<b>\$1,893,890</b>	<b>\$1,936,799</b>	<b>\$1,980,680</b>	<b>\$2,025,556</b>

Fiscal Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>Per Capita Total Revenues</b>	<b>\$1,613</b>	<b>\$1,629</b>	<b>\$1,650</b>	<b>\$1,676</b>	<b>\$1,701</b>	<b>\$1,728</b>	<b>\$1,766</b>	<b>\$1,792</b>	<b>\$1,820</b>	<b>\$1,847</b>
NPRSA Per Cap. Exp.	\$296	\$300	\$305	\$309	\$314	\$319	\$326	\$331	\$336	\$341
NFSA Per Capita Exp.	\$734	\$744	\$755	\$767	\$779	\$791	\$808	\$820	\$833	\$846
NRSA Per Capita Exp.	\$104	\$106	\$107	\$109	\$111	\$112	\$115	\$117	\$118	\$120
NSSA Per Capita Exp.	\$56	\$56	\$57	\$58	\$59	\$60	\$61	\$62	\$63	\$64
<b>Per Capita Total Expenditures</b>	<b>\$1,328</b>	<b>\$1,345</b>	<b>\$1,366</b>	<b>\$1,387</b>	<b>\$1,408</b>	<b>\$1,430</b>	<b>\$1,461</b>	<b>\$1,483</b>	<b>\$1,506</b>	<b>\$1,529</b>

## Notes

Projected annual inflation rate 2.3%

NPRSA = North Peninsula Recreational Service Area

NFSA = Nikiski Fire Service Area

NRSA = Nikiska Road Service Area

NSSA = Nikiski Senior Service Area

**EXHIBIT F****PRO-FORMA BUDGET FOR THE CITY OF NIKISKI, FY 2016-2025**

Nikiski Fire Department Total Property Values                      \$ 1,599,795,000.00

Normal Revenues and Expenses by Service Area					
	Mill Rate	Property Taxes Paid	Add'l Tax & Revenues	Estimated Expenditures	Surplus (Deficit)
North Peninsula Recreational Service Area	1.00	\$ 1,599,795.00	\$ 276,217.00	\$ 1,772,974.00	\$ 103,038.00
Nikiski Fire Service Area	2.90	\$ 4,639,405.50	\$ 418,330.00	\$ 4,395,504.00	\$ 662,231.50
Nikiski Road Services Area	1.40	\$ 2,239,713.00	\$ 101,920.88	\$ 625,000.00	\$ 1,716,633.88
Nikiski Senior Services Area	0.20	\$ 319,959.00	\$ 6,726.00	\$ 332,712.00	\$ (6,027.00)
Total	5.50	\$ 8,798,872.50	\$ 803,193.88	\$ 7,126,190.00	\$ 2,475,876.38

Add'l Post-Incorporation Expenses	
City Clerk	\$ 137,700.00
City Manager	\$ 173,000.00
Maintenance and Operations for City Clerk & Manager	\$ 98,500.00
Legal services	\$ 400,000.00
Total	<u>\$ 809,200.00</u>

Summary: Post-Incorporation	
Est. Revenues	<u>\$ 9,602,066.38</u>
	\$ 9,602,066.38
Est. Normal Expenses	\$ 7,126,190.00
Additional Insurance Expenses	\$ 11,000.00
Add'l Post-Incorporation Expenses	<u>\$ 809,200.00</u>
	\$ 7,946,390.00
Ending Fund Balance	<u>\$ 1,655,676.38</u>

Estimated New City Expenses	
<b>Salaries and Benefits - City Clerk</b>	
Salaries	95,000
Overtime	
Holiday Pay	
Leave	2,254
Medicare	1,412
Social Security	-
PERS	20,935
Unemployment Insurance	487
Workers Compensation	412
Health & Life Insurance	14,785
Supplemental Retirement	2,414
<b>Total Salaries &amp; Benefits - City Clerk</b>	<b>137,700</b>
<b>Salaries and Benefits - City Manager</b>	
Salaries	120,000
Overtime	
Holiday Pay	
Leave	5,610
Medicare	1,840
Social Security	-
PERS	26,688
Unemployment Insurance	153
Workers Compensation	536
Health & Life Insurance	16,800
Supplemental Retirement	1,372
<b>Total Salaries &amp; Benefits - City Manager</b>	<b>173,000</b>
<b>Maintenance and Operations (combined expenses for City Clerk and City Manager)</b>	
Office Supplies	2,000
Operating & Repair Supplies	300
Small Tools/Minor Equipment	2,000
Computer Software	7,000
Professional Services	15,000
Communications	5,000
Travel & Transportation	10,000
Advertising	10,000
Printing & Binding	2,500
Insurance	
Utilities	12,000
Repair & Maintenance	1,200
Rentals	30,000
Equip. Fund Pmts.	
Postage	500
Books	
Dues & Publications	1,000
General Contingency	
Miscellaneous	
Depreciation	
Grants to Agencies	
<b>Total Maintenance and Operations</b>	<b>98,500</b>
<b>Legal Expenses</b>	
Legal Expenses	400,000
<b>Total Legal Expenses</b>	<b>400,000</b>
<b>Total New City Expenses</b>	<b>809,200</b>

Additional Insurance Expenses	
Additional Insurance Expenses	11,000
	<b>11,000</b>

Summarized Normal Expenditures (excluding operating transfers)				
	NPRSA	NFSA	NRSA	NSSA
Personnel	1,122,324	3,439,455		
Supplies	116,700	256,900		
Services	533,950	699,149		332,712
Capital Outlay				
Interdepartmental Charges				
<b>Total Expenditures</b>	<b>1,772,974</b>	<b>4,395,504</b>	<b>625,000</b>	<b>332,712</b>

Detailed Breakdown of Normal Expenditures (excluding operating transfers)				
	NPRSA	NFSA	NRSA	NSSA
<b>Personnel</b>				
Regular Wages	497,123	1,609,893		
Special Pay		17,550		
Temporary Wages	159,571	95,000		
Overtime Wages	4,881	239,636		
Overtime Standby Wages		55,000		
FLSA Overtime Wages		57,605		
FICA	57,145	183,200		
PERS	114,044	443,988		
Health Insurance	219,040	459,983		
Life Insurance	1,247	4,013		
Leave	67,833	270,707		
Other Benefits	1,440	2,880		
<b>Personnel Total</b>	<b>1,122,324</b>	<b>3,439,455</b>		-

<b>Supplies</b>				
Computer Software	1,000	9,500		
Operating Supplies	69,700	44,996		
Fire/Medical/Rescue Supplies		66,154		

Fuels, Oils, and Lubricants	6,500	60,300		
Uniforms	2,400	21,750		
Training Supplies		7,000		
Repair/Maintenance Supplies	26,500	9,500		
Motor Vehicle Repair Supplies	1,000	30,200		
Small Tools & Equipment	1,000	7,500		
Recreational Supplies	8,600			
<b>Supplies Total</b>	<b>116,700</b>	<b>256,900</b>		-

<b>Services</b>				
Contractual Services	31,681	195,865		332,712
Physical Examinations	500	25,000		
Water/Air Sample Test		1,510		
Software Licensing	3,376	5,500		
Communications	9,200	18,924		
Postage and Freight	2,500	4,500		
Transportation/Subsistence	12,555	35,650		
Training	3,275	18,000		
Advertising	9,300	1,000		
Printing	2,000	1,150		
Insurance Premium	51,138	189,191		
Utilities	226,000	151,660		
Equipment Maintenance	500	9,110		
Vehicle Maintenance	2,000	10,500		
Buildings/Grounds Maintenance	50,500	12,799		
Rents and Operating Leases	122,665	11,486		
Dues and Subscriptions	1,160	7,304		
Recreation Program Expenses	5,600			
<b>Services Total</b>	<b>533,950</b>	<b>699,149</b>		<b>332,712</b>

<b>Grand Total</b>	<b>1,772,974</b>	<b>4,395,504</b>	<b>625,000</b>	<b>332,712</b>
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Fund Balances to be Transferred from KPB to Nikiski (Ref: Exhibit E)				
	NPRSA	NFSA	NRSA	NSSA
Balances (as of 2016 KPB Budget Rpt)	1,813,303	4,728,688	1,015,305	220,325

Additional Revenues					
	Interest	Flat Tax	Motor Veh. Tax	Other	Totals
NPRSA	32,680	3,665	18,495	221,377	276,217
NFSA	77,801	10,980	54,549	275,000	418,330
NRSA	20,228	19,451	62,242		101,921
NSSA	3,150	590	2,986		6,726
Totals	133,859	34,686	138,272	496,377	803,194

Year	Annual Anchorage  Average	Annual Anchorage  Percent Change From Previous Year
2015	216.909	0.5
2014	215.805	1.6
2013	212.381	3.1
2012	205.916	2.2
2011	201.427	3.2
2010	195.144	1.8
2009	191.744	1.2
2008	189.497	4.6
2007	181.237	2.2
2006	177.3	3.2

CAGR,  
2006-2015

2.3%

2.3%



## **EXHIBIT G**

### **PETITIONER'S BRIEF**

This brief explains how the proposed incorporation satisfies all the standards set forth as established in AS 29.05.011; AS 29.05.021; 3 AAC 110.005 – 3 AAC 110.042; and 3 AAC 110.900 – 3 AAC 110.990. The brief addresses how the proposal serves the best interest of the state, local needs and satisfies each of the standards in detail and why the proposal is good public policy.

The standards for incorporation of a Home Rule city in an organized borough consist of the following sections:

- 1) Stipulated in 3 AAC 110.005, the territory proposed for incorporation as a city must encompass a community that meets the standards set in 3 AAC 110.920(a) and defined by 3 AAC 110.990(5).
- 2) In accordance with 3AAC 110.010(a) and AS 29.05.011(a)(5), the petitioner must demonstrate a reasonable need for city government, including: existing or anticipated social or economic conditions; health safety and general welfare conditions; economic development and adequacy of existing services.
- 3) To promote a minimum number of local government units in accordance with Article X, Section 1 of the Constitution of the State of Alaska, standards are set to ensure that services cannot be provided by annexation to an existing city, or an area-wide or non-area –wide basis by the organized borough or through an existing borough service territory in which the proposed city is located as required by 3AAC 110.010(c) and AS 29.05.021(b).
- 4) The economy of the proposed city, including human and financial resources, must be capable to support necessary municipal services in a cost-effective and efficient manner, including potential resource and commercial development, anticipated functions, operating expenses and income for the proposed city including the ability of the community to generate local revenue as required by 3 AAC 110.020 and AS 29.05.011(a)(3).

## EXHIBIT G

- 5) The population of the proposed city must be sufficiently large and stable enough to support the proposed city government as required by 3 AAC 110.030 and AS 29.05.011(a)(4).
- 6) The boundaries of the proposed city include all land and water necessary to provide development of essential municipal services on a cost-effective and efficient level as required by 3 AAC 110.040(a) and AS 29.05.011(a)(2).
- 7) The boundaries of the proposed city must include only that territory comprising a present local community, plus reasonable predictable growth, development and public safety needs during the 10 years following incorporation as required by 3 AAC 110.040(b)(1).
- 8) As stipulated in 3 AAC 110.040(b)(2), the boundaries of the proposed city may not include entire geographical regions or large unpopulated areas, except if those boundaries are justified by the application of the standards and otherwise suitable for city government.
- 9) Proposed city boundaries must address and comply with all standards and procedures to alter boundaries of overlapping existing cities or an organized borough as required by 3 AAC 110.040(d).
- 10) Incorporation is in the best interests of the state, as required by 3 AAC 110.042 and AS 29.05.100(a), and promotes maximum local self-government as determined under 3 AAC 110.981(8); with minimum local government units as required by 3 AAC 110.982 and in accordance with article X, section 1 of the Constitution of the State of Alaska; and will relieve the state government of the responsibility of providing local services and for the needs that cannot be met by the borough on an area-wide or non-area-wide basis, by annexation to an existing city, or through an existing borough service area.
- 11) The proposed incorporation will not deny any person the enjoyment of any civil or political right, including voting rights, because of race, color, creed, sex, or national origin (3 AAC 110.910).
- 12) Essential services consist of those mandatory and discretionary powers and facilities that are 1) reasonably necessary to the community; 2) promote maximum, local self-government; and 3) cannot be provided more efficiently and

## **EXHIBIT G**

effectively by another political subdivision of the state as stated in 3 AAC 110.970(c).

- 13) Ascertain if incorporation of a new city is the only means by which residents of the territory can receive essential municipal services as described in 3 AAC 110.982(6).

## EXHIBIT G

### PETITIONER'S BRIEF

The Petitioner's Brief addresses the Standards for Incorporation of Cities as stipulated in the Alaska Administrative Code (AAC) and Alaska State Statutes for application to the proposed new City of Nikiski. A concise statement of the reasons the Petitioner seeks to incorporate the territory, as generally described in the section above, is addressed in detail below:

**SECTION 1. The territory proposed for incorporation as a city must encompass a community that meets the standards set in 3 AAC 110.920(a) and defined by 3 AAC 110.990(5).**

The territory proposed for incorporation (City of Nikiski), meets all the standards required in 3 AAC 110.920(a). The 2015-2016 Nikiski Fire Department handbook dated Feb. 11, 2015 states the population for the entire territory at 5,985. The 2010 US Census reported the population for the territory at 5,664 - an increase of almost 6% over 5 years (**Attachment F**).

Nikiski is known as the industrial center of the Kenai Peninsula Borough. Because of the distance from the nearest cities of Kenai and Soldotna, the community attracts the industry employees to reside within the territory. Mostly permanent residents, Nikiski also attracts retired senior citizens that have relocated to Nikiski to enjoy the pristine air, water, deafening quiet and calmer lifestyle of fishing, gardening, boating and recreational activities.

Derogatorily dubbed "North Roaders" by the rest of the Kenai Peninsula in the 1950's and 60's because of their lifestyles, today's North Roaders unite in community pride of our uniquely bonded culture. Daily interaction between residents is commonplace in Nikiski. Reminiscent of pioneer developments, every weekday morning at 7am at the Treehouse restaurant in downtown Nikiski and Carla's North Road Café in Salamatof, the local "boys" meet to talk weather, politics, gossip and play a few hands of Liar's Poker. Mid-morning attracts the retirees and housewives who meet and mingle leaving just before the industrial working crowd invasion. The Studio coffee shop is especially

## EXHIBIT G

popular for sipping on morning latte's while sitting around the fireplace and surfing the web; Delars welcomes the community with open doors 7 days a week to come in for those necessary items and chat for awhile; M&M Market saves residents from making the long drive into the City of Kenai for groceries; The Hunger Hut Bar, The Place and The Forelands Bar are popular watering holes in the evenings; and residents brag that Charlie's Pizza and La Casa restaurant serve the best Italian and Mexican food in the world!

Every year community pride shines as Nikiski residents join together on a Saturday in May to walk the roads of Nikiski to clean up the trash accumulated throughout the winter. After a hard day's work, the residents meet at the Recreation Center to enjoy pizza, drinks and cookies and be rewarded with prizes. During summer solstice, the annual Fun in the Midnight Sun event at the North Peninsula Recreation Center draws community members together for a day of celebration. Games, food, entertainment and prizes occur amid squeals of laughter, play and social interaction. Original homesteaders frequent the long summer days with neighbors joining together for huge community picnics while reminiscing the good old days; and winter activities are brightly illuminated with the annual community Christmas light display contest.

When illness or hard-times strike, the entire community rallies together in fundraising activities to help the afflicted community members with financial support during their struggle. Every month needy families receive boxes of food generously donated by their neighbors through two food outreach pantries. *Meals On Wheels* delivers food to house-bound seniors every weekday and during the holidays, the Nikiski Neighbors group works tirelessly to ensure that needy families in the community have complete Thanksgiving and Christmas feasts. Additionally, generous and caring community residents pick "angels" off a tree at M&M Market to ensure that every needy youth in the community receives new clothes and presents under their Christmas tree.

Our youth are highly esteemed members of our community and supported with recurring annual scholarships funded through community efforts by The North Kenai

## **EXHIBIT G**

Community Club, The Nikiski Community Council and the Thelma McConnell Scholarship Fundraiser, et al.

### **Faith**

The territory of the proposed City of Nikiski is a faith-based community. Listed below are current churches within the territory:

#### **CHURCHES**

**AURORA HEIGHTS ASSEMBLY OF GOD  
LIGHTHOUSE COMMUNITY CHURCH  
MT REDOUBT BAPTIST CHURCH  
NIKISKI CHURCH OF CHRIST  
NIKISKI NAZARENE CHURCH  
NIKISKI NEW HOPE CHRISTIAN CHURCH  
NORTH KENAI CHAPEL  
NORTH STAR UNITED METHODIST CHURCH  
PORT NIKISKI FIRST BAPTIST CHURCH  
ST LUKE LUTHERAN CHURCH  
ST NICHOLAS CHURCH  
TRUTH CHURCH  
UNITED PENTECOSTAL**

Additionally, there are many residents of the City of Nikiski that attend churches outside of the area, including The Catholic Church, The Church of Jesus Christ of Latter-Day Saints, Foursquare, Jehovah's Witness, and others.



## EXHIBIT G

### Industry

There are over 300 companies doing business in the proposed territory of the City of Nikiski (listed in **Attachment G**) representing an array of business functions as depicted below:

#### ENTITIES DOING BUSINESS IN THE PROPOSED TERRITORY OF THE CITY OF NIKISKI

##### BY CATEGORY

##### NIKISKI-SALAMATOF

11 - Agriculture, Forestry, Fishing and Hunting	20
21 - Mining, Quarrying and Oil and Gas Extraction	16
22 - Utilities	2
23 - Construction	30
31 - Manufacturing	28
42 - Trade	49
48 - Transportation and Warehousing	17
53 - Real Estate, Rental and Leasing	30
54 - Professional, Scientific and Technical Services	8
56 - Administrative, Support, Waste Management and Remediation Services	14
61 - Educational Services	2
62 - Health Care and Social Assistance	10
71 - Arts, Entertainment and Recreation	7
72 - Accommodation and Food Services	23
81 - Services	50
	<b>306</b>

##### TYONEK

21 - Mining, Quarrying and Oil and Gas Extraction	2
42 - Trade	1
53 - Real Estate, Rental and Leasing	1
56 - Administrative, Support, Waste Management and Remediation Services	1
71 - Arts, Entertainment and Recreation	1
72 - Accommodation and Food Services	1
	<b>7</b>

##### BELUGA

42 - Trade	1
72 - Accommodation and Food Services	1
	<b>2</b>
	<b>315</b>

## EXHIBIT G

**SECTION 2. There must be a reasonable need for city government, including: existing or anticipated social or economic conditions; health safety and general welfare conditions; economic development and adequacy of existing services.**

Incorporation of the proposed Home Rule City of Nikiski is essential to adequately provide efficient and economical services for the area residents' protection, health, safety and welfare. Current Kenai Peninsula Borough road services for non-incorporated area-wide communities are inadequate, expensive for territory taxpayers, inefficient and hazardous for residents. A Home Rule city would be empowered to provide services to residents that the second-class borough is unable to provide on an efficient and responsive level that addresses the Nikiski community's unique needs apart from the rest of the Borough.

### **Inadequacy of Existing Services:**

#### **A. Road Services**

As reported in this Petition's Section 17, Nikiski voters did not vote for, or want, the area-wide Road Service Board authority. The territory of Nikiski was out-voted at the Kenai Peninsula Borough Assembly level and forced to combine local road services with the entire borough's area-wide road services. Accordingly, Nikiski roads have seen poor maintenance care and few upgraded improvements.



**Kenai Peninsula Borough maintained road.**

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In response to the proposed City of Nikiski's citizen's concerns and complaints about the sub-standard conditions of the road maintenance, the Road Service Area Board reaction is dismissive of citizens in public meetings.<sup>1</sup>



**Gravel berms on side of road.**



**Expanding road – creeping edges**

Residents of the proposed City of Nikiski believe that the Home Rule status will enable the construction and maintenance of far superior and safer roadways by our local elected neighbors that take care of, and pride in, our community. Local self-government will be responsive and responsible to the community residents' concerns.

### B. Inequitable Distribution Of Funds

Home Rule incorporation of the proposed City of Nikiski is necessary due to the Kenai Peninsula Borough's inequitable distribution of funds collected from residents. As shown in Section 14 of the Petition, over \$2.2 million was collected from personal property taxes of Nikiski's property owners (FY 2015-2016) verses

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<sup>1</sup> At a recent RSA board meeting on March 22, 2016 when a Nikiski citizen commented that it is a general perception from residents in the territory that roads look "like a tarmac at [an] airport" with gravel pushed off the road edges, gravel berms left in piles alongside the roads and crowns graded down to the point where one road was unofficially "renamed Sunken Road", one RSA board member (who is also the owner of a business awarded a borough contract for road services), summarily dismissed citizen complaints as "totally bogus" because citizens don't know anything about road maintenance and "all they really know how to do is complain" (<http://www.kpb.us/service-areas/rsa-service-area/meetings-rsa> - audio recording).

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the Road Service Board's budget of \$625,000 allocated for road maintenance and improvements in the Nikiski "North" road service area.

**Attachment A** reflects the 2016 Budget vs. Expenditure report for the Kenai Peninsula Borough Road Service Area. The budget for the "North" roads is \$625,000 of which only \$231,000 has been "used" as of Jan. 5, 2016. (The "North" roads encompass the proposed area of the City of Nikiski.) The expenditure budget of \$625,000 created by the KPB is based on factual expenditures made in prior years. Therefore, the fact that the KPB is collecting over \$2.2 million knowing that expenditures that will probably not exceed \$625,000 for road services is unacceptable.<sup>2</sup>

### **Social and Economic Development:**

With the potential of the AKLNG project's Liquefaction Facility planned for construction in the territory of Nikiski (see Petition Section 23), attention to road maintenance and construction will be critical for the safety and welfare of commuters in the area. However, the economic and social impact upon the community of Nikiski including basic needs and desires are ignored and overlooked by the KPB (see footnotes 1 & 2). Through local self-government, residents can expect and receive superior commitment,

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<sup>2</sup>At the March 22, 2016 RSA board meeting (see Section 2.A above), in response to a Nikiski citizen's comment that the Nikiski property owners are funding road services for the entire KPB non-incorporated area and "not receiving a lot of money back", the acting RSA board chairman, Robert Ruffner stated "the borough is a government unit ... we don't do the parochialism thing – where we say money that comes from here goes back in there – that's not how government works. So when I hear that comment that a lot of money coming from Nikiski oughta go back, that's just not right." And completed his statement by saying "If you want to lead the charge to incorporate Nikiski and keep the money in Nikiski – knock yourself out".

## **EXHIBIT G**

accountability and cooperation from elected local council members and the hired city manager, compared to the present unresponsive attitude of Kenai Peninsula Borough road service officials.

Consequently, a significant need exists for the formation of local government that embodies an open and inclusive process of self-representation. The end result by changing to local government decision-making and accountability will increase efficiency, timeliness, and effectiveness resulting in safer roads and higher standards of services for the City of Nikiski's burgeoning population.

### **Health, Safety, General Welfare and Protection of Environmental Resources:**

Health, safety and general welfare conditions of the proposed territory of Nikiski languish under the control of the Kenai Peninsula Borough government. The proposed City of Nikiski's need for maximum local self-government is paramount to maintain and build up current roads to acceptable and safe standards, and to plan and build new roads to effectively secure and promote economic growth with the territory. Additionally:

#### **A. Law Enforcement**

Currently, the proposed territory of Nikiski has inadequate law enforcement protection for a community of its size. The Alaska State Troopers (AST) Detachment E, based in Soldotna, Alaska (over 10.5 miles away from the southernmost boundary of the proposed territory, and approximately 29 miles away to the end of the north road in Nikiski), protects communities from as far north as Girdwood and Tyonek to as far south as Homer, including the entire territory of Nikiski. Recent budget declines have cut trooper positions in Girdwood and discussions with AST representatives have confirmed that those positions will not be placed in the Nikiski territory because Nikiski is not a high priority area; AST presence will continue to occur on an as-needed basis only. Accordingly, the current law enforcement presence cannot respond to emergencies and crimes in a timely manner.

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As reported in this Petition's Section 17, in October 2015, 61% of Nikiski residents voted down a Law Enforcement Service Area for the territory primarily because they did not want to vote for another borough managed service area with the eventual probability of Nikiski taxpayers paying for borough-wide law enforcement. Through Home Rule self government, Nikiski residents will be able to define and engineer the law enforcement protection plan that best serves the needs and culture of the community through a vote by the people.

### B. Safeguarding Groundwater

The quality of Nikiski's groundwater has been the subject of discussion and controversy for many years. The careless and reckless handling of industrial waste during the "oil boom" of the 70s resulted in contaminated sites where toxic materials were disposed. In those days, there was little regard for protecting groundwater. To save money, industrial waste was simply buried rather than transported to safe disposal facilities. No one knows exactly the kind of chemicals or the quantity of toxic substances that are still buried throughout the north road area and no one can say if and when buried chemicals will leak or leach into Nikiski's water sources. Over the past few years, monitoring wells have been drilled to determine the types of chemicals remaining in Nikiski's ground water and the direction of vast plumes of water contained in the aquifers from which Nikiski draws this vital resource.

While there is little to be done about the damage caused by unregulated waste disposal in the past, with Home Rule will come a great opportunity to prevent unregulated waste storage, containment, and disposal in the future. Nikiski may one day become a major industrial hub. The nature of the oil and gas industry will always demand the strictest environmental parameters because of potential spills, deep-well injection fluids, surface containment ponds, fracking, and the questionable success of the State's Department of Environmental Conservation and the Federal Government's Environmental Protection Agency's ability to safeguard our single most essential natural resource. With the establishment of Nikiski as a Home Rule city, will come the authority to assure



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that new industry abides by standards written into contracts, operating agreements, and permits to engage industry.

The benefit to the community is clear: Local authority to safeguard our own groundwater is essential.

In summary, the incorporation of the Home Rule City of Nikiski would allow our growing population the means to become autonomous, proactive, responsible, and will enable residents the ability to exercise local control of our communities' desires and needs in the safest and most economical manner to ensure our health, safety and general welfare.

### **SECTION 3. Services to Nikiski Cannot Be Provided By Annexation to an Existing City and Would Be Far More Efficiently Served Through an Incorporated City Than Borough Operated Service Areas.**

#### **Annexation**

The only nearby city to Nikiski is the City of Kenai, a Home Rule City. Recent informal discussions with City of Kenai officials have made it clear that the City of Kenai has no interest in acquiring the territory or the responsibility for the municipal services for the community of Nikiski. An annexation of Nikiski by the City of Kenai would increase their population by more than 60% and triple the area size. The City of Kenai does not have the infrastructure or resources to annex Nikiski.

Additionally, regarding Home Rule status, at the May 3, 2016 Soldotna Chamber of Commerce meeting, Rick Koch, the current City of Kenai Manager stated "Why would you not want to make the decisions as close to the people that are served by the government as possible? ... it's about being able to strike your own direction as a community."

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Annexation is of no interest to the people of Nikiski. Their goal of achieving far greater efficiencies for public services through local governance would not be advanced from moving control from the remote Borough location to a City 15 miles away. Currently, the Kenai City Council is voted on an “at-large basis” which if annexed, would leave Nikiski woefully under represented. Furthermore, the community of Nikiski seeks Home Rule governance through a personalized Charter that best encompasses the community’s desires and culture. This proposed charter is included in the petition for incorporation that will be approved by Nikiski voters concurrently to the Home Rule status election. They favor more limited government than that approved by the voters of the City of Kenai through their Charter.

### **Efficiencies of Public Services From Local City Governance in Lieu of Borough Controlled Service Areas.**

An article appearing in the Peninsula Clarion newspaper dated May, 19, 2016 titled *Assembly digs in to borough budget*, the Clarion quotes KPB Assembly President Blaine Gilman as saying “...the size of the Kenai Peninsula Borough makes running services more expensive than in a smaller geographic area like Anchorage or Juneau, so the borough should provide more funding to deliver the services.” Accordingly, the formation of the City of Nikiski accepting responsibility of administration for their own services can only help the Kenai Peninsula Borough by diminishing the burden upon future KPB budgets.

Currently, there are three Service Areas in the Nikiski community: (1) Fire, (2) Senior Services and (3) Recreation. All three Service Areas receive funding to deliver their respective services through Nikiski property taxes as overseen by the Kenai Peninsula Borough. Each Service Area has a Service Area Board duly elected from the Nikiski community. Each Service Area Board performs an advisory role to the Borough on matters pertaining to their individual function.

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Additionally, there is a Borough-wide Road Service Area which provides contract road maintenance to Borough roads in the Nikiski community. The Road Service Area is divided into North, South, East, West and Central Regions. The Road Service Area Board is appointed by the Borough Mayor with each Region represented by one member. There are two “At-Large” members appointed for a total of seven members of the Road Service Area. There is one representative from Nikiski on the Road Service Area Board. All seven Road Board members vote on issues pertaining to Nikiski.

The Nikiski community believes the services provided by the Borough Service Areas can be more efficiently and inexpensively delivered by a Nikiski Home Rule City. The Service Areas (with the exception of the Borough-wide Road Service Area) are contained within the incorporation boundaries of the proposed City of Nikiski. A Nikiski Home Rule City Council can focus better on community decisions for these municipal services with the tax dollars collected within a City of Nikiski.

The Nikiski community receives law enforcement services from the Alaska State Troopers. In 2015, a voter initiative was placed on the ballot for the establishment of a Kenai Peninsula Borough Law Enforcement Service Area which comprised the Nikiski community (see Petition Section 17, page 30). The Nikiski community voted this initiative down by 61%. It is commonly believed that the community of Nikiski rejected this voter initiative because they did not want to add another Service Area (Law Enforcement) to their community that would be administered by the Borough. The proposed City of Nikiski does not currently plan to provide Law Enforcement services at the inception of the City and will retain the services from the Alaska State Troopers at the time of incorporation.

If Nikiski remains an unincorporated community, there is limited ability to develop Law Enforcement services to suit the needs of the community. A City of Nikiski would be able initiate their own Law Enforcement services through their own municipal government if and when the community desires it.

Additionally, there is a looming threat that Borough managed Service Areas are always under the risk of abolishment. AS 29.35.450 stipulates that any service area may be

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abolished by ordinance. Service Areas are created through a vote by the citizens to self-impose a tax for a specific service in their local community. The concept is that local citizens elected to the service area board of directors along with the hired manager will develop the budget for the service area and will be involved in the operation of the service area. This is to ensure that the service is operated and provided in the manner of which the local citizen's accepted the fiduciary responsibility through their vote. Citizen's vote to fund services in the defined local community only. After a public hearing at the service area board of directors meeting, the budget is forwarded to the borough assembly for final approval. When the Borough, without voter approval, abolishes local Service Area/Boards and assimilate the assets borough wide, they consciously choose to take money collected from one community for the purpose of giving money to another community. With only one locally elected representative out of nine on the Borough Assembly, the will of the people of the local area is historically over-ridden by the desires of the rest of the Kenai Peninsula Borough. This was clearly evidenced by the Borough Assembly's passage of Ordinance 91-18 (see above and Petition Section 17 – Road Service Area) against all objections made from the local community. More recently, the KPB Assembly abolished the citizen's Service Area Board for the Central Kenai Peninsula General Hospital in Ordinance 2016-11, eliminating the elected citizen's advisory input that was intended to "provide improved oversight in the hospital operations"<sup>3</sup>. Again, the lone Nikiski Assemblyman, Wayne Ogle, was out-voted 8-1.

**SECTION 4. The economy of Nikiski includes the human and financial resources necessary to provide essential municipal services at an efficient, cost-effective level as required by AS 29.05.011(a)(3) and 3 AAC 110.020(1).**

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<sup>3</sup> KPB Ordinance 97-70 – reestablishment of the Central Kenai Peninsula Hospital Service Area Board

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### **Education Levels of the Community Residents:**

Nikiski residents are a diverse group of skilled workers and professionals. Many residents are employed in the oil and gas and related service industries based in Nikiski, the Cook Inlet and on the Alaska North Slope. We also have a strong fishing industry within the community.

The Educational Attainment Percent<sup>4</sup> for Nikiski residents is at 92% for high school graduates or better. Nikiski Middle/High School employs 49 teachers and staff. Nikiski North Star elementary school employs 45 teachers and staff. Tebughna School in Tyonek employs 5 teachers. A significant number of community members employed in the oil and gas industry and related services possess professional credentials. This community has long been ready for self-governance. Nikiski residents possess the requisite level of education and talent needed to support local governance.

### **Property Values, Economic Base, and Personal Income:**

The Median Household Income for Nikiski (2010-2014 American Community Survey 5-year estimate) is \$71,683 as compared to \$62,826 for the Kenai Peninsula Borough. The Median Housing Value is \$187,000. Individuals below the poverty line is 5.9% compared to 9.1% for the Borough. The taxable value of real property in Nikiski for 2016 is \$678,459,000. The taxable value for personal property is \$43,078,000. The taxable value of oil & gas properties (AS43.56) is \$878,259,000. Nikiski has over 300 identified businesses of varying sizes (see Attachment G).

An unknown factor is the Alaska LNG project. The project terminus is in Nikiski where the proposed Nikiski liquefaction plant and export terminal is planned. Nikiski would benefit by an estimated 2,000 to 2,500 new jobs. The first gas is estimated to be produced by 2024. This would represent a very significant economic driver for Nikiski and would operate for decades. The environmental review work and design work are already providing economic benefit to Nikiski as the project moves toward development.

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<sup>4</sup>2010- 2014 American Community Survey 5-yr estimate

## **EXHIBIT G**

### **Anticipated Income and Expenses of the Proposed City of Nikiski:**

There are four service areas that would fall under the City of Nikiski's administration: (1) North Peninsula Recreation Service Area (NPRSA); (2) Nikiski Fire Service Area (NFSA); (3) Road Service Area (RSA - Nikiski Division); and (4) Nikiski Senior Service Area (NSSA). These services would be absorbed into a City of Nikiski and be administered by the City of Nikiski instead of the present service areas.

The budget estimates revenues are based on the 2016 Nikiski property values of \$1,599,796,000 (NFSA), as well as mill rates of 1.0 (NPRSA), 2.9 (NFSA), 1.4 (NRSA), and 0.2 (NSSA). The budget for the proposed City of Nikiski anticipates fiscal year 2016 expenditures for these four Nikiski service areas equivalents to the Kenai Peninsula Borough's (KPB published expenditures). Also anticipated is that expenditures are expected to remain at their budgeted level (as published by the KPB) which implies the continued provision of services by publicly owned and operated entities. The budget also applies an annual 2.3 percent inflation rate to both revenues and expenditures to predict nominal increases in both through fiscal year 2020. This rate reflects the average annual rate of growth of the Anchorage CPI over the years 2006 through 2015. The budget for the City of Nikiski includes preliminary cost estimates for two City positions: City Manager, City Clerk; and retainer of contracted legal services.

### **Anticipated Functions of the City of Nikiski:**

Nikiski anticipates serving its citizens by initially providing the following services: road maintenance (non-State or Federal roads), parks and recreation, senior services, fire and emergency services, general administration, planning and zoning (in accordance with AS 29.40 and AS 29.35.250), local community and economic development, taxation and capital improvement projects.



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**SECTION 5.** The population of the proposed City of Nikiski is sufficiently large and stable enough to support the proposed city government as required by 3 AAC 110.030 and AS 29.05.011(a)(4).

The proposed territory of the City of Nikiski has a population of 5,985 as reported by the *Nikiski Fire Department FY 2015-2016 Budget Handbook*. The 2010 US Census reported the population for the territory at 5,664 - an increase of almost 6% over 5 years and 8.5% since the 2000 population census (**Attachment F**).

### 2010 US CENSUS DATA

	NIKISKI	SALAMATOF	TYONEK	BELUGA	TOTALS	%
Under 18	1,238	128	48	2	1,416	25%
18-19	106	45	4	1	156	3%
20-24	235	97	7	3	342	6%
25-34	437	165	30	0	632	11%
35-49	930	261	33	2	1,226	22%
50-64	1,104	204	37	6	1,351	24%
65 & over	443	80	12	6	541	10%
<b>Population</b>	<b>4,493</b>	<b>980</b>	<b>171</b>	<b>20</b>	<b>5,664</b>	<b>100%</b>

The increase in population is notable given that one of the largest industries represented in the territory is oil and gas related which has had a discernible decrease in activity in recent years.

Another confirming relevant factor of Nikiski's growth is in education enrollment. Reported by the Kenai Peninsula Borough School District in their 2017 Enrollment Projections publication, the KPBSD enrollment in 2016 for K-12 is reflected below:

School	Location	FY16 # of Students	FY17 Projection
Nikiski Middle/High School	Nikiski	364	362
Nikiski North Star Elementary	Salamatof	349	360
Tebughna School	Tyonek	40	40
	<b>Total</b>	<b>753</b>	<b>762</b>
			<b>1.2%</b>

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With the probability of the AKLNG liquefaction plant being built in Nikiski, increasing sustained growth opportunities, the population of the City of Nikiski will continue to grow, requiring the need for a local city government to efficiently and economically provide additional private and public services. Therefore, it is imperative that the City of Nikiski be incorporated as soon as possible to meet these anticipated needs.

**SECTION 6. The boundaries of the proposed city include all land and water necessary to provide development of essential municipal services on a cost-effective and efficient level as required by 3 AAC 110.040(a) and AS 29.05.011(a)(2).**

The proposed Home Rule City of Nikiski encompasses a 5,479.81 square mile area that includes the waters of Cook Inlet.

### **Land**

The land within the proposed City of Nikiski is owned by a combination of private and public entities, with some major property owners including Alaska Native Corporations, the Alaska Mental Health Trust Authority, oil and gas corporations, the Kenai Peninsula Borough and the State of Alaska.

Private land ownership melds together with the larger entities for year-round residences, recreational cabins, commercial development, farming and agriculture, fishing sites and a plethora of other private uses including a rich supply of gravel sources for development. Except for the downtown area of Nikiski, all other landowners provide for their own on-site water wells and wastewater systems. Downtown Nikiski is supplied water through the private company Nikishka Bay Utilities, Inc.

The City of Nikiski will welcome and solicit future industry to establish their operations within the territory (like the AKLNG). As a result, property values will continue to rise, generating an increased tax base that will secure a solid financial support source for the city government - without an increase to taxpayers' mil rate. The stability of the

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territory's industry and resident population ensures the ability for the city to fund existing services, including road maintenance and construction, and could later provide other services to the area if so desired by the voters.

### Water

Many of the residents of the greater Nikiski area depend on sustainable fisheries for their livelihood, recreation and sustenance. Some of Alaska's most productive and valuable commercial fisheries occur in the Nikiski-Cook Inlet basin.

For the past 50 years, Nikiski has also been the central hub to the infrastructure that supports the numerous Cook Inlet platforms, pipelines, and LNG tanker routes. Nikiski residents have pioneered Cook Inlet resource development and sustainable living. Integrating this history and experience to formulate an actionable governmental body of elected citizenry to represent Nikiski residents at a State level, will be imperative to any furthering policy regarding oil, gas and mineral development in the Cook Inlet Basin.

Nikiski residents desire local authority, through the formation of a governing body to work with the State of Alaska and Federal agencies in an effort to assure continued safe, secure and reliable offshore operation, to include fisheries, oil, gas and mineral development, vessel traffic, response capacity, and infrastructure development.

**SECTION 7. The boundaries of the proposed city must include only that territory comprising a present local community, plus reasonable predictable growth, development and public safety needs during the 10 years following incorporation as required by 3 AAC 110.040(b)(1).**

As described in Section 7 of the Petition, the boundaries of the proposed City of Nikiski are exactly the same as the current Nikiski Fire Service Area (NFSA). The NFSA was created by a vote of the territory residents to fund fire and emergency protection for the Nikiski area. Although the proposed territory boundary may appear to be large in size, the NFSA was established on August 19, 1969, and it has demonstrated and proven to

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be effective, well managed, efficient and successful services. The city government will provide the same level of service.

Currently, the Nikiski Fire Department (entirely funded through the Nikiski property owner's taxes and rescue fees), completely and efficiently services the entire area boundary of the proposed City of Nikiski. The NFD provides fire fighting services and emergency medical services uniformly from the territory's western Cook Inlet side to northern edge of Tyonek and Beluga, to the territory's southern rim of Salamatof to the eastern edge of the Kenai Moose Range. Additionally, the NFD has a fully trained and equipped dive unit that provides emergency services to the waters of Cook Inlet from rescue and recovery missions to specialized oil & gas platform fire fighting.



**In the 2015, the village of Tyonek was saved by the Nikiski Fire Department and Tyonek volunteer firefighters.**

If the proposed boundaries were less than the existing Nikiski Fire Service Area boundary, and minimized to just the vicinity immediately around the Port of Nikiski area or some other abridged boundary, then all of the abandoned non-incorporated area's services would no longer be the responsibility of the NFD and would become the responsibility of the Kenai Peninsula Borough.

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**Nikiski Fire Department fighting the Baker Platform  
fire in Cook Inlet**



**A Nikiski Fire Department diver.**

The additional burden of the specialized training and equipping of another fire and emergency response entity would be oppressive, burdensome and harmful to the remaining non-incorporated taxpayers of the KPB. Likewise, the removal of acreage from the existing Nikiski Fire Department's responsibilities, would unjustifiably eviscerate the expertise and infrastructure that has accumulated over 46 years since the Nikiski Fire Department was originally established in 1969 (ref: Ordinance 69-13). Furthermore, the services provided by the North Peninsula Recreation Service Area and the Nikiski Senior Service Area to Tyonek would succumb to analogous damages.

In addition to the loss of protection and services stated above, the abandoned non-incorporated area would also lose all representation within the KPB government.

There is no anticipated or expected increase or decrease in size for the City of Nikiski boundaries in the future. As illustrated above, nor would it be logical or rational to alter the proposed boundary.

**SECTION 8.** As stipulated in 3 AAC 110.040(b)(2), the boundaries of the proposed city may not include entire geographical regions or large unpopulated areas, except if those boundaries are justified by the application of the standards and otherwise suitable for city government.

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The proposed boundaries do include unpopulated areas, but the boundaries are fully justified. As warranted in this Exhibit's Section 7 above and Section 7 of the Petition, the proposed boundaries have a proven record for successful services management spanning over 46 years throughout the entire boundary area, populated or not.

The City of Nikiski will welcome industry. With the abundance of energy, water resources and access to the land area, industrial growth is assured.

### **SECTION 9. Proposed city boundaries must address and comply with all standards and procedures to alter boundaries of overlapping existing cities or an organized borough as required by 3 AAC 110.040(d).**

As set forth, and established in Exhibit C of this petition, the proposed territory boundaries are currently within the organized Kenai Peninsula Borough and as the Home Rule City of Nikiski, will continue to be within the KPB. The proposed boundaries do not vary or overlap any other existing organized borough or city, except Tyonek. As described in Sub-section 7C of the petition, Tyonek objects to its inclusion within the Kenai Peninsula Borough but has reached an arrangement with the KPB. Located within the existing Nikiski Fire, Recreation and Senior Service Areas, the West Side and Tyonek would continue to receive the City of Nikiski services provided, but would gain a more visible and respected position of representation within the localized government. The City of Nikiski will be more receptive and engaged in creating a stronger relationship with the West Side and Tyonek; respect Tyonek's sovereign status as a federally-recognized tribe; uphold its wishes to remain a closed community; and strive to recognize and meet its unique community needs. As such, the proposed City of Nikiski Charter includes the appointment of one Council Member as a liaison representative to the West Side and Tyonek, bringing their concerns and questions directly to the City of Nikiski Council. Additionally, because the Native Village of Tyonek (NVT) is providing road services to Tyonek, they will be exempt from the Nikiski Road Services and corresponding mil rate of 1.4 – a reduction to their current KPB property taxes.



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**SECTION 10. Incorporation is in the best interests of the state, as required by 3 AAC 110.042 and AS 29.05.100(a), and promotes maximum local self-government as determined under 3 AAC 110.981(8); with minimum local government units as required by 3 AAC 110.982 and in accordance with article X, section 1 of the Constitution of the State of Alaska; and will relieve the state government of the responsibility of providing local services and for the needs that cannot be met by the borough on an area-wide or non-area-wide basis, by annexation to an existing city, or through an existing borough service area.**

As the Home Rule City of Nikiski, the maximum self-government control will be accomplished through local government. The City will be recognized as a true governmental entity with the inherent powers granted under State law, able to represent itself, sue or be sued, and flourish through bonded community values.

Described in Section 3 above, currently the proposed territory of the City of Nikiski is governed through the organized second class Kenai Peninsula Borough. The KPB represents a plethora of communities with a vast array of interests and cultures that do not embody the same values as Nikiski residents. Whereas, Nikiski welcomes industry of all types from the commercial, set-netting and sport fisheries to energy based corporations, the current governing power for Nikiski is the borough mayor and a 9-member borough assembly in which Nikiski is represented by only one member. Regardless of who is filling the Nikiski assembly seat at the time, historically they are out-voted on Nikiski issues. By State law, a second class borough may exercise most powers through area-wide or non-area-wide status via ordinance, so with only one-ninth the voting power in the borough's government, Nikiski consistently suffers from ordinances passed through the assembly benefitting the wants and desires of the rest of the borough. This comes at the burden and expense of Nikiski citizens. This is most clearly evident by the taxation upon Nikiski residents for road services of \$2.2 million and realizing less than \$625,000 back to local road services every year (see Section 2.B in this Exhibit G above). Nikiski's Road Service Area was taken by the borough assembly, through ordinance, without a vote by citizens and as documented in Section 17 of the Petition, against the will of the citizens of Nikiski. Through this overreaching of

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government powers, the KPB assembly consciously voted to use Nikiski-generated funds to provide services to the rest of the Borough without providing any corresponding benefit back to Nikiski. The actions of the KPB Road Services demonstrate that this non-area-wide service area cannot and does not provide adequate, sufficient or safely maintained road services to the local community of Nikiski (see this Exhibit's Section 2 above and Section 6 of the Petition).

The remaining three Nikiski service areas (Nikiski Fire Department, Nikiski Senior Services and North Peninsula Recreation Services) were voted for Nikiski, by the citizens of Nikiski and are also funded through Nikiski's property owner taxes. As a non-area-wide unincorporated area, all of these service areas are also under the auspices of the Kenai Peninsula Borough, but unlike the Road Service Area, these three are still wholly represented by a board of elected Nikiski residents. These services are responsibly managed efficiently and economically by Nikiski residents, and have proven success in providing services to, and by, its own residents. As a Home Rule city, all of these services will become departments for the city to manage, resulting in maximum local self-government with minimum local government units.

As a Home Rule city, the proposed territory can vote to provide law enforcement protection to its citizens. The second class borough is unauthorized to provide this power without self-imposed citizen authorization, generally in the form of a service area. Documented in Section 17 of the Petition, residents of the proposed area were concerned about increasing crime and want additional protection, but are unwilling to be exposed to excessive taxation to support the rest of the borough's unincorporated areas for law enforcement in the same way as the road service area. As a Home Rule city, the citizens can vote to employ their own law enforcement protection services, thereby providing increased safety and welfare for residents that the Borough cannot provide.

The Alaska State government meets in a remote and mostly inaccessible area away from the vast majority of communities it serves; including the Kenai Peninsula Borough. And as established herein, historically, existing infrastructure improvements, enrichment through capital expenditures and a basic unified support for the Nikiski area has not

## **EXHIBIT G**

been precedence for the KPB officials that focus on large borough sized projects at the expense of local projects. Therefore, because the Borough and State must focus on larger issues and multiple communities, incorporation of the City of Nikiski will better ensure the quality of life and safety of residents for the proposed area and serve the best interests of the State by being more autonomous through self-government. Concurrently, the new City of Nikiski will be more effective in the promotion and attainment of sustained economic and social development, while maximizing local self-government.

**SECTION 11. The proposed incorporation will not deny any person the enjoyment of any civil or political right, including voting rights, because of race, color, creed, sex, or national origin (3 AAC 110.910).**

As stipulated within the proposed Home Rule City of Nikiski Charter, the incorporation will not deny any person the civil or political rights protected under the Constitution of the State of Alaska or the Constitution of The United States of America, including voting rights, based on race, color, creed, sex or national origin.

**SECTION 12. Essential services consist of those mandatory and discretionary powers and facilities that are 1) reasonably necessary to the community; 2) promote maximum, local self-government; and 3) cannot be provided more efficiently and effectively by another political subdivision of the state as stated in 3 AAC 110.970(c).**

Listed in the proposed petition under Section 15 and under this Exhibit G, Section 3 above, regarding efficiencies of public services from local city governance in lieu of borough controlled service areas, it is reasonably necessary and unquestionably logical for the proposed City of Nikiski to continue to provide the fire and emergency services, parks and recreation services and senior citizen services that Nikiski residents currently fund through service areas. Also, as established in Sections 2 and 10 above, the

## **EXHIBIT G**

proposed City of Nikiski is superiorly more capable to provide for road services than the non-incorporated area-wide KPB road service entity or any other political subdivision of the state. Existing road conditions are wholly inadequate, disproportionately and unjustifiably expensive for territory taxpayers, inefficient and hazardous for residents.

The proposed city would also be empowered to provide local city administration, capable of capital improvement projects, economic development, community development projects, voter approved law enforcement improvements and accessibility to the residents of the territory – all functional components to maximize local self-government.

**SECTION 13. Ascertain if incorporation of a new city is the only means by which residents of the territory can receive essential municipal services as described in 3 AAC 110.982(6).**

As stated in Sections 3 and 10 above, the needs and desires of the unique territory of Nikiski are often neglected and ignored by borough and state government entities. Incorporation of Nikiski is the only viable solution for growth and success of a vibrant, healthy community; establishing local government autonomy; an open and inclusive process of self-representation; by the people and for the people that live in the territory.



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PROPOSED

# **CITY OF NIKISKI, ALASKA**

## **PROPOSED HOME RULE CHARTER**

### **PREAMBLE**

We, the citizens of Nikiski, Alaska, dedicated and determined to protect and maintain the critical Balance between our Energy and Fishing Industries while Honoring Rural Lifestyles, declare that the creation of our own Home Rule Charter maintains the standard of self-determination that was central to our Community's founding by the original Alaskans, Pioneers, and Homesteaders. We believe that the best government is the one closest to the people, depending not only on the individuals elected to City Offices, but also upon guiding principles, rules and procedures. We the people of the City of Nikiski, under the Constitution and laws of the State of Alaska, in accordance with Judeo-Christian values, in order to secure the benefits of local self-government believe responsive and representative government depends upon personal responsibility, the right of citizens to redress grievances and the ability of citizens to make determinations when dictated by circumstances to secure the general welfare and liberty for all. This City Charter, created to serve the people of Nikiski, frees us from being required to rely on the Kenai Peninsula Borough Assembly to dictate the central terms and conditions of our Community. This Charter gives life to the essential nature of American citizenship. This document is dedicated to ensure such rights and duties to the people and to encourage citizen participation in our government for the proper and efficient development of our City.

### **A BILL TO BE ENTITLED AN ACT**

To incorporate the City of Nikiski in the Kenai Peninsula Borough as a Home Rule City; to provide for a charter for the City of Nikiski; to provide for incorporation, boundaries, and powers of the City; to provide for general powers and limitations on powers; to provide for a governing authority of such city and the powers, duties, authority, election, terms, method of filling vacancies, compensation, expenses, qualifications, prohibitions, and districts relative to members of such governing authority; to provide for inquiries and investigations; to provide for organization and procedures: to provide for ordinances; to provide for the office of mayor and certain duties and powers relative to the office of mayor; to provide for administrative responsibilities; to provide for boards, commissions, and authorities; to provide for a City Manager, a City Clerk, a contracted City Attorney, and other personnel; to provide for practices and procedures; to provide for ethics and disclosures; to provide for land use planning and platting; to provide for taxation, licenses and fees; to provide for franchises, service charges, and contracts; to provide for

1 bonded and other indebtedness; to provide for accounting and budgeting; to provide for purchases; to  
2 provide for bonds for officials; to provide for other matters relative to the foregoing; to provide for a  
3 referendum; to provide effective dates and transitional provisions governing the transfer of various  
4 functions, assets, and responsibilities from the Kenai Peninsula Borough to the City of Nikiski; to provide  
5 for severability; to provide an atmosphere of welcoming and soliciting industry; to provide a Home Rule  
6 City that will not deny any person the civil or political rights protected under the Constitution of the State of  
7 Alaska or the Constitution of the United States of America; to repeal conflicting laws; and for other  
8 purposes to secure the general welfare and liberty for all.

## 10 ARTICLE I: GENERAL PROVISIONS

### 12 Section 1.01: Incorporation.

13 This Act shall constitute the Charter of the City of Nikiski, Alaska. The City of Nikiski, Alaska, in the Kenai  
14 Peninsula Borough, and the inhabitants thereof, are constituted and declared a body politic and corporate  
15 under the same name and style of the "City of Nikiski" and by that name shall have perpetual succession,  
16 may sue and be sued, plead and implead, in all courts of law and equity, and in all actions whatsoever, and  
17 may have and use a common seal.

### 19 Section 1.02: Powers.

20 All powers, functions, rights, privileges, and immunities of the City, its officers, agencies, or employees  
21 shall be carried into execution as provided by this Act. If this charter makes no provision, such shall be  
22 carried into execution as provided by ordinance or as provided by governing laws of the Kenai Peninsula  
23 Borough or State of Alaska. The powers of this City shall be construed liberally in favor of the residents of  
24 the City of Nikiski. The specific mention or failure to mention particular powers shall not be construed as  
25 limiting in any way.

27 The City's Powers shall encompass, but are not limited to, the following Departments, Services, and/or  
28 Functions:

#### 29 City Administration

- 30 •Fire and Emergency Services
- 31 •Parks and Recreation
- 32 •Senior Services
- 33 •City Road Development and Maintenance
- 34 •Planning and Zoning (in accordance with AS 29.35.250 and AS 29.40)
- 35 •Local Economic Development
- 36 •Taxation
- 37 •Local Community Development

## EXHIBIT H

- Capital Improvement Projects
- Disaster Planning and Cooperative Response
- (a) Law Enforcement

The City of Nikiski will address its need or desire for local Law Enforcement as appropriate by pubic vote through the City Council. Currently, the City Area Law Enforcement relies on Alaska State Troopers.

### **Section 1.03: Rights and Liabilities.**

By the name of the City of Nikiski the municipal corporation shall have perpetual succession; shall own, possess and hold all property, real and personal heretofore owned, possessed and held by the City and does assume and shall manage and dispose of all trusts in any way connected therewith; shall succeed to all the rights and liabilities of the City; shall acquire all benefits and does assume and shall pay all bonds, obligations and indebtedness of the City; may sue and defend, purchase, lease, receive, hold and enjoy or sell and dispose of real and personal property; may establish public works and provide public utilities and other public services as permitted by law; and shall have a common seal and alter the same at pleasure.

### **Section 1.04: Form of Government.**

The municipal government provided by this Charter shall be a "Council-Manager" form of government. Pursuant to the Charter provisions and subject only to limitations imposed by the Constitution of the State of Alaska, all powers shall be vested in an elected City Council, which shall enact local legislation, adopt budgets, determine policies and appoint the City Manager who shall execute the laws and administer the City government. All powers of the City shall be exercised in the manner prescribed by this Charter. The City shall utilize Public Private Partnership model form of government to the greatest extent possible to result in lower costs and better service through competitive bid.

### **Section 1.05: Corporate Boundaries.**

The boundaries of the City of Nikiski shall be as set forth and described in Appendix A of this charter, and said Appendix A is incorporated into and made a part of this charter. The City Manager shall maintain a current map and written legal description of the corporate boundaries of the City, and such map and description shall incorporate any changes which may hereafter be made in such corporate boundaries.

### **Section 1.06: Definitions.**

The following terms as used in this Charter shall have the assigned meaning.

"City Council" shall mean the Mayor and the Council members.

"City Elective Offices" shall mean the offices of City Council except as specifically addressed in this

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Charter.

"Emergency Ordinance" shall mean an Ordinance adopted in accordance with the provisions of this Charter and for which the City Council has determined that immediate effectiveness is necessary for the immediate preservation of the public peace, health or safety.

"Motion" shall mean a formal step to introduce a matter for consideration or action of the City Council.

"Ordinance" shall mean a form of action of the City Council adopting laws or legislative enactments of a permanent nature or other actions required by this Charter to be by ordinance, which acts must follow the procedure for passage required by this Charter and shall include Ordinances adopted through the process of initiative as provided in this Charter.

"Public/Private Partnership (P/P/P)" shall mean that the preponderance of core functions/services, with the exception of fire & emergency services, of the City shall be provided through contracts with private industry-business.

"Quorum" shall mean a majority number of the members of City Council in office.

"Regular City Election" shall mean the election held pursuant of this Charter.

"Resolution" shall mean a written form of action of the City Council on matters of a nonpermanent nature that are affected through adoption by a majority of the City Council present at a meeting of the City Council."

## ARTICLE II: ELECTIVE OFFICES

### Section 2.01: City Council and Mayor.

The City Council shall consist of the Mayor and eight (8) Council members. The Mayor and Council members shall be elected at large from the entire City.

### Section 2.02: Limits on City Elective Offices.

In addition to the limits on other elective offices set forth in this Charter, no person shall be eligible to stand for election for more than one City Elective Office at any single City election. For purposes of this Section of the Charter only, "City Elective Office" shall include any office on a new charter commission to be formed in accordance with STATE OF ALASKA LAW as may be amended from time to time. A candidate may hold any City Elective Office of any kind and run for another City Elective Office of any kind at the same time, but if elected, the candidate must resign his current City Elective Office and fill the City Elective Office to which the candidate was subsequently elected.

1 **Section 2.03: Terms of Office--City Elective Offices.**

2 (a) Each person holding City Elective Office at the time of the effectiveness of this Charter shall  
3 continue to hold such City Elective Office for the term for which such person was elected or appointed and  
4 subject to the same limitations on terms of office in existence prior to the effectiveness of this Charter.

5  
6 (b) The term of office for each person holding City Elective Office shall commence upon their taking  
7 the oath of office at the ensuing organizational meeting of the City Council held at the first regular meeting  
8 of the City Council following the election and shall continue during the term for which they shall have been  
9 elected until their successors shall have been elected and duly qualified. An organizational meeting of the  
10 City Council shall be held at the first regular or special meeting of the City Council following the annual  
11 election.

12  
13 (c) The Mayor and each Council member shall be elected for a term of three (3) years  
14

15 **Section 2.04: Mayor--Powers and Duties.**

16 The Mayor shall preside at all meetings of the City Council and shall exercise such powers and perform  
17 such other duties as are or may be conferred and imposed upon him by this Charter or the Ordinances of  
18 the City. The Mayor shall have all the powers, rights and privileges of a Council member. The Mayor shall  
19 have no power of veto. The Mayor shall be recognized as the head of the City government for all  
20 ceremonial, dignitary and legal purposes, and the Mayor shall execute and authenticate legal instruments  
21 requiring the Mayor's signature as such official.  
22

23 **Section 2.05: Mayor Pro-Tem.**

24 The City Council shall, at the first regular scheduled meeting following the annual election of each year,  
25 elect one of its Council members to serve as Mayor Pro-Tem for a term of one (1) year, commencing and  
26 expiring at the first regular meeting of the City Council scheduled after the annual election. The Mayor Pro-  
27 Tem shall be elected by a majority of the members of City Council present at said meeting and may be  
28 removed by a majority of members of City Council in office at the time a vote is taken. In the absence or  
29 disability of the Mayor, the Mayor Pro-Tem shall preside at meetings of City Council and shall have all  
30 powers and duties of the Mayor. The Mayor Pro-Tem shall have all the powers, rights and privileges of a  
31 Council member.  
32

33 (a) General municipal elections shall be held on the Tuesday next following the first Monday in  
34 November in conjunction with the State of Alaska general election.  
35

36 (b) The Mayor and members of the City Council shall serve for terms of three years and until  
37 their respective successors are elected and qualified. Council members may serve two consecutive elected  
38 terms (up to six years). Following a one year hiatus, a previous Council member can be re-elected for a  
39 Council position. These same term limits are applicable to the Mayor position.



(c) Council positions terms shall be staggered so that a maximum of three members will be interchanged any given year by election

**Section 2.06: Qualifications.**

(a) To be eligible to hold City Elective Office, either by election or by appointment, a person, at the time of his nomination and election or appointment, shall be a registered elector as defined by the laws of the State of Alaska, a primary resident and registered elector of the City and, for those holding the office of Council member, a primary resident of the district he represents. To be eligible to hold City Elective Office, a person shall have resided within the City at the time of election or appointment for (3) years immediately preceding such election or appointment. For those holding the office of Council member, a person shall have resided within the district he represents for three (3) years immediately preceding election or appointment.

(b) Each person holding City Elective Office, either by election or by appointment, shall maintain his primary residency in the City throughout his term of office. If any person holding City Elective Office shall move from the City during his term of office, his seat shall be vacant and such vacancy shall be filled by the City Council as provided by this Charter.

(c) No person holding City Elective Office, either by election or by appointment, shall be an employee of the City during his term of office or perform personal services for the City for which such elected official is compensated other than as provided in this Charter.

(d) No person holding City Elective Office, either by election or by appointment, shall hold any other elective position with a federal, state, county or municipal governmental entity, including an office on a new charter commission to be formed in accordance AK STATE LAW as may be amended from time to time, during his term of office.

**Section 2.07: Vacancies.**

(a) An official shall continue to hold his City Elective Office until his successor is duly qualified except when such office is vacated as set forth in this Section. A City Elective Office shall become vacant whenever any officer fails to qualify within thirty (30) days after the commencement of his term, or retain qualification for City Elective Office as set forth in Section 2.7, or is recalled, removed, dies, becomes incapacitated, resigns refuses to serve or is judicially declared incompetent or ceases to be a resident of the City and district (if elected by district).

(b) In the event of a vacancy in the office of Mayor, the City Council may fill the vacancy by appointment or order a special election as soon as practicable to fill the vacancy. If a vacancy is filled by appointment or special election, the person holding the office of Mayor following such appointment or special election shall hold such office only until the term of office of a successor elected at the next Regular

## EXHIBIT H

1 City Election has commenced. The successor elected at the next regular election shall hold office for a term  
2 of three (3) years. The Mayor Pro-Tem shall have all powers and duties of the Mayor during any period of  
3 vacancy in the office of Mayor.

4  
5 (c) In the event of a vacancy in the office of a Council member, the City Council may fill the  
6 vacancy by appointment or by calling for a special election as soon as practicable.

7  
8 (1) If filled by appointment, the person appointed to fill the vacated office of Council  
9 member shall hold such office only until the term of office of a successor elected at the next Regular City  
10 Election has commenced. At the next Regular City Election, in order to retain staggered terms of office for  
11 Council members, the successor elected to fill the office of Council member which was filled by  
12 appointment shall be nominated and elected to a term to finish out the vacant position and may run for  
13 election for an additional three (3) years.

14 (2) If filled by special election, the person elected to fill the vacate Council member  
15 office shall hold office only until the expiration of the term of office held by the Council member whose office  
16 was vacated.

17  
18 No person shall be eligible to serve as Mayor or Council member unless that person shall have been a  
19 resident of the area comprising the corporate limits of the City of Nikiski for a continuous period of at least 3  
20 years immediately prior to the date of the election. Mayor or Council members shall continue to reside  
21 therein during that person's period of service, and shall continue to be registered and qualified to vote in  
22 municipal elections of the City of Nikiski.

23 (a) The first Mayor and the initial Council members shall take office on the  
24 first Monday following certification of their election.

25  
26 (b) All elected positions are at-large, unpaid, volunteers and primary residents  
27 of Nikiski.

28  
29 The office of Mayor or Council member shall become vacant upon the incumbent's death, resignation,  
30 forfeiture of office, or removal from office in any manner authorized by this Act or the general laws of the  
31 State of Alaska. A vacancy in the office of Mayor or Council member shall be filled for the remainder of the  
32 unexpired term by a special election if such vacancy occurs 12 months or more prior to the expiration of the  
33 term of that office. If such vacancy occurs within 12 months of the expiration of the term of that office, the  
34 City Council shall appoint a successor for the remainder of the term. This provision shall also apply to a  
35 temporary vacancy created by the suspension from office of the Mayor or any Council member. A Council  
36 member may incur three unexcused absences during each term of office and shall be removed from office  
37 on the fourth occurrence.

## EXHIBIT H

### 1    **Section 2.08: Nonpartisan Elections.**

2    Political parties shall not conduct primaries for City offices and all names of candidates for City offices  
3    shall be listed without party designation.  
4

### 5    **Section 2.09: Election by Majority Vote.**

6    The candidates for Mayor and Council person who receive a majority of the votes cast in the applicable  
7    election shall be elected to a term of office. The candidate receiving the highest number of votes shall be  
8    elected to that seat.  
9

### 10   **Section 2.10: Applicability of General Laws; Qualifying; Other Provisions.**

11   All elections shall be held and conducted in accordance with "AS 15 Election Code", as now or hereafter  
12   amended. Except as otherwise provided by this Act, the City Council shall, by ordinance or resolution,  
13   prescribe such rules and regulations as it deems appropriate.  
14

### 15   **Section 2.11: Compensation and Expenses.**

16   Mayor and Council shall serve without salary or stipend. The City Council may, by ordinance, prescribe  
17   such rules and regulations to compensate the Mayor or Council members for direct expenses incurred for  
18   City business.  
19

### 20   **Section 2.12: Inquiries and Investigation.**

21   The City Council may make inquiries and investigations into the affairs of the City and conduct of any  
22   department, office, or agency thereof subject to the State of Alaska laws and enforcement governing  
23   authority.  
24

### 25   **Section 2.13: Powers of City Council.**

26   The City Council shall constitute the legislative and governing body of the City and shall have all  
27   legislative powers and functions of municipal government, except as otherwise provided in the  
28   Constitution of the State of Alaska or this Charter and shall have the power and authority to adopt such  
29   Ordinances, Resolutions and Motions, as it shall deem proper.  
30

31        (a)     Except as otherwise provided by law or by this charter, the Council shall be vested with  
32   all the powers of government of the City of Nikiski as provided by Article I of this charter.  
33

34        (b)     In addition to all other powers conferred upon it by law, the Council shall have the  
35   authority to adopt and provide for the execution of such ordinances, resolutions, rules, and regulations,  
36   not inconsistent with this charter and the Constitution and the laws of the State of Alaska, which it shall  
37   deem necessary, expedient, or helpful for the peace, good order, protection of life and property, health,  
38   general welfare, sanitation, comfort, convenience, prosperity, or well-being of the inhabitants of the City of  
39   Nikiski.

**Section 2.14: Oath of Office.**

Every person holding elected office, before entering upon the duties of such office, shall take an oath or affirmation of office that the officer will support the Constitution and the laws of the United States and of the State of Alaska and this Charter and the Ordinances of the City and will faithfully perform the duties of his office upon which the officer is about to enter.

(a) The City Council shall meet on the first scheduled Council meeting immediately following each regular municipal election. The meeting shall be called to order by the mayor-elect and the oath of office shall be administered to the newly elected mayor and Council members by a judicial officer authorized to administer oaths. The oath shall, to the extent that it comports with federal and state law, be as follows:

"I do solemnly swear or affirm that I will faithfully execute the office of [*Council member or Mayor as the case may be*] of the City of Nikiski, and will to the best of my ability support and defend the Constitution of the United States, the Constitution of Alaska, the charter, ordinances, and regulations of the City of Nikiski and that I will perform the duties of my office in the best interest of the citizens of the Nikiski. So help me God."

(b) After taking the oath, the following written affidavit shall be signed by each elected official and filed:

"I affirm by this affidavit that I am not a holder of any unaccounted for public money due this state or any political subdivision or authority thereof. That I am not the holder of any office of trust under the government of the United States, any other State, or any foreign state which I by the laws of the State of Alaska am prohibited from holding. That I am otherwise qualified to hold said office according to the Constitution and laws of the State of Alaska. That I have been a resident of Alaska for at least 3 consecutive years, and the City of Nikiski for the time required by the Constitution and laws of this State and by the municipal charter."

**Section 2.15: Standards of Conduct.**

The City Council may adopt an Ordinance governing disclosure of conflicts of interest, recusals from voting and other standards or code of conduct or ethics that shall supersede statutory or constitutional provisions governing or addressing the same matters. To the extent not superseded by or conflicting with this Charter or such Ordinance, the City Council shall be governed by the Standards of Conduct as contained in ALASKA'S STATE LAW as the same may be amended from time to time.

**Section 2.16: Removal from Office.**

By an affirmative roll call vote of two-thirds (2/3) of the members of the City Council in office at the time of such vote, the Mayor or any Council member may be removed from office for good cause. No removal shall be made without notice to such elected official which contains the charge in writing and the facts upon

1 which the charge is based and an opportunity of a hearing before the City Council, which hearing shall be  
2 held no sooner than ten (10) days after the date the notice is given.

3  
4 **Section 2.17: Tyonek Liaison**

5 The Mayor shall appoint a Council Member to be Special Liaison to the Tyonek Village and area.  
6

7 **ARTICLE III: MEETINGS OF CITY COUNCIL**  
8

9 **Section 3.01: Regular City Council Meetings.**

10 The City Council shall meet regularly at least once each month at a day and hour and place to be fixed by  
11 the procedures and rules of order of each City Council. All regular meetings shall begin with an invocation  
12 and the pledge of allegiance.  
13

14 **Section 3.02: Special Meetings.**

15 Special meetings of the City Council shall be called by the City Clerk on the oral request of two (2) or more  
16 members of City Council with at least twenty-four (24) hours' notice to each member of the City Council and  
17 to the public, delivered in accordance with the procedures and rules of order of the City Council and the  
18 requirements of this Charter and the Alaska Open Meetings Law, as now in effect and as may be amended  
19 from time to time.  
20

21 **Section 3.03: Emergency Meetings.**

22 An emergency meeting may be called in the event of an immediate danger or threat to the public health,  
23 welfare, peace, safety or property for the purpose of preservation or protection of the public health, welfare,  
24 peace, safety or property. Unless it is impractical, all members of the City Council shall be notified of such  
25 meeting and such meeting may be held if a Quorum consents. Maximum practical notice, including posted  
26 notice, shall be given to the public stating the purpose, time, place and manner of any such meeting.  
27

28 **Section 3.04: Study Sessions.**

29 The City Council may hold study sessions as deemed necessary in accordance with its procedures and  
30 rules of order. No Quorum shall be required at any study session and no legally binding or formal action  
31 shall be taken at any such session.  
32

33 **Section 3.05: Open Meetings.**

34 All meetings of the City Council shall be open to the public. At City Council meetings, citizens, City  
35 employees, owners of real property and operators of businesses within the City shall have a reasonable  
36 opportunity to be heard except for those meetings that are designated as study sessions. In compliance  
37 with the Alaska Open Meetings Law, as now in effect and as may be amended from time to time, the City  
38 Clerk shall keep a record of the proceedings of each meeting.

**Section 3.06: Executive Sessions.**

Executive sessions may be held in compliance with the Alaska Open Meetings Law, as now in effect and as may be amended from time to time.

**Section 3.07: Posting of Meetings.**

The City Council shall adopt a Resolution which establishes public notice and posting requirements in accordance with the Alaska Open Meetings Law, as now in effect and as may be amended from time to time, including designating public places for such postings and such designation shall be deemed automatically readopted at the City Council's first regular meeting of each calendar year unless otherwise determined by the City Council.

**Section 3.08: Quorum Voting.**

In order for the City Council to conduct business, a Quorum shall be required at all meetings of the City Council except for study sessions. In the absence of a Quorum, a lesser number may reschedule any meeting to a later date and time

**Section 3.09: Procedures and Rules of Order.**

The City Council shall prescribe the procedures and rules of order governing meetings, which rules shall remain in effect until amended in accordance with the provisions of the adopted procedures and rules of order.

**Section 3.10: Attendance Required.**

Three (3) or more unexcused absences by a member of the City Council in any one (1) calendar year shall constitute grounds for sanctions. The procedures for excusing absences, including which types of meetings require attendance hereunder and appropriate sanctions, shall be as set forth in the procedures and rules of order of the City Council, as may be amended from time to time.

**Section 3.11: Ordinance Procedures.**

(a) Every proposed ordinance and resolution shall be introduced in writing, and the City Council shall have the authority to approve, disapprove, or amend the same. After any proposed resolution or ordinance is read at a City Council meeting, it may be approved and passed at such time by the City Council.

(b) The catch lines of sections of this charter or any ordinance printed in boldface type, italics, or otherwise, are intended as mere catchwords to indicate the contents of the section, and:

(1) Shall not be deemed or taken to be titles of such sections or as any part of the section; and,

## EXHIBIT H

1 (2) Shall not be so deemed when any of such sections, including the catch-lines, are  
2 amended or reenacted unless expressly provided to the contrary. Furthermore, the chapter, article, and  
3 section headings contained in this Act shall not be deemed to govern, limit, or modify or in any manner  
4 affect the scope, meaning, or intent of the provisions of any chapter, article, or section hereof.  
5

6 (c) The City Council may, by ordinance or resolution, adopt rules and bylaws to govern the  
7 conduct of its business, including procedures and penalties for compelling the attendance of absent  
8 members.  
9

### 10 11 **Section 3.12: Submission of Ordinances to the Mayor.**

12 (a) Every ordinance, resolution, and other action adopted by the Council shall be presented  
13 promptly to the mayor for signature.  
14

15 (b) The approved part or parts of any ordinance or resolution making appropriations shall  
16 become law, and the part or parts disapproved or reduced shall not become law unless subsequently  
17 passed by the City Council as provided in this charter.  
18

19 (c) If an ordinance or resolution has been signed by the mayor, it shall become effective.  
20

### 21 **Section 3.13: Administrative and Service Departments.**

22 (a) Except for the office of City Manager, the Council, by ordinance, may establish, abolish,  
23 merge, or consolidate offices, positions of employment, departments, and agencies of the City as they shall  
24 deem necessary for the proper administration of the affairs and government of the City. The Council shall  
25 prescribe the functions and duties of existing departments, offices, and agencies or of any departments,  
26 offices, and agencies hereinafter created or established; may provide that the same person shall fill any  
27 number of offices and positions of employment; and may transfer or change the functions and duties of  
28 offices, positions of employment, departments, and agencies of the City.  
29

30 (b) The operations and responsibilities of each department now or hereafter established in the  
31 City shall be distributed among such divisions or bureaus as may be provided by ordinance of the Council.  
32 Each department shall consist of such officers, employees, and positions as may be provided by this  
33 charter or by ordinance and shall be subject to the general supervision and guidance of the Council.  
34  
35  
36  
37  
38



## ARTICLE IV: BOARDS AND COMMISSIONS

### Section 4.01: Right to Establish.

To the extent not otherwise required by this Charter, the City Council shall have authority to create and disband boards, commissions and committees and confer upon the same such powers and duties as it deems advisable by Resolution or by Ordinance.

### Section 4.02: Membership.

(a) Candidates of commissions and authorities of the City shall be nominated by Council members or the mayor and be confirmed by the Council for such terms of office and such manner of appointment as provided by ordinance, except where other appointing authority, term of office, or manner of appointment is prescribed by this charter or by applicable state law.

(b) Any vacancy in office of any member of a commission, or authority of the City shall be filled for the unexpired term in the manner prescribed for original appointment, except as otherwise provided by this charter or any applicable state law.

(c) No member of any board, commission, or authority shall assume office until he or she shall have executed and filed with the designated officer of the City an oath obligating himself or herself to faithfully and impartially perform the duties of his or her office.

(d) Any member of a board, commission, or authority may be removed from office for cause by a vote of a majority of the members of the Council.

Except as otherwise provided by this charter or by applicable state law, each board, commission, or authority of the City government shall elect one of its members as chairperson and one member as vice chairperson for terms of one year and may elect as its secretary one of its own members or may appoint a secretary. Each board, commission, or authority of the City government may establish such bylaws, rules, and regulations not inconsistent with this charter, ordinances of the City, or applicable state law as it deems appropriate and necessary for the conduct of its affairs, copies of which shall be filed with the designated officer of the City.

### Section 4.03: Operations.

Each board, commission and committee shall choose its own chairman and shall adopt its own rules and procedures for the proper conduct of its business. Boards, commissions and committees created hereunder shall exercise the functions and powers and perform the duties assigned by this Charter or by the Ordinances or Resolutions of the City.

## ARTICLE V: ADMINISTRATIVE AND OTHER OFFICIALS

### Section 5.01: Powers and Duties of the Mayor.

The Mayor shall preside at all meetings of the City Council and shall exercise such powers and perform such other duties as are or may be conferred and imposed upon him by this Charter or the Ordinances of the City. The Mayor shall have all the powers, rights and privileges of a Council member. The Mayor shall have no power of veto. The Mayor shall be recognized as the head of the City government for all ceremonial, dignitary and legal purposes, and the Mayor shall execute and authenticate legal instruments requiring the Mayor's signature as such official.

### Section 5.02: City Manager; Appointment, Qualification, and Compensation.

The Council shall appoint for an indefinite term an officer whose title shall be the "City Manager" and the City Manager shall serve at the pleasure of the Council. The City Manager shall be appointed without regard to political beliefs and solely on the basis of his or her executive and administrative qualifications with special reference to his or her educational background and actual experience in, and knowledge of, the duties of office as hereinafter prescribed.

### Section 5.03: City Manager; Chief Administrative Officer.

The City Manager shall be the Chief Administrative Officer of the government of the City of Nikiski. The City Manager must devote all of his or her working time and attention to the affairs of the City and shall be responsible to the Council for the proper and efficient administration of the affairs of the City over which said officer has jurisdiction.

### Section 5.04: City Manager; Powers and Duties Enumerated.

(a) The City Council shall hire a City Manager who shall be the Chief Administrative Officer of the City and who shall serve at the pleasure of the City Council. The City Manager shall be chosen by the City Council on the basis of executive and administrative qualifications with particular emphasis on experience and training with respect to the duties of the office and shall have the minimum qualifications, including residency requirements, if any, as may be set by the City Council by Ordinance. No person holding or who has held City Elective Office shall be hired as City Manager during or within one (1) year after the termination of the term of such elected official. See that all laws and ordinances are enforced;

(b) Appoint and employ all necessary employees of the City, provided that accepted from the power of this appointment are those officers and employees who by this Act are appointed or elected by the Council or departments not under the jurisdiction of the City Manager;

(c) Remove employees or employed by said officer with the consent of the Council and with cause by laws governed by Alaska regulation(s);

## EXHIBIT H

1 (d) Exercise supervision of all departments and all divisions created in this charter or that may  
2 hereafter be created by the Council except as otherwise provided in this Act;

3  
4 (e) Attend all meetings of the Council with a right to take part in the discussions, but having no  
5 vote. The City Manager shall be entitled to notice of all special meetings;

6  
7 (f) Recommend to the Council for adoption such measures as the City Manager may deem  
8 necessary or expedient;

9  
10 (g) See that all terms and conditions imposed in favor of the City or its inhabitants in any  
11 public utility franchise are faithfully kept and performed and upon knowledge of any violation thereof to call  
12 the same to the attention of the retained City Attorney, whose duty it shall be forthwith to take such steps as  
13 are necessary to protect and enforce the same;

14  
15 (h) Make and execute all lawful contracts on behalf of the City as to matters within said  
16 officer's jurisdiction to the extent that such contracts are funded in the City's budget, except such as may be  
17 otherwise provided by law; provided, however, that no contract purchase or obligation requiring a budget  
18 amendment shall be valid and binding until after approval of the Council;

19  
20 (i) Act as budget officer to prepare and submit to the Council prior to the beginning of each  
21 fiscal year a budget of proposed expenditures for the ensuing year, showing in as much detail as  
22 practicable the amounts allotted to each department of the City government and the reasons for such  
23 estimated expenditures;

24  
25 (j) Keep the Council at all times fully advised as to the financial condition and needs of the  
26 City;

27  
28 (k) Make a full written report to the Council on the first of each month showing the operations  
29 and expenditures of each department of the City government for the preceding month, and a synopsis of  
30 such reports shall be published by the Clerk of the City;

31  
32 (l) Fix all salaries and compensation of City employees in accordance with the City budget  
33 and the City pay and classification plan; and

34  
35 (m) City Manager will serve as City Accountant.

### 36 37 **Section 5.05: Council Interference with Administration.**

38 Except for the purpose of inquiries and investigations under Section 2.08 of this charter, the City Council or  
39 its members shall deal with City officers and employees who are subject to the direction or supervision of

## EXHIBIT H

1 the manager solely through the manager, and neither the City Council nor its members shall give orders to  
2 any such officer or employee, either publicly or privately.

### 4 **Section 5.06: City Manager; Removal.**

5 The Council may remove the manager from office with a super majority vote of Council members. If the City  
6 manager becomes disabled and is unable to carry out the duties of the office or if the City Manager dies,  
7 the acting City Manager shall perform the duties of the City Manager until the City Manager's disability is  
8 removed or until the City Manager is replaced. Removal of the City Manager because of disability shall be  
9 carried out in accordance with the provisions of subsection of this section.

### 11 **Section 5.07: Acting City Manager.**

12 (a) The City Manager shall designate by letter filed with the City Clerk, a qualified  
13 administrative City employee to perform the City Manager's duties during a temporary absence or disability.  
14 In the event of a failure of the City Manager to make such a designation, the Mayor may designate a  
15 qualified administrative City employee to perform the duties of the City Manager until the City Manager  
16 returns or the disability ceases. The City Manager may designate in writing any administrative employee of  
17 the City who shall exercise all powers, duties, and functions of the City Manager during the City Manager's  
18 temporary absence from the City or during the City Manager's disability. If such designation has not been  
19 made and the City Manager is absent from the City or unable to perform the duties of the office or to make  
20 such designation, the Council may, by resolution, appoint any qualified administrative employee of the City  
21 to perform the powers, duties, and functions of the City Manager until the City Manager shall return to the  
22 City, the disability ceases, or the Council appoints a new City Manager.

24 (b) In the event of a vacancy in the office of City Manager, the Council may designate a  
25 person as acting City Manager, who shall exercise all powers, duties, and functions of the City Manager  
26 until a City Manager is appointed.

### 28 **Section 5.08: City Attorney.**

29 As requested by the City Manager or Mayor, a City Attorney may be retained by a majority vote of the  
30 Council as needed.

### 32 **Section 5.09: City Clerk.**

33 The Council shall appoint a City Clerk, subject to confirmation by majority vote of the Council, to keep a  
34 journal of the proceedings of the City Council; to maintain in a safe place all records and documents  
35 pertaining to the affairs of the City to conduct the City's municipal elections and to perform such duties as  
36 may be required by law or ordinance or as the Mayor or City Manager may direct.

**Section 5.10: Position Classification and Pay Plans; Employment at Will.**

The City Manager shall be responsible for the preparation of a position classification and a pay plan which shall be submitted to the Council for approval. Said plan may apply to all employees of the City of Nikiski and any of its agencies and offices. When a pay plan has been adopted by the Council, neither the Council nor the City Manager shall increase or decrease the salaries of individual employees except in conformity with such pay plan or pursuant to an amendment of said pay plan duly adopted by the Council. Except as otherwise provided in this charter, all employees of the City shall be subject to removal or discharge, with or without cause, at any time.

**ARTICLE VI: FINANCE & FISCAL**

**Section 6.01: Fiscal Year.**

The Council shall set the fiscal year by ordinance. Said fiscal year shall constitute the budget year and the year for financial accounting and reporting of each and every office, department or institution, agency, and activity of the city government, unless otherwise provided by state or federal law.

**Section 6.02: Preparation of Budgets.**

The Council shall provide, by ordinance, the procedures and requirements for the preparation and execution of an annual operating budget and a capital improvement program and a capital budget, including requirements as to the scope, content, and form of such budgets and programs.

**Section 6.03: Submission of Operating Budget to City Council.**

On or before a date fixed by the Council, but not later than 30 days prior to the beginning of each fiscal year, the City Manager shall submit to the Council a proposed operating budget for the ensuing fiscal year. The budget shall be accompanied by a message from the City Manager containing a statement of the general fiscal policies of the City, the important features of the budget, explanations of major changes recommended for the next fiscal year, a general summary of the budget, and such other comments and information as he or she may deem pertinent. The operating budget and the capital improvements budget hereinafter provided for, the budget message, and all supporting documents shall be filed in the office of the City Manager and shall be open to public inspection.

**Section 6.04: Budget Hearing.**

The City Council shall hold a public hearing on the proposed budget each year. Notice of the time and place of such hearing shall be published at least once seven (7) days prior to such hearing and copies of the proposed budget shall be made available to the public by depositing them in the office of the City Clerk and by publicizing in accordance with an Ordinance adopted by the City Council. The City Council may at any time before final adoption increase, decrease, add or strike out any item in the budget.

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### Section 6.05: Scope of Annual Budget.

- (a) The budget adopted by the City Council shall contain:
- (1) an estimate of anticipated revenue from all sources for the ensuing year;
  - (2) an estimate of the general fund cash surplus at the end of the current fiscal year or of the deficit to be made up by appropriation;
  - (3) the estimated expenditures necessary for the operation of the departments, offices and agencies of the City;
  - (4) debt service requirements for the ensuing fiscal year;
  - (5) an estimate of the sum required to be raised by the tax levy for the ensuing fiscal year and the rate of levy necessary to produce such sum; and
  - (6) a balance between the total estimated expenditures, including any deficit to be met and monies set aside for public improvements and total anticipated revenue, plus any surplus.
- (b) All estimates shall be in detail showing revenues by source and expenditures by departments, organizational units, activities, character and object.

### Section 6.06: Action by Council on Budget.

The Council may amend the operating budget proposed by the City Manager, except that the budget, as finally amended and adopted, must provide for all expenditures required by law, or by other provisions of this charter, and for all debt service requirements for the ensuing fiscal year and the total appropriations from any fund shall not exceed the estimated fund balance, reserves, and revenues, constituting the fund availability of such fund.

### Section 6.07: Audits.

There shall be an annual independent audit of all city accounts, funds, and financial transactions by a certified public accountant selected by the City Council. The audit shall be conducted according to generally accepted accounting principles. Any audit of any funds by the state or federal government may be accepted as satisfying the requirements of this charter. Copies of all audit reports shall be available at printing cost to the public.

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### Section 6.08: Revenue.

Subject to applicable limitations in the Alaska Constitution and in this Charter, the City Council shall have all powers now or hereafter granted to municipalities of any kind in the State to raise revenue by any power of any kind, including but not limited to taxes, rates, fees, licenses, tolls, penalties and charges. A 1.4 mil rate reduction for the Tyonek Road Service Area may be applicable.

### Section 6.09: Prior Voter Approval.

No tax rate increase or levy of any new tax shall be effective without prior voter approval.

### Section 6.10: Certification of Tax Levy.

In accordance with the requirements of Alaska law, the City Council shall fix the amount of tax levy, which shall be assessed upon each dollar of assessed valuation of all taxable property within the corporate limits of the City and shall cause the same to be certified to the Borough as required by law. If the City Council should fail in any year to make such levy as above provided, the rate last fixed shall be the rate for the ensuing fiscal year, which rate shall be levied as provided by law.

### Section 6.11: General Fund.

There is hereby established a fund to be known as the general fund. All revenues not specifically allocated to any other fund shall be placed in the general fund. All general functions of the City shall be financed by expenditures from the general fund.

### Section 6.12: Adoption of Budget and Appropriation.

Not later than the fifteenth (15th) day of December of each year, the City Council shall adopt an Ordinance or a Resolution for the budget and for the annual appropriations. No budget shall be deemed adopted unless a public hearing is held prior to the vote of the City Council and there is an affirmative vote of a majority of the City Council to adopt such budget and appropriations. Copies of the budget as adopted shall be public records and shall be made available to the public in the office of the City Clerk and shall be publicized in accordance with an Ordinance adopted by the City Council. If the City Council fails to adopt a budget by this date, the amounts appropriated for the operation of the various departments of the City during the prior fiscal year shall be deemed adopted for the current fiscal year on a month to month basis, with all items prorated accordingly until such time as the City Council adopts the budget for the current fiscal year.

### Section 6.13: Amendments to Appropriations.

(a) The City Council may make additional appropriations by Ordinance or Resolution during the fiscal year for unanticipated expenditures required of the City, but such additional appropriations shall:



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(1) not exceed the amount by which actual and anticipated revenues of the year are exceeding the revenues as estimated in the budget, unless the appropriations are necessary to relieve an emergency endangering the public peace, health or safety;

(2) be authorized only following a public hearing prior to the vote of the City Council; and

(3) require an affirmative vote of a majority of the City Council.

(b) If at any time during the fiscal year it appears probable to the City Manager that the revenues available will be insufficient to meet amounts appropriated, the City Manager shall provide a report to the City Council without delay indicating the estimated amount of deficit and recommendations as to any steps to be taken. The City Council shall then take such further action as it deems necessary to prevent or minimize any deficit and for that purpose it may by Ordinance or Resolution reduce one or more appropriations.

### **Section 6.14: Publicizing of Expenditures.**

Expenditures authorized to be made need not be published, but the City Clerk shall maintain a record on file of same, which shall at all times be available for public inspection and shall publicize the same in accordance with an Ordinance adopted by the City Council appropriations.

### **Section 6.15: Capital Program.**

(a) The City Manager shall prepare and submit to the City Council a multi-year capital program no later than the date of submission of the proposed annual budget. The capital program shall include:

(1) a clear general summary of its contents;

(2) identification of the long-term goals of the City;

(3) a list of all capital improvements and other capital expenditures which are proposed to be undertaken during the fiscal years next ensuing, with appropriate supporting information as to the necessity for each;

(4) cost estimates and recommended time schedules for each improvement or other capital expenditure;

(5) the method of financing each capital expenditure;

(6) the estimated annual cost of operating and maintaining the facilities to be constructed or acquired;

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(7) a commentary on how the plan addresses the environmental and economic sustainability of the City and the regional community of which it is a part; and

(8) the methods to measure outcomes and performance of the capital plan related to the long-term goals of the community.

(b) The capital program plan shall be revised and extended each year with regard to capital improvements still pending or in process of construction or acquisition.

(c) Copies of the capital program plan shall be public records and shall be made available to the public in the office of the City Clerk and shall be publicized in accordance with an Ordinance adopted by the City Council.

## ARTICLE VII: GENERAL PROVISIONS

### Section 7.01: Referendum and Initial Election.

(a) Unless prohibited by the federal Voting Rights Act of 1965, as amended, the State of Alaska shall call a special election for the purpose of submitting this Act to the qualified voters of the proposed City of Nikiski for approval or rejection. The State shall set the date of such election and issue the call for such election as provided for by the State of Alaska. Persons desiring to vote for approval of the Act shall vote "Yes," and those persons desiring to vote for rejection of the Act shall vote "No." If more than one-half of the votes cast on such question are for approval of the Act, it shall become of full force and effect as provided in Section 5.02 of this charter, otherwise it shall be void and of no force and effect. The initial expense of such election shall be borne by the State of Alaska.

(b) For the purposes of the referendum election provided for in this section and for the purposes of the election to be held on the Tuesday after the first Monday in November, the qualified electors of the City of Nikiski shall be those qualified electors of Kenai Peninsula Borough residing within the corporate limits of the City of Nikiski as described by Appendix A of this charter. At subsequent municipal elections, the qualified electors of the City of Nikiski shall be determined pursuant to the authority as the "Alaska Election Code."

(c) Only for the purposes of holding and conducting the referendum election provided for by this section and holding and conducting the election of the City of Nikiski to be held on the Tuesday after the first Monday in November, 2016.

**Section 7.02: Effective Dates.**

A period of time will be needed for an orderly and timely transition of various government functions from the Kenai Peninsula Borough to the City of Nikiski.

**City of Nikiski Proposed Timetable  
For Full Transfer of Government Powers**

<b>Function</b>	<b>Completion Time</b>
<b>Election of Mayor and City Council members</b>	<b>Same election as City incorporation</b>
<b>Hiring of City Manager and Clerk</b>	<b>Within one month of election</b>
<b>Retain legal counsel</b>	<b>Within first month</b>
<b>Leasing of office space</b>	<b>Within second month</b>
<b>Application for initial state funds</b>	<b>Within first month</b>
<b>Accounting procedures established</b>	<b>Within first month</b>
<b>Appointments &amp; Confirmations to Road Service Board</b>	<b>Within first month</b>
<b>Adoption of City Charter</b>	<b>End of second month</b>
<b>City Office in full operation</b>	<b>End of third month</b>
<b>Completion of transition meetings</b>	<b>End of sixth month</b>
<b>Disbanding of Service Area Boards / Members</b>	<b>Within one year after incorporation</b>
<b>Full transfer of all City Services and Functions</b>	<b>January 1st following incorporation election</b>

In accordance with AS 29.05.130-140, 3 AAC 110.420(b)(16) and 3AAC 110.900, all powers and duties exercised by the Kenai Peninsula Borough and service areas on behalf of the territory of Nikiski will continue to be in effect until assumed by the actions of the new Home Rule City of Nikiski.

Before the assumption, the City of Nikiski will give written notice of its assumption of rights, powers, duties, assets and liabilities to the Kenai Peninsula Borough and all service areas affected. City officials shall consult with the officials of the borough and service areas and arrange an orderly transfer.

**Section 7.03: Directory Nature of Dates.**

It is the intended that this Act be construed as directory rather than mandatory with respect to any date prescribed in this Act. If it is necessary to delay any action called for in this Act for providential cause, delay in securing approval under the federal Voting Rights Act, or any other reason, it is intended that the action be delayed rather than abandoned. Any delay in performing any action under this Act, whether for cause or otherwise, shall not operate to frustrate the overall intent of this Act. Without limiting the generality of the foregoing it is specifically provided that:

(a) If it is not possible to hold the referendum election provided for in Section 5.01 of this Act on the date specified in that section, then such referendum shall be held as soon thereafter as is reasonably practicable; and

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(b) If it is not possible to hold the first regular municipal election provided for in Section 2.02 of this Act on the date specified in that section, then there shall be a special election for the initial members of the governing authority to be held as soon thereafter as is reasonably practicable, and the commencement of the initial terms of office shall be delayed accordingly.

### **Section 7.04: Charter Commission.**

Within the first two months after the citizens approve the incorporation of the City of Nikiski, the elected City Council shall affirm by vote the proposed Charter. At the first regularly scheduled City Council meeting, five years after the inception of the City of Nikiski, the City Council shall call for a charter commission to review the City's experience and recommend any changes to the City Charter. Members of the Charter Commission shall be appointed as follows: two by the Mayor, and three by the City Council. All members of the Charter Commission must reside in Nikiski. The Commission must complete the recommendations within six months of its creation.

### **Section 7.05: Amendment.**

This Charter may be amended in the manner provided by Article XX of the Constitution of the State of Alaska at any general election or special election called for such purpose (1) upon questions that may be submitted to the electors by a majority of the City Council or (2) upon questions that may be submitted by the electors. Unless the procedures are amended by the City Council by Ordinance, the Charter may be amended in accordance with the procedures set forth in State statute. If provisions of two (2) or more proposed amendments adopted or approved at the same election conflict, the amendment receiving the highest affirmative vote shall become effective.

### **Section 7.06: Severability.**

In the event any section, subsection, sentence, clause, or phrase of this Act shall be declared or adjudged invalid or unconstitutional, such adjudication shall in no manner affect the other sections, subsections, sentences, clauses, or phrases of this Act, which shall remain of full force and effect, as if the section, subsection, sentence, clause, or phrase so declared or adjudged invalid or unconstitutional were not originally a part hereof. The General Assembly hereby declares that it would have passed the remaining parts of this Act if it had known that such part or parts thereof would be declared or adjudged invalid or unconstitutional.

## **ARTICLE XIII: MISCELLANEOUS PROVISIONS**

### **Section 8.01: Existing Legislative Actions and Determinations and Voter Approvals.**

All prior actions, including Resolutions, Ordinances, bylaws and rules and regulations taken by the City Council or bylaws, rules or regulations or decisions or determinations adopted by any appointed board, authority or commission of the City, are hereby ratified and approved and shall be considered the lawful

1 action of said City Council or board, authority or commission. All Ordinances and Resolutions of the City in  
2 force at the time this Charter becomes effective shall continue in force except insofar as they conflict with  
3 the provisions of this Charter, or shall be amended or repealed by Ordinance enacted under authority of  
4 this Charter. In the event of any apparent inconsistencies between this Charter and said Ordinances or  
5 Resolutions, this Charter shall prevail. Any voter approvals affecting any actions of the City in force at the  
6 time this Charter becomes effective shall continue in force and effect except insofar as they conflict with the  
7 provisions of this Charter.

8  
9 **Section 8.02: Continuation of Present Appointed Officers and Employees.**

10 All employees and appointed officers and all board, commission, committee or authority members of the  
11 City at the time of the effectiveness of this Charter shall continue in such employment or office under the  
12 terms of the original employment or appointment. Nothing contained herein shall alter any employee's  
13 status from that of an at-will employee or alter the status of any appointed official originally appointed to  
14 serve at the pleasure of the City Council.

15  
16 **Section 8.03: Existing Contractual Obligations.**

17 This Charter shall not affect any contractual relationships of the City existing on the effective date of this  
18 Charter, including, but not limited to, any contractual relationship between the City and any officer or  
19 employee by reason of any retirement and pension plans in effect.

20  
21 **Section 8.04: Contracts for Purchases, Leases, Services and Construction of Public Works.**

22 The City Council may establish by Ordinance the procedure for entering into contracts for purchases,  
23 contracts for leases, contracts for services and contracts for construction of public works.

24 Contracts shall be reviewed on an annual basis. All contracts will be mandatorily reviewed every 5 years  
25 by the Mayor, and City Manager.

26 All contracts shall include an Audit Clause and Sunset Clause.

27  
28 **Section 8.05: Conveyance of Interests in Real Property.**

29 The City Council by Ordinance may purchase, sell or exchange any fee interest in real property. Any  
30 conveyance of real property interests less than a fee interest shall be effected in the manner as set forth by  
31 Ordinance adopted by the City Council.

32  
33 **Section 8.06: Amendment.**

34 This Charter may be amended in the manner provided by the State of Alaska at any general election or  
35 special election called for such purpose (1) upon questions that may be submitted to the electors by a  
36 majority of the City Council or (2) upon questions that may be submitted by the electors., The Charter may  
37 be amended in accordance with the procedures set forth in State statute. If provisions of two (2) or more  
38 proposed amendments adopted or approved at the same election conflict, the amendment receiving the  
39 highest affirmative vote shall become effective.

## EXHIBIT H

### 1    **Section 8.07: Interpretation.**

2    Where any question exists as to the meaning of any portion of this Charter, it shall be interpreted  
3    consistently with the Charter's purpose.  
4

### 5    **Section 8.08: Effective Date of Charter.**

6    This Charter shall become effective immediately upon voter approval and canvassing at a regular or special  
7    election held for the purpose of considering this Charter.  
8

### 9    **Section 8.09: Repealer**

10   All laws and parts of laws in conflict with this Act are repealed. Appendix A depicts the corporate limits of  
11   the City of Nikiski shall consist of the following described territory within the Kenai Peninsula Borough:  
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# APPENDIX

PROPOSED



APPENDIX A

LEGAL BOUNDARY FOR THE CITY OF NIKISKI

Commencing at the township line between T5N and T6N R17W S.M., and the mean high water line on the westerly shore of Cook Inlet;

Thence westerly along the township line between T5N and T6N to the westerly boundary of the Kenai Peninsula Borough;

Thence northerly and easterly along the boundary of the Kenai Peninsula Borough through Cook Inlet to the protracted northeast corner of T11N R5W in Turnagain Arm;

Thence southeasterly to the intersection of the southerly mean high water line of Turnagain Arm and the 150th meridian west of Greenwich within T10N R4W S.M.;

Thence southerly along the 150th meridian to the township line between T8N and T9N R4W;

Thence westerly along the township line between T8N and T9N to the northwest corner of T8N R9W S.M.;

Thence southerly along the range line between R9W and R10W to the southeast corner of T6N R10W S.M.;

Thence westerly along the township line between T5N and T6N to the southeast corner of Section 32 T6N R10W;

Thence northerly along the section line between Sections 32 and 33 to the northeast corner of Section 32;

Thence westerly along the section line to the northwest corner of Section 31 T6N R10W on the corporate boundary of the city of Kenai;

Thence northerly and westerly along the corporate boundary of the city of Kenai to the intersection with the mean low water line of Cook Inlet and the section line between Sections 23 and 26 T6N R12W S.M.;

Thence westerly along the section line extended three miles into Cook Inlet;

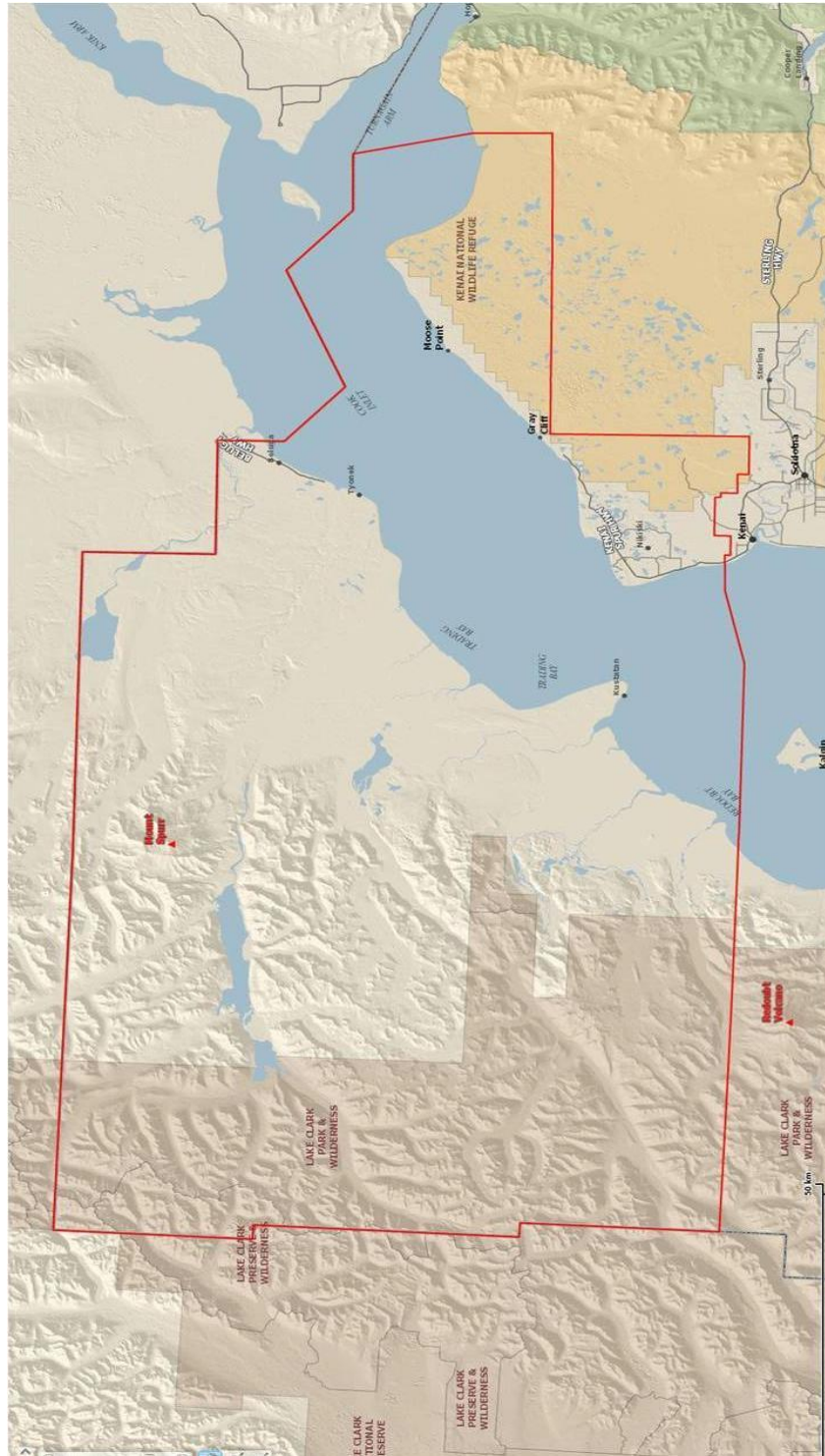
Thence southwesterly to the protracted southeast corner of T6N R14W in Cook Inlet;

Thence westerly along the protracted township line between T5N and T6N to the mean high water line on the westerly shore of Cook Inlet the true point of beginning.<sup>1</sup>

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<sup>1</sup> (KPB Ord. No. 93-29, § 1(part), 1993; Ord. No. 82-13, § 1, 1982; Ord. No. 77-59 (part), 1977; Ord. No. 74-55, § 1(part), 1974; Ord. No. 69-13, § 1(part), 1969; Ord. No. 69-12, § 1(part), 1969; KPC § 27.25.020(a))

A Map of the City of Nikiski as Proposed:



## NIKISKI FIRE DEPARTMENT SERVICE AREA ASSETS LIST

Asset Id	Description	GAAFRCAT Description	Funding Source	AcquisitionCost
017-260-50	LAND-NIKISKI FIRE	LAND	STATE AND FEDERAL GRANTS	\$ 14,000.00
013-550-50	TRACT D WES WARREN SUBD RANCH	LAND	SPECIAL REVENUE FUNDS	\$ 35,172.00
CP24B	NIKISK FIRE UPGRADE-91941	BUILDINGS	SPECIAL REVENUE FUNDS	\$ 6,011.82
CP149	NIKISKI FSR NFD STATION 1 RENO	BUILDINGS	SPECIAL REVENUE FUNDS	\$ 7,548.32
CP48E	NIKISKI FIRE #1 RENOVAT.-92006	BUILDINGS	STATE AND FEDERAL GRANTS	\$ 12,106.82
CP48G	NIKISKI FSR RENOVATION-92006	BUILDINGS	SPECIAL REVENUE FUNDS	\$ 12,933.62
CPB355	BUILDINGS-NIKISKI FIRE	BUILDINGS	SPECIAL REVENUE FUNDS	\$ 13,867.00
09216A13	2013 ADDITIONS TO STATION 1	BUILDINGS	STATE AND FEDERAL GRANTS	\$ 13,910.00
CP48E1	NIKISKI FIRE #1 RENOVAT.-92006	BUILDINGS	STATE AND FEDERAL GRANTS	\$ 16,847.30
CPI515	NIKISKI FSR REROOFING	BUILDINGS	SPECIAL REVENUE FUNDS	\$ 19,466.38
CPB335	BUILDINGS-NIKISKI FIRE	BUILDINGS	SPECIAL REVENUE FUNDS	\$ 25,147.00
CPB365	BUILDINGS-NIKISKI FIRE	BUILDINGS	SPECIAL REVENUE FUNDS	\$ 26,859.00
CPB337	BUILDINGS-NIKISKI FIRE	BUILDINGS	SPECIAL REVENUE FUNDS	\$ 32,267.00
CPB320	BUILDINGS-NIKISKI FIRE	BUILDINGS	SPECIAL REVENUE FUNDS	\$ 40,934.00
CPB325	BUILDINGS-NIKISKI FIRE	BUILDINGS	SPECIAL REVENUE FUNDS	\$ 51,463.00
09216A	NFSA FIRES STATION CONSTRUCTIO	BUILDINGS	STATE AND FEDERAL GRANTS	\$ 91,647.00
CPB360	BUILDINGS-NIKISKI FIRE	BUILDINGS	SPECIAL REVENUE FUNDS	\$ 120,394.00
CPB315	BUILDINGS-NIKISKI FIRE	BUILDINGS	SPECIAL REVENUE FUNDS	\$ 134,972.00
CPB340	BUILDINGS-NIKISKI FIRE	BUILDINGS	SPECIAL REVENUE FUNDS	\$ 139,054.00
CPB330	BUILDINGS-NIKISKI FIRE	BUILDINGS	SPECIAL REVENUE FUNDS	\$ 141,066.00
CPB336	BUILDINGS-NIKISKI FIRE	BUILDINGS	SPECIAL REVENUE FUNDS	\$ 147,176.00
CPB345	BUILDINGS-NIKISKI FIRE	BUILDINGS	SPECIAL REVENUE FUNDS	\$ 389,531.00
CPB350	BUILDINGS-NIKISKI FIRE	BUILDINGS	SPECIAL REVENUE FUNDS	\$ 554,221.00
09216	NFSA FIRES STATION CONSTRUCTIO	BUILDINGS	SPECIAL REVENUE FUNDS	\$ 5,520,992.01
CPI275	IMPROVEMENTS-NIKISKI FIRE	IMPROVEMENTS OTHER THAN BLDGS	SPECIAL REVENUE FUNDS	\$ 14,893.00
CPI300	IMPROVEMENTS-NIKISKI FIRE	IMPROVEMENTS OTHER THAN BLDGS	SPECIAL REVENUE FUNDS	\$ 15,589.00
CPI270	IMPROVEMENTS-NIKISKI FIRE	IMPROVEMENTS OTHER THAN BLDGS	SPECIAL REVENUE FUNDS	\$ 18,529.00
CPI295	IMPROVEMENTS-NIKISKI FIRE	IMPROVEMENTS OTHER THAN BLDGS	SPECIAL REVENUE FUNDS	\$ 18,731.00
CPI280	IMPROVEMENTS-NIKISKI FIRE	IMPROVEMENTS OTHER THAN BLDGS	SPECIAL REVENUE FUNDS	\$ 19,950.00
CPI265	IMPROVEMENTS-NIKISKI FIRE	IMPROVEMENTS OTHER THAN BLDGS	SPECIAL REVENUE FUNDS	\$ 38,744.00
CPI290	IMPROVEMENTS-NIKISKI FIRE	IMPROVEMENTS OTHER THAN BLDGS	SPECIAL REVENUE FUNDS	\$ 66,664.00
CPI285	IMPROVEMENTS-NIKISKI FIRE	IMPROVEMENTS OTHER THAN BLDGS	SPECIAL REVENUE FUNDS	\$ 73,389.00
T09113	CODE BLUE POWER GURNEY	EQUIPMENT	STATE AND FEDERAL GRANTS	\$ 1.00
T08853	SNOW PLOW	EQUIPMENT	SPECIAL REVENUE FUNDS	\$ 5,345.00
T09191	Bizhub 454e	EQUIPMENT	SPECIAL REVENUE FUNDS	\$ 5,467.00
T09073	WESTERN SNOWPLOW	EQUIPMENT	SPECIAL REVENUE FUNDS	\$ 5,590.00
T08442	ZETRON ALARM PANELS 1732	EQUIPMENT	SPECIAL REVENUE FUNDS	\$ 5,600.00
T07410	MAC POWER 8100 PC	EQUIPMENT	SPECIAL REVENUE FUNDS	\$ 5,755.00
T08521A	FIRE HAZARD SIMULATOR/CASE	EQUIPMENT	SPECIAL REVENUE FUNDS	\$ 5,980.00
T08011	RADIO ALAR MODBYS/SYSTEM W/WIN	EQUIPMENT	SPECIAL REVENUE FUNDS	\$ 6,415.00
T08967	MCGRATH LARYNGOSCOPE	EQUIPMENT	SPECIAL REVENUE FUNDS	\$ 6,496.00
T09008	MCGRATH LARYNGOSCOPE MEDIC 1	EQUIPMENT	SPECIAL REVENUE FUNDS	\$ 6,496.00
T09009	MCGRATH LARYNGOSCOPE MEDIC 3	EQUIPMENT	SPECIAL REVENUE FUNDS	\$ 6,497.00
T08032	DOUBLE WALL 1000G TANK & PUMP(	EQUIPMENT	SPECIAL REVENUE FUNDS	\$ 6,610.00
T07508	SITE 32-INTERFACE SYSTEM(TRANC	EQUIPMENT	SPECIAL REVENUE FUNDS	\$ 7,744.00
T08797	I STAT1 ANLZR	EQUIPMENT	SPECIAL REVENUE FUNDS	\$ 7,790.31
T08960	ISTAT ANALYZER	EQUIPMENT	SPECIAL REVENUE FUNDS	\$ 7,964.47
T08855	QUANTIFIT TEST UNIT	EQUIPMENT	SPECIAL REVENUE FUNDS	\$ 8,115.00
T08695	THERMAL IMAGING CAMERA	EQUIPMENT	GENERAL OBLIGATION BONDS	\$ 8,250.00
T08696	THERMAL IMAGING CAMERA	EQUIPMENT	GENERAL OBLIGATION BONDS	\$ 8,250.00
T08697	THERMAL IMAGING CAMERA	EQUIPMENT	GENERAL OBLIGATION BONDS	\$ 8,250.00
T08698	THERMAL IMAGING CAMERA	EQUIPMENT	GENERAL OBLIGATION BONDS	\$ 8,250.00
T08854	SCUBA TEST UNIT	EQUIPMENT	SPECIAL REVENUE FUNDS	\$ 8,549.00
T04583B	"NO SMOKE" EXHAUST SYSTEM	EQUIPMENT	SPECIAL REVENUE FUNDS	\$ 8,683.00
T04588A	"NO SMOKE" EXHAUST SYSTEM	EQUIPMENT	SPECIAL REVENUE FUNDS	\$ 8,683.00
T07703A	"NO SMOKE" EXHAUST SYSTEM	EQUIPMENT	SPECIAL REVENUE FUNDS	\$ 8,683.00
T08419A	"NO SMOKE" EXHAUST SYSTEM	EQUIPMENT	SPECIAL REVENUE FUNDS	\$ 8,683.00
T08443A	"NO SMOKE" EXHAUST SYSTEM	EQUIPMENT	SPECIAL REVENUE FUNDS	\$ 8,683.00
T07976	RESPONDER 1500 W/BATTERY CHARG	EQUIPMENT	SPECIAL REVENUE FUNDS	\$ 8,701.75
T08749	MODIS ELITE SCAN TOOL	EQUIPMENT	SPECIAL REVENUE FUNDS	\$ 9,121.15
T09189	HURST COMBI TOOL	EQUIPMENT	SPECIAL REVENUE FUNDS	\$ 9,200.00
T08102	206GU 115V ELEC DUO PUMP	EQUIPMENT	SPECIAL REVENUE FUNDS	\$ 9,483.00
T09115	HURST COMBI TOOL	EQUIPMENT	SPECIAL REVENUE FUNDS	\$ 9,635.00
T08856	CISCO VOICE BUNDLE	EQUIPMENT	SPECIAL REVENUE FUNDS	\$ 9,853.04
T09049	2002 FORD 3/4TON 4X4 PICKUP	EQUIPMENT	SPECIAL REVENUE FUNDS	\$ 10,900.00
T07681	BIRCH HILLS TOWER-COMMUNICATIO	EQUIPMENT	SPECIAL REVENUE FUNDS	\$ 11,073.58
T09029	2010 AMERICAN HAULER TRAILER	EQUIPMENT	SPECIAL REVENUE FUNDS	\$ 11,222.00
T08959	CMOC LP COMBI TOOL	EQUIPMENT	SPECIAL REVENUE FUNDS	\$ 12,052.00
T09114	ALS ADULT SIMULATOR	EQUIPMENT	SPECIAL REVENUE FUNDS	\$ 12,351.00
T08965	RADIO MC2500 DESK	EQUIPMENT	SPECIAL REVENUE FUNDS	\$ 13,899.00
T09190	POWER LOAD	EQUIPMENT	SPECIAL REVENUE FUNDS	\$ 19,311.00

## NIKISKI FIRE DEPARTMENT SERVICE AREA ASSETS LIST

T04601	HURST JAWS-OF-LIFE 12VOLT RESC	EQUIPMENT	SPECIAL REVENUE FUNDS	\$	20,000.00
T04676	HURST GAS RESCUE TOOL COMPLETE	EQUIPMENT	SPECIAL REVENUE FUNDS	\$	20,000.00
T08553A	2003 FORD F250 4X4 8FT BED	EQUIPMENT	SPECIAL REVENUE FUNDS	\$	24,325.00
T08476	2001 BEALL 4000GAL ALUM TANK	EQUIPMENT	SPECIAL REVENUE FUNDS	\$	26,059.52
T09110	X SERIES MONITOR/DEFIBILLATOR	EQUIPMENT	SPECIAL REVENUE FUNDS	\$	33,303.00
T09111	X SERIES MONITOR/DEFIBILLATOR	EQUIPMENT	SPECIAL REVENUE FUNDS	\$	33,303.00
T09112	X SERIES MONITOR/DEFIBILLATOR	EQUIPMENT	SPECIAL REVENUE FUNDS	\$	33,303.00
T08232	2000 FORD F250 4X4 SUPERCAB/14	EQUIPMENT	SPECIAL REVENUE FUNDS	\$	36,847.18
T08966	BAUER SCUBA COMPRESSOR	EQUIPMENT	SPECIAL REVENUE FUNDS	\$	40,969.00
T08730	SITE32 COMM REPEATER	EQUIPMENT	SPECIAL REVENUE FUNDS	\$	41,286.70
T08018B	521AMP DIESEL GENERATOR & INST	EQUIPMENT	SPECIAL REVENUE FUNDS	\$	41,856.88
T09192	2015 GMC SIERRA 3/4 TON DOUBLE	EQUIPMENT	SPECIAL REVENUE FUNDS	\$	42,891.00
T08332	HORIZONTAL COMPRESSOR SYSTEM	EQUIPMENT	SPECIAL REVENUE FUNDS	\$	43,709.00
T09109	2014 CHEVY SILVERARDO	EQUIPMENT	SPECIAL REVENUE FUNDS	\$	48,900.00
T09108	2014 CHEVY SILVERARDO	EQUIPMENT	SPECIAL REVENUE FUNDS	\$	48,959.00
T07469A	1995 INTERNATIONAL EONE RESCUE	EQUIPMENT	STATE AND FEDERAL GRANTS	\$	50,000.00
T07469	1995 INTERNATIONAL EONE RESCUE	EQUIPMENT	SPECIAL REVENUE FUNDS	\$	85,826.00
T04609	1978 FORD 2000 GPM 6X6 TA	EQUIPMENT	STATE AND FEDERAL GRANTS	\$	100,000.00
T07703	1997 FORD F350 AMBULANCE	EQUIPMENT	SPECIAL REVENUE FUNDS	\$	122,397.00
T08443	2001 FORD AMBULANCE	EQUIPMENT	SPECIAL REVENUE FUNDS	\$	141,996.00
T08968	2011 DODGE AMBULANCE	EQUIPMENT	SPECIAL REVENUE FUNDS	\$	183,567.00
T09193	2015 GMC NORTHSTAR AMBULANCE	EQUIPMENT	SPECIAL REVENUE FUNDS	\$	207,190.00
T04583	1984 SPARTAN2000 GALTANKER#412	EQUIPMENT	SPECIAL REVENUE FUNDS	\$	250,000.00
T04588	1984 SPARTAN E-1 PUMPER #411	EQUIPMENT	SPECIAL REVENUE FUNDS	\$	250,000.00
T08419	FERRARA FIRE APP FIRE TRUCK	EQUIPMENT	SPECIAL REVENUE FUNDS	\$	343,000.00
T09027	2012 KENWORTH TANKER	EQUIPMENT	STATE AND FEDERAL GRANTS	\$	440,822.00
T09028	2012 KENWORTH TANKER	EQUIPMENT	STATE AND FEDERAL GRANTS	\$	440,822.00
13439	ARROW XT AERIAL TRUCK	EQUIPMENT	STATE AND FEDERAL GRANTS	\$	975,000.00
T08795	2008 YACHT CLUB TRAILER	EQUIPMENT	STATE AND FEDERAL GRANTS	\$	4,971.00
T08796	EQUINOX RESCUE	EQUIPMENT	STATE AND FEDERAL GRANTS	\$	5,062.45
T08911	2000 CHEVY 3/4T 4X4	EQUIPMENT	SPECIAL REVENUE FUNDS	\$	6,750.00
T08798	I STATS ANALYZER	EQUIPMENT	STATE AND FEDERAL GRANTS	\$	7,579.00
T08791	2008 YAMAHA GRIZZLY 700	EQUIPMENT	STATE AND FEDERAL GRANTS	\$	8,103.00
T07469B	"NO SMOKE" EXHAUST SYSTEM	EQUIPMENT	SPECIAL REVENUE FUNDS	\$	8,683.00
T08793	2008 YAMAHA VIKING	EQUIPMENT	STATE AND FEDERAL GRANTS	\$	9,363.73
T08794	2008 YAMAHA VIKING	EQUIPMENT	STATE AND FEDERAL GRANTS	\$	9,363.73
T08610A	"NO SMOKE" SYS-ADD ON T08610	EQUIPMENT	SPECIAL REVENUE FUNDS	\$	9,963.00
T08908	HURST LP POWER UNIT	EQUIPMENT	SPECIAL REVENUE FUNDS	\$	10,953.00
T08909	HURST LP POWER UNIT	EQUIPMENT	SPECIAL REVENUE FUNDS	\$	10,953.00
T08792	2008 YAMAHA RHINO 700	EQUIPMENT	STATE AND FEDERAL GRANTS	\$	11,004.52
T08585	HIGH PRESSURE VOLKSWAGON PUMP	EQUIPMENT	SPECIAL REVENUE FUNDS	\$	11,420.06
T08907	HURST LP CUTTER/DEFENDER	EQUIPMENT	SPECIAL REVENUE FUNDS	\$	12,987.00
T08906	HURST LP CUTTER/DEFENDER	EQUIPMENT	SPECIAL REVENUE FUNDS	\$	13,000.00
T08790A	PUMPER TO REPLACE #415	EQUIPMENT	SPECIAL REVENUE FUNDS	\$	13,023.00
T08903	AUTOPULSE RESUSCITATION SYSTEM	EQUIPMENT	SPECIAL REVENUE FUNDS	\$	15,868.00
T08904	AUTOPULSE RESUSCITATION SYSTEM	EQUIPMENT	SPECIAL REVENUE FUNDS	\$	16,774.00
T08851	RESCUE BOAT	EQUIPMENT	SPECIAL REVENUE FUNDS	\$	29,468.41
T08480	2001 4x4 1 TON PICKUP TRUCK	EQUIPMENT	SPECIAL REVENUE FUNDS	\$	33,100.00
T08564	2003 FORD F350 1TON 4X4 PU SCB	EQUIPMENT	SPECIAL REVENUE FUNDS	\$	33,405.00
T08640	2005 DODGE RAM 3500 SLT PICKUP	EQUIPMENT	SPECIAL REVENUE FUNDS	\$	34,142.41
T08735	2007 Freightliner	EQUIPMENT	SPECIAL REVENUE FUNDS	\$	65,744.00
T08734	2007 Freightliner	EQUIPMENT	SPECIAL REVENUE FUNDS	\$	65,842.00
T08744	2000 Gallon Tanker	EQUIPMENT	SPECIAL REVENUE FUNDS	\$	86,745.00
T08745	2000 Gallon Tanker	EQUIPMENT	SPECIAL REVENUE FUNDS	\$	86,745.00
T08610	2002 FORD AMBULANCE	EQUIPMENT	SPECIAL REVENUE FUNDS	\$	138,586.00
T08850	2008 TAYLOR MADE F-450 AMBUL	EQUIPMENT	SPECIAL REVENUE FUNDS	\$	167,522.00
T08790	PUMPER TO REPLACE #415	EQUIPMENT	GENERAL FUND	\$	349,435.00
T08910	2009 ARROW XT PUMPER	EQUIPMENT	SPECIAL REVENUE FUNDS	\$	547,379.00
T08852	2009 PIERCE ARROW	EQUIPMENT	SPECIAL REVENUE FUNDS	\$	552,847.10
				\$	14,666,822.26
T08554	2003 FORD F250 4X4 8FT BED	EQUIPMENT	EQUIPMENT REPLACEMENT FUND	\$	24,325.00
				\$	14,691,147.26
LAND				\$	49,172.00
BUILDINGS				\$	7,518,414.27
IMPROVEMENTS OTHER THAN BLDGS				\$	266,489.00
EQUIPMENT				\$	6,857,071.99
				\$	14,691,147.26

## NORTH PENINSULA RECREATION ASSETS LIST

<u>Asset Id</u>	<u>Description</u>	<u>GAAFRCAT Description</u>	<u>Funding Source</u>	<u>AcquisitionCost</u>
012-210-03	LAND-NORTH KENAI REC. AREA	LAND	STATE AND FEDERAL GRANTS	\$ 48,000.00
012-210-06	NORTH PEN REC LAND 60ACRES	LAND	SPECIAL REVENUE FUNDS	\$ 97,640.20
CP33D1	TYONEK REC. TEEN CENTER RENOV.	BUILDINGS	SPECIAL REVENUE FUNDS	\$ 6,830.39
CP27J1	NPRC POOL RENOVATION-94951	BUILDINGS	SPECIAL REVENUE FUNDS	\$ 7,737.38
CPB435	BUILDINGS-NORTH PEN REC AREA	BUILDINGS	STATE AND FEDERAL GRANTS	\$ 10,936.00
CPB670	NPRSA HANDBALL COURT-98459	BUILDINGS	SPECIAL REVENUE FUNDS	\$ 11,084.17
98459	NPRSA HANDBALL COURT	BUILDINGS	SPECIAL REVENUE FUNDS	\$ 15,248.11
CPB455	BUILDINGS-NORTH PEN REC AREA	BUILDINGS	STATE AND FEDERAL GRANTS	\$ 20,533.00
CPB465	BUILDINGS-NORTH PEN REC AREA	BUILDINGS	STATE AND FEDERAL GRANTS	\$ 22,787.00
CPB440	BUILDINGS-NORTH PEN REC AREA	BUILDINGS	STATE AND FEDERAL GRANTS	\$ 28,159.00
CP27C	N.PEN.REC.DESIGN WK POOL-92951	BUILDINGS	SPECIAL REVENUE FUNDS	\$ 32,728.01
CPB425	BUILDINGS-NORTH PEN REC AREA	BUILDINGS	STATE AND FEDERAL GRANTS	\$ 44,530.00
CP196	NORTH PEN REC-WALLYBALL/RAQUET	BUILDINGS	SPECIAL REVENUE FUNDS	\$ 54,206.08
CPB430	BUILDINGS-NORTH PEN REC AREA	BUILDINGS	STATE AND FEDERAL GRANTS	\$ 59,228.00
CPB670B	NPRSA RACQUET/WALLY CORT-99459	BUILDINGS	SPECIAL REVENUE FUNDS	\$ 69,630.17
CP196A	NORTH PEN REC-WALLYBALL/RAQUET	BUILDINGS	SPECIAL REVENUE FUNDS	\$ 72,110.04
01422	RAQUETBALL/WALLEYBALL ADDITION	BUILDINGS	SPECIAL REVENUE FUNDS	\$ 74,382.50
CP27B	N.PEN.REC.DESIGN WK POOL-92951	BUILDINGS	SPECIAL REVENUE FUNDS	\$ 103,448.66
CP27	N.PEN.REC DESIGN WK POOL-91951	BUILDINGS	SPECIAL REVENUE FUNDS	\$ 105,340.42
CPB475	BUILDINGS-NORTH PEN REC AREA	BUILDINGS	STATE AND FEDERAL GRANTS	\$ 109,947.00
CPB670A	NPRSA RACQUET/WALLY CORT-99225	BUILDINGS	SPECIAL REVENUE FUNDS	\$ 125,000.00
CPB450	BUILDINGS-NORTH PEN REC AREA	BUILDINGS	STATE AND FEDERAL GRANTS	\$ 152,284.00
CP190	NPRC ZAMBONI STORAGE-97459	BUILDINGS	SPECIAL REVENUE FUNDS	\$ 169,923.16
CP27C2	N.PEN.REC.POOL REMODEL - 94951	BUILDINGS	SPECIAL REVENUE FUNDS	\$ 174,690.16
CPB470	BUILDINGS-NORTH PEN REC AREA	BUILDINGS	STATE AND FEDERAL GRANTS	\$ 177,411.00
CPB445	BUILDINGS-NORTH PEN REC AREA	BUILDINGS	STATE AND FEDERAL GRANTS	\$ 187,277.00
CPB460	BUILDINGS-NORTH PEN REC AREA	BUILDINGS	STATE AND FEDERAL GRANTS	\$ 295,686.00
99459	NPRSA RACKET/WALLEYBALL ADDITN	BUILDINGS	SPECIAL REVENUE FUNDS	\$ 420,532.62
09092	COMMUNITY REC CENTER GRANT	BUILDINGS	STATE AND FEDERAL GRANTS	\$ 689,796.00
CP27C1	N.PEN.REC.POOL REMODEL -94951+	BUILDINGS	SPECIAL REVENUE FUNDS	\$ 925,605.65
CP27F1	N.PEN.REC.POOL REMODEL - 93BON	BUILDINGS	GENERAL OBLIGATION BONDS	\$ 1,156,437.48
CPB420	BUILDINGS-NORTH PEN REC AREA	BUILDINGS	STATE AND FEDERAL GRANTS	\$ 1,347,242.00
CP27F	N.PEN.REC.POOL REMODEL -93BON	BUILDINGS	GENERAL OBLIGATION BONDS	\$ 1,842,714.00
CP27G3	NPRC ICE RINK COVER-96459	IMPROVEMENTS OTHER THAN BLDGS	SPECIAL REVENUE FUNDS	\$ 5,192.81
12028	PLAYGROUND EQUIPMENT	IMPROVEMENTS OTHER THAN BLDGS	STATE AND FEDERAL GRANTS	\$ 7,590.00
CPI385	IMPROVEMENTS-NORTH PEN REC ARE	IMPROVEMENTS OTHER THAN BLDGS	SPECIAL REVENUE FUNDS	\$ 8,026.00
CPI370	IMPROVEMENTS-NORTH PEN REC ARE	IMPROVEMENTS OTHER THAN BLDGS	SPECIAL REVENUE FUNDS	\$ 9,322.00
03213A	POLE SIGN FOR NCRC	IMPROVEMENTS OTHER THAN BLDGS	SPECIAL REVENUE FUNDS	\$ 9,737.50
06DIS	UV DISINFECTION SYSTEM	IMPROVEMENTS OTHER THAN BLDGS	SPECIAL REVENUE FUNDS	\$ 10,724.00
CP27D	N.PEN.REC.DESIGN WK POOL-93951	IMPROVEMENTS OTHER THAN BLDGS	SPECIAL REVENUE FUNDS	\$ 12,715.00
CPI390	IMPROVEMENTS-NORTH PEN REC ARE	IMPROVEMENTS OTHER THAN BLDGS	SPECIAL REVENUE FUNDS	\$ 19,035.00
CP33C1	TYONEK PLAYFIELD DVLPM-92952	IMPROVEMENTS OTHER THAN BLDGS	SPECIAL REVENUE FUNDS	\$ 25,950.18
CP27D2	N.PEN.REC.DESIGN WK POOL - 939	IMPROVEMENTS OTHER THAN BLDGS	SPECIAL REVENUE FUNDS	\$ 26,984.95
CPI395	IMPROVEMENTS-NORTH PEN REC ARE	IMPROVEMENTS OTHER THAN BLDGS	SPECIAL REVENUE FUNDS	\$ 27,520.00
07SND	SAND FILTER	IMPROVEMENTS OTHER THAN BLDGS	SPECIAL REVENUE FUNDS	\$ 28,000.00
CPI405	IMPROVEMENTS-NORTH PEN REC ARE	IMPROVEMENTS OTHER THAN BLDGS	SPECIAL REVENUE FUNDS	\$ 29,422.00
CP27E	N.PEN.REC.POOL REPAIR - 94038	IMPROVEMENTS OTHER THAN BLDGS	STATE AND FEDERAL GRANTS	\$ 30,000.00
CPI420	IMPROVEMENTS-NORTH PEN REC ARE	IMPROVEMENTS OTHER THAN BLDGS	SPECIAL REVENUE FUNDS	\$ 30,110.00
CPI410	IMPROVEMENTS-NORTH PEN REC ARE	IMPROVEMENTS OTHER THAN BLDGS	SPECIAL REVENUE FUNDS	\$ 33,003.00
CP27D1	N.PEN.REC.DESIGN WK POOL-93951	IMPROVEMENTS OTHER THAN BLDGS	SPECIAL REVENUE FUNDS	\$ 36,860.37
CPI415	IMPROVEMENTS-NORTH PEN REC ARE	IMPROVEMENTS OTHER THAN BLDGS	SPECIAL REVENUE FUNDS	\$ 45,254.00
03071	YOUTH CENTER SKATE PARK	IMPROVEMENTS OTHER THAN BLDGS	SPECIAL REVENUE FUNDS	\$ 51,999.98
03213	COMMUNITY CENTER	IMPROVEMENTS OTHER THAN BLDGS	SPECIAL REVENUE FUNDS	\$ 61,955.00
CP27G2	N.PEN.REC ICE RINK CVR - 96459	IMPROVEMENTS OTHER THAN BLDGS	SPECIAL REVENUE FUNDS	\$ 67,398.47
CPI400	IMPROVEMENTS-NORTH PEN REC ARE	IMPROVEMENTS OTHER THAN BLDGS	SPECIAL REVENUE FUNDS	\$ 70,062.00
12028AB	PLAYGROUND EQUIPMENT	IMPROVEMENTS OTHER THAN BLDGS	DONATIONS	\$ 91,173.00
CP33C	TYONEK PLAYFIELD DVLPM-92952+	IMPROVEMENTS OTHER THAN BLDGS	SPECIAL REVENUE FUNDS	\$ 102,609.00
CP33B	TYONEK PLAYFIELD DVLPM-92952+	IMPROVEMENTS OTHER THAN BLDGS	SPECIAL REVENUE FUNDS	\$ 102,702.81
CPI365	IMPROVEMENTS-NORTH PEN REC ARE	IMPROVEMENTS OTHER THAN BLDGS	SPECIAL REVENUE FUNDS	\$ 110,400.00
09092A	COMMUNITY REC CENTER GRANT	IMPROVEMENTS OTHER THAN BLDGS	STATE AND FEDERAL GRANTS	\$ 116,305.42

## NORTH PENINSULA RECREATION ASSETS LIST

06DISA	UV DISINFECTION SYSTEM	IMPROVEMENTS OTHER THAN BLDGS	STATE AND FEDERAL GRANTS	\$	117,906.00
CP27H	N.PEN REC. POOL RENOVATION-949	IMPROVEMENTS OTHER THAN BLDGS	SPECIAL REVENUE FUNDS	\$	171,583.77
12028A	PLAYGROUND EQUIPMENT	IMPROVEMENTS OTHER THAN BLDGS	STATE AND FEDERAL GRANTS	\$	217,410.00
CP27G1	N.PEN.REC. ICE RINK CVR- 95459	IMPROVEMENTS OTHER THAN BLDGS	SPECIAL REVENUE FUNDS	\$	277,128.54
03213B	COMMUNITY CENTER	IMPROVEMENTS OTHER THAN BLDGS	GENERAL FUND	\$	338,045.00
T08680	COMM REFRIGERATOR/FREEZER	EQUIPMENT	STATE AND FEDERAL GRANTS	\$	5,142.00
T08500	PRECOR ELLIPTICAL CROSSTRAINER	EQUIPMENT	SPECIAL REVENUE FUNDS	\$	5,228.00
T08990	BIZHUB 423 COPIER	EQUIPMENT	SPECIAL REVENUE FUNDS	\$	5,503.00
T09205	DAKTRONICS SCOREBOARD	EQUIPMENT	SPECIAL REVENUE FUNDS	\$	5,800.00
T09173	REVOLUTION POOL LIFT	EQUIPMENT	SPECIAL REVENUE FUNDS	\$	6,219.00
T08933	PRECOR EFX576I ELIPTICAL	EQUIPMENT	SPECIAL REVENUE FUNDS	\$	7,416.00
T08932	PRECOR C9661 TREADMILL	EQUIPMENT	SPECIAL REVENUE FUNDS	\$	7,465.00
T09206	CHEMICAL AND FEED CONTROLERS	EQUIPMENT	SPECIAL REVENUE FUNDS	\$	7,467.00
T09207	CHEMICAL AND FEED CONTROLERS	EQUIPMENT	SPECIAL REVENUE FUNDS	\$	7,467.00
T08681	COLD FOOD BUFFET	EQUIPMENT	STATE AND FEDERAL GRANTS	\$	8,151.00
T08873	TILT TRAILOR	EQUIPMENT	SPECIAL REVENUE FUNDS	\$	8,555.00
5714	PLAYGROUND EQUIPMENT	EQUIPMENT	SPECIAL REVENUE FUNDS	\$	9,492.00
T07898	6' TREADWALL	EQUIPMENT	SPECIAL REVENUE FUNDS	\$	10,345.00
T09088	2013 ARCTIC CAT BEARCAT	EQUIPMENT	SPECIAL REVENUE FUNDS	\$	12,849.00
T09174	2014 JOHN DEERE GATOR	EQUIPMENT	SPECIAL REVENUE FUNDS	\$	17,129.00
T07624	JOHN DEERE TRACTOR	EQUIPMENT	SPECIAL REVENUE FUNDS	\$	17,927.00
T08872	TRACTOR W/ ATTACHMENTS	EQUIPMENT	SPECIAL REVENUE FUNDS	\$	24,112.00
T7614	HDB-2094 ZAMBONI ICE RESURFACE	EQUIPMENT	SPECIAL REVENUE FUNDS	\$	27,503.00
T07896	1998 FORD F250 4X4 SS REG CAB	EQUIPMENT	SPECIAL REVENUE FUNDS	\$	29,794.00
T09026	2012 FORD W/PLOW	EQUIPMENT	SPECIAL REVENUE FUNDS	\$	33,323.00
T08726	FULL SWING GOLF SIMULATOR	EQUIPMENT	STATE AND FEDERAL GRANTS	\$	51,468.00
T09208	INTERCOM SYSTEM	EQUIPMENT	SPECIAL REVENUE FUNDS	\$	88,311.00
				\$	11,347,897.00

LAND	\$	145,640.20
BUILDINGS	\$	8,513,465.00
IMPROVEMENTS OTHER THAN BLDGS	\$	2,292,125.80
EQUIPMENT	\$	396,666.00
	\$	11,347,897.00

## **Exhibit J-1**

Subject: Alaska LNG Project Overview and Proposed Timeline  
From: Oconnor, Josselyn /C  
To: [hartlines@hotmail.com](mailto:hartlines@hotmail.com);  
Cc: Nelson, Michael /SEC <michael.nelson@exxonmobil.com>;  
Wed 3/30/2016 9:39 AM

Nikiski Citizens Incorporation Study Group,

Thank you for inviting Alaska LNG to provide a brief project overview and timeline update to your leadership on 3/26/2016. We appreciate the exchange of information. As you requested at the meeting, below is a project overview and the current proposed timeline.

### **Project Overview**

The Alaska LNG Project is an integrated liquefied natural gas export project that would provide access to gas for Alaskans.

The project is anchored by the Prudhoe Bay and Point Thomson fields and is expected to produce approximately 3.3 billion cubic feet of natural gas per day.

The Alaska LNG Project includes a natural gas liquefaction plant and storage facilities and an export terminal at Nikiski on the Kenai Peninsula, an 800-mile gas pipeline from southcentral Alaska to the North Slope, a gas treatment plant and transmission lines connecting the project to gas producing fields.

The project is expected to produce and export up to 20 million metric tons of LNG per year using clean, energy efficient and safe production methods and technologies.

### **Project Participants**

BP, ConocoPhillips, ExxonMobil, and the State of Alaska signed a [Heads of Agreement](#) (HOA) establishing the guiding principles and basic framework under which the participants will advance the Alaska LNG Project. The State of Alaska was represented in the agreement by the Department of Natural Resources, Department of Revenue and the Alaska Gasline Development Corporation (AGDC).

The HOA provided the State of Alaska with the opportunity to invest in the \$45 to \$65 billion project. The Alaska Legislature passed the legislation supporting the state's participation as a co-investor and the Governor signed it into law in May 2014.



## **Exhibit J-1**

### **Proposed Timeline**

The Alaska LNG Project is in the preliminary engineering phase of development. The project team is working to optimize and finalize the project concept, define the project sufficiently to support major regulatory filings, and fine-tune capital cost and schedule estimates before a decision is made by the project participants to move to the next phase of development.

Please do not hesitate to contact us if you have any further questions.

### **Josselyn O'Connor**

Community Stakeholder Advisor

Contractor to ExxonMobil Development Company

For Alaska LNG Matters:

130 Trading Bay Road, Suite 320

Kenai, AK 99611

907.360.6735 (cell)

855.550.5445 (toll-free)



May 19, 2016


From: Nikiski Senior Service Area Board

To: Nikiski Community Incorporation Study Group

We wish to thank the members of your study group for the excellent informational program presented on May 11, 2016.

In addition to the members of the Service Area Board, 25 others were in attendance.

We appreciate the time and effort that your group has contributed to the Incorporation project and wish you well in your endeavor.

A handwritten signature in cursive script that reads "Mary M. Olson".

Mary M. Olson  
Acting Chairperson

Other Board Members in attendance were:  
Lois Solmonson and Julie Marcinkowski

## Exhibit J-3

State Capitol, Room 208  
Juneau, Alaska 99801-1182  
Phone: 907-465-3779  
Fax: 907-465-2833  
Toll Free: 800-469-3779

# Alaska State Legislature



145 Main St. Loop  
Second Floor  
Kenai, Alaska 99611  
Phone: 907-283-7223  
Fax: 907-283-7184

## REPRESENTATIVE MIKE CHENAULT SPEAKER OF THE ALASKA STATE HOUSE

June 30, 2016

State of Alaska  
Local Boundary Commission  
550 W. 7th Ave, Suite 1640  
Anchorage, AK 99501-3510  
lbc@alaska.gov

Re: Nikiski petition for Incorporation

Dear Commissioners,

This letter is to support the citizens of Nikiski's petition for incorporation of Nikiski, Alaska. I am a resident of Nikiski and the District 30 Representative of the Alaska House.

I concur the citizens of Nikiski should have a right to vote on the issue of incorporating their area.

Sincerely,

A handwritten signature in cursive script that reads "Mike Chenault".

Representative Mike Chenault  
Speaker of the Alaska House

New email: [rep.mike.chenault@aklegis.gov](mailto:rep.mike.chenault@aklegis.gov)

[Rep.Mike.Chenault@akleg.gov](mailto:Rep.Mike.Chenault@akleg.gov)

## Exhibit J-4

# Senator Peter A. Micciche

*Alaska State Legislature*

**Session Address:**

Alaska State Capitol, Rm. 514  
Juneau, Alaska 99801-1182  
Phone: (907) 465-2828  
Toll Free: (800) 964-5733

**Interim Address:**

145 Main Street Loop, Ste. 226  
Kenai, Alaska 99611-7771  
Phone: (907) 283-7996  
Fax: (907) 283-8127

July 8, 2016

State of Alaska

Local Boundary Commission

550 W. 7<sup>th</sup> Ave, Suite 1640

Anchorage, AK 99501-3510

Re: Nikiski Petition for Incorporation

Dear Boundary Commissioners:

Incorporation of a new municipality is an important consideration as citizens weight the pros and cons of the decision. I am proud of the community of Nikiski for their desire to begin vetting whether or not that choice is the right one for their community.

The purpose of this letter is to support the Nikiski, Alaska petition for incorporation. As the Senator for District O, which includes Nikiski, I support the community's right to vote on the issue.

I also stand in support of their eventual decision toward either self-determination or remaining at status quo and offer my assistance in any way the community requests.

Thank you,

A handwritten signature in black ink, appearing to read "A. Micciche", followed by a long horizontal line.

Senator Peter Micciche

### Affidavit that Information in the Petition is Accurate

I, Stacy Oliva and I, Michele Hartline, representatives of the Petitioner for incorporation of the City of Nikiski, being sworn, state the following:

Stacy Oliver  
Petitioner's Representative (Signature)

Michelle Hartline  
Petitioner's Representative (Signature)

SUBSCRIBED AND SWORN TO before me on October 4, 2016.

*Susan C. Lauritsen*  
 Notary Public in and for Alaska  
 My commission expires: 2/1/2017

# WE ARE NIKISKI!

**We love our community and proudly share  
these pictures for you to enjoy!**



Beach fish house.



**SPRING CLEANUP**

**Registration**



**Prizes**



**Celebration**

**To the dump!**





## EXHIBIT L

## NIKISKI EVENTS



## Fun In The Midnight Sun







**Nikiski's  
Veteran's  
Memorial**





# NIKISKI FIRE DEPARTMENT





## EXHIBIT L

# NORTH PENINSULA RECREATION











**Nikiski, Alaska, industrial strip**

