

**CALL TO ORDER:**

The annexation meeting of the Sand Point City Council was held Tuesday, March 8, 2016 in the Sand Point Council Chambers. Mayor Glen Gardner, Jr. called the meeting to order at 6:30 p.m.

**ROLL CALL:**

Glen Gardner, Jr.	Mayor	Present
Danny Cumberlidge	Seat A	Present
Allan Starnes	Seat B	Present
Shirley Brown	Seat C	Present
Jack Foster, Jr.	Seat D	Absent - excused
Marita Gundersen	Seat E	Present
Emil Mobeck	Seat F	Present

A quorum was established.

**Staff in attendance:**

- Andy Varner, Administrator
- Shannon Sommer, City Clerk
- Richard Kochuten, Sr., Harbor Master
- Krista Galvin, Finance Officer

Mayor Glen Gardner, Jr. stated Section I. Call the meeting of the Council and this pre-submission hearing to order.

Take roll of Council. [note — Please make sure that the Clerk notes the beginning and end times of the meeting, and the various sections below (i.e. so we can write in the summary what time the hearing started, what time the ‘legal requirements’ discussion began and ended, and what time the taking of public testimony started and ended.)

Section II. Welcome everyone to the meeting.

Ask everyone physically present to sign the sign-in sheet.

Section III. Explain the purpose of the meeting:

The purpose of this meeting is to conduct the required pre-submission public hearing on the City of Sand Point’s proposed legislative review annexation petition. Annexation means expanding the City’s boundaries to include more territory. Under its petition, the City would seek to annex territory referred to in the petition as Popof Island and surrounding waters. It consists of approximately 246 square miles of land and water, which is described in more detail in Sections 5 and 7 of the petition. There are also maps of the proposed annexation area, found at Exhibit A-4 of the petition and in copies here tonight. The proposed area encompasses all of Popof Island, the waters up to the eastern border of Unga Island, the waters up to the southern border of Korovin Island, and several small, uninhabited islands, all within Popof Strait, Korovin Strait, and a portion of West Nagai Strait.

There are 2 copies of the petition on the table here and they have also been located for the last four weeks at City Hall, as set forth in the published notice. Petition summaries have also been available in City Hall, posted on the City website, and are also available tonight. Notice of this meeting was also published in the AEB newsletter “In The Loop” and announced in a public service announcement, which was submitted to KSDP.

The law requires that when a City is seeking to annex territory by what is called the legislative review process, the City must hold a public hearing prior to submission of the proposed annexation petition to the State Local

Boundary Commission, and this is that public hearing. After this hearing, the City Council of Sand Point, at its meeting on April 12<sup>th</sup>, will have an opportunity to review any potential amendments or changes proposed for the petition resulting from this public hearing or any comments submitted, and vote on whether to submit the petition to the LBC. This would be done by Council resolution.

We will first go over some legal matters that are required under the law, and then we will go on to the public testimony. Everyone will have up to **five** minutes each to provide comment. Also, anyone can submit written comments to the City following this hearing. They must be received by the City by 5:00 pm on March 15<sup>th</sup>, 2016.

Now, moving on to the legal matters. A written version of this portion of my comments will also be attached to the minutes of this hearing as a written statement:

The law requires that this public hearing address the following:

- Legislative review annexation procedures;
- Appropriate annexation standards and their application to this petition;
- The reasonably anticipated effects of the proposed annexation; and
- The proposed transition plan required under state law.

These items are all addressed in the petition summary.

I will now turn it over to our City Administrator to go over these items briefly. Again, copies of the full petition are available as well as summaries for your reference. After that time, we will hold a public comment period.

Administrator Andy Varner stated First: the legislative review annexation procedure.

The legislative review method of annexation is authorized by the state constitution, and requires the approval of the Local Boundary Commission and tacit approval of the Alaska Legislature. It does not require the approval of the voters. [The procedures governing annexation by the legislative review method are set forth in Alaska Statute 29.06.040 and 3 AAC 110.425 and .610. Other applicable petition requirements are set out in sections 3 AA C 110.400-.700.]

After completion of the pre-submission requirements, and after a resolution of authorization by the City Council, the petition is first submitted to the Local Boundary Commission for its consideration under its regulatory guidelines. This includes a technical review, public comment periods, public reports issued by the LBC staff and a public hearing. If the LBC approves the petition, it presents its approval to the Legislature during the first 10 days of a regular session of the Legislature. Our goal is to have this annexation request before the Legislature at the beginning of their 2017 session. The Legislature then has the opportunity to act on the LBC's recommendation for approval. If the Legislature adopts a concurrent resolution to deny the recommendation within 45 days of the date that it was filed, then the recommendation is denied. If the Legislature takes no action, it has tacitly approved the proposal. In other words, this means that the annexation is approved unless the Legislature specifically denies it within the 45-day period.

Second: the appropriate annexation standards and their application to this petition.

The standards governing annexation to cities are established in Alaska Statute. I will outline the standards briefly, and then explain their application to the City's petition. These standards are outlined in much more detail in Exhibit E to the petition, which is the supporting brief.

Under 3 AAC 110.090, the territory to be annexed must exhibit a reasonable need for city government. A number of different relevant factors may be considered, including social and economic conditions of the area,

anticipated growth, existing or anticipated health and safety conditions, adequacy of existing services and anticipated economic development.

\*The reasons for the proposed boundary change include anticipated economic development and anticipated health and safety concerns. The annexation would grant the City the power to tax on the fishing grounds where many Sand Point fishermen harvest product. These fishermen rely on the services provided by the City- and are already paying a fish tax to the Borough and perhaps another municipality subject to delivery- and granting Sand Point the taxing authority in this territory will help our tax base and broaden the City's ability to provide services in these times of shrinking budgets. The direct benefit of new taxing authority would be Sand Point residents and the fishermen who depend on the services our City provides with the harbors, dock, emergency response, health clinic, landfill, water and sanitation, etc.

Under 3 AAC 110.100, the territory must be compatible in character with the annexing city, considering land use and ownership patterns, population density and changes, existing and reasonably anticipated transportations patterns and natural geographical features.

\*Current Sand Point residents explore the entire Popof Island, commercial and subsistence fish in the surrounding waters, and travel to Unga Island for a variety of reasons. Many residents of the former villages of Unga and Squaw Harbor (both located on Unga Island's east coast) relocated to Sand Point. Families from the former village on Korovin Island migrated to Sand Point decades ago. The Unga Tribe and Unga Corporation both have their home offices in Sand Point.

Under 3 AAC 110.110, the economy within the proposed expanded boundaries of the city must include the human and financial resources necessary to provide essential municipal services on an efficient and cost effective basis.

\* The City already delivers some services to the territory, and plans to extend to the area certain other services, including community planning, public safety, and the levy of taxes. The levy and collection of a raw fish tax will help pay for these services, and the fishermen who will pay those taxes are largely from Sand Point. The existing City government is stable and well-managed, and is able to cost-effectively extend services to the area.

Under 3 AA C 110.120, the population within the expanded city boundaries must be large and stable enough to support the extension of city government.

\* Annexation will not change the population of the City.

Under 3 AAC 110.130, the proposed expanded boundaries must include all land and water necessary to provide the development of essential municipal services on an efficient, cost-effective level.

\*Approval of the proposed boundaries would incorporate many of the areas on the fishing grounds around Popof Island that Sand Point fishermen currently and traditionally have used for transactions via tendering. Additionally, Sand Point residents have explored the proposed territory (both on land and water) since the settlement of the community, mostly through subsistence and commercial fishing activity. The City has provided extraterritorial services for search and rescue in the proposed territory for decades. All of the area is adjacent to the existing boundaries of the City, would not create enclaves, and would not overlap the boundaries of another existing city.

Under 3 AAC 110.135, the annexation must be in the best interests of the state of Alaska, in that it promotes maximum local self-government with a minimum number of local governmental units.

\* Annexation will promote maximum local self-government by giving the City the power to tax and provide services over the entirety of Popof Island and the nearby shores and waters of the island. And annexation will not impose any new requirements for services or fiscal obligations on the State.

Under 3 AAC 110.140, the regulations further provide that one of nine specified circumstances must exist for annexation by the legislative review process.

\*Legislative review is necessary because there is no population in the proposed territory, and a large portion of the annexation request consists of water. Thus, State interest and ownership dictate legislative review.

Under 3 AAC 110.910, a petition won't be approved if the effect would be to deny anyone important civil or political rights.

\*Annexation will have no effect on any person's civil or political rights.

Moving on, thirdly, the reasonably anticipated effects of the proposed annexation.

\* If the LBC approves this annexation petition, and the petition passes legislative review, it would likely take effect a few months after approval. At that time, the City will gain municipal jurisdiction over the territory, and City ordinances would apply to the area, including taxation authority. The effects of annexation to residents, businesses, and tribes will be minimal since there are no known permanent residents in the proposed territory. The annexation should generate net revenue for the City government, which could lead to more services or help offset potential revenue losses such as Community Revenue Sharing, PCE, or shared fish tax from the State.

Lastly, the law requires that we discuss the transition plan.

\* The Transition Plan is attached as Exhibit D to the petition, and is also Part C of the summary. In short, the City has the capacity to assume the relevant powers and duties of appropriate public service in the proposed area. There are currently no residents nor public services available in this territory and that is unlikely to change in the event of annexation. Since this annexation would have no real or practical effect on any other government bodies- local, State, Tribal, or Federal- there are no assets/liabilities to transfer or integrate. The City will coordinate and cooperate with the Borough and Shumagin, Unga, and Aleut Corporations throughout the annexation process to ensure it is open and transparent.

That summarizes the petition standards, transition plan, and approval process. Mr. Mayor I'll hand it back over to you.

Mayor Gardner stated That concludes this part of the hearing. We will move on to public testimony. Remember that we have our regular City Council meeting directly following, 5 minutes after the conclusion of this hearing.

Section IV. Public testimony:

Anyone wishing to give public testimony on the proposed annexation petition will have 5 (five) minutes each for comment. For the official record, I will ask folks to stand and give their comments based on the order of the sign-in sheet. Mr. Varner will be the timekeeper for each commenter, and we will strictly enforce the 5 minute rule. You are only allowed to testify once. Clerk, please note for the record the times that public testimony begins and ends.

As a reminder, written testimony will be accepted until 5:00 pm on the 15th of March, by submittal to the City. You can provide comments in hard copy, or by email to our City Administrator at [avarner@sandpointak.org](mailto:avarner@sandpointak.org).

**PUBLIC TESTIMONY:**

Richard Kochuten, Sr. stated at 6:47 pm, ended at 6:48 pm.

Amy Foster stated her personal testimony at 6:48pm and ended at 6:51 pm. She also spoke on behalf of the Unga Corporation at 6:51 pm and ended at 6:52 pm.


**COUNCIL COMMENTS:** None.

**ADJOURNMENT:**

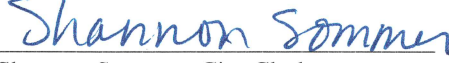
**MOTION:** Councilperson Marita Gundersen made a motion to adjourn.

**SECOND:** Councilperson Shirley Brown seconded the motion.

The meeting adjourned at 7:33 PM.

  
Glen Gardner, Jr., Mayor

ATTEST:

  
Shannon Sommer, City Clerk