

City of Port Lions
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To: Senate Finance Committee
RE: Municipal Revenue Sharing
Written Testimony

March 4, 2016

I am writing on behalf of the *City of Port Lions* as the Mayor.

It has come to our attention that the House Finance Committee removed the additional 35 million that the Governor had proposed adding to the Revenue Sharing Fund. I am sure you are hearing how important revenue sharing is to all of the small communities throughout Alaska.

The addition of this money into the Revenue Sharing Fund would go a long way in making sure that our small community can keep operating in a functional manner.

The proposed Revenue Sharing for Port Lions as it stands now would be \$66,512.00. This is a reduction of \$33,000.00 from the FY16 Payment.

With the additional funds the Governor is proposing that figure would change to \$86,807.00 which would still be less than last year's figure, but would allow us to keep operating without too many changes.

If the Revenue Sharing amount stays at its current level of \$66,512 for FY 17, the City will be forced to make some drastic changes. These would include laying employees off and increased utility and moorage rates to name a few. Cutting Revenue Sharing to small communities throughout Alaska has a very real and negative trickle down affect.

When services and manpower is reduced in an already short staffed situation, infrastructure and communities suffer the brunt of these reductions.

We are well aware of the issues the State is facing and we are all prepared to do our part in reductions to the PFD, potential income taxes, increased taxes on our

fishermen and more. But you must realize that these reductions and taxes will impact those already living in our rural communities many of whom make their living as commercial fishermen and women.

By cutting Revenue Sharing to small municipalities, it's almost like a double whammy to the folks that live in these communities. Residents will bear the taxes and smaller PFD payments that the State is planning to implement, but if the local government has to add on to that, it is not the City Government who will suffer, it's our residents. With the drastic reduction to Community Revenue Sharing, the City would be forced to raise the amount of various services and we would look first at utilities.

The Port Lions City Council urges you to do all you can to keep Revenue Sharing intact and to include the Governors proposed additional funding.

Sincerely,
Melvin Squartsoff, Mayor, City of Port Lions