



Exhibit C:

Transition Plan

Part 1: Services

June 2026

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PURPOSE OF THIS DOCUMENT

This document provides a detailed plan for the services that will be maintained following the detachment of Assembly District 2 (AD2) from the Municipality of Anchorage (MOA), and incorporating as the new borough, Chugach Regional Borough (CRB).

This document includes a 3 AAC 110.900 required transition plan. Part I of the Transition Plan addresses the continuity of community services. Part II of the Transition Plan addresses the enterprises, assets, and liabilities, including their total estimated values, to begin the process of establishing the separation of assets and liabilities. A standalone, proposed 5 year operating and capital budget is included as Exhibit 12: Chugach Regional Borough Budget.

This document is not intended to provide a case for the transition (that case is laid out in the Petition Brief). As enunciated in the Petition Brief, detachment and incorporation of Assembly District 2 as a new borough will result in numerous benefits for the new Chugach Regional Borough, the remnant MOA and the State of Alaska.

TRANSITION GENERAL PLAN

Eaglexit has made every effort to comprehensively cover all aspects of the detachment and incorporation processes, including the Municipality of Anchorage's municipal services and programs, as well as its assets and liabilities.

Once detachment is voted upon and approved by the residents of the new Chugach Regional Borough, the borough has two years to completely transition to an independent government with its own structure, systems and services.

The transition plan is submitted under 3 AAC 110.900, in coordination with AS 29.05.130–.140, AS 29.06.040, and 3 AAC 110.420(b)(13) through (16). The plan addresses the orderly assumption, continuation, transfer, contracting, or termination of municipal services; the assumption of relevant powers, duties, rights, and functions; the transfer and integration of assets and liabilities; consultation with MOA, ASD, DEED, service areas, and service providers; and completion within the shortest practicable time, not to exceed two years unless lawfully extended or conditioned by the Local Boundary Commission.

3 AAC 110.900 Transition Regulations

These regulations set transition plan guidelines for boundary changes. These regulations require the creation of a practical plan aligning with the following:

- The demonstration of the capacity of the CRB to transition or terminate municipal services in the shortest practicable time after the effective date of the proposed change, and
- The assumption of relevant and appropriate powers, duties, rights, and functions currently exercised by the MOA, and
- The transfer and integration of all relevant and appropriate assets and liabilities of the MOA specifically addressing procedures that ensure that this occurs without loss of value in assets, loss of credit reputation, or a reduced bond rating, and

- The preparation in consultation with the officials of the MOA designed to affect an orderly, efficient, and economical transfer within the shortest practicable time, or submit a waiver of consultation with the officials of the MOA documenting all attempts by the petitioner to consult, and
- The statement of the names and titles of all officials of the MOA that were consulted by the petitioner, the dates on which that consultation occurred, and the subject addressed during that consultation (see Exhibit B: Public Notice and Meetings).

The term “practical plan” under 3 AAC 110.900 does not require every future intergovernmental agreement, service contract, reimbursement arrangement, tax-collection agreement, asset-transfer schedule, liability allocation, or governing-body approval to be completed before petition filing. Rather, consistent with 3 AAC 110.900 and Local Boundary Commission practice, the petition must present a workable and implementation-oriented transition framework showing how essential services, powers, duties, assets, liabilities, consultation, timing, fiscal capacity, and fallback mechanisms will be addressed in an orderly, efficient, and economical manner within the transition period.

Case History

The Big Lake incorporation final report is instructive. In that proceeding, Commerce reviewed the transition standard under 3 AAC 110.900 and found that the Big Lake transition plan was feasible and met the standard, while also recognizing that incorporation implementation would proceed through the LBC process, possible amendments or conditions, voter approval, and later municipal action. Big Lake therefore supports the proposition that a practical plan must be feasible, developed, and reviewable, but need not have every later implementation step finally executed before petition filing.

The Gustavus annexation final report is also useful, though more limited. Gustavus reflects that LBC staff may evaluate a petition even where certain implementation details remain subject to clarification, later coordination, or subsequent governmental action, provided the record identifies the issue, the intended course of action, and the need for further explanation or approval. Gustavus should therefore be cited as support for a developed and transparent implementation record, not as the primary authority for the meaning of “practical plan” under 3 AAC 110.900.

Summary of Process

Required transition activities will be structured to occur within the applicable two-year transition period. Any FY3 through FY5 budget or planning materials are included only to demonstrate post-transition fiscal feasibility and stability, first full local school-contribution treatment, reserve and capital planning, and protection against fiscal-year timing differences that may arise from election certification, tax billing, organization grants, service-transfer completion, and school-district implementation.

Although 3 AAC 110.900 does not expressly require consultation with the Anchorage School District by name, the petition treats ASD as a necessary transition stakeholder because the proposed borough school district requires continuity of school operations, verification of student counts, coordination with DEED (See Exhibit B: Information Relating to Public Notices and Meetings, for documentation of meetings with DEED Commissioner Bishop in 2024), an orderly treatment of school facilities, records, contracts, assets, liabilities, and funding.

The state-run ballot election for detachment and incorporation will also include elections for Mayor, Assembly, Local Governance Commissions and School Board. After the election and the voters' approval, the new Assembly will hire a Borough Manager and the School Board will hire a Superintendent. The Mayor shall fill the role of Borough Manager until the Assembly has filled that position. The Assembly will establish a contract with an experienced company (see Exhibit 4: Jacobs Engineering Letter) to help move the Borough through the transition. The Borough will take over services and transfer taxes and funds one service or fund at a time, working with the MOA and the ASD.

Contracting

In reviewing alternatives, Eagle River-Chugiak has options either to operate its own government services or to contract to deliver government services with other municipal entities or the private sector. Precedent for this has been established by the community of Girdwood in its contracting with Whittier for police services as well as both Girdwood and Whittier contracting with the Sitka Police Department for a 911 call center. The MOA will continue to provide police services after detachment until the Chugach Regional Borough government establishes an intergovernmental or private contract and assumes that responsibility.

The detachment and incorporation of the community of Sandy Springs, GA, highlights a workable approach where the CH2M Hill corporation took over the operation of the new city in almost all aspects. Jacobs Engineering acquired CH2M Hill and has expressed a desire to work with the new Chugach Regional Borough.

On April 22, 2026, Jacobs Engineering provided a non-binding letter of qualifications and continued-interest letter (See Exhibit 4: Jacobs Engineering letter). Jacobs is identified in this Transition Plan as a potential technical, operational, and transition-support resource, not as an exclusive or pre-committed service provider. Jacobs has provided written qualifications confirming experience supporting municipalities and utilities in areas including public works, community development, customer service, organizational planning, startup-city implementation, full-service municipal operations, operational assessments, and transition planning. Jacobs has also advised Eaglexit regarding practical municipal-startup considerations, including the importance of a two-year transition period, continuity of existing services during transition, intergovernmental agreements with the former jurisdiction, asset-transfer mechanisms, bondholder and credit concerns, deferred-maintenance review, and independent feasibility analysis. Accordingly, the Jacobs examples are used here to demonstrate that contract-supported municipal transition and startup operations are recognized service-delivery models that may be available to the Chugach Regional Borough after incorporation, subject to lawful procurement, elected-borough approval, final scope, costs, and service negotiations.

Provider Outreach, Cost Documentation, and Procurement Readiness

The Chugach Regional Borough will not exist as a legal municipal corporation until after voter approval and certification, so final provider selection, contract negotiation, appropriation, and procurement cannot be completed until incorporation.

Where written potential provider correspondence exists, it is included as an exhibit and identified by source, date, subject, and status. After certification, the elected borough government will determine

final service providers through lawful procurement, intergovernmental agreement, ordinance, budget appropriation, public review, and any conditions imposed by the Local Boundary Commission.

This approach is intended to address the practical reality that preliminary outreach can demonstrate feasibility and market availability, while final contracts and binding cost proposals must be approved by the future elected borough government. The petition therefore does not ask the Local Boundary Commission to assume that any provider has been bound to serve CRB before incorporation. Instead, it presents a transition framework with a specific service plan.

Transition Financing and Cash-Flow Options

The proposed Chugach Regional Borough may use a combination of financing tools to manage startup costs and other obligations. These tools may include AS 29.05.190 organization grants, current property-tax and service-area revenues, restricted service-area fund balances where legally available, state or federal grants, reimbursement agreements, user fees, contract revenues, intergovernmental payments, lease-purchase or equipment-financing arrangements, short-term tax-anticipation or revenue-anticipation financing, and other lawful municipal financing mechanisms as approved.

Fiscal Basis

The fiscal basis for this Transition Plan is submitted to demonstrate that the proposed Chugach Regional Borough has the human and financial resources necessary to organize, assume appropriate municipal powers, continue or transition essential services, and operate through the period required for Local Boundary Commission review. This fiscal showing is intended to support the standards applicable to borough incorporation, detachment, transition planning, and petition review, including the requirements that the petition provide a practical transition plan, identify the assumption or transfer of relevant powers, duties, assets, liabilities, and services, and include revenue, operating-expenditure, and capital-expenditure projections sufficient for Commission review.

This fiscal showing supports the human and financial resource standards under 3 AAC 110.055, the petition-budget requirements under 3 AAC 110.420(b)(13), the transition-planning requirements under 3 AAC 110.900, and the organization-grant treatment authorized by AS 29.05.190.

The fiscal basis for this Transition Plan is not dependent on any single historical study, estimate, or service-delivery assumption. Earlier works prepared by Northern Economics in 2007 and 2020 remain useful as background and comparative analyses because those studies examined whether the Eagle River-Chugiak area possessed a sufficient tax base and service structure to support local self-government. The 2007 analysis, funded through the Alaska Department of Commerce, Community, and Economic Development and administered through the Municipality of Anchorage, provided an “apples-to-apples” comparison using a broader continuation of then-existing MOA services. The 2020 analysis focused more narrowly on the services the Eagle River-Chugiak area expected to assume, continue, contract, or reorganize under a new borough model. In that respect, the 2020 study served as an early fiscal feasibility screen and as a springboard for the more detailed and current petition budget now submitted. These studies are included in Exhibit 8: 2007 Northern Economics Fiscal Effects report, Exhibit 13: 2020 Northern Economics Revenue Analysis, and Exhibit 14: 2020 Northern Economics Expenditures Analysis.

The controlling financial proof for this petition is the updated fiscal record submitted with the current petition package. That record includes current population information, updated inflation assumptions,

2025 MOA assessed-value and tax data, current service-area revenue information, updated municipal cost assumptions, projected operating expenditures, projected capital expenditures, organization-grant treatment under AS 29.05.190, school-contribution treatment, transition-cost assumptions, and the FY1–FY5 operating and capital budget exhibits.

For purposes of this Transition Plan, property-tax capacity is treated as the primary local revenue source for municipal operations. Additional revenues like service-area fees, state organization grants, user fees, state and federal revenues, contract revenues, and other income streams are identified in the accompanying documents. School operations are treated separately because the Chugach Regional Borough School District will depend on state foundation funding, federal education revenues where applicable, and the borough's required local contribution. The FY1–FY5 budget materials are included to show that the proposed borough can organize, assume or contract services, address capital needs, manage transition costs, and support the first full local school-contribution cycle. See Exhibit 12: Chugach Regional Borough Budget for further details.

PLAN TO TRANSITION MUNICIPAL SERVICES

Chugach Regional Borough Management and Administration

The petitioners intend to contract out the borough management and administration. Here are the anticipated roles that we believe are necessary for establishing a standard for stable borough government:

- Borough Contract Management: Borough Contract Management is responsible for overseeing the day-to-day operations of the Borough and ensuring that all departments are working efficiently. A Borough Manager will be in charge of the administration as per the Charter. The Manager will be hired by and report to the Borough Assembly. The Borough Manager will manage the contract for the administrative services. The mayor may serve as liaison between the Borough Manager and Borough Assembly.
- Borough Clerk: The Borough Clerk is responsible for organizing the various meetings of the Borough, and maintaining official records and documents such as meeting minutes, ordinances, and resolutions. The Borough Clerk also handles elections.
- Property Tax Assessment: The Property Tax Assessment Department is responsible for assessing the value of properties in the Borough for tax purposes. This department also handles appeals and exemptions for property taxes up to the level that the Assembly prescribes when it creates a Board of Equalization.
- Accounting: The Accounting Department is responsible for managing the Borough's finances, including budgeting, accounting, and investments. The Accounting Department also handles debt management and revenue collection. It is also responsible for overseeing the financial operations of the Borough, including payroll, accounts payable, and purchasing.
- Legal: The Legal Department provides legal advice and representation to the Borough and its officials. The department handles litigation, contracts, and regulatory compliance.
- Land Use Department: The Land Use Department is responsible for managing land use and development in the city.
- Animal Care and Control: The Animal Care and Control Department is responsible for enforcing animal control laws and managing contracts with animal shelters.

- Public Library: The Public Library provides educational and recreational resources to the community, including books, movies, and technology access.
- Eagle River-Chugiak Senior Center: The Senior Center provides housing for seniors for independent living all the way to memory care. It also provides services such as Meals on Wheels, catering, day services for adults and more. The CRB will provide assistance as the MOA has done historically.

Overall, this plan ensures that the city has a strong infrastructure to manage day-to-day operations, and ensure the safety and welfare of its residents.

The accompanying CRB Proposed Budget uses the 2025 MOA property-tax baseline and the proposed CRB mill-rate model. The petition applies a 2.40-mill general government and administration planning rate across the proposed CRB tax districts. The CRB Proposed Budget identifies General Government and Administration at approximately \$10.35 million, with Table 5 of the Budget showing \$10,346,642 as the operating-cost and revenue requirement for this function.

Police Department

Police services for Eagle River-Chugiak are currently provided through the Municipality of Anchorage. The existing service model includes patrol coverage, records support, dispatch, investigative support when needed, access to specialized law-enforcement resources, and participation in the area-wide emergency communications system. For FY2025, MOA levied the Anchorage Metropolitan Police Service Area, Fund 151, at 3.61 mills. Applied to the petition's estimated taxable assessed value for the relevant Eagle River-Chugiak tax districts, that rate produces an estimated police-service property-tax allocation of approximately \$15.08 million. The controlling fiscal assumptions for this petition are the updated budget exhibits, current assessed-value data, current service-area information, and any additional police-cost information obtained through MOA consultation, public-records responses, provider outreach, or transition negotiations.

The CRB's initial goals will be to maintain uninterrupted police coverage, preserve emergency-response capability, maintain or improve response times for priority calls, ensure reliable dispatch and records continuity, control costs through right-sized staffing and contracting, and maintain crime rates at or below comparable communities. Final service levels, staffing, contracts, equipment, and appropriations will be established by the elected borough government after review of service demand, provider proposals, available revenue, and transition conditions.

The borough will contract for police services and specific service components such as dispatch, records management, evidence handling, prisoner transport, specialized investigative support, emergency communications, or administrative support. The structure used for Girdwood, Whittier, and outside dispatch arrangements is an example to show that intergovernmental and contracted public-safety services are recognized service-delivery tools.

The preliminary fiscal model assumes that Eagle River-Chugiak's comparatively lower crime profile, current service demand, existing patrol frequency, and more limited geographic-service requirements will permit a lower-cost police model than the current areawide MOA allocation. Final police costs will depend on provider negotiations, dispatch costs, staffing levels, labor costs, insurance, equipment, records systems, evidence-management requirements, mutual-aid obligations, prisoner-transport needs, and any transition conditions imposed by the Local Boundary Commission.

During the transition period, the elected borough government will be responsible for selecting the contractors through lawful procurement, intergovernmental agreement, ordinance, budget appropriation, and public review. The transition process will include provider outreach, cost proposals where available, MOA consultation, dispatch and 911 requirements, mutual-aid planning, records/evidence continuity, and a comparison of contracted-service options. Until the final model is adopted, the petition treats police service as a critical function that must be continued without interruption.

The department or contracted police-service structure may include the following functional components:

1. **Command and Administration.** Provides executive leadership, policy development, budgeting, procurement, personnel oversight, fiscal management, training coordination, professional standards, public reporting, and coordination with the Borough Manager and Assembly.
2. **Patrol Operations.** Provides visible law-enforcement presence, response to calls for service, traffic enforcement, DUI enforcement, emergency response, crime prevention, and coordination with fire, EMS, schools, and other public-safety partners.
3. **Records, Evidence, and Support Services.** Provides records management, evidence handling, impound coordination, crime analysis, public records compliance, data systems, report processing, and coordination with prosecutors, courts, and other law-enforcement agencies.
4. **Dispatch and Emergency Communications.** Provides or contracts for 911 call-taking, dispatch, radio communications, NG911 participation, emergency coordination, and continuity of communications with fire, EMS, state troopers, neighboring municipalities, and regional public-safety partners.
5. **Investigative and Specialized Support.** Provides or contracts for detective support, crime-scene assistance, forensic coordination, major-incident assistance, specialized investigations, mutual aid, and other services that may be more efficiently provided through intergovernmental agreement or shared-service arrangements.

Fire & EMS

Fire and emergency medical services in Eagle River-Chugiak are currently provided through a split service-area structure. The Anchorage Fire Department serves the Eagle River portion of the proposed borough generally south of the Glenn Highway's North Eagle River exit, including AFD Station 11 at 16630 Eagle River Road. The Chugiak Volunteer Fire and Rescue Department serves north Eagle River, Chugiak, Birchwood, Peters Creek, and Eklutna through the Chugiak Fire Service Area. This existing structure is important for transition purposes because the proposed Chugach Regional Borough would not be creating fire and EMS services from scratch.

Fire Service Area	2025 Mill Rate	Applies To	2025 Assessed Value / Tax Cost	Budget Treatment
Anchorage Fire Service Area	2.18 mills	Tax Districts 10, 46, and 50	Assessed value: \$3,120,961,118 ; 2025 tax cost: \$6,803,696	Used the real property assessment to estimate the AFD-served Eagle River fire-protection tax allocation for the proposed borough.
Chugiak Fire Service Area	1.00 mill	Tax Districts 22 and 51	Assessed value: \$1,525,895,863 ; 2025 tax cost: \$1,525,896	Existing Chugiak Fire Service Area levy. Maximum mill rate is 1.00 mill .
No Fire-Service-Area Levy Identified	0.00 mills	Tax Districts 30, 47, and 58	Not applicable	These districts are identified in the 2025 MOA mill-rate schedule as outside a fire-service-area levy for fire-protection purposes.

CVFRD provides fire suppression, rescue, and emergency medical services in north Eagle River, Chugiak, Birchwood, Peters Creek, and Eklutna. According to the 2021 annual report (the most recent published report), CVFRD answered just over 1,100 calls in 2021. The 2021 CVFRD call history remains useful because it demonstrates the longstanding operational role of CVFRD and the practical importance of maintaining the volunteer-based service structure during and after transition.

The AFD reported 46,796 annual incidents in 2023, compared with 43,910 in 2022 and 38,556 in 2021. Medical incidents represented the largest category of emergency response, but there were also structure fires, vehicle fires, wildland and outdoor fires, vehicle accidents, rescue calls, good-intent calls, service calls, and false alarms.

The fire and EMS service will be continuous throughout, beginning at the incorporation of the new Borough. This will include continued use of AFD services for the Eagle River AFD-served area for a limited transition period, continuation of the Chugiak Volunteer Fire and Rescue Department for the Chugiak Fire Service Area, continuation of dispatch and 911 functions, and preservation of mutual-aid and specialty-response arrangements.

The objective of the fire and EMS transition is to maintain uninterrupted emergency response with no gaps in services or reductions of service levels at any time.

Public Works and Infrastructure

The Chugach Regional Borough will establish a Public Works Department that will combine Chugiak, Birchwood, Eagle River Rural Road Service Area (CBERRRSA), the Eagle River-Chugiak Park and Recreational Service Area (ERCPRSA), the Eagle River Street Light Service Area, and the limited/contributing road-service areas that are presently connected to the Eagle River-Chugiak service structure. All functions will be brought under the new Public Works Department to assume, continue, contract, or reorganize road maintenance, drainage, capital improvements, parks, recreation, facilities, and related service-area functions. The controlling fiscal assumptions for this petition are the 2025 MOA mill rates, 2025 service-area assessed values, 2025 revised service-area tax costs, current budget exhibits, and any additional information obtained through MOA consultation, public-records responses, provider outreach, or transition negotiations.

A. Chugiak, Birchwood, Eagle River Rural Road Service Area (CBERRRSA)

The Chugiak, Birchwood, Eagle River Rural Road Service Area (CBERRRSA) is a Rural Road Service Area encompassing more than 350 lane miles of roadway in the Chugiak, Birchwood, and Eagle River areas. CBERRRSA was formed in 1985 after voters elected to unify previously separate rural road service areas in the October 1984 municipal regular election. The CBERRRSA Board of Supervisors advises and assists the Municipality in administering services within the area, including annual budgets, service levels, capital project priorities, operational policies, community concerns, and contract management.

CBERRRSA was established for capital improvements for roads and drainage, and for the maintenance of roads and drainage within and over road rights-of-way in the service area. The service area includes street-light capital improvements and street-light operation and maintenance at special sites outside the Eagle River Street Light Service Area when those improvements enhance public safety. The service area *excludes* capital improvements for, and maintenance and operation of, traffic engineering; park and recreational services; water, sewer, telephone, electric, gas, and other utility improvements and services; off-road mass transit facilities and signs; and fire hydrants and parking meters.

For FY2025, CBERRRSA is identified as Fund 119000 and is included in Municipal Tax Districts 10, 22, 30, 50, 51, and 58. MOA's 2025 revised service-area budget shows a service-area assessed value of \$4,562,627,669, taxes to be collected of \$9,581,518, and a FY2025 mill rate of 2.10 mills. That 2.10 mill rate is the maximum attainable mill rate for the service area, with no more than 1.1 mills for road and drainage maintenance and no more than 1.0 mill for capital improvements.

For current fiscal review, the petition uses the 2025 CBERRRSA tax cost, assessed value, mill rate, direct cost, program revenue, and net cost as the controlling baseline for the road-service component, subject to later adjustment.

The proposed Chugach Regional Borough will assume, at an agreed upon transition point with the MOA, the public works duties for road maintenance, snow removal, drainage, capital-improvement, contract-management, and street-light support functions.

There are also limited or contributing road-service areas within the Eagle River-Chugiak tax-district structure. The Eaglewood Contributing Road Service Area and the Gateway Contributing Road Service Area will be dissolved and incorporated into the CRB Public Works Department. The Eagle

River Street Light Service Area will remain a service area. It will be managed and the maintenance done by the CRB Public Works Department.

B. Eagle River-Chugiak Park and Recreational Service Area

The Eagle River-Chugiak Park and Recreational Service Area is the current MOA service-area structure for parks and recreational services and capital improvements in Eagle River-Chugiak. For FY2025, ERCPRSA is identified as Fund 162000 and is included in Municipal Tax Districts 10, 22, 30, 46, 47, 50, 51, and 58. MOA's 2025 revised service-area budget shows a service-area assessed value of \$4,897,050,986, taxes to be collected of \$4,946,021, and a resulting total FY2025 mill rate of 1.01 mills. Of that amount, 0.75 mill is for parks and recreation services, 0.25 mill is for capital improvements, and an additional 0.01 mill is for debt service on voter-approved bonds outside the codified mill-rate limit.

The existing parks and recreation system supports a substantial local inventory, including developed and undeveloped park properties, groomed ski trails, playgrounds, picnic shelters, athletic fields and courts, Beach Lake buildings, Chugiak Pool, Harry J. McDonald Memorial Center, turf maintenance, flower planting, volunteer coordination, and winter maintenance or snow removal along identified school walking routes. The current fiscal baseline should be the 2025 revised ERCPRSA budget and tax-cost data.

C. Public Works Transition Treatment

The 2025 MOA CBERRRSA tax cost of \$9,581,518 at 2.10 mills is the current baseline for the rural road-service component. The 2025 ERCPRSA tax cost of \$4,946,021 at 1.01 mills is the current baseline for the parks and recreation component. The Eagle River Street Light Service Area is separately identified and accounted for in the budget exhibits.

The transition plan assumes continuity of existing services, with each service transferring to the Chugach Regional Borough on the schedule established during transition. Services will continue to operate as they have been operating until the designated transfer date for that service. On and after transfer, the applicable service areas and service functions will become public departments or operating functions of the new borough, subject to borough administration, budgeting, and assembly oversight. Different services may transfer on different dates, depending on readiness, staffing, records, equipment, funding, and operational requirements. The transition process will determine the specific timing, procedures, and administrative details for road maintenance, snow removal, drainage, parks maintenance, infrastructure maintenance, pool operations, trail maintenance, capital-project management, engineering support, and street-light maintenance. The plan is therefore based on orderly service continuation first, followed by scheduled borough assumption as each service is ready to transfer.

The objective of the Public Works transition is to maintain uninterrupted road maintenance, snow removal, drainage, parks, recreation, facility, trail, pool, and street-light services while aligning governance, taxation, capital planning, and service delivery with the new borough structure. Final service levels, contracts, staffing, equipment, capital priorities, fund-balance treatment, debt-service treatment, and appropriations will be established by the elected Chugach Regional Borough government after review of MOA data, service-area records, provider proposals, available revenue, and any transition conditions imposed by the Local Boundary Commission.

CHUGACH REGIONAL BOROUGH SCHOOL DISTRICT

The proposed Chugach Regional Borough School District will be formed as the borough school district for the Chugach Regional Borough upon incorporation and completion of the applicable transition steps. The school district transition is treated as a critical public-service continuity function. The objective is to maintain uninterrupted public education for students, preserve school operations, protect funding continuity, and coordinate with the Anchorage School District, the Municipality of Anchorage, and the Alaska Department of Education and Early Development.

The current ASD data available to the petitioners, based on current school-closure information and the schools presently serving the proposed borough area, identifies 15 schools. Fire Lake Elementary is included in this number but has been identified for possible closure. The available data identifies more than 1.3 million square feet of school space, approximately 242 acres of school property, and 448 classrooms. ASD program-capacity data identifies a combined program capacity of 8,864 students. FY24 enrollment is identified as 6,300 ADM, or approximately 71.07 percent of program capacity. These figures are used as the current school-facility and enrollment baseline for transition planning, subject to verification and supplementation through ASD records, DEED consultation, school-by-school enrollment data, resident and nonresident student analysis, JBER treatment, facility schedules, equipment inventories, debt schedules, final transition agreements, and any Local Boundary Commission conditions.

The statutory structure for school governance is different from ordinary municipal service contracting. Each borough constitutes a borough school district and must establish, maintain, and operate a system of public schools on an areawide basis as provided by Alaska law. The school district is operated district-wide under the management and control of a school board subject to the charter. The borough assembly provides the local money required by the State, while the school district receives foundation funding and federal education revenues where applicable. Accordingly, this transition plan treats the school district as a mandatory areawide borough function, not as an optional service that can simply be omitted, privatized, or delayed.

The school transition will be coordinated with DEED, ASD, and MOA as appropriate. The Eaglexit Education Committee met twice with the Alaska Department of Education and Early Development Commissioner in 2024 during development of the CRB School District education model. The petition recognizes that school transitions must be phased, documented, and coordinated so that students remain enrolled, schools remain open, staff and contracts are handled lawfully, and funding is not interrupted.

During the transition period, existing school operations will need to continue under ASD administration until the Chugach Regional Borough School District is prepared to assume full operational responsibility. This approach is a service-continuity mechanism designed to protect and complete the required transition work.

The Chugach Regional Borough School District will be created in phases. Before certification, petitioners may continue gathering school facility, enrollment, funding, and transition information and may continue consulting with ASD and DEED. The school board will be elected as part of the petition election. After it is established, the school board will coordinate formally with DEED and ASD, confirm student counts and funding, address school facilities, equipment, and obligations, prepare the first operating budget, and begin hiring a superintendent.

The charter-school model is part of the proposed education vision, but it will be implemented only through lawful action by the elected Chugach Regional Borough School Board and any other required approving authorities. During transition, parents, educators, community members, and Academic Policy Committees may develop charter concepts, but final approval, staffing, curriculum, and operations will occur after the proper legal steps are completed. The boundary petition does not depend on immediate charter approval before filing.

The required local contribution is addressed in the petition budget and school-funding exhibits, including Appendix I and Appendix II. The preliminary budget shows capacity to meet the local contribution, subject to final DEED review, tax-value calculations, federal Impact Aid treatment, allowable in-kind services, and changes in law.

School Funding Appendices.

The school-funding foundation for the proposed Chugach Regional Borough School District is supported by Appendix I, Eaglexit School Funding Expository / King Economics Group Memo, and Appendix II, Revenue Calculator - All CRB Schools. Appendix I identifies and estimates potential school-district revenue sources, including federal Impact Aid related to JBER, state foundation formula funding, noncompetitive state grants, federal title and special-program funds, and the required borough local contribution.

The memo estimates that CRBSD could qualify for approximately \$63 million in state education support, approximately \$22 million in federal support, and more than \$13 million in required local contribution, producing a projected district budget of approximately \$98.1 million, subject to final DEED review, student-count verification, taxable-value determinations, federal eligibility, and applicable school-funding law.

Appendix II provides the supporting workbook calculations for those assumptions, including school-by-school ADM, school-size adjusted ADM, state aid, federal aid, federal Impact Aid, and local contribution treatment. Together, these documents support the petition's conclusion that the proposed borough school district has a practical funding path for school continuity, transition, and lawful operation.

ASD will continue operating the schools until CRBSD is ready to assume responsibility. The transfer should occur within the transition period and may be phased by school, records, assets, staffing, contracts, funding, and any required charter approvals. CRBSD may then implement its education charter, curriculum, and governance reforms consistent with applicable law.

The objective is to ensure that students, families, teachers, staff, and taxpayers experience continuity during transition while preserving the elected school board's authority to implement the community's long-term education vision lawfully, transparently, and in phases.

TRANSITION TIMELINE AND RESPONSIBILITIES

Transition Period

This section is adopted pursuant to AS 29.05.140(a) to show the anticipated timeline for completing the transition from the Municipality of Anchorage to the Chugach Regional Borough. The Chugach

Regional Borough shall complete transition activities tied to the boundary change within a period not to exceed twenty-four (24) months from certification of the incorporation election, unless additional time is authorized by the Local Boundary Commission.

This timeline is intended to demonstrate an orderly, efficient, and economical transition. It does not assume that every long-term policy objective, service reform, charter-school conversion, contract, asset allocation, or administrative system must be fully completed on the first day of incorporation. Instead, the transition will proceed through phased assumption of services, lawful procurement, elected-borough decision-making, coordination with MOA, ASD, DEED, and other affected entities, and any conditions imposed by the Local Boundary Commission.

Phase I: Pre-Certification Preparation — Up to One Year Before Vote

1. Education Preparation. The Eaglexit Education Task Force may be convened to prepare for the possible establishment of the Chugach Regional Borough School District. Its work includes public education regarding the proposed school-district framework, engagement with PTA/PTO boards and community councils, consultation with school-governance and charter-school experts, review of ASD and DEED data, preliminary school-funding analysis, and support for parents or community groups interested in future Academic Policy Committees or charter concepts.
2. Service and Fiscal Preparation. Petitioners may also continue consultation with MOA, ASD, DEED, utility providers, contractors, and other affected entities.

Phase II: Election Occurs – The people vote in detachment and incorporation, Mayor, Assembly, School Board and Local Governance Commission (LGC) members.

Elections and Initial Governance. State-supervised election shall be conducted for Detachment and Incorporation, Borough Mayor, Assembly, School Board, and any Charter-required Local Governance Commission members.

Phase III: Immediate Transition — 0 to 90 Days After Election Certification

1. Once seated, the Assembly shall begin organizing the borough government. The Mayor will serve as Borough Manager until a Borough Manager is hired.
2. Borough Manager and Administrative Startup. The Assembly will hire a transition/administrative contractor and shall begin the process of hiring a Borough Manager. The Borough Manager, working with the contractor, shall provide public reports, coordinate transition work, support budget development, organize contracts and procurement, and maintain public transparency through meetings, reports, and town halls.
3. Borough Structure. The Assembly shall adopt initial ordinances, procurement procedures, budget procedures, financial controls, records policies, and service-continuity measures. The Assembly shall appropriate funding for services as they are assumed, continued, contracted, or transitioned from MOA.
4. Education Continuity. The Eaglexit Education Task Force may continue preparatory work, but formal authority will transition to the elected Chugach Regional Borough School Board when seated. The School Board shall begin coordination with DEED, ASD, and MOA regarding district

recognition, student counts, funding treatment, facilities, records, school district staffing, contracts, special education, transportation, technology, food service, payroll, and other continuity requirements.

Phase IV: Foundational Organization — 3 to 12 Months

1. **Public Works and Service Areas.** A Public Works function shall be established to assume, continue, contract, or coordinate the Chugiak, Birchwood, Eagle River Rural Road Service Area, the Eagle River-Chugiak Park and Recreational Service Area, related contributing road-service areas, and streetlight functions.
2. **Police, Fire, and Emergency Services.** Existing services should continue without interruption while the elected borough government evaluates intergovernmental agreements, provider proposals, staffing models, mutual-aid arrangements, records/evidence continuity, equipment, facilities, insurance, and budget requirements.
3. **Education Startup.** The elected School Board shall begin the formal school-district startup preparation in coordination with DEED, ASD, and MOA. The School Board shall approve an initial school district budget, begin or complete superintendent recruitment, verify ADM/enrollment and funding assumptions, identify school facilities and assets, and establish initial policies necessary for lawful operation of a borough school district.
4. **Charter and Governance Planning.** Charter-school conversion, school-level governance reforms, Academic Policy Committees, Faculty Senate concepts, and other education reforms may be developed and reviewed during this phase. Any charter application or district-wide charter structure must proceed through lawful school-board action, DEED procedures, public process, and final approval requirements.
5. **Assets and Liabilities.** The borough shall begin coordinated review of facilities, assets, financial accounts, fund balances, debts, liabilities, contracts, records, grants, utilities, service-area obligations, and school assets. Items not resolved during this phase shall be identified as transition-condition items, subject to continued consultation, agreement, bond counsel review, or LBC condition.

Phase V: Operational Transfer — 12 to 18 Months

1. **Public Safety:** Police services shall continue to be operated through the MOA until the new CRB has established a local department and contract to take over the police and public safety services. The Fire and EMS services currently provided by the Anchorage Fire Department will also continue uninterrupted until the new CRB has established the local department or contract. The Chugiak Fire Department will continue uninterrupted but will be transitioned over to the new CRB once the local funding has been established and property tax dollars have been allocated.
2. **Public Works, Roads, Parks, and Facilities.** The borough shall continue assuming, contracting, or coordinating road maintenance, snow removal, drainage, parks, recreation, pool, facility, trail, capital-improvement, and streetlight functions.
3. **Education Reform Implementation.** The School Board may prepare, review, and submit charter applications or other school-governance reforms during this phase.

4. Finance and Administration. The borough shall continue assuming or contracting for property tax assessment, tax collection, accounting, payroll, debt management, procurement, audit, legal, insurance, records, human resources, and information technology functions. Full assumption may occur service-by-service as systems are ready.

Phase VI: Completion of Transition — 18 to 24 Months

1. Education Completion. The School Board shall finalize the superintendent structure, required local contribution treatment, DEED coordination, school-funding procedures, staff and contract arrangements, and any approved charter models. A Faculty Senate or other employee/educator advisory structure may be formed if adopted by the School Board through lawful policy.
2. Education Operations. CRBSD may assume full school operations when the School Board, superintendent, budget, funding, staffing, facilities, records, contracts, and administrative systems are prepared for transfer.
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4. School Assets and Facilities. School facilities, equipment, records, contracts, grants, insurance, maintenance obligations, and related assets or liabilities shall be transferred, assigned, contracted, or otherwise addressed through the school-transition schedule, MOA/ASD coordination, DEED consultation, bond/debt review, and any LBC conditions.
5. Governance Completion. The Assembly shall adopt final administrative codes, procurement policies, budget procedures, financial controls, personnel systems, records policies, service-area accounting procedures, and a comprehensive borough budget. Remaining contracts, facilities, assets, fund balances, liabilities, debts, and service obligations relating to the detached territory shall be transferred, assigned, settled, contracted, or identified for post-transition treatment consistent with law and any LBC conditions.
6. Service Continuity and Final Transfer. Police, fire/EMS, roads, parks, recreation, streetlights, finance, administration, and school functions shall be operating under borough authority
7. Termination of MOA General Municipal Jurisdiction. Upon completion of the transition period, the Municipality of Anchorage's general municipal jurisdiction over the detached territory will terminate, except to the extent MOA continues to provide specific services by contract, utility authority, regulatory obligation, intergovernmental agreement, transition agreement, debt or asset settlement obligation, or condition imposed by the Local Boundary Commission.