



MUNICIPALITY OF ANCHORAGE
MAYOR DAVE BRONSON

OFFICE OF THE MAYOR

Date: March 15, 2024

To: Eaglexit
c/o Chair, Catherine Margolin
12110 Business Blvd., Ste. 6
PMB 165
Eagle River, AK 99577
Sent via email to catherine.eaglexit@gmail.com

From: Mario Bird, Chief of Staff

Subject: Feb. 1, 2024 - Memorandum of Understanding Offer

Dear Ms. Margolin,

Thank you for your letter of February 1, 2024, and our meeting at City Hall that day. I appreciated my follow-up meeting with you and Mike Tavoliero a week later, and I thank you also for your recent meeting with the Mayor and his executive staff at City Hall on March 11, 2024.

This letter responds to your request for an executed Memorandum of Understanding between Eaglexit and the Municipality of Anchorage regarding communication, data requests, and power transfer. **At this time, a two-page memorandum of understanding is insufficient to address all the concerns of the Municipality of Anchorage regarding communication, data requests, and powers transfer. I can offer another option, as I will explain below.**

I. Unprecedented Nature of Eagle River Detachment.

First, I would like to highlight the unprecedented nature of your request. As we discussed on March 11, and as Eaglexit recognizes on its website, your intent to detach from the Municipality of Anchorage “will be the biggest and most complex boundary change in the history of our state. It is a multi-billion dollar transaction.”

Municipal staff have reviewed publicly available Local Boundary Commission decisions. As I am sure you know, the local government detachment petitions filed by other Alaskan petitioners in the past 20 years have involved far smaller areas. *E.g., Allakaket Detachment (174 ac.)*, Local Boundary Commission Decision, Nov. 14, 2014; *Open Skies-City of Fairbanks Detachment (48.5 ac.)*, Local Boundary Commission Decision, Mar. 3, 2016. In contrast, Eaglexit seeks to detach over 600,000 acres (900+ square miles) and create a new borough from Assembly District 2, which is about half of the Municipality’s current



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geographic area of 1,961 square miles. Because of the unprecedented size of Eaglexit's proposed detachment, there are few simple answers.

Aside from physical area, there are the issues of finance and assets. Eaglexit seeks to detach District 2 taxpayers from liabilities incurred by pledging the full faith and credit of the entire Municipality of Anchorage, its taxpayers, and its public utilities and ratepayers. District 2 includes many of those chief assets. Untangling the financial obligations and attempting a just division is, as I'm sure you realize, a delicate question requiring some precision of inquiry.

I point these things out so that both sides have reasonable expectations about not only the breadth of Eaglexit's questions, but also the time and effort required to answer them.

II. Previous Requests from Eaglexit to MOA.

As I think you know, Paul Schneider, Eaglexit's former Vice Chair, previously met and requested information from MOA. A letter sent to Mr. Schneider by former Municipal Manager Amy Demboski to Eaglexit on November 4, 2022 included:

- o 2007 Eagle River Detachment Study by Northern Economics, Inc.
- o 6/21/2022 notes from Eaglexit and MOA senior staff meeting
- o June 2022 emails between Ms. Demboski and Mr. Schneider
- o 6/22/2022 Letter from MOA Chief Financial Officer Travis Frisk
- o 7/1/2022 Rate Sheet from Masterson Advisors, LLC for Municipality of Anchorage financial products

At that time, Ms. Demboski stated in her letter, "the MOA will not be expending additional staff time, or resources, to research the detachment and incorporation effort at this time, nor do I view the MOA's role as being responsible to provide a transition plan for the petitioner. The MOA views a transition plan at this stage as the responsibility of the petitioner." This continues to be the MOA's position – one that is supported by the regulations governing the detachment process. *See, e.g., 3 AAC 110.415(b); 3 AAC 110.440(b)-(c).*

III. Triage of Questions by MOA Departments.

You left a 60-page booklet with the Mayor a month ago, requesting not only the Mayor's signature on the MOU for information sharing, but also asking for answers to 47 pages of questions, of varying complexity and relevance. Mr. Tavoliero called them "interrogatories" at our March 11 meeting. If this were a court of law, much of these interrogatories would be



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objectionable. Practically speaking, the answers to these questions are highly speculative and uncertain, due to the interconnectedness of District 2 with the Municipality of Anchorage, and the legal and financial difficulties of effecting an equitable division in a “city divorce.”

As you know, responding to Eaglexit and maintaining a good working relationship is a priority for the Mayor, and he has instructed me to respond to you in a reasonable and timely fashion. We asked department heads to triage the complexity of your 47 pages of questions according to the following rubric:

- 1 – questions that are easily answered, and would take a reasonable, limited amount of time to answer.
- 2 – questions that are probably answerable by MOA staff, but would take a longer, but definable, time to answer.
- 3 – questions that are speculative, will likely require professional assistance, and will take an undefinable amount of time to answer.

Below is a summary of our triage of questions:

MOA Department/Topic	Dept. Contact	Pg No.	No. of Questions	1's	2's	3's
Assets	Lance Wilber	7-9	23	1	5	17
ACDA	Mike Robbins	10-11	21	14	4	3
Anchorage Hydropower	Kolby Hickel	12-13	22	1	4	17
Performing Arts Ctr	Renee Stewart	14	4	2	0	2
Anchorage Golf Course	Renee Stewart	14	3	2	0	1
Anchorage Museum	Renee Stewart	15	4	1	0	3
Boeke/Dempsey	Renee Stewart	15	3	2	0	1
Denaina Convention Ctr	Renee Stewart	15	3	2	0	1
Sullivan Arena and Egan Ctr	Renee Stewart	15	3	2	0	1
AWWU	Mark Corsentino	16-19	43	2	4	37
CBERRRSA	Tony Winsor	20-21	21	0	6	15
CER Senior Ctr	Kim Rash	22-23	24	0	9	15
Anchorage Regional Landfill	Kelli Toth	24-25	22	2	5	15



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ASD/Education	Jim Anderson	26	10	0	0	0
Anchorage Fire Dept	Doug Schrage	27-29	27	14	8	5
Merrill Field	Kolby Hickel	30-33	44	0	0	44
MOA Assets and Liabilities	Alden Thern	34-39	85	0	0	85
Municipal Administration and Management	Kent Kohlase	40	4	1	2	1
City Manager's Office	Kent Kohlase	40	3	0	2	1
City Clerk's Office	Jamie Heinz	40-41	5	0	3	2
Animal Control	Kim Rash	41	3	0	1	2
Land Use and Zoning	Lance Wilber	41	3	0	0	0
Library	Elizabeth Nicolai	41	3	1	2	0
Property Tax	Jack Gadamus	41	3	2	0	1
Treasury and Finance	Alden Thern	41-42	3	0	0	3
Legal Services	Charles Gunther	42	3	0	0	3
Facilities and Equip. Operation and Maint.	Shay Throop	42	6	0	3	3
Inventory of Municipal Assets	Kent Kohlase	42	4	0	0	4
Public-Private Contracts	Alden Thern	42-43	5	0	1	4
Parks and Recreation	Mike Braniff	44-46	39	9	7	23
Police	Mike Kerle	47-49	31	1	0	30
Don Young Port of Alaska	Kolby Hickel	50-53	46	0	0	46
TOTALS			525	56	56	385

IV. Estimate of Time and Money

Eaglexit has posed 525 questions. Of these, at least 385 appear "Level 3" open-ended. An *extremely conservative* estimate of MOA work time of 8 hours per "Level 3" question would



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yield:

385 questions x \$50/hour x 8 hours/question = \$154,000

This is a minuscule fraction of the *actual* time and money spent on the ML&P transaction, which transpired over multiple years and cost an estimated \$10M in taxpayer dollars for outside attorney's fees. We expect a detachment effort to be more expensive, and a comprehensive estimate for information-sharing to be more expensive. MOA cannot bear this burden.

MOA previously provided some ideas of economic consultants to whom Eaglexit might turn back in November of 2022. At that point, MOA stated that it would not expend additional staff time or resources to assist. Now, 15 months later, MOA is again expending time and resources to give an estimate of what it would take to answer Eaglexit's questions. The MOA will not spend more time and money providing Eaglexit with information Eaglexit needs for its transition plan unless and until Eaglexit shows that it will bear these costs.

Future cooperation by the MOA remains on the table, but only if Eaglexit eliminates the burden on the Municipality. One option may be hiring a third-party consultant firm with expertise in this area.

V. Public Records Requests and JustFOIA

You asked whether Eaglexit needed to request a specific format for data. I refer you to Ms. Demboski's previous statement that information on the MOA Operating and Enterprise/Utility budgets can be found on the Office of Management and Budget website:

<https://www.muni.org/Departments/budget/Pages/default.aspx>

I also encourage you to use public records requests to obtain the records you need. MOA now uses the JustFOIA software, which is designed to ease accessibility to public documents for requestors. You can start by going to the following link:

<https://anchorageak.justfoia.com/publicportal/home/newrequest>

For further information on contacting specific MOA departments, I refer you to the following link:

<https://www.muni.org/Departments/Pages/default.aspx>



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There is also the new Open Checkbook link, which provides updated information on MOA expenditures:

<https://experience.arcgis.com/experience/42e4cb81516840549d521b0665385bb1>

VI. Conclusion

In sum, the MOA cannot sign Eaglexit's proposed MOU regarding information sharing because it places the burden of seeking answers on the MOA – and, by extension, Municipal taxpayers – rather than the detachment petitioner organization. **MOA remains open to cooperating with Eaglexit in an omnibus information-sharing agreement, provided that Eaglexit takes the affirmative steps to eliminate the time and money burden on Municipal resources in estimating and responding to Eaglexit's questions.** MOA recommends that Eaglexit use the information previously and currently available on the MOA website, including the Public Records Request, MOA Budget, and Open Checkbook links provided above.

Sincerely,

A handwritten signature in blue ink, appearing to read "Mario Bird".

Mario Bird
Chief of Staff

Cc: Kent Kohlhase, Municipal Manager
Alden Thern, CFO
Sharon Lechner, OMB Director
Veronica Hoxie, Communications Director
Deputy Municipal Attorney Chuck Gunther
Assistant Municipal Attorney Allison Bolgiano