Re: Comment to the preliminary report to the LBC concerning the petition to incorporate Edna Bay as a second class city.

First of all we would like to thank the "LBC" or "Commission" for the report and all the time that has been put into the whole process. You all have been very helpful, informative, and pleasant to work with.

We are enclosing a road map of the community. We should have included the map in the original petition, we are learning. The map shows the 6 mile road system of Edna Bay with the dock, store, and school. It also shows the two salmon steams with log stringer bridges, Charlie Creek and Thayer Creek.

In accordance with Sec.29.05.01(a)(5) these two bridges are of extreme importance to the Edna Bay Community as far as public safety, ease to travel from one end of the community to the other, and just over all convenience.

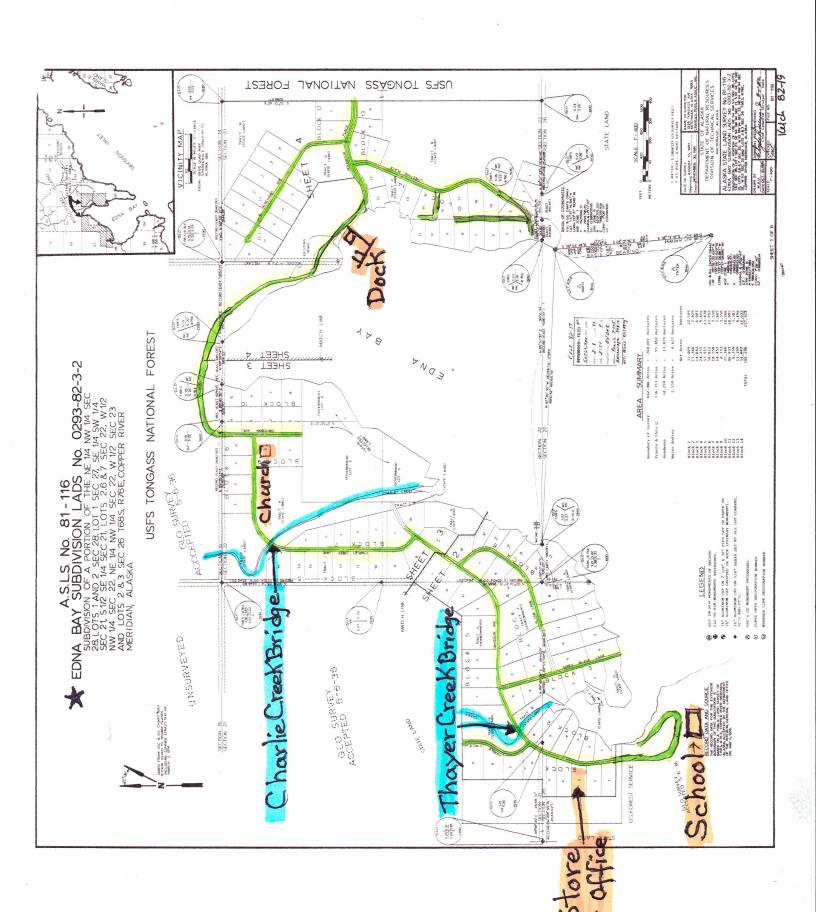
As a second class city we may be able to obtain funding to replace the bridges, maintain the road, and have control of the road system.

Also under the same Alaska Statute, Sec.29.05.01(a)(5) is the Edna Bay dock that needs to be replaced. The state will remove their section of the dock if we do not step up to the plate. Our dock is our connection to the outside world. It is a very needed asset to the community.

We thank you again for all your time. It has been a great education for us as petitioners.

E. Lee and Doris E Greif

c.c. Sealaska/Jon K. Tillinghast jon@stsl.com



## Tyler M. Poelstra

203 W. Davidson Edna Bay, AK 99950 907-594-6301 tylerpoelstra@hotmail.com

March 3, 2014

Dear LBC Staff,

I would like to submit my favorable comments regarding the findings presented in the Preliminary Report to the LBC released in February regarding the Edna Bay municipal incorporation petition.

Based on a complete and thorough review of the report, I find that the determinations made are unbiased, concise, and valuably backed up by clearly referenced statutory standards. I am also happy to relay that the facts about Edna Bay presented within the report are in line with what I have had the privilege of seeing with my own eyes as an Edna Bay resident for the last 14 years.

I applaud the support, integrity, and dedication of the LBC staff in their depth of research and ability to pull information from multiple sources when making each clear determination. And I would also like to extend my sincere thanks for the availability of the staff to answer any questions members of the public have had regarding the incorporation process, and the Edna Bay petition.

In conclusion, I would like to express my concurrence with the findings of the LBC Staff, that the requirements and standards for Edna Bay to become a Second Class City have been met.

Sincerely,

Tyler M. Poelstra

Tyler M. Poelstra

Dear LBC Staff,

I am writing in response to the preliminary report findings regarding the petition to incorporate Edna Bay as a Second Class City. I am in support of the LBC Staff's findings and their conclusion that Edna Bay has met all necessary standards to become a Second Class City.

I would like to express my appreciation for the thoroughness of the report and the dedication of the LBC Staff throughout the incorporation process.

Sincerely,

Carleigh Fairchild

From: Brian Poelstra

To: <u>Commission, Boundary (CED sponsored)</u>

Subject: Brian M. Poelstra comment on LBC Edna Bay preliminary report.

**Date:** Monday, March 10, 2014 3:38:40 PM

#### Brian M. Poelstra

201 W. Davidson Lot 2 Edna Bay, AK 99950 907-209-5002

Respected commissioners,

I am writing to you in support for the municipal transition of Edna Bay Community to Second Class City. I believe moving forward as a second class city helps the community of Edna Bay to step up functionally and be more responsible for itself legally in its interactions with other state and federal agencies. I feel this is important to further development and continuation of the positive attitude that the community has been fostering with those agencies.

I feel that the community of Edna Bay can better serve its members and continue to provide the lifestyle everyone loves and cherishes while also addressing the need to become a second class city. I believe that every community needs a base amount of support, a level of infrastructure, in order to provide safety for its members. Many families in Edna Bay, as with many other communities in this state, have one or the other parent who travels away for work. This leaves one parent and or their children at the household. It is of huge importance to me that I know my family will have access to a working and functional dock, road, EMS, Fire Department and phone system. No one can argue that upgrading our legal status to a second class city will not greatly enhance Edna Bays ability to provide these supports and maintain them in the future. I earn my living in Alaska and I pay my taxes. All the residents of Edna Bay do so in greater or lesser degrees based on their life choices. Whatever matching funds, grants, or revenue sharing the community receives is not simply a hand out or a form of socialism as some might argue - It's how our state reinvests tax revenues back into itself in order to foster growth and increased revenue; that fact is no different here.

Edna Bay has great potential moving forward. Presently Edna Bay community is in the process of getting a bulk fuel faculty. Having access to a stable supply of fuel will greatly enhance safety for all members in Edna Bay. The community has struggled with fuel supply for well over a decade. Individuals have attempted to privately supply the communitie's fuel needs in the past but that endeavor has been riddled with challenges such as man hours/cost per gallon, insurance, licensing, internal politics, scheduling etc.. And at the end of the day someone has to risk their life in the middle of winter to go get fuel. Edna Bay can't afford losing any more members to this fact, R.I.P Greg Clark. Issues like these will be better resolved, more efficiently handled, and properly fostered when the community becomes a second class city; this is a fact.

I want to raise my family in Edna Bay, build and own my own home, own my own business and provide a lifestyle for my children that I have always wanted for them. I would love to see Edna Bay remain the haven for it's members that it has historically always been for both the young and the old. Good governing will continue to make Edna Bay a stable growing community and not just a loose association of land owners who hardly live there. Becoming a second class city will help to give Edna Bay the additional tools it needs to do that.

I wish to personally thank the LBC for its efforts and assistance in helping the Community of Edna Bay

through this process,

Respectfully,

Brian M. Poelstra

Local Boundary Commission 550 West Seventh Avenue, Suite 1640 Anchorage, AK 99501-3510

Re: Preliminary Report
Edna Bay Municipal Incorporation

Dear Commissioners,

Please accept this letter of support and favorable comment for the Preliminary Report to the Local Boundary Commission regarding the Edna Bay Second Class City Petition.

I am pleased to see the LBC staff has presented a clear, unbiased statutory analysis of our incorporation petition and concluded in agreement with the reasoning presented for transitioning to a legally recognized government entity.

State of Alaska 3 AAC 110.010, *Need*, supports the foundation this petition was built upon. I am appreciative of the LBC staff that visited Edna Bay and then took the time to independently assess the validity of reasonable need as outlined in Section 7 - **REASONS FOR INCORPORATION.** 

Municipal incorporation will allow the *City* of Edna Bay to address its infrastructure needs and establish a local government unit that can work directly with State and Federal agencies to provide for the health, safety, and general welfare conditions of its residents. I believe this will in turn encourage interest in settlement and investment, which also promotes further stability and economic development.

In closing, I would like to concur with Commerce that as cited in 3 AAC 110.042, incorporation is in the best interests of the State of Alaska and the *City* of Edna Bay. Thank you to the dedicated LBC staff who provided both assistance and an impartial review. I look forward to seeing my community take this important step toward its future.

Sincerely,

Myla R. Poelstra

March 13, 2014

Local Boundary Commission 550 West Seventh Avenue, Suite 1640 Anchorage, AK 99501-3510

Re: Preliminary Report Comment Edna Bay Second Class City Petition

Dear LBC Staff,

Thanks for all of the support that was given to help us achieve a favorable outcome. To move forward as a city able to support a lifestyle that all citizens of Edna Bay can enjoy, this is a big step.

Edna Bay has a lot of good times ahead, and I hope to be a part of it. I work out of town, and always look forward to coming home to Edna Bay.

With incorporation, the coming of a tank farm, and harbor improvements planned, it is a very exciting time.

Thanks again for all of your hard work to produce this report. I applaud and appreciate your conclusion.

Terry Poelstra P.O. Box EDB Edna Bay, Alaska From: Ray Chatam

To: <u>Commission, Boundary (CED sponsored)</u>

Cc: Cheryl

Subject: Response toEdna Bay Petition

Date: Thursday, March 13, 2014 9:10:16 PM

My Name is Ray Chatham and my wife is Cheryl Chatham. We own a Residence in Edna Bay and have for more than 10 years. Each year we spend a good portion of the summer here.

I wish to strongly support the Petition to become a Second Class City. If this does come forth it will have a great impact on the continued existence of Edna Bay and the growth of this community.

I first started coming to Edna Bay in 1997 to visit my relatives who owned a home here and as a result of these visits we purchased a small home and expanded it to a full size home over time.

What I want to stress is if we could become a Second Class city we could avail ourselves to assistance in maintaining our Roads and Bridges, improve our extremely deferred maintenance Dock and establish a dependable Fuel delivery source. Without these things our community will further degenerate, safety of the current residents will suffer and as important we will not be able to encourage new Residents to come here.

We Have the opportunities to interest new Residents but without improving our infrastructure they cannot withstand the Primitive environment we currently have to endure.

With Your assistance we can generate much labor and income within the community building Homes and cabins to fill the needs of new Residents too.

I thank you for your consideration.

Ray and Cheryl Chatham

307-772-1369 and 907-594-6350 in Edna Bay

From: Rebecca Andrus

To: <u>Commission, Boundary (CED sponsored)</u>

Subject: Edna Bay 2nd Class City

**Date:** Saturday, March 15, 2014 7:54:07 PM

To the LBC concerning the petition to make Edna Bay a second class city,

I am writing to show my support on making Edna Bay in to a 2nd class city. I currently live in Washington state and I am looking on relocating to Edna Bay. I have lived in Forks Washington for the last 11 years and I have seen how the little towns are taxed to death by the larger cities in our county and not seeing any improvements made in our city.

Thank You for your time, Rebecca Andrus 480 Smith Rd Forks, Wa. 98331 360-374-9298 From: Sales at White Fox Arms

To: <u>Commission, Boundary (CED sponsored)</u>

**Subject:** Edna Bay Petition

**Date:** Sunday, March 16, 2014 4:44:51 PM

#### Concerning the Edna Bay Incorporation Petition

First, thank you for your efforts in this matter.

My wife and I are current residents of Washington State, but have considered property in Edna bay and have relatives currently living there.

We would like to help invest in the community and with our understanding, the incorporation of Enda Bay would be very helpful in it progress forward with essential services, yet not altering its privacy.

This would help us with our decision to invest in the area.

We are in full support of incorporation and thank you for your consideration of our comments.

Jason and Ashley Baar 410 N. Gales St Port Angeles, WA 98362 Thank you for the huge amount of effort you have put forth in assisting us in our efforts to be self governed.

I am a part time resident of Edna Bay and eventually plan to be there full time.

I consider Edna bay to be my home and am looking forward to becoming a second class city.

We as a community, welcome this opportunity to help us achieve new goals, to improve the things that we cannot do on our own.

As a second class city, our community can offer more jobs and employment allowing our community to grow.

We have been functioning pretty much in that manner already with regular community meetings, keeping very good records, and keeping things on a professional level.

We also have different groups that meet for other topics involving the dock, roads and ETT's.

We have many friends and relatives that show interest in being a part of our community, but are a little hesitant due uncertainty regarding who will be dictating our future.

I see this second class city a win/ win for us all.

Thank you

Regards,

Dee Brown

Edna Bay, Alaska.

From: <u>Isaiah Brown</u>

To: <u>Commission, Boundary (CED sponsored)</u>

**Subject:** Edna bay second class city

**Date:** Sunday, March 16, 2014 4:06:46 PM

LBC,

My name is Isaiah Brown, I moved to Edna Bay with my family in 2010.

I attend school when in Edna Bay and am homeschooled (high school) when in Washington.

I am a part time Edna bay resident, and eventually will be a full time resident running a timber or marine related

Edna bay is what I consider home, It's a great community, second class city would make it a much better and safer place to live.

One of the many up-sides to second class city would be fixing the dock that is falling apart further every time a bad storm comes in, and fixing the "Fingers" that are tied to the dock, they are sinking because of the logs are "Waterlogged". Additionally, the bull-rails are falling off.

The bridge at Charlie creek is failing, a resident was under the bridge when a fully loaded dump truck went over it, and it sagged a long way from the weight of the truck.

Also if we get second class city status, we can offer jobs so new people can move in and let the community grow.

Over all second class city would be a great addition to Edna bay.

Thank you for helping out Edna bay.

Regards, Isaiah Brown Edna Bay From: <u>Mike Brown</u>

To: Commission, Boundary (CED sponsored)

Subject: LBC comment on Edna Bay 2nd Class City Petition

**Date:** Saturday, March 15, 2014 10:10:57 AM

Greetings LBC, thank you for your service.

My name is Mike Brown, I am a retired Coast Guard Petty Officer, flight mech, and rescue swimmer. I would like to address the LBC with my thoughts regarding the opportunity we have been given to become an Alaska 2nd Class City. The Feb 2014 Preliminary report was "Spot-On". Our petition to become a Second Class city is clearly in the best interest of the state.

We moved to Edna Bay in June of 2010 after I made a December visit to Edna Bay and met many of the year round residents, looked at real estate lots and explored as much as I could in 3 days. We did not take lightly the sheer size of a move north from Washington, and the logistics of getting an excavator, a semi truck and 4 trailers, and a mobile sawmill to Kosciusko Island. My wife and I researched all of Alaska for that perfect place, or as near perfect as possible to relocate our sawmill and specialty lumber business.

One of the biggest influences to us picking Edna Bay was the fact that the folks there were very independent and at the same time were constantly lending a neighbor a helping hand. I saw that through the efforts of our community volunteers, Edna Bay was doing an amazing job of keeping roads navigable, doing repairs on the breakwater and dock, and taking great care to use scarce funds to make Edna Bay a small city. In the last 4 years while I have been building my home, sawing lumber, hunting and fishing, my first impressions have been confirmed many times. Edna Bay is already functioning like a little city.

Everyone knows that we cannot continue this course indefinitely. We need our sovereignty so we can self govern rather than be dragged into a borough that will not be good for our community.

Our bridges are in poor condition, and while neither the state nor the federal government want site control, we as a community are begging for it.

The harbor is the lifeblood of Edna Bay, it was well taken care of for many years, but like a car, it is worn out. We desperately need a new one. The state of Alaska will give us control of the dock if we are a 2nd class city. If we do not become a 2nd class city, we will lose our dock, and a domino effect will take place.

As for jobs, Sealaska appears to be using outdated or intentionally incorrect data in their claim of 13 employed people. Including my family, I counted 23-24 employed people that make Edna Bay home. Additionally, in rebutting another flawed claim by Sealaska, we very much rely on local Forest Service land for subsistence timber and food. On the other hand, Kosciusko Island is entering into the 70 year cycle of "Ready To Harvest" 2nd growth timber. If this timber is harvested in a responsible manner, as the USFS has been doing, there will be

many lifetimes of jobs for permanent residents in Edna Bay. 2nd Class City is most certainly necessary for the coming growth.

Alcan Timber is beginning road building operations in May of this year and will employ about a dozen people. Next year, and for the next 6-8 years, they will be logging on our island. It is pretty obvious that some of those folks will build homes and stay. Alaskans, given the chance, are masters at carving out a living and building infrastructure. Many of the loggers will bring families and the school will stay open. In the next 2 years, 4-6 of our friends will be moving to Edna Bay to build homes. One is considering a hardware and building supply store with a coffee shop and bakery. One has a sawmill like mine. Another two friends are loggers. and one is a commercial tug and barge owner. All are awaiting the outcome of our application for 2nd class city.

As for our plans, if Second Class City is finalized, we will move forward with our plans to build a Fishing and Adventure Lodge on the beach about 100 yards from the dock. My partner and I made a sizable purchase of beachfront for this purpose alone, and we are waiting to make a huge investment based on a successful transition to 2nd Class City. While the lodge is under construction we will have 4-6 people employed, and when finished, we will be hiring even more people. Without 2nd Class City status, we will not be likely to fund an investment that large.

While we realize that there are folks that want "The Island" to stay where it was 40 years ago, the stark reality is that if we do not take control of our own future, Edna Bay will have no future. Please help us move forward into a sustainable future with sensible growth and self government. We are doing a great job of being a city already, we just need our Birth Certificate!

Thank you again! Michael W. Brown 1 Holbrook Place Edna Bay Ak. 99950 USCG ret. From: Gerry Misner

To: Commission, Boundary (CED sponsored)
Subject: Edna Bay Incorporation Petition
Date: Sunday, March 16, 2014 10:14:15 AM

#### Dear Commission Members,

I am writing this to give my full support for the establishment of second class city status to the community of Edna Bay. I have been aware of the strenuous efforts of that community to obtain this status since 2010 and I heartily approve.

I am the titled owner of Lot 1, Block 1 of said community and have been since March of 2010. I moved to Edna Bay in June of 2011 with a 40' fifth-wheel and did reside there until June of 2013, when I was temporarily forced to move to Idaho due to outside circumstances. It is my fervent hope to return in the future and complete the improvements on my property, eventually retiring there. Having spent two years of my life in the community, I am well aware of the hardships of living there, as well as the potential for the great improvements that a re-designation would afford. I am certain that with those improvements the community will experience steady growth, with the potential for the establishment of several 'cottage industries', while retaining the rural life-style that we all enjoy so much. I can see absolutely no down-side to this re-designation for the residents there, nor for the State of Alaska. I urge you to grant our petition for this new status!

Thank you for your consideration in this request and look forward to your approval.

Sincerely,
Gerry Misner
P.O. Box 573
Cocolalla, Idaho 83813
208-255-5726

### Patrick and Heather Richter

1508 His Way Lane Edna Bay, Alaska. 99950 csl.richter@gmail.com (907)594-6312

March 14, 2014

Local Boundary Commission 550 West Seventh Avenue, Suite 1640 Anchorage, AK 99501-351

Re: LBC's preliminary report toward Edna Bay's municipal incorporation petition.

Dear LBC,

Thank you for the opportunity to submit comments regarding the LBC's preliminary findings pertaining to the petition for Edna Bay municipal incorporation.

After carefully reading through the LBC's preliminary report, we wish to convey our complete agreement with the findings. We find the reports conclusions appropriate and well reasoned and appreciate the efforts made by the LBC staff to thoroughly investigate the validity of the Edna Bay petition based on state statute. We also find that the LBC report fairly and accurately reflects and conveys the situation in Edna Bay and its need for maximum local self government.

We look forward to becoming a legally recognized entity. We believe this change in status will be of great assistance to the community as we move toward addressing needed infrastructure and public service. Thank you again for the opportunity to comment and for your time and consideration.

Sincerely,

Patrick and Heather Richter

Spencer Richter 1500 Emerald Cove Edna Bay, Alaska 99950

March 16, 2014

Local Boundary Commission 550 West Seventh Avenue Suite 1640 Anchorage, Alaska 99501-351

Hello LBC,

I have lived in Edna Bay my entire life and now own and operate a lodge and charter service here. I have carefully reviewed the petition for Edna Bay and the Preliminary Report just recently released by the LBC and see the benefits to the community and the State of Alaska if this endeavor is successful.

I am in full support of Edna Bay becoming a Second Class City.

Sincerely, Spencer Richter

## SEALASKA CORPORATION'S RESPONSE TO COMMISSION STAFF RECOMMENDATIONS

As a large landowner in Southeast Alaska, Sealaska Corporation consistently monitors activities that might impact our land holdings or future landholdings. Sealaska continues to be concerned about the potential impact of the large area encompassed within the Edna Bay petition, which includes areas to which Sealaska may receive title as part of its land settlement pursuant to the Alaska Native Claims Settlement Act of 1971. 43 U.S.C. et seq. 1601. Accordingly, Sealaska submits the following response to the Commission Staff's recommendation to ensure that certain concerns and considerations are raised with the Commission.

Article 10, §1 of the Alaska Constitution expresses our framers' intent "to provide for maximum local government with a minimum of local government units..." Sealaska supports that goal; and it agrees with Delegate Vic Fisher that simply creating a plethora of limited-purpose local government units leads to a "paradox" in which a state may have an impressive list of municipalities, but little local government actually being exercised. *Minutes, Alaska Constitutional Convention*, Day 58 (Jan. 19, 1956). Our framers did not seek cities just for incorporation's sake; rather, they sought to ensure the creation of municipalities that "would be effective to carry out not only the local but also state functions as may be necessary." *Id.* 

Sealaska raised a number of concerns over the petition in its original Brief. These comments were not adequately addressed by the *Staff* Recommendation. <sup>1</sup>/ The concerns raised in our Brief are incorporated herein. The comments below are intended only to highlight a number of positions taken in the *Staff Recommendation* that extend beyond the facts of this case and threaten to undermine the seminal constitutional goals of Article X of our Constitution.

Those include the following concerns:

# A. Edna Bay Would not Serve as a City at All, but Rather as a Limited, Special Purpose District

Sealaska opposes the Edna Bay petition because the proposal represents precisely the kind of local government unit that our framers sought to avoid. Edna Bay would, in truth, be nothing more than a road maintenance district and a harbor administrator. The new "city" would not be performing any other traditional local municipal function. As but two examples, it would not provide any law enforcement, nor would it address waste management. <sup>2</sup>/ This guarantees governmental overlap, with the state itself continuing to perform virtually all of the governmental functions of the "city."

## B. Edna Bay Would Not be an Efficient Provider of Government Services, but a Ward of the State

Sealaska is also concerned that granting the petition would set a dangerous precedent at odds with our constitution. Far from being the "effective" provider of local government services that Delegate Fisher and Alaska Const., Art. 10 sought, Edna Bay would be a ward of the state. Indeed, Staff states that one of the principal justifications for incorporation is access to state and

<sup>&</sup>lt;sup>1</sup> / This includes the petition's inclusion of large, unpopulated areas within the proposed city. That concern remains unallayed by a response that relies mainly on the inclusion of large areas of water in some incorporation petitions, and the petitions of cities far larger and more fiscally cohesive than Edna Bay, such as Valdez and Skagway

<sup>&</sup>lt;sup>2</sup> / Although the petition notes the need for solid waste treatment, it includes nothing in its projected budgets to tackle the issue.

federal money. *Staff Recommendation* at 15-16. The only locally-generated source of revenue for the new "city" would be a nominal \$4,800/yr. in harbor fees. For its part, the petition makes it clear that the "city" would not levy either sales or property tax on local revenues.

A Boundary Commission policy that counts near-100% state and federal funding as providing the "resources necessary" <sup>3</sup>/ to function as an actual municipality promotes both fiscal irresponsibility and a culture of dependency. Under the petition, Edna Bay residents would be making little to no financial contribution to their community and thus would have no direct financial stake in municipal fiscal decision-making. This is not the type of "effective" local government envisioned by our framers.

# C. By Disregarding Governing Precedent, the Staff's Recommendation Undermines the Boundary Commission's Effectiveness in Carrying Out Its Constitutional Mandate

It is critical that agencies pay due regard to their own precedent. To decide *ad hoc*, without even discussing prior rulings that seem directly on point, encourages arbitrary decision-making and taints the Commission's credibility.

Staff's failure to discuss the Commission's decision in *In the matter of the Petition for Incorporation of Naukati as a City of the Second Class in the Unorganized Borough*, Statement of Decision, Jan. 4, 2006 is worth noting.

Specifically, Staff acknowledges that the principal sources of municipal funding proposed in the petition—PILT and revenue sharing—are speculative. Nonetheless, Staff concludes that the *possibility* of continuation of this funding means that Edna Bay has the financial resources to run the city. *Staff Recommendation* at 21.

The Commission in *Naukati* ruled precisely, exactly, to the contrary. The petitioners in that case were not allowed to rely on PILT and revenue sharing to prove up financial capability, given that

<sup>&</sup>lt;sup>3</sup> / 3 AAC 110.020

"[p]rojected federal Payments in Lieu of Tax funding is no more reliable than...Forest Receipts," and could thus not be counted as operating income. *Naukati* at 32. Speculative state or federal grant programs could not be counted in the asset column, the *Naukati* decision held.

Here, Staff insists that what is actually "speculative" is the possibility that these funds will be lost in the future—contrary to the basic premise of *Naukati*. Staff Recommendation at 21. Especially given that the federal and state funds at issue here and in *Naukati* are exactly the same funds, it is inescapable that Staff proposes to turn *Naukati* on its head, without even mentioning the case in its Staff Recommendation.

## D. The Recommendation Makes Major Findings Without any Supporting Evidence

The *Recommendation* contains a number of findings with which Sealaska disagrees. The substance of those disagreements was set out in Sealaska's initial brief. Certain findings carry with them consequences beyond this case, compromising the Commission's ability to form a cohesive and coherent body of agency case law.

Those findings include the following:

• There is uncertainty regarding road and harbor ownership. Recommendation at 16. First, and with respect to the road, there is no uncertainty. The State and Staff agree that the road traverses land owned by the State of Alaska. *Id.* It is also undisputed that, in the conveyance of that land from the USFS to the State, there was no easement reserved to the USFS for the road. Therefore the road belongs to the State. And staff concedes that, if the State merely acknowledges its ownership, incorporation "might not be necessary." *Id.* at 17. <sup>4</sup>/ To the same

<sup>&</sup>lt;sup>4</sup> / It is not true that Sealaska asserts USFS control or ownership of the road. *Cf. Recommendation* at 16. The Affidavit of Richard Perkins, which Staff cites as the source of that

effect, DOT&PF acknowledges that it owns the harbor floats. There is therefore no "need" for Edna Bay to incorporate in order to obtain harbor funding;

- The prospective city is in "sound financial shape" and thus has the resources necessary to provide all essential municipal services. Recommendation at 20. This finding is based on two "conclusions": (i) the potential availability of PILT and revenue sharing funds in the future: and (ii) Edna Bay has "dedicated" people. The first conclusion is barred by Naukati. The second is sentiment expressed about the people of Edna Bay that does not really have a role in the dry, economic test that is actually required of incorporation petitions;
- The city has the ability to generate sufficient revenue. Recommendation at 21. This finding appears to be based on the fact that Edna Bay will not be levying a property or sales tax. In other words, the fact that Edna Bay has foresworn any intent to levy a property or sales tax proves that is has the capacity to raise sufficient revenue. There is simply no logical connection between the underlying fact (refusal to levy a tax) and the conclusion drawn therefrom (financial solvency).

One further note on the "sufficient resources" issue; on several occasions, Staff itself fills in otherwise harmful evidentiary gaps in Edna Bay's petition. *First*, pursuant to 3 AAC 110.020(1)(G), the petitioner is required to submit property valuation data demonstrating the town's funding capacity. The Edna Bay petition did not do so. Staff then attempted to fill that evidentiary gap by obtaining

claim, actually provides property records of <u>other</u> area conveyances where a USFS easement was reserved, illustrating that, where the USFS intends to reserve a road easement, it knows how to do so.

valuation estimates from the State Assessor. *Recommendation* at 23. Second, Staff pads the amount of personal income in Edna Bay by assuming (without any evidence) that, besides wages, residents would have healthy pension and investment income. *Id.* When an agency goes beyond reviewing a petition, and

begins helping the petitioner cure defects in it, it ceases to become a quasi-judicial

body.

\* \* \*

Sealaska shares our framers' desire for effective and efficient local government throughout the state. But as Article 10, §1 itself stresses, a high *quantity* of local government units does not necessarily translate into a high *quality* of local government. Sealaska respectfully urges the Commission to keep this constitutional admonition in its sights as it reviews the Edna Bay petition, and we appreciate any consideration that the Commission will give to our concerns.

DATED March 17, 2014.

SIMPSON, TILLINGHAST, SORENSEN & SHEEHAN

Jonathan K. Tillinghast

Attorney for Sealaska Corporation

One Sealaska Plaza, Suite 300

Juneau, Alaska 99801 Phone: (907) 586-1400

Email: jon@stsl.com

Richard & Sharon Wargi 8043 W. Davidson Ave. Edna Bay, AK 99950

March 16, 2014

Local Boundary Commission 550 West Seventh Avenue, Suite 1640 Anchorage, AK 99501-3510

Dear Commissioners,

We are writing this in support of the commission accepting our petition as presented; toward our goal of Edna Bay becoming a second class city.

There are so many possibilities here. Being a second class city will make it much easier to take care of our roads and bridges ourselves. We'll be able to apply for grants and other funding to do the needed repairs that we currently do not qualify for. There are many improvements needed. Our State dock is in need of replacement, too, just like our bridges.

We are in the process of getting a bulk fuel facility put in for the community's needs. Having our own fuel will be wonderful. It's been needed for many years. This will make Edna Bay grow, because people will not have to be dependent on having someone willing to risk his life – especially in the winter, to bring fuel to them.

At this time, we have no authority to manage many of the things that are needed to make our community better. It's important we become a second class city so that Edna Bay can continue as a stable, growing place to live. We want to thank the LBC for its efforts in helping us take this step.

Sincerely,

Sharon & Richard Wargi

From: Whidden P

To: <u>Commission, Boundary (CED sponsored)</u>

**Subject:** Edna Bay as a 2nd Class City

**Date:** Saturday, March 15, 2014 7:16:52 PM

To the LBC concerning the petition to make Edna Bay a second class city,

My name is Criss Whidden. My wife and I are considering moving to Edna Bay and one of the concerns is that the area is run by the local government and not people out of the area. As we have found in Clallam County, North Port Angeles makes decisions for the rural part of the county for the coast that are not beneficial for the area. Due to the economic down turn in our area Port Angeles area has raised the tax burden county wide 200 fold in the last 3 years.

I feel that local decisions and taxes should benefit the local people and their businesses. For this reason we believe that a 2nd class city is in the best interest of Edna bay. I am also a business man and am hoping to bring business and employment opportunities to

Edna Bay if we move there.

Sincerely Criss Whidden 480 Smith Rd Forks, Wa. 98331 From: Rebecca Andrus

To: <u>Commission, Boundary (CED sponsored)</u>

**Subject:** 2nd class city Edna Bay

**Date:** Saturday, March 15, 2014 7:42:01 PM

To the LBC concerning the petition to make Edna Bay a second class city,

My name is Patricia Whidden. My husband and I are considering moving to Edna Bay. As we have found in Clallam County, Port Angeles makes decisions for rural areas that are not beneficial for us. Since the economic down turn in our area, Port Angeles area has raised the tax burden county wide 200 fold in the last 3 years.

I feel that local decisions and taxes should benefit the local people and their businesses. For this reason I believe that a 2nd class city is in the best interest of Edna bay.

My husband and I are hoping to bring business and employment opportunities to Edna Bay if we move there.

Sincerely Patricia Whidden 480 Smith Rd Forks, Wa. 98331 From: <u>karen@mybeardogs.com</u>

To: Commission, Boundary (CED sponsored)
Subject: SECOND CLASS CITY PETITION
Date: Monday, March 17, 2014 4:27:02 PM

MARCH `17, 2014

LOCAL BOUNDARY COMMISSION

550 WEST SEVENTH AVENUE, SUITE 1640

ANCHORAGE, ALASKA

99501-3510

RE:PRELIMINARY REPORT

EDNA BAY MUNICIPLE INCORPORATION

DEAR COMMISSIONERS.

I AM SENDING THIS COMMENT TO THE (LBC) REGARDING EDNA BAY'S SECOND CLASS CITY PETITION, MAKING NOTE OF MY COMPLETE SUPPORT. I AM HAPPY TO SEE THE LBC,S ANALYSIS OF OUR COMMUNITY,S INCOPORATION PETITION, & THAT YOU ARE IN AGREEMENT WITH OUR CMMUNITIES NEED FOR SECOND CLASS CITY STATUS. I BELIEVE BOTH STATE & FEDERAL GOVT. & OUR COMMUNITY WILL BENEFIT FROM THIS INCORPORATIO. THE CITY OF EDNA BAY WILL BE ABLE TO WORK WITH THE STATE & FEDERAL GOVT. CLOSELY, ADDRESSING THE ISSUES OF INFRASTUCTURE NEEDS WHICH WILL AFFECT OUR SAFETY, HEALTH, & WELFARE OF ALL WHO RESIDE HERE. STABILITY & DEVELOPMENT ARE INEVITABLE. MORE PEOPLE WILL MOVE HERE. ROADS & BRIDGES ARE IN GREAT NEED OF REPLACEMENT OR REPAIR, THI PETITION WILL HELP US DEAL WITH THESE.

SINCERE THANKS,

#### KAREN WILLIAMS

From: <u>Michael L Williams</u>

To: <u>Commission, Boundary (CED sponsored)</u>

Subject: Second class city petition

**Date:** Monday, March 17, 2014 4:11:46 PM

March 17 201 Local Boundary Commision 550 West Seventh Avenue, Suite 1640 Anchorage Alaska

99501-3510

Re: Prelimenary Report EdnaBay Municipal Inc.

#### **Dear Commissioners**

I'm writing in support of EdnaBay becoming second class city. I do believe that we as a community would benefit completely from this change. Roadwork and bridgework and sanation being just a small part of what we might achieve. Having a say in what happens in EdnaBay Is also huge benefit. I thank you so much for your help and support in helping this happen

Sincerely Mike Williams

Sent from my iPad

#### Dear Sirs;

Thank you for the opportunity to comment on the preliminary report prepared by the LBC staff on the petition for second class city status by the community of Edna Bay. PREFACE

Exhibit A of the petition says "we the undersigned, hereby petition for the incorporation of the city as set out in the complete petition. Further we affirm that;

- 1. we are registered voters of the State of Alaska;
- 2. we currently maintain our principal place of residence within the territory proposed for incorporation; and
- 3. we have reviewed the complete petition for incorporation, including all exhibits and we understand it's items.

I would submit that at the time of signing at least 7 of the signatures collected belonged to people who do not maintain their principal place of residence in Edna Bay. I also believe that 2 other signers are not registered to vote in Edna Bay.

How can the petitioners feel so strongly regarding Sealaska's right to comment when they themselves are depending on the signatures of people who do not qualify as signers in order to provide the 25 signatures required to petition the LBC.

To make matters worse, three of the signers, within a short time of signing, left the community.

When a petition of this sort cannot be qualified by the people who actually reside in a community, who are aware of the day to day struggles to maintain a life there, who understand the needs, and are aware of the actual realities of the community. When in order to get sufficient signers the petitioners have to go to persons who do not actually live here I find it hard at best to read in the preliminary report that "the petition is supported by a majority".

#### The community president in her comments to the LBC states

"I have seen an overwhelming degree of support for this petition from local residents who are eagerly awaiting and hopeful of your favorable decision regarding Edna Bays incorporation."

If this were true why would it be necessary to go to the extra work of collecting signatures from people who do not reside in Edna Bay? Why not just have the overwhelming local supporters sign it?

There are several residents who signed the petition as a result of misinformation disseminated by the proponents of municipality who, on learning the actual facts, are not in favor of incorporation.

I am curious to know how it is that the petitioners should feel that because Sealaska has no current presence on Kosciusko Island they have no right to comment when the petitioners themselves are depending on the signatures of people who do not live in Edna Bay to support their petition?

#### **COMMUNITY RESIDENTS**

While the LBC states that according to the Department of labor and workforce statistics "there were 48 people in edna bay as of July 2013". It would be good to note that this figure is an estimate, and is based on the number of people who filed for a 2013 PFD, citing Edna Bay as their residence, modified by the ratio of persons reported in the 2010 census and the PFD's filed in 2010.

That number includes those persons who claim Edna Bay as their residence but who have not been here in years. It also counts 7 to 10 persons who would have filed for their PFD while in Edna Bay in the spring of 2013, but who left, with no intent to return shortly after filing.

My contact list shows 36 persons now living in Edna Bay who intend to be here next year.

The following quotes from other residents say much the same.

"However it appears to me that rather than growing in population, Edna bay seems to be in a persistent downward trend. I would estimate the number of people actually living here currently to be in the mid 30's. In fact, barring an influx of new children, the community stands to lose it's school next year." *from a comment on the petition.* 

"I just got the message that the teacher will leave the community by June 1. That means the population will decline by 25 percent. I'm wondering if the \*\*\*\*\*\*\* are still there when I'm arriving on May 27th (?). Seems that Edna Bay will be a Ghost-Village very soon. Please don't leave me alone!" unsolicited comment from a long time summer resident.

While this number is still sufficient for incorporation it is of note that there are not 25 persons among these residents who support second class city status for Edna Bay.

#### **NEED**

The LBC in it's analysis of need to become a city incorrectly states "the community has demonstrated a reasonable need to incorporate in order to get a new harbor facility".

While Edna Bay must be a municipality in order to gain control of the harbor; according to Mr Lukshin, of the DOT Ports and Harbors, the funds to replace the existing harbor

and breakwater have already been budgeted and are not in any way dependent on Edna bay achieving second class city status. Like the community of Naukati, Edna Bay will get a new harbor as soon as the DOT can schedule it's construction regardless of our municipal status.

As stated by one petitioner "We are already performing most of the duties that will be required as a municipality. We hold monthly meetings, manage finances, successfully administer grants, hold elections, adhere to our Articles and Bylaws, provide services such as EMS, Search and Rescue, Volunteer Fire Department, Road Maintenance, Harbor Maintenance.

Except for the harbor which is slated for replacement regardless of our municipal status and the road which will require cooperation with the DNR, the current government is quite able to meet the needs of the community.

The community at this point does not provide for waste management but with ingenuity and effort on the part of the community as a whole I believe this could be addressed without incorporation as a city. Waste management at this time does not constitute a threat to the safety or health of any residents as each household manages their own disposal system. As the LBC pointed out, the mail plane brings in not only mail but groceries and most of the necessities of the community, limiting the quantity of household garbage to mainly what comes in on the plane.

While the bridges are aging and will not last forever, and while transportation across the community would require driving around by logging roads or using a skiff to cross the bay during repairs should the bridges fail it would be interesting to note that during the most recent time of highest population there was no connecting road, and the community did not suffer from serious threat to health and safety.

I would submit that if the only need for incorporation rests solely on the state of the local bridges and if the resident population is not in favor of incorporating then it would behoove the community leaders to research other options such as requesting the DNR to build the planned "by pass" road which would run above the community with connecting access roads allowing log truck traffic to "by pass" the community, and would allow residents to maintain the connection across the community should a bridge fail. Another option would be to spend some of the excess monies to install railroad flatcar bridge decks as two suggestions.

The petitioners site increased population and influx of tourists as "taxing the local infrastructure and support services" as evidence of need to incorporate.

I am wondering what "infrastructure" is being taxed?

What support services does Edna Bay provide to tourists?

If these are such serious concerns that our community needs to incorporate to solve them why have they never been brought up in community meetings?

If they are referring to our emergency services I would submit that to the best of my knowledge EMS has had 1 call in the last 2 years, no calls for the fire Department in 15

years or more and the Search and rescue has been called out twice in 5 years. No one has even plowed the snow in a year.

#### RESOURCES

By the statement of the petitioners the City of Edna Bay plans to base all of it's functions services and improvements on monies from Government sources, while the petitioners themselves do not expect the City to be responsible for it's own support except for the harbor fees, anticipated to be \$4,800 a year.

#### **BUDGET FEASIBILITY**

"In sum, the anticipated operating budget of the proposed city is feasible and plausible through the period extending one full year beyond the reasonably anticipated date of receiving the final organization grant and for completing the transition"

I have a few questions regarding the budget for the City of Edna Bay which is as stated quite low.

If the petitioners plan to institute law enforcement where is it in the budget?

The petitioners have stated that refuse management will be a municipal service, but have not included this service in their budget. What are the costs associated with refuse management? How do they plan to dispose of the refuse?

The postal service at this time is an entirely private endeavor who's costs are subsidized by the community. If the city plans to assume postal services those costs should be in the budget.

I asked the petitioners about these two expected expenses and was told that "the city council would decide that", implying that they expect there to be expenses that are not included in the proposed budget.

As reasonably stated it would be expected that the city would provide pay to at least the clerk as those duties will increase with the increased legal burden of a city government. The costs for wages, and payroll should be included.

The community leaders have frequently asserted the need for public liability insurance for the community, for workman's compensation insurance to cover volunteers while working on community projects, and for insurance to cover those volunteering in emergency services.

If the city gains control of the new harbor, (which will cost, according to Mr Lukshin, in excess of 1 million dollars) they will now have the task of keeping up the maintenance and of replacing it in about 30 years (according to Mr Lukshin). The petitioners state that they expect to gain \$4,800 a year in harbor fees from the 8 boats moored there, (plus

whatever skiffs would be moored in summer) which I presume could be used to maintain the harbor and as stated in the petition can be available to bail out other areas of city function as needed.

If there were no inflation, and if the harbor cost was just \$1,000,000 the city would need to collect \$33,333 or \$2,777 a month. If they expect to replace the harbor by use of harbor fees the cost per boat would be about \$350 a month or \$4,200 a year for the use of the harbor.

Where is the budget which will cover replacement costs? Especially if the city has collected and spent the harbor fees to bail out other city functions as they stated they would do should there be a shortfall.

I believe the budget to be very low because I hear is the petitioners on one hand saying that they can't maintain the roads or provide necessary services with the current budget/income level and need to incorporate to solve these problems. Even though they show an almost \$100,000 balance which is not being used to solve any of these problems.

On the other hand there is no indication in the budget of plans to provide any changes in maintenance or increase of services.

Even though it is not stated outright in the petition it appears that the main reason to incorporate is to lay hand on the increased funding available to a city. If that funding were actually needed it would seem logical that this would be reflected in the proposed budget.

It would be well to consider that while the current petitioners talk of services on a volunteer basis it is well to look to the future when these people become weary of the responsibility or others take office and the costs increase.

#### RESOURCES

Living in my community and knowing my neighbors, I am appalled that the LBC so glibly states adequate economic resources with so little documentation.

While the Department of labor and workforce information for 2012 showing total wages of \$368,872 is probably correct one must point out that these wages include the wages of residents who work at the school which is closing, that because these community specific statistics are based on PFD applications it also includes the wages of people who still use their Edna Bay address on their PFD even though they do not live here, and those who filed for PFD's in Edna Bay and then moved away. (7 to 10 residents last year)

Most of the retirees of Edna Bay are on social security which is barely enough to exist on if they are careful. Few have investments or retirements.

While the LBC statement, "If people depend on subsistence for part of their livelihood, their need for cash would lessen." is technically correct I find it a extremely offensive in light of the fact that for many residents subsistence simply means the difference

between being able to eat and going hungry or having to accept welfare. it means that the cash they have can be stretched for fuel, other food, adequate clothing, basic needs.

The local businesses.....all 3 of them (considering they support 2 households, and provide a little extra for a 3rd) being self employed have income not included in the Dept's total wage statistics. There is a reason why these men have so many licenses. The fishermen also can be included although the LBC has seriously misquoted the facts as presented by the CFEC.

While 18 permits were issued to 11 persons in edna Bay in 2010 as stated by the LBC, there were in actual fact 7 fishermen who actually fished 9 permits. I understand from speaking to a representative at the CFEC that 2 of those fishermen are actually deck hands.

These 7 fishermen each averaged a gross income of about \$45,000 their take home seriously diminished by the cost of fuel, repairs, fishing gear and whatever other costs are incurred by fishermen.

I believe it would be important to note that while the numbers of permits and fishermen were very close with 7 fishermen fishing 10 permits in 2012 the average income before expenses was \$27,787. Almost half the 2010 income. After these fishermen have paid their expenses many can just barely hold on until the next season.

The packer no longer comes to Davidson Inlet necessitating longer runs to sell fish with higher fuel costs. The packer does not come because there aren't enough fish to make it worth it.

Yes you could say that the "collective income can be much larger", but it would depend a whole lot on what you considered "much larger". For many people in Edna Bay any extra financial burden imposed by the city would be devastating.

I believe that before the LBC can say that the financial resources of the local residents is "adequate" there needs to be more documentation.

I also believe that the LBC should look at the local government's stewardship of the resources in the last few years.

Although they show an apparent careful use of funds the community does not have a history of careful stewardship of the assets owned by the community.

The fire truck is inoperable, the fire and emergency pumps that can be found are unusable. With all the skilled and employable residents available to support the city we have not had a fire chief for a year.

The ambulance deteriorated into an unusable condition from neglect and the Emergency 4 wheeler has flat tires and a dead battery. Many pieces of EMS equipment seem to have disappeared in the last few years.

The dump truck and back hoe belonging to the community road department have also been reduced to unusable condition through lack of maintenance.

Even though the community has stated they want to retain the easements for the community boardwalks which have become unsafe from lack of maintenance, rather than repairs the community purchased keep off signs.

The cost to maintain these assets has not been the reason for their deterioration, they have simply been neglected.

The petitioners state the need for an industrial site and list light industrial as a a reasonably anticipated development and it is not impossible the difficulties of investment and development in this remote place mean it is not likely.

The cost to bring in building supplies, equipment and machines along with the added cost and logistics to bring in supplies and ship out a product are quite high.

The unreliability of telephone service and internet, the weather dependent mail, and the cost of fuel are against any but the most determined.

The availability of funding decreases with the remoteness of the proposed location. While industry would be a good thing for Edna Bay providing resources, stability and jobs it is very unlikely to happen.

#### **POPULATION 4**

While the LBC states that according to the Department of labor and workforce statistics "there were 48 people in edna bay as of July 2013". My contact list has about 36 persons now living in edna Bay who intend to be here next year.

"...in recent years our community has seen an increase in investment and development, with six new home sites currently under construction. An enhanced government status will enable us to support and manage growth." Myla.

Had those homes been completed (one was never started) and/or the owners chosen to stay in Edna Bay it would have swelled the population by 17 which I do not believe would be an influx requiring management. (Whatever they are talking about) At this time those 6 homes have netted 1 resident. 3 more intend to move permanently this spring. 8 have decided that Edna Bay is not for them and 3 would like to move here but because of circumstances outside their control have put off moving indefinitely. It appears that these 6 homes will only increase the population by 5 if the plans of the others work out.

During this same time because of divorce related to isolation and lack of local employment 9 residents have left the community; one has passed away. (which may in turn reduce the population by another 3 residents if his family are unable to remain without a breadwinner)

Out of the original 17 possibles,

- -6 have not actually moved here
- -7 no longer plan to move here
- +1 has moved here
- + 3 are planning to move in the spring

-9 have left for reasons from death to divorce So since the possible influx of 17 residents the population has actually decreased by 1

A new resident has recently bought a home and states an intent to live here, and 2 new residents are planning to build this summer. So we may if all goes well actually increase by 2. (Or decrease by 1 if the local family of 3 cannot find a means to stay without the head of the home.)

I do not believe that these facts present a compelling need for increased infrastructure. or constitute "substantial growth".

Regardless of the glowing report by the petitioners of the steady growth of the community, the school will not re-open in the fall as there is only 1 school aged child in the community. (And that one may be gone before fall)

Looking at the demographics presented by the Department of labor and workforce the majority of the population of edna bay in 2010 was over 50. 29 persons over 50 and 13 persons 49 and under. These numbers have only increased the gap between those 49 and under and those over 50 in the years since as there are no longer enough students to maintain the school.

45 people moved to edna bay in the last 5 years, and I can only count 5 who stayed. I would question the LBC in their statement that the population is stable.

While the population of edna Bay is undoubtedly over the legal count of 25 in order to incorporate, there is considerable question as to whether there is sufficient support for second class city within the community.

Our population is mainly made up of the 31 individuals who have lived in edna Bay 10 years or more.

This number is currently increased by 4 who have lived here about 5 years or less and 1 purchasing a home.

According to the Alaska population Projections 2010 to 2035 from the Department of Labor and workforce Development the Prince of wales-Hyder Census area is expected to experience a reduction in population across the board, with the median age for the entire area moving from 39.9 to 42.6.

The Juneau and Southeast Alaska economic indicators from october of 2013 states that the population of Edna Bay has decreased by 22% since 2010.

#### **BEST INTEREST OF STATE 5**

In conclusion the burden on the State of alaska is about \$34,000 a year to support Edna Bay community. If given second class city status that figure increases dramatically while the community refuses to shoulder any of that burden.

I believe that given the unwillingness of the petitioners to accept any of the financial responsibility it is not in the best interes of the state to grant City status.

This is my community and I love living here. I may be a little strange in that I continue to love it after 14 years.