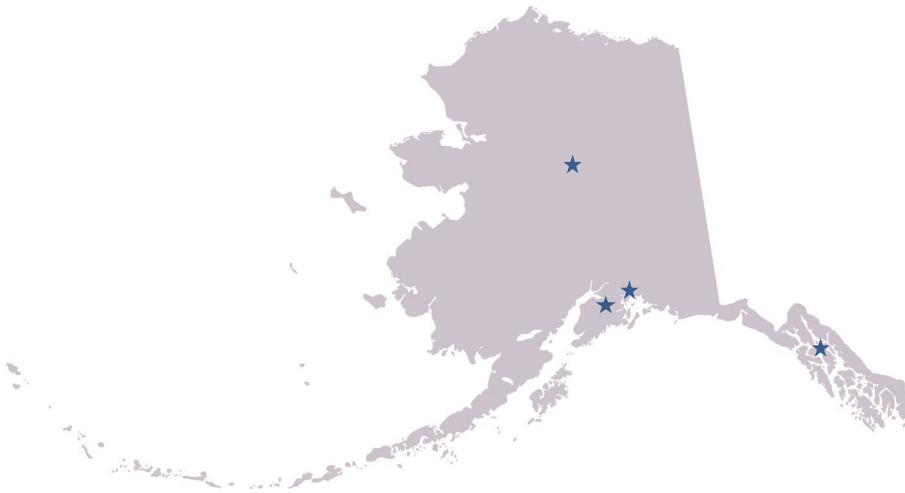


LOCAL BOUNDARY COMMISSION
2023 ANNUAL REPORT TO
THE SECOND SESSION OF THE THIRTY-THIRD
ALASKA STATE LEGISLATURE



Larry Wood, Chair, Member at Large

John Harrington, First Judicial District | Ely Cyrus, Second Judicial District

Clayton Trotter, Third Judicial District | Clay Walker, Fourth Judicial District

Local Boundary Commission
Division of Community and Regional Affairs
Department of Commerce, Community, and Economic Development
550 W. 7th Avenue, Suite 1650, Anchorage, AK 99501
lbc@alaska.gov
Phone: 907-269-4559

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This report is also available on the LBC website at:

<https://www.commerce.alaska.gov/web/dcra/LocalBoundaryCommission/Information.aspx>

This publication was released by the Department of Commerce, Community, and Economic Development (DCCED) in January 2024. The report is required by *AS 44.33.812* and does not constitute an official position or opinion by DCCED.



LOCAL BOUNDARY COMMISSION

550 WEST 7TH AVENUE, SUITE 1640
ANCHORAGE, ALASKA 99501, 907-269-4559/4587, FAX: 907-269-4563

January 19, 2024

Members of the Alaska State Legislature,

On behalf of all members of the Local Boundary Commission (LBC or “commission”), we are pleased to present this report of the commission to the Second Session of the Thirty-Third Alaska State Legislature. This report reviews the powers and duties of the LBC and our activities during 2023. Since our last report on January 19, 2022, one member of the LBC, Commissioner Lance Roberts, resigned and was replaced by the Governor’s appointee, Denali Borough Mayor Clay Walker. The LBC met several times in 2023: once in January to approve the 2022 annual report to the legislature, and three times to discuss new regulations related to legislation affecting the reclassification of certain first-class cities. In November, the LBC accepted for filing the first borough incorporation petition in 10 years, a petition from the City of Hoonah to incorporate a non-unified home rule borough.

This report provides information about the research, analysis, and administrative work LBC staff performed for professionals and communities engaged in feasibility studies and drafting petitions.

The LBC recognizes and expresses its appreciation for the key role its staff plays in expertly and courteously providing essential information to the many Alaskans who contact the commission with questions or express interest in pursuing boundary changes in their communities.

The Local Boundary Commission respectfully requests that the Alaska State Legislature consider the activities and issues addressed in this report. Please contact us with any questions or concerns.

Cordially,

The Local Boundary Commission

Larry Wood
Chair, Member at Large

John Harrington
First Judicial District

Ely Cyrus
Second Judicial District

Richard “Clayton” Trotter
Third Judicial District

Clay Walker
Fourth Judicial District

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CHAPTER 1: BACKGROUND

LOCAL BOUNDARY COMMISSION'S CONSTITUTIONAL FOUNDATION

The Local Boundary Commission (LBC or “commission”) is one of only five state boards or commissions established in the Constitution of the State of Alaska. Article X, Section 12 of Alaska’s constitution created the LBC, stating:

A local boundary commission or board shall be established by law in the executive branch of the state government. The commission or board may consider any proposed local government boundary change. It may present proposed changes to the Legislature during the first ten days of any regular session. The change shall become effective forty-five days after presentation or at the end of the session, whichever is earlier, unless disapproved by a resolution concurred in by a majority of the members of each house. The commission or board, subject to law, may establish procedures whereby boundaries may be adjusted by local action.

The commission is responsible for establishing and modifying proposed municipal government boundaries. The framers of the state constitution asserted their belief that a state commission should set municipal boundaries. The advantage of the method, in the words of the local government committee developing the state constitution, “lies in placing the process at a level where areawide or statewide needs can be taken into account. By placing authority in this third party, arguments for and against boundary change can be analyzed objectively.”¹

The Alaska Supreme Court has upheld this position, holding that the subject of expansion of municipal boundaries is of legitimate concern of the state as a whole and not just that of the local community. The Court quoted the Alaska Constitutional Convention committee on local government that “local political decisions do not usually create proper boundaries.”²

LBC DUTIES AND FUNCTIONS

The LBC acts on petitions for several different municipal (city and borough) boundary changes, including:

- Incorporating municipalities;
- Annexing territory to municipalities;
- Detaching territory from municipalities;
- Merging municipalities;
- Consolidating municipalities;
- Dissolving municipalities; and,
- Reclassifying cities.

¹ Alaska Constitutional Convention, Commentary on Proposed Article on Local Government, Dec. 19, 1955, at page 6.

² Fairview Public Utility District No. 1 v. City of Anchorage, 268 P. 2d 540, 543 (Alaska 1962)

LBC MEMBERSHIP

The LBC is an independent commission with five members. The governor appoints commissioners for five-year overlapping terms. One member is appointed from each of Alaska’s four judicial districts. The member at large also serves as LBC chair.³

In August, Governor Mike Dunleavy appointed Clay Walker, from the fourth judicial district, to fill the remainder of a term as commissioner, ending in January 2025. Walker served three terms as the mayor of the Denali Borough.

State law provides that members of the LBC must be appointed “on the basis of interest in public affairs, good judgment, knowledge and ability in the field of action of the department for which appointed, and with a view to providing diversity of interest and points of view in the membership.”⁴ LBC members receive no pay for their service; however, they are entitled to travel expense reimbursement and per diem as authorized for members of state boards and commissions.⁵ A biographical summary of current members can be found on the LBC website: <https://www.commerce.alaska.gov/web/dcra/LocalBoundaryCommission.aspx>.

Members:



**Larry Wood, Chair,
Member At Large, Eagle River**
Terms Ends: January 31, 2028



**John Harrington,
First Judicial District, Ketchikan**
Term Ends: January 31, 2026



**Ely Cyrus,
Second Judicial District, Kiana**
Term Ends: January 31, 2024



**Richard “Clayton” Trotter,
Third Judicial District, Eagle River**
Term Ends: January 31, 2027



**Clay Walker,
Fourth Judicial District, Denali Borough**
Term Ends: January 31, 2025

³ AS 44.33.810

⁴ AS 39.05.060(b)

⁵ AS 39.20.180

CONSTITUTIONAL ORIGIN OF THE LOCAL GOVERNMENT AGENCY

Alaska's constitution establishes an executive branch agency to advise and assist local governments.⁶ That agency is the Division of Community and Regional Affairs (DCRA) within the Department of Commerce, Community, and Economic Development (DCCED or department).⁷ DCRA performs the local government agency's functions, including providing staff, research, and assistance to the LBC.⁸

LBC STAFF ROLE

LBC staff is required by law to investigate and analyze each boundary change proposal and make recommendations regarding each proposal to the commission.⁹ For each petition, staff will write at least one report for the commission detailing its findings. Staff recommendations to the commission are based on properly interpreting the applicable legal standards and rationally applying those standards to each petition. Due process is best served by providing the commission with a thorough, credible, and objective analysis of every local boundary change proposal. Staff's recommendations to the commission are not binding on the LBC.

Besides providing support to the commission, the LBC staff also provides information and technical assistance to municipalities, petitioners, residents of areas affected by existing or potential petitions, respondents, agencies, and the general public. Assistance provided by LBC staff includes:

- Answering public, legislative, and other governmental inquiries relating to municipal government boundary and related matters;
- Facilitating the petition and/or local boundary change process from start to finish, including technical reviews, publishing public notifications, accepting public comments, and more;
- In depth analyses of petitions submitted to the LBC;
- Writing preliminary reports and preparing final reports on petitions for the LBC;
- Preparing draft LBC decisions;
- Traveling to communities to conduct public meetings and answer questions about proposed local boundary changes;

⁶ Article X, section 14

⁷ *AS 44.33.020(a)(1)* provides that DCCED "shall (1) advise and assist local governments."

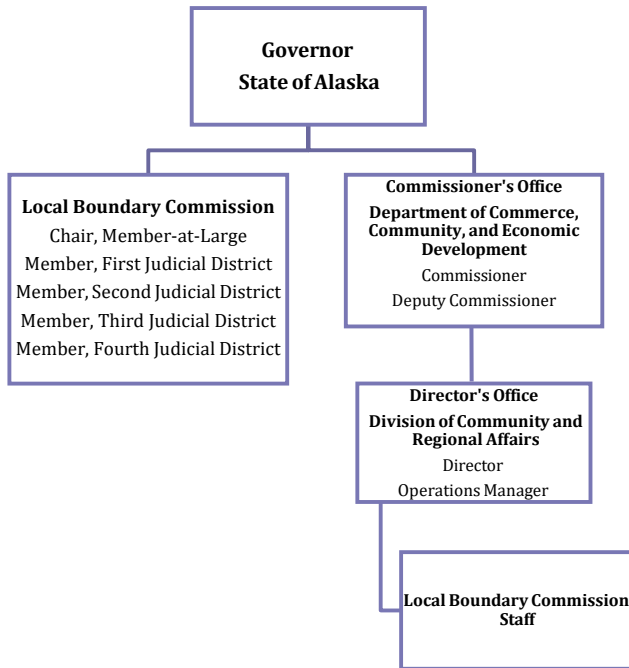
⁸ *AS 44.33.020(a)(4)* provides that DCCED "shall (4) serve as staff for the Local Boundary Commission."

⁹ *AS 29.04.040, AS 29.05.080, AS 29.06.110, and AS 29.06.480 - 29.06.490; 3 AAC 110.530.*

- Developing and updating incorporation or boundary change petition forms;
- Sending local boundary change petition forms and materials to interested persons and municipalities;
- Providing a link between the LBC and the public;
- Maintaining and preserving Alaska municipal incorporation and other boundary change records in accordance with Alaska’s public records laws;
- Coordinating, scheduling, and facilitating LBC public meetings and hearings;
- Developing orientation materials and providing training for new LBC members;
- Providing regular reports of its activities to LBC commissioners; and,
- Preparing draft annual Legislative and other LBC reports.

ORGANIZATIONAL CHART FOR LBC STAFF

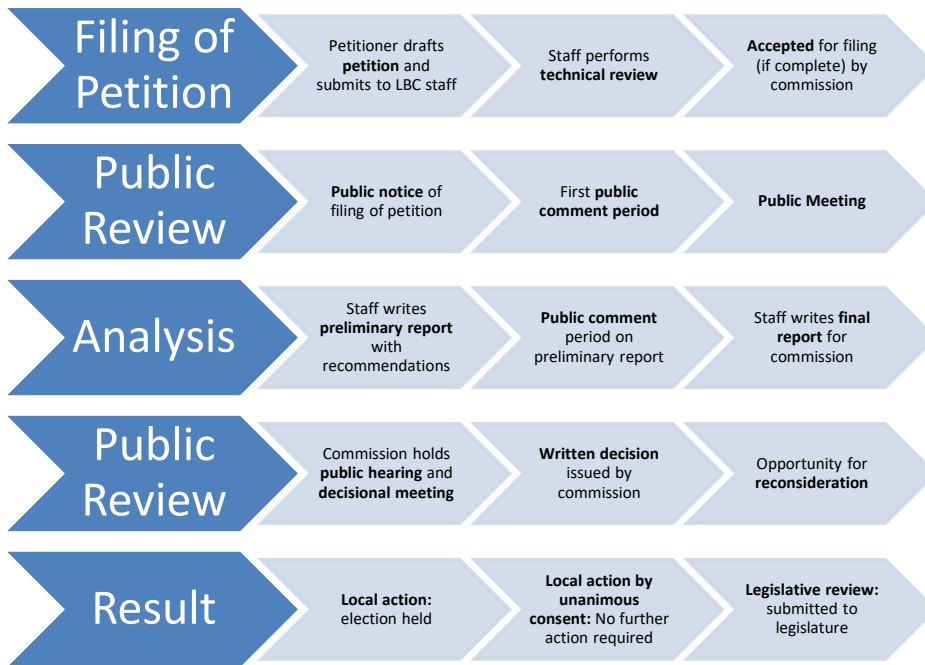
The Local Boundary Commission is currently served by a single Local Government Specialist IV located in the Anchorage DCRA office.



LOCAL BOUNDARY COMMISSION PETITION PROCESS

When the department receives a petition, LBC staff performs a technical review to ensure that it contains all required elements. This review is not an analysis of the merits of the petition. If the petition does not include all necessary information, staff sends it back to the petitioner for completion. When a petition passes the initial technical review, it is accepted for filing. At this stage, staff works with the petitioner to ensure that the public is notified, and the petition is made available for review as required by regulations.

There are typically two public comment periods and two publicly available staff reports before the matter comes before the LBC in a public hearing. The reports contain recommendations for the commissioners. At the public hearing, the LBC listens to the petitioners, any responding parties, and any public comments and related information. At the decisional meeting, the commission discusses and considers testimony, public comments, and relevant information before it reaches a decision. The LBC may amend, approve, or deny a petition. If the petition is approved, the next step depends on the type of petition. If a petition is a legislative review petition, the proposed boundary change is submitted to the Legislature within the first 10 days of its regular session. The proposed boundary change takes effect after 45 days, unless the Legislature adopts a concurrent resolution disapproving it. If the petition is a local action petition, the boundary change question is placed on the ballot for approval by residents of the territory proposed for annexation and by the residents of the annexing municipality.



CHAPTER 2: LOCAL BOUNDARY CHANGES AND ACTIVITIES

SUBMITTED PETITIONS

Two petitions were submitted for filing in 2023. The City of Hoonah submitted a petition for the incorporation of a non-unified home rule borough. It was accepted for filing on November 27, 2023. In April 2023, LBC staff received a petition from three commercial property owners hoping to be annexed into the City of Soldotna. That petition was rejected for filing because the department determined the petitioners were not eligible to submit a petition under *3 AAC 110.410*.

Inquiries related to incorporation, detachment, annexation, reclassification, and dissolution petitions, and other matters are discussed in the next section of this report. All formally submitted reports and other commission documents can be found on the LBC website:

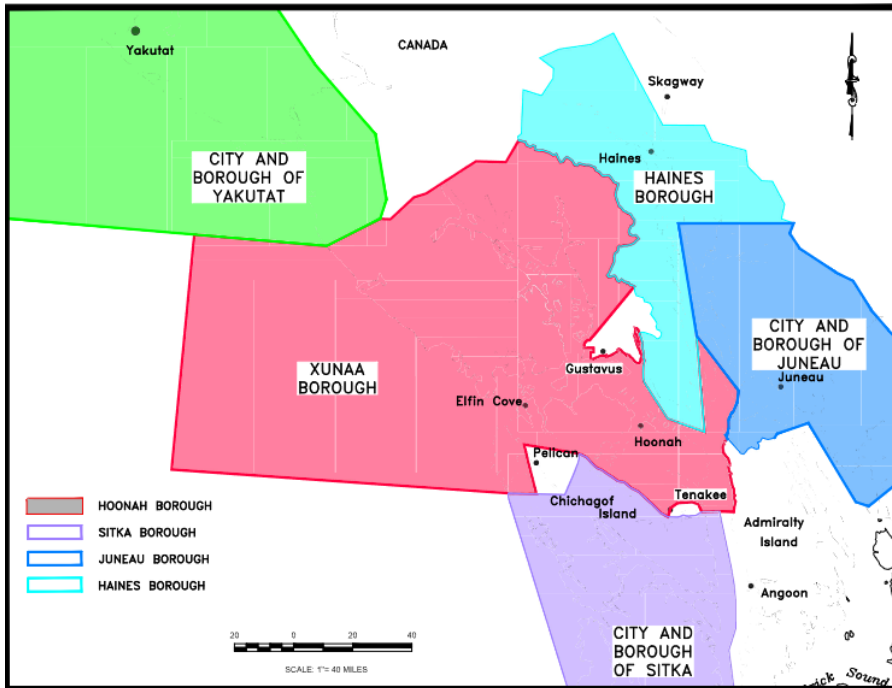
<https://www.commerce.alaska.gov/web/dcra/LocalBoundaryCommission/CurrentandPastPetitions.aspx>.

CITY OF HOONAH BOROUGH INCORPORATION PETITION

On June 30, the City of Hoonah, a first-class city in the Unorganized Borough, submitted a petition to incorporate as a non-unified home rule borough, to be named the Xunaa (pronounced “hoo-NAW”) Borough. LBC staff performed a technical review and found the petition did not contain signatures from registered voters as required per *AS 29.05.060*. The city had communicated with previous LBC staff, who advised that *3 AAC 110.410*, which allows for a petition to be filed by a political subdivision of the state, would not require signatures from registered voters; however, the Department of Law determined the statute governing borough incorporation clearly requires signatures from two sets of registered voters within the area proposed for incorporation: 15 percent inside an incorporated city, and 15 percent from the unincorporated area proposed for incorporation.

LBC chair Larry Wood extended the 45-day technical review deadline allowing the petitioner to collect and submit signatures. LBC staff completed the technical review and the petition was accepted for filing on November 27. Department staff recommended a 90-day public comment period (40 days longer than the regulation-required 50 day minimum), and Wood set the comment period to run from December 1, 2023, through February 29, 2024.

The City of Hoonah's petition proposes to incorporate 4,246 square miles of land and 6,157 square miles of water, for a total of 10,403 square miles. It does not include the first-class city of Pelican or the second-class cities of Gustavus and Tenakee Springs. The proposal includes the unincorporated community of Elfin Cove, which is not connected by road to Hoonah, and the community of Game Creek, which is connected. The proposal also includes the community of Funter Bay, which had previously been considered for annexation by the City and Borough of Juneau in 2019; however, that annexation petition was never accepted for filing.



Proposed Hoonah Annexation Areas. Map Courtesy of City of Hoonah

Gustavus, Pelican, and Tenakee Springs are all included with Hoonah in the Glacier Bay Model Borough Boundary. In 1989, the LBC, with funding from the legislature, commissioned [The Model Boroughs Boundary Study](#). A proliferation of annexations by boroughs and cities prompted the LBC to recognize a need to identify areas of common interests in the unincorporated borough, while also recognizing the formation of new boroughs and the expansion of existing boroughs are of statewide importance and concern. The commission embarked on a massive effort to collect public testimony from around the state, and adopt 'model borough boundaries' throughout the Unorganized Borough as a frame of reference to be used in the evaluation of future petitions.

The Model Borough Boundary Study was finalized in 1992 and updated again in 1997, and the LBC eventually adopted the study by reference in its regulations. The provisions in the administrative code recognize the model borough boundaries are not rigid or unchangeable, and petitioners for borough incorporation or alteration of existing borough boundaries may propose different boundaries if they make a specific and persuasive showing to the LBC on why other boundaries are more appropriate.

The public comment period for the Hoonah petition will run from December 1, 2023, through February 29, 2024. *3 AAC 110.460* requires all municipalities within 20 miles of the proposed boundary to be notified of the filing of the petition. That notification included the City and Borough of Sitka, City and Borough of Juneau, City and Borough of Yakutat, and the Haines Borough, as well as the cities of Gustavus, Pelican, Tenakee Springs, and Angoon.

The public comment period will be followed by department staff drafting of a preliminary report with recommendations to the Local Boundary Commission. A second public comment period on the preliminary report will be followed by the drafting of a final report. The LBC will hold a public hearing in Hoonah in the late summer of 2024, then render a decision within 90 days.

If approved, the local action petition will require the approval of area voters. The Xunaa Borough petition is the first borough incorporation petition the LBC has accepted for filing since the Petersburg borough petition was submitted in 2011 and became effective on January 3, 2013. It would be Alaska's 20th incorporated borough and 8th largest in geographic size.

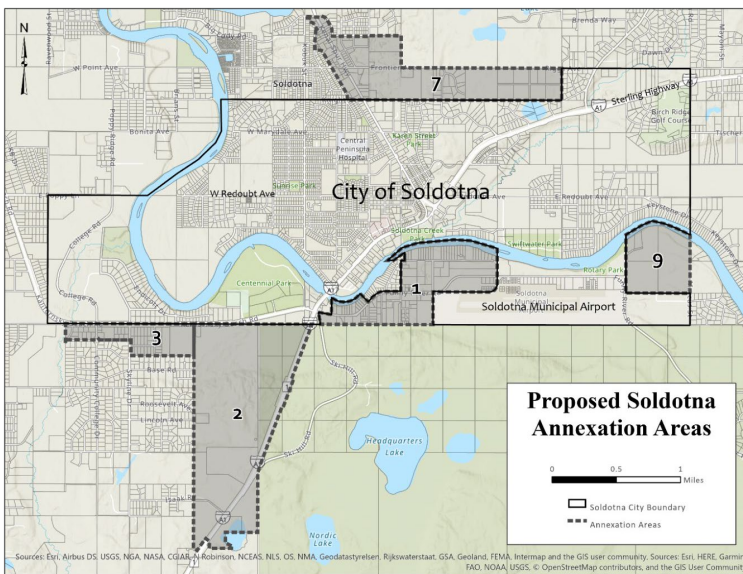


Hoonah. Photo courtesy of Division of Community and Regional Affairs

CITY OF SOLDOTNA ANNEXATION PETITION

In September 2023, the LBC defended its decision on the Soldotna annexation in the Alaska Supreme Court. Four years ago, in December 2019, the City of Soldotna submitted its petition to annex five adjoining territories covering a total of 2.63 square miles through the legislative review method. The territories were a mix of uninhabited land containing city property, residential neighborhoods, and commercial districts. The total population of the area proposed for annexation is estimated to be 177 residents.

In December 2020, the Local Boundary Commission approved the petition, but converted it from the legislative review method to the local action method, requiring voters in the proposed area of annexation and the City of Soldotna to approve the annexation. It was the first time the LBC has ever made such a conversion, The City of Soldotna appealed the decision, arguing the LBC had no basis for converting the petition and had engaged in arbitrary rule making without due process. The LBC decision was upheld by the Alaska Superior Court in September 2022.



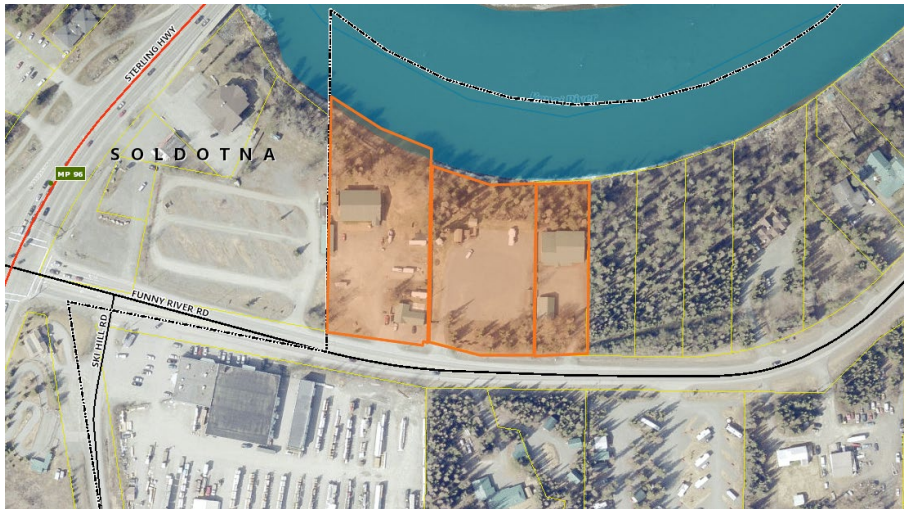
Proposed Soldotna Annexation Areas. Map courtesy City of Soldotna

In April 2023, as both sides were preparing their briefs for the Alaska Supreme Court, LBC staff received a petition from three parcel owners adjacent to the Soldotna city limits requesting to be annexed inside the city using the “unanimous consent” method, a local action method of annexation that bypasses many of the steps in the petition process, but requires the cooperation of all property owners, voters, and the city. Soldotna had completed three such annexations in the previous 30 years, most recently in 2007. None of those annexations were larger than five acres.

In its 2020 decision to convert Soldotna’s petition from the legislative review method to the local

action method, the LBC cited these previous unanimous consent annexations (filed under 3 AAC 110.590) as evidence of successful local action annexations, since they technically required the consent of the property owners. The three parcels proposed for annexation by the individual petitioners were inside the territory the city had already attempted to annex through its petition currently under appeal, and none of the parcel owners had submitted public comment or testified during the initial 2019 petition process.

Their petition did not meet the technical review criteria and was not accepted for filing because it was submitted citing AS 29.06.040(c)(4), which requires the property owners and voters to petition the local government (in this case, the City of Soldotna). The City of Soldotna said it was not willing to pursue a concurrent annexation until the existing annexation appeal to the Alaska Supreme Court was resolved. LBC staff also rejected the petition because, even without the support from the City of Soldotna, the petitioners were not eligible as registered voters under 3 AAC 110.410. LBC staff sent a letter to the petitioner citing the statute and regulations with which the petition must comply.



Three parcels submitted to the City of Soldotna for annexation during the City's appeal of the Local Boundary Commission's decision to convert the annexation from Legislative Review to Local Action. Map courtesy of Richard Bowen

In September, the Alaska Supreme Court heard oral arguments from the City of Soldotna and the Local Boundary Commission on the Local Boundary Commission's decision to convert the petition from legislative review to local action. A decision is expected in the first half of 2024.

CHAPTER 3: ADDITIONAL 2023 ACTIVITIES

DELTA JUNCTION

A former Delta Junction city council member contacted LBC staff for information on a fuel tax that had been proposed during a borough incorporation petition in 2007. The community member was drafting an ordinance for a new fuel tax to present to the city council.

In 2007, the Local Boundary Commission approved a petition for the formation of a Deltana Borough, the boundaries of which were identical to the 5,892 square mile Delta-Greely Regional Educational Attendance Area (REAA). The petition's approval was contingent upon the voters ratifying a three percent fuel tax that would have generated an estimated \$9.6 million to be used to provide services to the region. The borough incorporation referendum ultimately failed by an overwhelming margin (129 in favor and 1,242 opposed) and thus the fuel tax was not implemented.

Since the 2007 Deltana referendum, DCRA has seen a number of competing applications from non-profit community associations, all vying to provide services to the same region. These community organizations are eligible to apply to receive state payments through the Community Assistance Program (CAP), but are not held to the same statutorily mandated responsibilities as municipal governments such as submitting an annual budget or audit. In Fiscal Year 2024, the City of Delta Junction received a combined total of more than \$1.3 million in state Community Assistance Program payments and Federal Payment in Lieu of Taxes funds. Five other non-profit community associations within the REAA received an additional \$140,000 in CAP payments.

Quantifying or ascertaining the populations served by the non-profit community associations using census figures alone is difficult and determinations are sometimes disputed over claims of whether services would be duplicated by these defacto providers.

EAGLE RIVER

In October 2023, LBC staff completed an informal technical review of a detachment and borough incorporation petition from community members in Eagle River who represent the Eagleexit organization. Department staff perform informal technical reviews periodically as requested and as a courtesy, as time and workload allow.

The draft petition proposed to detach much of Anchorage Assembly District 2 (Chugiak/Eagle River) and include it within an area covering much of the western portion of Prince William Sound and the city of Whittier into a new non-unified home rule municipality called the Chugach Regional Borough. The Chugach Regional Borough would be home to approximately 47,500 residents and cover a total area of more than 4,000 square miles. This proposal would leave the Municipality of Anchorage with approximately 238,000 residents and approximately 700 square miles of land, primarily in the Anchorage Bowl, but also extending south along the Seward Highway.

Though substantial in volume, the petition lacked several essential elements for it to be accepted for filing. For example, the petition contained very little information on the transition process and how municipal assets and liabilities would be transferred. The petition contained no inventory of municipal real property or equipment. Both the Anchorage Landfill and Eklutna Lake, Anchorage Water and Wastewater Utility's primary source of fresh water, are in the area proposed for incorporation, and the petition provided no evidence that any municipal department staff were contacted regarding a transition. The petition does not contain any documentation of meeting with municipal officials aside from a single meeting with a representative from the Anchorage Mayor's office, noting a commitment

from the petitioners that “a comprehensive Transition Plan will require their cooperation and facilitation for final drafting.”

Further, the petition proposed to include the City of Whittier, a second-class city in the Unorganized Borough currently within the boundaries of the Chugach School District, a Regional Educational Attendance Area, though no documented contact with any Whittier officials was provided.

The petition lacked critical details and was insufficient for commission review; however, the proposal has undergone a number of iterations, and continues to evolve in its scope and ambition. Some of the aforementioned details will be essential to the LBC in its efforts to make an informed decision on any future proposal.

Eagle River was briefly detached from the Greater Anchorage Borough in the 1970s. In 2006, the legislature funded a study on the economic feasibility of detachment of Eagle River. Eagle River commissioned Northern Economics to draft a new study in 2020 that provided insight into potential revenues and expenditures, though the two-part report was not included with the draft petition.

The petition’s sponsors appear eager to move forward with the petition and volunteers contacted LBC staff on numerous occasions regarding signature gathering. *AS 29.05.060* requires signatures from 15 percent of voters in the area of the proposed borough incorporation; however, *3 AAC 110.410* sets the signature threshold for a detachment petition at 25 percent of persons registered to vote in the area proposed for borough detachment.

LBC staff advised the organization’s volunteers that they should refrain from collecting signatures on the petition draft in its current form as it would likely not be accepted for filing, and any revisions would require collecting the signatures anew from tens of thousands of registered voters in the area.

Prior to LBC staff receiving the draft of the Chugach Regional Borough petition, LBC staff met with two Girdwood residents who were interested in learning more about the borough detachment and incorporation process. The Girdwood residents claimed they met in 2018 with Chenega, Tatitlek, Cordova, and Whittier to form a Prince William Sound Borough. After further discussion, they dropped the issue; however, recent land use discussions in Girdwood centered on housing and development have revived interest within the community and the residents said they have a renewed interest in detachment and incorporation with the City of Whittier and the community of Portage. LBC staff provided the detachment informational packet to the residents.

LBC staff believe the two detachment efforts are operating independently and there is no indication that either entity has consulted with the City of Whittier. If two petitions are submitted during a similar timeframe, the commission would need to consolidate the processes under *3 AAC 110.430* and would need to consider relevant information from concurrent or conflicting petitions during the process of rendering its decisions.

HOLLIS

A member of the Hollis Community Association contacted LBC staff to ask about incorporation. The community had discussed incorporation approximately 10 years prior. The community member said there was renewed interest in incorporating because some members thought it would "protect" residents against being annexed into an organized borough. LBC staff advised that incorporating as a second-class city in the Unorganized Borough wouldn't necessarily prevent the community from being annexed by either the Ketchikan Gateway Borough or included in a prospective Prince of Wales Borough. LBC staff encouraged the community member to discuss with members of his community what services they would like from a municipal government that are currently not being provided by the local non-profit community association.

In early November, LBC staff attended a meeting of the community association virtually and presented information on the process of municipal incorporation, as well as some benefits and responsibilities of municipal government. Community members had questions about the Community Assistance Payment program and the types of services a small municipal government could potentially provide. Several members were skeptical and oppose the idea of a property tax. LBC staff provided contact information and offered to assist the community in the future if members decide to pursue incorporation.

HARDING LAKE

The president of the Harding Lake Association contacted LBC staff to ask about the borough detachment process. The association president said several members who own "second homes" along the lakefront of Harding Lake are interested in detaching from the Fairbanks North Star Borough because they receive no services from the borough. He also said residents of Salcha are interested in detaching because they do not see a benefit of services, pointing to the many communities in the unorganized borough that do not pay property tax. LBC staff provided an informational packet on the detachment process, as well as a timeline and the relevant statutes and regulations.

WASILLA

LBC staff received a question from a liaison with Governor Mike Dunleavy's office regarding the municipal annexation process. The liaison forwarded the question on behalf of the City of Wasilla's deputy administrator. LBC staff provided resources on the annexation process and included direct contact information for further assistance.

GOODNEWS BAY

An attorney working with the Native Village of Goodnews Bay contacted LBC staff with questions about the dissolution of cities process. The attorney said there were members of the Tribal organization in the community interested in dissolving the city. He acknowledged there is also some resistance within the community. LBC staff described the petition process, explained that the process requires 25 percent of the voters in the last regular election to sign onto a petition, and that there is no guaranteed outcome of success once the petition has been submitted.

SEWARD

An attorney representing a private property owner contacted LBC staff to inquire about the process for detaching from a city. The property owner holds two parcels, each partially, but not completely, outside of the Seward city limits. The attorney said the city has recently begun enforcing city code on the portions of the property outside of the city limits and the owner wishes to detach. LBC staff provided the attorney with the informational packet that includes all relevant statutes and regulations for a detachment petition and will continue to assist as requested.

TANANA/HB 69

During the first half of the of the 33rd legislative session, Rep. Mike Cronk introduced House Bill 69, a bill that would allow all first-class cities with populations of fewer than 400 residents to apply for reclassification as second-class cities under a less rigorous method than the typical reclassification petition process required by the LBC. There are five cities in Alaska that would be eligible for reclassification under the bill, which was drafted after lawmakers read last year's LBC report regarding the City of Tanana's inquiry into the process. Tanana, a first-class city in the Unorganized Borough, is required by law to establish its own school district and submit a single audit every year. Since the City of Tanana incorporated in 1961, it has struggled to maintain more than 400 residents (the threshold for establishing a first-class city) and hasn't met that threshold since at least 1990. Last year, the Department of Education and Early Development reached a financial agreement with Tanana to bring current its required local contribution for the school district, an obligation the city has also struggled in recent years to fulfill.



Tanana School. Photo courtesy of Alaska Division of Community and Regional Affairs

Kerry Boyd, the superintendent of both the Yukon-Koyukuk School District and the Tanana City School District, contacted LBC staff to inquire about the City of Tanana's reclassification in June 2023 after Governor Mike Dunleavy signed the bill into law. The Department of Law determined the new law would require new regulations to establish an LBC process for reclassification. LBC staff worked with the assistant attorney general assigned to the LBC to draft the new regulations, which were posted for public comment for 42 days. The department received no comments on the regulations and the LBC adopted them on November 29. The new regulations were signed by the Lieutenant Governor's office on December 6 and will become effective on January 4, 2024. If the City of Tanana submits a petition under the new regulations in coming months and the LBC approves it, reclassification would become effective on July 1, 2024, and the Tanana City School District would officially become part of the Yukon-Koyukuk Regional Educational Attendance Area.

OTHER LBC ACTIVITY

The Local Boundary Commission met five times in 2023. The first meeting was held telephonically on January 19, when the LBC approved its annual report to the legislature. No other business was conducted during the meeting. The commission met once telephonically during the legislative session to discuss House Bill 69, a bill affecting the reclassification of certain first-class cities. The commission met again in September to discuss drafting regulations to implement HB 69, and again in November to adopt the regulations. LBC staff performed two informal technical reviews of draft petitions, two formal technical reviews, and responded to requests for technical assistance from 21 different communities in 2023. LBC staff also served on the National Petroleum Reserve-Alaska's Impact Mitigation Grant Program as a reviewer, ultimately approving awards for 18 projects totaling more than \$18 million in funding.

IN MEMORIUM

Vic Fischer (1924-2023)



In October, Alaska lost its last surviving signer of the Alaska State Constitution. Vic Fischer died at his home in Anchorage on October 22, 2023, at the age of 99. Fischer was considered a preeminent leader in the conception of local government in Alaska as we know it.

Fischer was born on May 4, 1924, in Berlin, Germany, though he was of Russian descent. He spent much of his childhood dodging the authoritarian regimes of Joseph Stalin and Adolf Hitler. He moved to the United States in 1939, attending high school in New York City and college at the University of Wisconsin in Madison before enlisting in the U.S. Army to fight in World War II. When he returned from the European theater, he earned his master's degree in community planning from the Massachusetts Institute of Technology where he saw a bulletin board notice posted for a job as a community planner in Alaska for the Bureau of Land Management.

Fischer arrived in Alaska in 1950 and eventually became Anchorage's first planning director. He quickly became active in a grassroots statehood movement and in 1955, at the age of 31, he was elected as a delegate to the Alaska Constitutional Convention where he served on the Local Government Committee. It was on this committee that Fischer and several of his fellow committee members toured the country researching models for local government, eventually developing Alaska's two municipal government models, cities and regional "boroughs."

Later, from 1966-1976, he served as the director of the University of Alaska's Institute of Social and Economic Research, helping to acquire funding for the Alaska Federation of Natives and assisting in the drafting of the Environmental Impact Statement for the Trans-Alaska Pipeline System.

It is difficult to overstate Fischer's contribution to Alaska's history, particularly his contribution to local government. A staunch proponent of local self-determination and self-governance, Fischer provided a strong voice during the Convention and continued to contribute volumes of public policy work, including testimony on numerous occasions before the Local Boundary Commission, after statehood. In 1975, Fischer published a book on Alaska's Constitutional Convention that continues to be cited equally for its historical account and for its prescience and relevance almost 65 years after the passage of the Statehood Act.

In February 1959, Fischer wrote a letter to Tom Stewart, who had been the secretary of the Constitutional Convention and was serving in the Alaska Senate during its first legislative session. Alaska was in the very early stages of establishing services, including the local government agency mentioned specifically in the Constitution that would eventually be charged with assisting local governments. Fischer said in the letter:

“In establishing the local government units and preparing the local government article, the constitutional convention committee made a thorough analyses [sic] of functions performed by the state, functions performed by the localities, and functions performed by the state on the local level. It was the general consensus that in order to practice true democracy, the people of each area should have maximum say in the handling of their own affairs. This can be brought about best through the establishment of self-government units.”

Since Statehood, Alaska has seen the formation of 19 boroughs, some compelled by the legislature and others voluntarily incorporated. Not all have necessarily achieved the ideal of a “regional government” and not all were supported by Fischer in their originally proposed form. Alaska continues to be challenged with providing services to both organized municipalities and the Unorganized Borough, a system that continues to evolve, albeit slowly, but even Fischer knew it would take time. As he wrote in the letter to Stewart, “The transition from unorganized to organized boroughs will be one of long duration and will require material assistance. However, unless the transition is made in all possible cases, the state will be saddled forever with the performance of local functions throughout the bulk of Alaska.”

CHAPTER 4: CONCLUSION

The Local Boundary Commission staff focused most of its time in 2023 reviewing petitions and responding to various community requests for information on the boundary change process. In 2024, LBC staff and the commission will be engaged in the Xunaa petition, ensuring access to information and maximum public engagement.

Now that the new regulations have been adopted providing standards and a process for the reclassification of small first-class cities, LBC staff is anticipating at least one new petition from the five municipalities eligible to reclassify under the new law.

LBC staff will continue to provide municipalities, communities, and members of the public with technical assistance as they consider and prepare petitions or present questions related to the municipal boundary change process.

LBC staff is dedicated to ensuring that communities understand the boundary change process and guiding them through that comprehensive process. Ultimately, those efforts may culminate in a presentation of sufficient information to the LBC to support its constitutional mandate to consider and act on proposed boundary changes.

The LBC is pleased to serve the people of the State of Alaska by fairly and fully exercising its constitutional and statutory authority to consider and to act upon proposed local boundary changes.

