

August 3, 2020

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Petersburg Borough  
P.O. Box 329  
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Re: Appeal of 2020 Tax Levy (Millage Rates)  
Frederick Point East Subdivision, Petersburg, AK (55 lots)

Dear Mayor and Assembly Members:

On August 12, 2019, I sent an initial letter appealing the 2019 Petersburg assembly's determination that applied the full operational mill rate of Service Area 1 to the Frederick Point East Subdivision (FPE). The letter included a brief history of the 1978 City of Petersburg Annexation; the Addendum dated January 6, 1978 outlining the property taxation agreement for the initial and any future services provided for the newly annexed territories; the 1982 creation of the FPE Subdivision by the state within the same annexed area; and the currently unchanged status of the lack of municipal on-site services provided to the undeveloped FPE subdivision since that creation. Since 2019, I have researched the charter and the borough formation.

In 2012, FPE was incorrectly placed in Service Area 1 at borough formation when the former city of Petersburg city limits were used for the initial service area boundary (Charter Sec. 14.02 B.). This action conflicted with Charter Sec. 14.04 which reads, "Service areas shall be established according to criteria of need and economic operating efficiency and shall comprise the area to which the services shall be provided." Service Areas provide services and mill rates reflect those services provided.

Unlike the assessment of property values performed by the state assessor which provide tax notice and appeal guidelines for property owners, the annual mill rate determination by the assembly lacks transparency and accountability. The property owners are given no opportunity for review and appeal. The assembly has no requirement to meet with the property owners to resolve the issues. In the FPE situation, the assembly has failed to set up a meeting with the FPE property owners as requested and has not responded formally to the FPE appeal letter dated August 12, 2019.

To avoid confusion, we are not the Frederick Point North subdivision located near Sandy Beach. FPE is not contiguous with town, but is located approximately 10 miles from Petersburg in the Tongas National Forest. We are remote. The 55 lots are used as seasonal, recreational use with only one couple, Don and Jenny Cummins, residing full time. Access roads that link the subdivision to major roads are non-existent. The closest road, Forest Service Road 6204, located approximately one mile away, is not maintained nor snow plowed by the municipality further hampering a quick emergency response for fire and EMS responders. Police, on the other hand, have relegated their duties of servicing FPE to the state trooper. No trash service, no construction inspections. According to Charter 14.05 (B) The assembly has the responsibility to supervise furnishing borough services in

Service Area 1. FPE is not receiving the services that are afforded to the other properties in Service Area 1 yet FPE is paying the same mill rate as in town.

Even in light of these facts, on July 20<sup>th</sup> after the statements by Clerk Thompson, the assembly promoted a false narrative that the removal of FPE from Service Area 1 would require the use of Sec. 14.03 B. 1 and 2.; that it would take two separate ballots; and that it would be difficult and time consuming. Upon closer examination of Sec. 14.03, the section is specifically tailored for the Areawide basis properties only. The initial Service Area 1 properties are suppose to have services already in place and they are not considered Areawide properties. Section 14.03 does not apply. Continued misinformation and delays by the borough have hindered any resolution. The fact is that it is within the responsibility and duty of the assembly itself to make corrections in the Charter when errors are found. Instead FPE property owners have been confronted with the borough's unwillingness to address the unfair property tax issue, even though Member Meucci estimated that there would be a minimal reduction of only about \$12,000 to the General Fund.

Therefore, Frederick Point East property owners are appealing the 2020 assembly determination of the millage rates because they do not reflect actual borough services provided. The Frederick Point East property owners request that the assembly **give FPE fair property taxes by removing FPE Subdivision from Service Area 1.**

Thank you for your consideration,

Kandi Woodworth