

SB

546

COMMITTEE REPORT

SENATE

4/3/89

FURTHER: Finance

Actually Passed out of  
Committee 5-13-80

Date: 5-15-80 = Handed to  
Sen. Sec'y

Mr. President:

The Committee on COMMUNITY AND REGIONAL AFFAIRS has had SB 546

state aid for local capital projects

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass  do not pass
- do pass with attached amendments(s)
- replace with CS for SB 546  same title  
 new title
- and recommends \_\_\_\_\_
- AND attaches a "Letter of Intent"  New Fiscal Note
- reports it back without recommendation
- referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

MEMBERS HAVING  
OTHER RECOMMENDATIONS:

\_\_\_\_\_  
*W. Mark ...*  
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\_\_\_\_\_  
*Tom Kelly No Rec*  
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 \_\_\_\_\_

CHAIRMAN

# Committee Log Book - 1980

Tape Number XXIX

SENATE C/RA // Chrmn Sturgulewski

Side Number 1 & 2

Committee

Dates 5/13/80 to ----

PRESENT: All members (Rodey late)  
Senators Rodey, Stimson, Mulcahy, & Kelly

## Bill Numbers Discussed

CSHB 932	SB 546	NEW RES							
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Date & Time	Tape Meter Number	Bill	Significant Information (Witness, Action)
5/13/80 1:30	005	CSHB 932	Chrmn Sturgulewski/ cancelled hearing CSHB 932
	048	RES	" "/ introduces new resolution "White House Conference on Families
	079		Sen. Kelly objects
	085		Sen. Mulcahy has no objection to committee introduction, but might not favor concept.
	089		Sen. Stimson supports introduction
	097		Chrmn Sturgulewski will have introduced by the Committee by request.
	120	SB 546	Chrmn Sturgulewski
	156		Lee Sharp, City/Borough Attorney of Juneau "CS"
	250		Dennis Dooley, DOT-PF / few Adminis. concerns
			Jim Rhodes, AA to Rep. Malone // formula outline
	540		Sen. Kelly asks Rep. Malone's position.
	632		Sen. Rodey
	636		Margo Waring, AA to Chrmn. Sturgulewski
	729		Chrmn Sturgulewski/ impact on areas forming reg'l government?
	748		Sen. Kelly / Various questions
	812		Jim Rhodes
	850		Sen. Rodey moved to pass w/ individ. rec. Chrman. Sturgulewski to pass/ Sen. Kelly objects

*1st Part of  
TAPS did not  
take!*





Official Business

# Alaska State Legislature


Senate

Committee on  
Community & Regional Affairs

Pouch V  
State Capitol  
Juneau, Alaska 99811

May 12, 1980

TO: Senator Bob Mulcahy  
Vice-Chairman  
Senator Tim Kelly  
Senator Pat Rodey  
Senator Terry Stimson

FROM:  Arliss Sturgulewski  
Chairman

SUBJECT: Committee Meeting, Capitol Building, Butrovich Room

Tuesday, May 13, 1980 - 1:30 p.m.

SB 546 - State aid for local capital projects/ Establishing Capital Foundation Fund

CSHB 932 - An act creating the office of rural development, and the Rural Development Council; and providing for an effective date.

Senate Resolution for introduction - Relating to participation by the state in the White House Conference on Families.

# Committee Log Book - 1980

Tape Number XX11

SENATE C/RA

Side Number 1 & 2

Committee

Dates 4/15/80 to --

PRESENT: Senators Mulcahy, Rodey, Chairman Sturgulewski  
 LATE: Senators Stimson and Kelly

Bill Numbers Discussed

CSHB 550	SB 546								
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Date & Time	Tape Meter Number	Bill	Significant Information (Witness, Action)
1:30 p. 4/15/80	005	CSHB 550	Chairman Sturgulewski opened meeting & gave a brief summary
	029		Representative Joyce Munson, Sponsor
	123		Sen. Rodey / Traffic lights owned by city?
	188		Mike Thompson, Anchorage Municipality Traffic Div.
	208		Sen. Rodey questioned past cooperation/coordination between State and Municipality
	242		Ron Lind, Dept. of Transportation & D.P. - No Objections
	250		Mitch Gravo, Anchorage Municipality, Support bill
	281		Senator Rodey moved to "do pass" no objections..
	300	RES.	Summary / resolution requesting Gov. to direct Dept. Fish & Game to conduct study relating to the restocking of Anchorage lakes. COMM. INTRODUCE?? by Sen. Rodey No objections for Committee introduction.
	373	RES	Summary / Utility Revolving Loan Fund / by Sen. Sturgulewski. No objections to Comm. introduction
	405	SB 546	Capitol Foundation Program
	536		Marge Gorsuch, AA Hs. C/RA
	449		Jim Rhodes, AA Rep. Malone / Formula Summary

SIDE 2 -----

159  
221

Sen. Kelly objects to formula base  
 Meeting adjourned.

*NO ACTION  
 TAKEN*



Jt Teleconference As/sen C/ra

4-16-80

Pres: Rep Branson, Pat Carney, Carr, Zhaof, Parker  
Sen. Sturg - Kelly

HB 110 - SB 546

Are Ted Barks

Philos difference direct resource wealth  
sparsity areas benefit

Are elig to rec as little 5%

tech prop alloc. formula

need - ability to pay - need

per capita tx base excess

tx base are 25,000 per capita

no slp Bol. 600,00

remain 60,000 urban/rural

Admin - agreement <sup>loc. govt</sup> forced to accept certain demands

to

Asst. Dir. of getting \$ on street better than Bover.

Hodack - FM.

D. L.ingham

Elsie Brian is going to borough

no distr. thereafter - Mats 4 = 3 cities 1/3 Bover

Ans -

Jeff Smith Manhatt Assoc. - each area tied into

Spec \$ amt - should be on need basis

adv. est. 5 yr. plan

Who has final determination \$ ?

\$ spent in rural areas - limit develop<sup>ment</sup> areas.

one ~~the~~ over another.

Kelly - wants his cake & pork too

Leiny - endorse concept

reg'l excls. mk up

1st - 2nd cl's cities

Role paid by Regs/Bover some have limited power

Formula - population

why undeveloped areas need \$

- but balance :

recognition  
1st have  
4th school

Ans Jerry Mc Cutcheon - Sud

Req'd bodies that govern  
Gov. apptmt Council

Proj. 80 -

2PM Noty Adjourned

WO 8341  
Cook ✓

Original sponsor: Community and Regional  
Affairs Committee

1 IN THE SENATE

BY THE COMMUNITY AND REGIONAL  
AFFAIRS COMMITTEE

2 CS FOR SENATE BILL NO. 546

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to state aid for local capital pro-  
7 jects; establishing the capital projects foundation  
8 fund; and providing for an effective date."

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

10 \* Section 1. It is the purpose of AS 44.42.100 - 44.42.160 to create a  
11 program which can provide a source of money which will be equitably distrib-  
12 uted throughout the state to be used, alone or with money from other sources,  
13 to finance capital projects. It is the intent of the legislature that plan-  
14 ning for capital projects reflect local needs and priorities and that, when-  
15 ever possible, political subdivisions of the state have sole responsibility  
16 for the expenditure of state money provided through the program. Nothing in  
17 AS 44.42.100 - 44.42.160 is intended to restrict the legislative authority to  
18 appropriate money.

19 \* Sec. 2. AS 44.42.020 is amended by adding a new paragraph to read:

20 (14) adopt regulations for management of the capital projects  
21 foundation fund established under AS 44.42.100 and administer that fund.

22 \* Sec. 3. AS 44.42 is amended by adding new sections to read:

## 23 ARTICLE 2. CAPITAL PROJECTS FOUNDATION ENTITLEMENTS.

## 24 Sec. 44.42.100. CAPITAL PROJECTS FOUNDATION FUND AND ENTITLEMENTS.

25 (a) There is established in the department a capital projects founda-  
26 tion fund for the purpose of providing state assistance for improvement,  
27 maintenance and new construction costs of local capital projects.

28 Within the limits of appropriations for the purpose, the department  
29 shall make entitlements for capital projects to organized boroughs, to

1 home rule municipalities as defined in AS 29.08.010, and to municipali-  
2 ties unified under AS 29.68 which have capital improvement plans.

3 (b) Within the limits of appropriations for the purpose, the  
4 department shall make and manage entitlements for capital projects for  
5 unorganized boroughs if a version of an Act entitled "An Act relating to  
6 unorganized boroughs, establishing unorganized boroughs, establishing a  
7 program of financial assistance for the preparation of regional plans by  
8 unorganized boroughs, permitting adoption of home rule charters by  
9 unorganized boroughs, and directing submission of recommendations con-  
10 cerning adjustment of the boundaries of service areas of the unorganized  
11 borough; and providing for an effective date" is enacted. If that bill  
12 is not enacted, the department shall make and manage entitlements for  
13 capital projects for each regional educational attendance area organized  
14 under AS 14.08.031.

15 (c) The amount of appropriation authorized for the capital im-  
16 provements foundation fund for each fiscal year is not less than \$400  
17 times the state population as annually determined by the Department of  
18 Labor.

19 Sec. 44.42.110. ELIGIBLE FACILITIES. An entitlement from the  
20 capital projects foundation fund may be used for improvement, main-  
21 tenance, or construction costs of the following facilities

- 22 (1) libraries;
- 23 (2) community and emergency detention facilities;
- 24 (3) fire halls, including the purchase of fire vehicles;
- 25 (4) community parks and recreational facilities;
- 26 (5) water and sewer facilities;
- 27 (6) health facilities;
- 28 (7) community centers;
- 29 (8) cultural facilities;

1 (9) transportation facilities which do not duplicate state  
2 facilities and which are not inconsistent with the state transportation  
3 plan under AS 44.42.050 as determined by the department, including

4 (A) service roads;

5 (B) trails;

6 (C) harbors and docks for small boats;

7 (D) seaplane floats;

8 (E) public transit facilities, including the purchase of  
9 transit vehicles;

10 (F) emergency and recreational airstrips for small  
11 aircraft.

12 (b) A facility is eligible for an entitlement under this section  
13 only if it is identified in a capital improvement plan formulated under  
14 AS 44.42.130.

15 (c) If a facility is located in or to be located in a home rule or  
16 unified municipality or organized borough, it is not eligible for an  
17 entitlement under this section unless the borough or municipality

18 (1) has or will have title to the facility; and

19 (2) has authority under AS 29 to operate the facility.

20 Sec. 44.42.120. REGIONAL COUNCILS. (a) A regional council shall  
21 be established for each unorganized borough if a version of an Act  
22 entitled "An Act relating to unorganized boroughs, establishing un-  
23 organized boroughs, establishing a program of financial assistance for  
24 the preparation of regional plans by unorganized boroughs, permitting  
25 adoption of home rule charters by unorganized boroughs, and directing  
26 submission of recommendations concerning adjustment of the boundaries of  
27 service areas of the unorganized borough; and providing for an effect  
28 date." is enacted. If that bill is not enacted, a regional council shall  
29 be established for each regional educational attendance area. A regional

1 council shall be composed of no more than 11 members as follows:

2 (1) at least one person from each first class city which is  
3 located within an unorganized borough or regional educational attendance  
4 area, or which is included in an unorganized borough's capital improve-  
5 ment plan or a regional educational attendance area's capital improve-  
6 ment plan under (b) of this section and who is an elected city official  
7 selected by the city council;

8 (2) additional members selected by the governor from persons  
9 nominated by the Department of Community and Regional Affairs who are  
10 from second class cities and unincorporated communities within an uncr-  
11 ganized borough or regional educational attendance area; members from  
12 second class cities shall be elected officials.

13 (b) A first class city which has not adopted a home rule charter  
14 and which is outside of an organized borough and outside of a regional  
15 educational attendance area shall be represented on the regional council  
16 of a regional educational attendance area or an unorganized borough  
17 which borders the city and shall be included in the capital improvement  
18 plan.

19 Sec. 44.42.130. CAPITAL IMPROVEMENT PLANS. (a) With assistance  
20 from the department, each regional council established under AS 44.42.120  
21 shall formulate a capital improvement plan. A capital improvement plan  
22 formulated in accordance with this section shall be a five-year plan  
23 updated annually, and shall

24 (1) identify all capital projects needed in the borough,  
25 municipality, or regional educational attendance area;

26 (2) assign a priority to each capital project identified;

27 (3) include cost estimates for each capital project identi-  
28 fied;

29 (4) include a list of needed capital projects which are not

1 eligible for an entitlement from the capital improvement foundation  
2 fund;

3 (5) identify possibilities for capital projects involving  
4 facilities having more than one use;

5 (6) consider the feasibility of waste heat utilization and  
6 other energy-saving measures for capital projects;

7 (7) provide for site acquisition for capital projects; and

8 (8) provide for needed public access and utilities.

9 (b) A capital improvement plan and revisions to a capital improve-  
10 ment plan for an unorganized borough or regional educational attendance  
11 area shall be adopted by the regional council after a public hearing and  
12 submitted to the department.

13 (c) To qualify to receive an entitlement from the capital projects  
14 foundation fund, an organized borough, home rule municipality, or unified  
15 municipality shall formulate and annually update a capital improvement  
16 plan which covers at least a five-year period. A capital improvement  
17 plan and revisions to a capital improvement plan for an organized  
18 borough, home rule municipality, or unified municipality shall be sub-  
19 mitted to the city council or borough assembly. After a public hearing,  
20 and after approval by the council or assembly, the capital improvement  
21 plan shall be submitted to the department.

22 \* Sec. 4. AS 44.42 is amended by adding a new section to read:

23 Sec. 44.42.140. ALLOCATION AND DISTRIBUTION OF ENTITLEMENTS. (a)  
24 Entitlements from the capital projects foundation fund shall be distri-  
25 buted annually by the department to each organized borough, home rule  
26 municipality, and unified municipality which has submitted a capital  
27 improvement plan as required by AS 44.42.130. An organized borough may  
28 agree that a city in the borough may receive and use money from an  
29 annual entitlement for the borough which is for a facility located in

1 the city, if the city has authority under AS 29 to operate and hold  
2 title to that type of facility. <sup>(b)</sup> Entitlements from the capital projects  
3 foundation fund shall be distributed annually to accounts established by  
4 the department for each unorganized borough or for each regional educa-  
5 tional attendance area which has submitted a capital improvement plan as  
6 required by AS 44.42.130. <sup>440</sup> The commissioner shall enter into an agreement  
7 with a city in an unorganized borough or regional educational attendance  
8 area which elects to receive and use money from an annual entitlement to  
9 the unorganized borough or regional educational attendance area which is  
10 for a facility located in the city, if the city has authority under  
11 AS 29 to operate and hold title to that type of facility.

12 <sup>(c)</sup> (b) Entitlements shall be annually allocated from the capital  
13 projects foundation fund as follows:

14 (1) seven-tenths on the basis of the population of the organ-  
15 ized borough, home rule municipality, unified municipality, unorganized  
16 borough, or regional educational attendance area; and

17 (2) three-tenths on the basis of the area of the organized  
18 borough, home rule municipality, unified municipality, organized borough,  
19 or regional educational attendance area.

20 \* Sec. 5. AS 44.42 is amended by adding new sections to read:

21 Sec. 44.42.150. USE OF ENTITLEMENTS. (a) An entitlement from the  
22 capital projects foundation fund distributed to an organized borough,  
23 home rule municipality, or unified municipality may be used only for  
24 projects identified in a capital improvement plan submitted to the  
25 department. Each recipient shall determine which project or projects to  
26 finance with the entitlement received each year under AS 44.42.140.

27 (b) A facility for which an entitlement from the capital projects  
28 foundation fund is received which is located in an organized borough but  
29 outside of a city shall be owned, operated and maintained by the borough.

1 A facility for which an entitlement from the capital projects foundation  
2 fund is received which is located in a city within an organized borough  
3 shall be owned, maintained and operated

4 (1) by the borough, if the city has the authority under AS 29  
5 to operate and hold title to that type of facility;

6 (2) by the city, if the city has the authority under AS 29 to  
7 operate and hold title to that type of facility; or

8 (3) by either the borough or city as they may agree, if both  
9 the city and the borough have authority to operate and hold title to  
10 that type of facility.

11 (c) An entitlement from the capital projects foundation fund for a  
12 project in a first or second class city which is part of the capital  
13 improvement plan of an unorganized borough or a regional educational  
14 attendance area may be distributed to the city with the concurrence of  
15 the city council subject to the following terms:

16 (1) that the city will secure, retain and protect title to  
17 the site of an existing facility or to the site on which a new facility  
18 is to be constructed; for purposes of this paragraph it is sufficient  
19 that title is obtained in fee or by a lease which provides that the city  
20 enjoys exclusive use of the site and any improvements for the estimated  
21 life of the facility;

22 (2) that the city will assume responsibility for the operation  
23 of the facility to be financed with the entitlement, and the feasibility  
24 of the discharge of this obligation shall be demonstrated to the satis-  
25 faction of the commissioner before the payment of the entitlement.

26 (d) If it appears that the cost of a capital project financed by  
27 an entitlement from the capital projects foundation fund to an organized  
28 borough, home rule municipality, or unified municipality will vary  
29 substantially from the cost estimated at the time the entitlement was

1 provided in its original condition;

2 (4) "improvement, maintenance or construction costs" includes,  
3 in addition to costs directly related to the project, the total of all  
4 costs of financing and carrying out the project; these include, but are  
5 not limited to, the costs of surveys, plans and specifications, architec-  
6 tural, engineering or other special services, acquisition of real pro-  
7 perty, site preparation and development, purchase, construction, recon-  
8 struction and improvement of real property;

9 (5) "maintenance" means restoration and repair needed to keep  
10 a facility as close as possible to its original condition.

11 \* Sec. 6. Sections 1 - 3 and 5 - 7 of this Act take effect July 1, 1980.

12 \* Sec. 7. Section 4 of this Act takes effect July 1, 1981.

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1 made for the capital project, the recipient is responsible for obtaining  
2 the additional money needed to complete the project. If a capital  
3 project financed by an entitlement from the capital projects foundation  
4 fund to an organized borough, home rule municipality, or unified municipi-  
5 pality costs less to complete than estimated at the time the entitlement  
6 was made, the recipient may use the excess entitlement for other capital  
7 projects in its capital improvement plan.

8 (e) In an unorganized borough or regional educational attendance  
9 area each regional council shall annually determine which projects in  
10 its capital improvement plan to finance with entitlements from the  
11 capital projects foundation fund. The department is responsible for the  
12 design and construction of the projects selected by a regional council  
13 under this subsection and shall carry out the projects in accordance  
14 with AS 35 unless the commissioner allows a city to receive and use an  
15 entitlement in accordance with AS 44.42.140.

16 (f) An entitlement from the capital projects foundation fund may  
17 be used to match state or federal grants.

18 Sec. 44.42.160. DEFINITIONS. In AS 44.42.100 - 44.42.160

19 (1) "area" means the area in square miles of a home rule  
20 municipality, unified municipality, organized borough, or unorganized  
21 borough or regional educational attendance area which has a capital  
22 improvement plan;

23 (2) "population" means the population, as annually determined  
24 by the Department of Labor using the latest figures of the United States  
25 Bureau of the Census, of a home rule municipality, unified municipality,  
26 organized borough, or unorganized borough or regional educational attend-  
27 ance area which has a capital improvement plan;

28 (3) "improvement" means renovations and additions to an  
29 existing facility which allow for better service than the facility

SS-CAF-1 FOUNDATION MEETING

FEB 13, 1980 meeting: Bushre, Rhode, Waring

- Discussion: 1) regarding the formula, it was agreed that the wisest approach would be a formula that reflected, within limits, the current allocations of funds to regions.
- 2) Capital projects to be included: solid waste, health facilities, transportation facilities, community facilities, energy conservation or generation. Maintenance costs were to be included in eligible costs, as tradeoffs between new and old buildings and the importance of life cycle analysis are important.
- 3) Language will be included that will state that if a project is not in a capital improvement program, Foundation dollars cannot be spent for that project.
- 4) Distribution arrangements: Money will go to boros only. Boros may get a set additional amount for the numbers of first class cities it contains. Money will go directly to home rule municipalities. When a third class boro, that boro will be treated as the next lower class which is an "unorganized boro" as per SB 348 . If that bill does not pass, funds will be distributed per REAA boundaries. However, as there is no boro government responsible or accountable for planning and expending funds--or that can own and have title to property etc--those functions will be retained by the State and managed in a trustee relationship with the unorganized boros. When retained by the state, DOTPP and CRA will jointly establish a planning process to develop a CIP in the boro and establish advisory boards to assist them in that endeavor. This will be consistent with Chap 168 SLA 7B on a regional basis (as per SB 348). Foundation funds will be ~~debeared~~ expended according to the CIP. If and when an unorganized boro opts to become organized, then they would assume the planning/fund expending functions and would, additionally, take title to whatever property there may be.

CS SB 546

Section 1: Statement of Intent

Section 2: Gives regulation adoption authority to DOTPF

Section 3: Description of the Capital Foundation Fund to provide assistance for local construction projects to organized and unorganized boroughs, home rule municipalities and municipalities.

The amount of appropriation established at not less than \$400 times the state population.

Sec. 44.42.110 lists eligible projects, that is, projects of local interest and not part of statewide capital plans. (b) states that projects may only be built in local governments that have adopted the appropriate powers (ex. park facilities require adoption of park powers).

Sec. 44.42.120 Regional councils are established for unorganized boroughs for capital improvement planning. Board composition is specified.

Sec. 44.42.130 Requires a capital improvement plan as a condition of entitlement receipt. Plans must be at least for five years. Plans for unorganized areas must include specific considerations.

Sec. 4. 44.42.140 Describes the allocations and distribution of entitlements. Direct distribution to organized boroughs which may distribute to cities. Commissioner keeps an account for unorganized boroughs and may enter into an agreement to distribute funds to cities in the unorganized boroughs, if project is identified for construction in that year.

Formula specified : 7/10 on basis of population, 3/10 on basis of area.

Sec. 5. 44.42.150 Use of Entitlements. For projects specified in the cip. Ownership (title) discussed, especially in relationship to local government powers.

Entitlements may be used to match state and federal grants.

44.42.160 Definitions are provided.

Sec. 6 and Sec. 7. Effective dates: the planning process starts July 1, 1980, but the funding does not begin til July 1, 1981

Jim - Kahler. yakatat  
Fed posture - Don't want to  
help capital until into oil  
construction phase. Did 5 year  
Plan - 3 projects / water & sewer,  
utilities. Have financial accounts  
but need local match like the  
Capital Mandate Plan  
784 - 33 23

53 546

4/2/60

Phone: (907) 424-3237  
or 424-3238

# CITY OF CORDOVA

Box 1210 602 Railroad Ave.

CORDOVA, ALASKA 99574

"The Friendly City"

Reply to:

*Copy for file  
- 6/17/80*

May 9, 1980

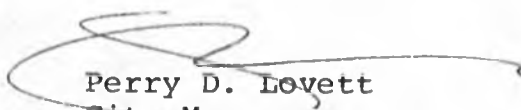
Senator Arliss Sturgulewski  
Pouch V  
Juneau, Alaska

Dear Arliss:

The Cordova City Council has discussed SB 546 Capital Improvement Revenue Sharing and agree with the concept but disagree to inclusion of the unincorporated boroughs.

Attached is a copy of the City's Resolution 80-19 which addresses these concerns. I would be happy to make myself available to discuss this bill further and to offer suggested changes or anything else that would be positive.

Sincerely

  
Perry D. Lovett  
City Manager

enc: Res. 80-19

RESOLUTION 80-19

A RESOLUTION URGING THAT ONLY MUNICIPALITIES AND BOROUGHS OF THE FIRST AND SECOND CLASS BE INCLUDED IN FORMULA FUNDING FOR THE CAPITAL IMPROVEMENT REVENUE SHARING PROGRAM PROPOSED BY SENATE BILL #546

WHEREAS the City of Cordova has reviewed Senate Bill #546 and agrees in principle with the concept of a Capital Improvement Revenue Sharing Program, but does not agree with the formula proposed, and

WHEREAS the majority of the population of the State of Alaska resides within incorporated municipalities and boroughs of the first or second class, and

WHEREAS the cost of infrastructure to support the life style of these people is a heavy burden of the resources of these municipalities and boroughs that tax themselves, and

WHEREAS the land and improvements in the unincorporated boroughs pay no property tax or any other form of support, and

WHEREAS such support to the unincorporated borough would further discourage the incorporation of boroughs or annexation to existing municipalities and would be detrimental to the orderly and prudent use of existing resources,

NOW THEREFORE BE IT RESOLVED that the City Council of Cordova, Alaska, supports the concept of Capital Improvement Revenue Sharing to municipalities and boroughs of the first and second class but opposed Capital Improvement Revenue Sharing to the unincorporated boroughs.

PASSED AND APPROVED THIS 5 DAY OF MAY, 1980.

*Arlet W. Hall*

\_\_\_\_\_  
Mayor

*Debra M. Sherry*  
\_\_\_\_\_  
City Clerk



Official Business

# Alaska State Legislature

## House of Representatives

Committee on

Community & Regional Affairs

Pouch V  
State Capitol  
Juneau, Alaska 99811

TO: Tamara Cook  
FROM: Marjorie Gorsuch  
DATE: 4/7/80  
RE: Capital Projects Foundation Fund Bill

We have reviewed SB 546 and would like the House version of the bill drafted as a companion to SB 546 but with the following changes:

- p. 3 lines 8 and following should read:
- (1) one representative from each first class city selected by their city councils who are elected officials from first class cities located within the unorganized borough or regional educational attendance area;
  - (2) additional members selected by the governor from persons nominated by the Department of Community and Regional Affairs who are from second class cities and unincorporated communities within the unorganized borough or regional educational attendance area. Second class city representatives shall be elected officials.

- p. 4 line 1
- (5) identify shared facility opportunities

- p. 5 lines 10 and following:
- Delete wording following "recipient"  
Draft a new (c) to read as follows:
- (c) For projects built in first or second class cities in the unorganized boroughs, upon concurrence by the Council, the commissioner may make an agreement including any provision agreed upon by the parties, including the following:  
(continue with line 13)

Bill would like the bill ready for our 8:30 A.M. Committee meeting on 4/9 and for introduction that day. Many thanks.



Official Business

# Alaska State Legislature

JOINT SENATE AND HOUSE  
COMMUNITY AND REGIONAL AFFAIRS COMMITTEE  
LOCAL GOVERNMENT STUDY

Co-Chairmen  
Senator Arliss Sturgulewski  
Representative Bill Parker

Address all  
correspondence to:  
LOCAL GOVERNMENT STUDY

Pouch V  
State Capitol  
Juneau, Alaska 99811

April 3, 1980

Dear Alaskan:

This package of material is about SB 546, proposing a Capital Foundation Fund for construction of capital projects throughout Alaska. This bill is a further result of the work conducted by the Joint House and Senate Community and Regional Affairs Committees during the summer of 1979. During the course of the Committees' work, many people identified problems regarding planning for and funding capital projects. We feel that SB 546 proposes a viable solution to difficulties experienced throughout the state. We hope that you will read the enclosed descriptive materials and the bill itself.

Senate Bill 546 proposes a systematic approach to construction of capital projects. Every area of the state would receive a formula entitlement, much like revenue sharing. Expenditure of the entitlement requires only the development of a capital improvement plan. In organized boroughs and home rule municipalities, local governments plan for and expend these funds themselves for eligible projects. In unorganized boroughs (as defined in SB 348 and HB 580), an advisory group plans for the capital projects, though the funds are expended by the Department of Transportation and Public Facilities, as their fiscally responsible agent.

Funds may be used for a variety of capital projects. Priorities are annually established on the borough level. Maintenance costs are also eligible for use of these Capital Foundation Funds. There are many other significant considerations in SB 546. Please read the descriptive material and the bill itself. Contact us regarding any suggestions for changes, comments, etc.

We look forward to hearing from you about the Capital Foundation Fund.

Sincerely,

Handwritten signature of Arliss Sturgulewski.

Senator Arliss Sturgulewski  
Chairman, Senate C/RA

Handwritten signature of Bill Parker.

Representative Bill Parker  
Chairman, House C/RA



Official Business

# Alaska State Legislature

Senate

Committee on  
Community & Regional Affairs

Pouch V  
State Capitol  
Juneau, Alaska 99811

March 24, 1980

Senator Arliss Sturgulewski

## Information Sheet

### CAPITAL FOUNDATION FUND

The Capital Foundation Fund will, by appropriation, provide funds to all areas of the State for certain capital improvements. To expend funds, each area will need to develop an areawide capital improvement plan, approved by the local assembly when there is one, and developed with the Department of Transportation and Public Facilities when there is no local government.

Organized and unorganized boroughs are encouraged to conduct regionwide planning to avoid costly duplications of capital projects and to prioritize, on the local level, needs among communities, rather than leaving this process to state level government.

Each area, so long as appropriations are made, is certain of a source of funding for local projects. Each area will receive a formula share of the appropriation. This stability will be advantageous to local governments for planning purposes. Additionally, unlike the current situation, areas may have greater ability to use capital projects for anti-cyclic economic benefits by being in control of fund expenditures. Annual funds do not lapse and may be accumulated for locally determined purposes.

Capital Foundation Funds may be used as the local match required for certain state and federal projects. This will be particularly significant in rural areas which do not now have a source of local match

Funds are eligible for both construction and maintenance costs. This means that local governments will be encouraged to consider life-cycle costs and encouraged to maintain buildings and other improvements in order to maximize the efficiency of their capital dollars.

Local governments, under the Capital Foundation Fund program, will be assured of a steady supply of state funds for capital improvements that will be directed toward locally determined project needs and can be expended at a locally determined pace.



Official Business

# Alaska State Legislature

Senate

Committee on

Community & Regional Affairs

Pouch V  
State Capitol  
Juneau, Alaska 99811

March 7, 1980

TO: Arliss Sturgulewski  
Chair, Senate Community & Regional Affairs

Hugh Malone  
Chair, House Special Committee on the  
Permanent Fund

FROM: Margc W. Waring *MWW*  
Jim Rhode  
Marge Gorsuch

RE: Capital Foundation Fund

At your request, we have prepared the attached material on a proposed Capital Foundation Fund. We have attempted a thorough listing of all pertinent points.

If you would like, we can meet at your earliest convenience to answer any questions you may have.

Attachment

# Playing the game of legislative end-around

by Tom Fink



THE LEGISLATURE is much like a football game. You don't win or lose until the game ends. Being an armchair quarterback, however, I am very disturbed by some of our plays and lack of success. It is as if the TV announcer is telling me that our team is running when I can in fact see that it is passing.

Our legislature and governor have resisted any tax repeals on the basis that we would be aiding non-residents. Yet they turn around and pass a new permanent fund law which unequivocally dedicates our permanent fund for investments for non-residents. The permanent fund law among other items specifically provides that not more than 15 percent of the fund can be invested in real estate mortgages in Alaska and in any case must have a yield equal to mortgages outside the state.

The permanent fund law is a non-resident law. It has many interesting provisions. After February of this year 50 percent of the oil monies shall go into the fund rather than 25. The fund is not designed for the benefit of Alaskans. It specifically demands that the state seek the highest possible return. It lists a series of permissible investments. Most of the investments are in federal government securities or securities backed by federal guarantees. However, the fund can invest in corporate bonds, short term corporate notes, and bankers acceptances.

Investments in corporate bonds are limited to 25 percent of the permanent fund and investments in Alaska real estate mortgages are limited to 15 percent of the fund. There is no limit on the other investments.

The bill further provides that the interest income only is considered income and goes to the general fund each year with two exceptions. Losses on the sale of any securities are deducted from the income and gains from the sales of securities are left in the permanent fund. Further, the income of the fund which is transferred to the general fund is the lesser of the actual income of the fund or the five year average of income.

THE HOUSE also has passed a bill taking \$900 million out of the general fund and transferring it into the permanent fund. If making the permanent fund larger than the constitution requires and investing substantially all of the money outside is aiding the residents, someone will have to point out some new logic.

At the same time the legislature dawdles in its consideration of any tax repeal. Since 10 percent of the recipients of the income tax repeal would be non-residents, the other 90 percent of us must continue to pay taxes even though everyone acknowledges the state treasury does not need our tax money. There is only one conclusion. The issue of resident or non-resident is a red herring. The governor and the legisla-

ture don't want to give up the power which is created by the retention and control of large sums of money.

Recently Sen. Sturguluski introduced a bill which is supposed to make state aid available to local government for capital improvement projects. That's not what the bill does. The bill makes state money available for capital improvement projects primarily in the areas of the state where there is no local government.

It would be quite simple to set up a local government capital improvement fund and allow each local government to draw on that fund based upon its population. Sen. Sturguluski's bill, SB546, however, has an intricate formula of entitlement. It is safe to say that with Anchorage having nearly 50 percent of the population, it will only be able to draw about 5 percent of the money.

HER BILL DIVIDES half of the fund based on population plus a cost differential factor. The effect of the cost differential factor is that each Anchorage citizen is counted as one-fifth of a citizen or each remote area citizen is counted as five citizens. The other half of the fund is to be divided based upon area. Now what in the world does area have to do with capital improvements? Capital improvements are designed for the use of people. The size of the area is further bent by the application of the construction cost factor, which results in the urban areas being cut by five or the rural areas being multiplied by five.

Her bill provides that the state shall put \$200 per citizen into the fund and under her complicated formulas, Anchorage will receive about \$10 per citizen. The other \$190 per citizen

will go to the other areas of the state where there is not any local government. All of the urban areas of the state are dramatically penalized.

Our state government should be doing everything that it can to promote the rural areas of the state to form local governments. By forming local governments they can accept some of the tax burden of government and can assume the responsibility for providing the necessary local government services. This legislation is a disincentive to form a local government.

Also in Sen. Sturguluski's bill the urban area with the local government must assume the cost of maintenance and operation, which is appropriate. However, the vast areas of the state with little population can draw on the account for maintenance and operation.

Everyone, including a governor and a legislator, is entitled to his own opinion. However, our elected representatives ought not to tell us one thing while doing another.

We can still win, but it is now the fourth quarter and we, the Alaskans Citizens, are behind 49-7.

*Tom Fink, an Anchorage insurance man, is a former speaker of the Alaska House of Representatives.*

CAPITAL FOUNDATION PROGRAM  
(Construction and Maintenance)

FORMULA

Appropriations. The amount of appropriations authorized to be made to the capital foundation program for a fiscal year is equal to two hundred dollars times the state population.

Distribution. Amounts in the capital foundation program shall be distributed annually to municipalities and unorganized boroughs by the department by (a) allocating one-half of the amounts on the basis of population and one-half on the basis of area; and (b) determining the share of an individual municipality or unorganized borough by multiplying its population and area by the construction cost differential for that region. The minimum grant shall be five per cent of the largest distribution made to any municipality or unorganized borough.

Construction Cost Increases. The Department of Transportation and Public Facilities shall submit to the legislature on or before February 15 of each year an estimate of the average percentage increase in construction costs in the state during the previous year.

DEFINITIONS

(1) "population" means the population of the state, municipality, or an unorganized borough as determined by the department using the latest figures of the U.S. Bureau of the Census or other reliable population data, including but not limited to school enrollments, public utility connections, registered voters, or certified employment payrolls.

(2) "construction cost differential" means one plus the percentage by which average construction costs in a region are greater than or less than the average construction costs in Anchorage as determined by the Department of Transportation and Public Facilities using the latest figures.

(3) "department" means the Department of Community and Regional Affairs.

## Distribution

Capital Foundation Program funds will be distributed by formula to boroughs and to unified home rule municipalities, provided each has developed a capital improvement plan which includes a priority listing of capital improvement projects. In organized boroughs the cid will need assembly approval, after a public hearing.

In third class boroughs and for the unorganized borough, the following measures are taken to provide for planned regional development of capital improvements, as there is no regional government responsible for planning and expending funds.

Funds will be distributed to unorganized boroughs (SB 348). If this legislation is not passed, funds will be distributed to those areas identified as REAA's.

However, expenditure of the funds for unorganized boroughs is the responsibility of DOTPF. In order to properly plan for and prioritize capital improvements in the unorganized boroughs, advisory groups are established to assist DOTPF. (Amend Chap. 108 SLA 78).

## Regional Advisory Councils

Advisory Council members are appointed by the Governor.

Membership of the advisory groups will consist of one elected official from each first class city or municipality, selected by the city. Additional representation from elected officials of second class cities and representatives of unincorporated communities shall be selected from nominations made by the Division of Community Planning, DCRA and DOTPF. Each regional advisory council shall consist of fifteen members.

The regional advisory councils will assist DOTPF in the development of a regional capital improvement plan, in prioritization among projects, in decision making regarding trade-offs between maintenance and new construction, and in project scheduling.

If an unorganized borough opts to become organized, the borough government will assume the capital improvement planning responsibility, responsibility for foundation program funds and may take title to existing capital improvement projects.

## Definitions

Maintenance means preservation, upkeep and repair to keep a facility as close as possible to original condition.

Betterment means improvements, adjustments, additions which more than restore to a former condition for better service without major changes in original construction.

Operation means all costs attributable to utilization of the facility, such as heat, light, janitorial services.

## CAPITAL FOUNDATION

### FUND

#### Intent

It is the intent of this legislation to establish a capital foundation program which will equitably provide funds for the orderly development of capital improvements throughout the state. It is intended that the planning for such developments reflect regional and local needs and priorities and that, whenever possible, borough governments have complete responsibility for the expenditure of the capital foundation program funds.

This legislation recognizes that most capital development projects have greater than local significance and should, therefore, be planned and prioritized on the regional level. Further, the legislation acknowledges that the cost of construction and the cost of maintenance are closely related and that maximally efficient use of funds is encouraged by combining maintenance and construction funds.

Formula Please see attached pages.

Funds may be used for either capital construction, betterment or maintenance, but not operation of the facilities. Funds allocated to either organized or unorganized boroughs do not lapse and may be accumulated for large projects or for growth management purposes.

Question: Should there be a ceiling on the amount which may be accumulated by any one borough?

#### Eligible Facilities

libraries

public protection facilities including fire service and holding facilities  
neighborhood parks and other recreation facilities

water/sewer

solid waste and resource recovery facilities

health facilities

community facilities

Transportation facilities such as local service roads & trails, small boat harbors, seaplane floats, local transit facilities and equipment, upgrading and improvements in existing air transport facilities such as aviation aides and improvements and associated field improvements, emergency and/or recreational airstrips, so long as no transportation facilities jeopardize or are inconsistent with the state system as defined in the regional transportation plans and the State Facilities Plan.

However, only projects identified in the capital improvement plan are eligible for Capital Foundation Program expenditures.

ILLUSTRATION OF FORMULA (in round terms)

Base:	<u>Population</u>	X	<u>Construction Cost Differential</u>	=	<u>Area (Sq. Mi.)</u>	X	<u>Construction Cost Differential</u>	=	
Organized Areas	349,000		1.0	=	349,000		149,376	=	149,376
Unorganized Boroughs	80,000		1.25	=	100,000		437,036	=	546,295
	<u>429,000</u>				<u>449,000</u>				<u>695,671</u>

Appropriation: 429,000 X \$200 = \$85,800,000

Grant:

Adjusted Per Cent of Population X \$200  
Adjusted Per Cent of Area X \$200

Organized Areas

$\frac{349,000}{449,000} = .78$  X \$42,900,000 = \$33,462,000

$\frac{149,376}{695,671} = .215$  X \$42,900,000 =  $\frac{9,223,500}{\$42,685,500}$

\$42,685,500

Unorganized Boroughs

$\frac{100,000}{449,000} = .22$  X \$42,900,000 = \$ 9,438,000

$\frac{546,295}{695,671} = .785$  X \$42,900,000 =  $\frac{33,676,500}{\$43,114,500}$

Total  $\frac{43,114,500}{\$85,800,000}$



Official Business

# Alaska State Legislature

Senate

Committee on  
Community & Regional Affairs

Pouch V  
State Capitol  
Juneau, Alaska 99811

March 24, 1980

TO: Committee Members  
Community and Regional Affairs

FROM: Senator Arliss Sturgulewski *AS*

RE: Capital Foundation Fund

The Capital Foundation Fund will, by appropriation, provide funds to all areas of the State for certain capital improvements. To expend funds, each area will need to develop an areawide capital improvement plan, approved by the local assembly when there is one, and developed with the Department of Transportation and Public Facilities when there is no local government.

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However, only projects identified in the capital improvement plan are eligible for Capital Foundation Program expenditures.

A JT. SENATE/HOUSE C/RA TELECONFERENCE WILL BE HELD  
APRIL 16, 1980 -- 1:30 P.M. JUNEAU TIME. PLEASE GO TO YOUR  
NEAREST LEGISLATIVE INFORMATION OFFICE LISTED BELOW:  
RE: SB 546 DIVISION OF PUBLIC SERVICES

CHARITY B. KADOW, DIRECTOR  
Judy D. Hopkins, Asst. to Director  
1024 West Sixth Avenue - Anchorage, Alaska 99501  
(907) 274-8518

LEGISLATIVE INFORMATION NETWORK

Sharon Andrew, Coordinator  
Room 30, State Capitol  
Pouch Y, Juneau 99811  
165-4648

LEGISLATIVE TELECONFERENCE NETWORK

Sioux Plummer, Coordinator  
Room 30, State Capitol  
Pouch Y, Juneau 99811  
465-4920

ANCHORAGE INFORMATION OFFICE

Carol Dickason  
1024 West Sixth Avenue  
Anchorage 99501  
278-3668

KETCHIKAN INFORMATION OFFICE \*\*

Sandy Wendte  
415 Main Street, Room 301  
Ketchikan 99901  
225-9675

BARROW TELECONFERENCE CENTER \*

Emily Nusunginya  
Borough Assembly Room, North Slope  
Borough Building, Barrow

KODIAK INFORMATION OFFICE \*\*

Mary Jo Simmons

BETHEL INFORMATION OFFICE

Ruth Richardson  
Kuskokwim Inn Annex  
P.O. Box 886, Bethel 99559  
543-3541

KOTZEBUE INFORMATION OFFICE

Mary Schaeffer  
Eskimo Building, 333 Front Street  
P.O. Box 667, Kotzebue 99752  
442-3880

DILLINGHAM INFORMATION OFFICE

Dorothy Larson  
Old Court Room, Combined State Facil.  
Pouch 229, Dillingham 99576  
842-5319

NOME INFORMATION OFFICE

Bob Scott  
2nd Floor Conf. Room, State Bldg.  
P.O. Box 1630, Nome 99762  
443-5555

FAIRBANKS INFORMATION OFFICE

Trudy Cain  
101 College Road, Building F  
Room 252, Fairbanks 99701  
452-4449

SITKA INFORMATION OFFICE \*\*

Charles Bickenheuser  
747-6263

JUNEAU INFORMATION CENTER

Room 30, State Capitol  
Pouch Y, Juneau 99811  
465-4648

VALDEZ TELECONFERENCE CENTER \*

City Council Chambers  
Valdez

KENAI PENINSULA INFORMATION OFFICE \*\*

Rhoda Eady  
Cordova Building, Spur Highway  
P.O. Drawer 3280, Soldotna 99669

- \* On-call moderators - contact through LEGISLATIVE TELECONFERENCE NETWORK
- \*\* Open December 15 through end of legislative session; treat as \* during interim

WASHINGTON, D. C. TELECONFERENCE SITES

Office of the Governor      Office of Senator Mike Gravel  
Office of Senator Ted Stevens

10-19-79

1 IN THE SENATE

BY THE COMMUNITY AND REGIONAL  
AFFAIRS COMMITTEE

2 SENATE BILL NO.

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to state aid for local capital pro-  
7 jects; establishing the capital projects foundation  
8 fund; and providing for an effective date."

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

10 \* Section 1. AS 44.42.020 is amended by adding a new paragraph to read:  
11 (14) adopt regulations for management of the capital projects  
12 foundation fund established under AS 44.42.100 and administer these  
13 funds.

14 \* Sec. 2. AS 44.42 is amended by adding new sections to read:

15 ARTICLE 2. CAPITAL PROJECTS FOUNDATION GRANTS.

16 Sec. 44.42.100. CAPITAL PROJECTS FOUNDATION FUND. There is estab-  
17 lished within the department a capital projects foundation fund for the  
18 purpose of providing state assistance to local governments and to the  
19 unorganized borough for improvement, maintenance and new construction of  
20 capital projects. Within the limits of appropriations for the purpose,  
21 the department shall make grants to qualified local governments for  
22 capital projects and shall manage grants for capital projects in the  
23 unorganized borough.

24 Sec. 44.42.110. ELIGIBLE FACILITIES. A grant from the capital  
25 projects foundation fund may be used for improvement, maintenance, or  
26 new construction of the following type of facility if the facility is  
27 identified in a regional plan under AS 44.42.130:

- 28 (1) libraries;
- 29 (2) community and emergency detention facilities;

- 1 (3) fire halls, including the purchase of fire vehicles;  
2 (4) parks;  
3 (5) recreational facilities;  
4 (6) water and sewer facilities;  
5 (7) health facilities;  
6 (8) community centers;  
7 (9) transportation facilities which do not duplicate and  
8 which are not inconsistent with the state transportation system as  
9 determined by the department, including  
10 (A) service roads;  
11 (B) trails;  
12 (C) harbors and docks for small boats;  
13 (D) seaplane floats;  
14 (E) public transit facilities, including the purchase of  
15 transit vehicles;  
16 (F) emergency and recreational airstrips for small  
17 aircraft.

18 Sec. 44.42.120. REGIONAL ADVISORY COUNCILS. (a) To qualify to  
19 receive a grant from the capital projects foundation fund, a local  
20 government must establish a regional advisory council of at least five  
21 members.

22 (b) If version of a bill entitled "An Act establishing unorga-  
23 nized boroughs, amending the responsibilities of state agencies for  
24 state programs and services for residents of organized and unorganized  
25 boroughs, and authorizing adoption of home rule charters by unorganized  
26 boroughs; and providing for an effective date" is enacted, a regional  
27 advisory council shall be established for each unorganized borough  
28 established under the terms of that enactment. If that bill is not  
29 enacted before the effective date of this Act, a regional advisory

1 council shall be established in each regional educational attendance  
2 area organized under AS 14.08.031. There shall be 15 members on each  
3 regional advisory council established under this subsection as follows:

4 (1) one elected official from each first class city in <sup>the</sup> ~~the~~  
5 unorganized borough or regional educational attendance area selected by  
6 the city council or assembly;

7 (2) additional persons, up to a total of 15, selected by the  
8 governor from lists of persons nominated by the Department of Transpor-  
9 tation and Public Facilities or the Department of Community and Regional  
10 Affairs who are elected officials of second class cities or persons from  
11 unincorporated communities.

12 Sec. 44.42.130. CAPITAL IMPROVEMENT PLAN. (a) With assistance  
13 from the department, each regional advisory council established under  
14 AS 44.42.120 shall formulate a capital improvement plan which identifies  
15 all capital projects needed in the region, assigns a priority to each  
16 identified project, and contains cost estimates for each project.

17 (b) A capital improvement plan for a local government shall be  
18 submitted for approval by the council or assembly of the local government  
19 after a public hearing. Revisions in an approved plan must also be  
20 submitted for approval before becoming effective. A capital improvement  
21 plan for an unorganized borough or a regional educational attendance  
22 area shall be submitted for approval by the department after a public  
23 hearing.

24 Sec. 44.42.140. DISTRIBUTION OF GRANTS. (a) Grants from the  
25 capital projects foundation fund shall be distributed annually by the  
26 department to each local government which has approved a capital improve-  
27 ment plan as required by AS 44.42.130. Amounts from the capital projects  
28 foundation fund shall be distributed annually to accounts established by  
29 the department for each unorganized borough or for each regional educa-

1 tional attendance area if unorganized boroughs have not been established  
 2 by enactment of a version of a bill entitled "An Act establishing  
 3 unorganized boroughs, amending the responsibilities of state agencies  
 4 for state programs and services for residents of organized and un-  
 5 organized boroughs, and authorizing adoption of home rule charters by  
 6 unorganized boroughs; and providing for an effective date".

7 (b) The amount of grants to be made to a region shall be deter-  
 8 mined by multiplying its population and area in square miles by the  
 9 construction cost differential for that region and using this figure  
 10 when compared with the total of figures similarly arrived at for all  
 11 regions to calculate a percentage share of the total appropriation.

12 Sec. 44.42.150. USE OF GRANTS. (a) A grant from the capital  
 13 projects foundation fund to a local government may be used only for a  
 14 facility identified in an approved capital improvement plan. Each local  
 15 government shall determine which project to finance with the grant  
 16 received each year under AS 44.42.140.

17 (b) A grant from the capital projects foundation fund shall be  
 18 disbursed in accordance with the terms of an agreement between the  
 19 commissioner and the local government. The agreement may include any  
 20 provision agreed upon by the parties, but must include in substance the  
 21 following provisions:

22 (1) that the local government shall secure, retain and protect  
 23 title to the site of an existing facility or on which a new facility is  
 24 to be constructed; for purposes of this paragraph it is sufficient that  
 25 title is obtained in fee or by a lease which provides that the local  
 26 government enjoys exclusive use of the land and any improvements for the  
 27 estimated life of the facility;

28 (2) that the local government agrees to proceed with and  
 29 complete the proposed project expeditiously in accordance with plans

1 submitted to the department;

2 (3) that the local government agrees to assume responsibility  
3 for the operation of the facility, and the feasibility of the discharge  
4 of this obligation shall be demonstrated to the satisfaction of the  
5 commissioner before the payment of state money;

6 (4) that the grant will not exceed the estimated total project  
7 cost as determined by the commissioner.

8 (c) If it appears that the cost of a facility financed in part by  
9 a grant from the capital projects foundation fund will vary substantially  
10 from costs estimated at the time a grant was made for the facility from  
11 the capital projects foundation fund, the local government is responsible  
12 for obtaining the additional money. The additional money may be obtained  
13 from other grants made from the capital projects foundation fund to the  
14 local government. If a project costs less to complete than estimated,  
15 the local government may apply to use this money on other projects as  
16 provided in this subsection.

17 (d) A grant from the capital projects foundation fund may be used  
18 by a local government to match other state or federal grants.

19 (e) In the unorganized boroughs or regional educational attendance  
20 areas each regional advisory council shall determine annually which  
21 projects identified in its capital improvement plan to finance. The  
22 department is responsible for the projects selected. The regional  
23 advisory council for the unorganized borough or the regional educational  
24 attendance area is responsible for the operation of a facility financed  
25 by a grant from the capital projects foundation fund and the feasibility  
26 of the discharge of this obligation shall be demonstrated to the satis-  
27 fication of the commissioner before the department begins work on a  
28 project.

29 Sec. 44.42.160. DEFINITIONS. In AS 44.42.100 - 44.42.160

1 (1) "construction cost differential" means one plus the  
2 percentage by which average construction costs in a region are greater  
3 than or less than the average construction costs in Anchorage as deter-  
4 mined by the department using the latest available figures;

5 (2) "improvement" means renovations and additions to an  
6 existing facility which allow for better service than the facility  
7 provided in its original condition;

8 (3) "improvement, maintenance or new construction" includes,  
9 in addition to costs directly related to the project, the total of all  
10 costs of financing and carrying out the project; these include, but are  
11 not limited to, the costs of all necessary studies, surveys, plans and  
12 specifications, architectural, engineering or other special services,  
13 acquisition of real property, site preparation and development, purchase,  
14 construction, reconstruction and improvement of real property; an  
15 allocable portion of the administrative and operating expenses of the  
16 grantee; the cost of financing the project, including interest on bonds  
17 issued to finance the project; and the cost of other items, including  
18 indemnity and surety bonds and premiums on insurance, legal fees, fees  
19 and expenses of trustees, depositaries, financial advisors, and paying  
20 agents for the bonds issued as the issuer considers necessary;

21 (4) "local government" means the government of a unified home  
22 rule municipality or organized borough;

23 (5) "maintenance" means restoration and repair needed to keep  
24 a facility as close as possible to its original condition;

25 (6) "population" means the population of a unified home rule  
26 municipality, organized borough, or unorganized borough or regional  
27 educational attendance area as determined by the department using the  
28 latest figures of the United States Bureau of the Census or other re-  
29 liable sources of population data, such as school enrollment figures,

1 public utility connection figures, registered voter rolls, certified  
2 employment payrolls;


3 (7) "region" means a unified home rule municipality, orga-  
4 nized borough, and unorganized borough established if a version of a  
5 bill entitled "An Act establishing unorganized boroughs, amending the  
6 responsibilities of state agencies for state programs and services for  
7 residents of organized and unorganized boroughs, and authorizing adoption  
8 of home rule charters by unorganized boroughs; and providing for an  
9 effective date" is enacted, or a regional educational attendance area  
10 which has an approved capital improvements plan.

11 \* Sec. 4. This Act takes effect July 1, 1980.

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T + my file  
CITY OF YAKUTAT

April 10, 1980



YAKUTAT

Senator Arliss Sturgulewski  
Chairperson, Senate C/RA  
Pouch V  
State Capitol  
Juneau, Alaska 99811

Dear Senator Sturgulewski:

Thank you for the materials on SB 546, the capital foundation fund.

As drafted this proposed legislation would go a long ways to alleviating the capital improvement crunch we find ourselves in.

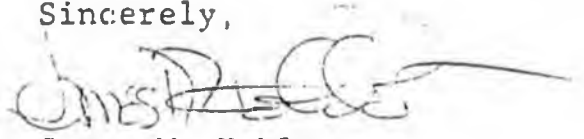
During late 1978, Yakutat drafted and accepted a capital improvement plan. Implementation, however, is slow and painful as the local funding base is insufficient to provide the necessary match funds to secure various loan/grant funds to execute the needed projects.

SB 546 would provide just such a capital base to proceed with needed projects in a timely fashion and yet avoiding prohibitively high local citizen assessments and taxation.

The City of Yakutat supports SB 546 and pledge our assistance as may be needed to assure its passage.

Your committee should be credited for the time, energy and forethought given the proposed capital foundation fund legislation.

Sincerely,




James M. Kohler  
City Manager

mjr

ILLUSTRATION OF FORMULA (in round terms)

BASE:

	<u>Population</u>	X	<u>Construction Cost Differential</u>	=		<u>Area (Sq. Mi.)</u>	X	<u>Construction Cost Differential</u>	=	
Organized Areas	349,000		1.0	=	349,000	149,376		1.0	=	149,376
Unorganized Boroughs	80,000		1.25	=	100,000	437,036		1.25	=	546,295
	<u>429,000</u>				<u>449,000</u>					<u>695,671</u>

Rhoades  


APPROPRIATION:

429,000	X	\$200	=	\$ 85,800,000
429,000	X	\$400	=	\$171,600,000

ENTITLEMENTS:

$$\frac{\text{Adjusted Local Population}}{\text{Adjusted Total Population}} + \frac{\text{Adjusted Local Area}}{\text{Adjusted Total Area}} \times \text{One-half Appropriation} = \text{Entitlement}$$

Organized Areas

$$\frac{349,000}{429,000} + \frac{149,376}{695,671} = .995 \times \$85,800,000 = \underline{\$85,371,000}$$

Unorganized Boroughs

$$\frac{80,000 \times 1.25}{449,000} + \frac{437,036 \times 1.25}{695,671} = 1.005 \times \$85,800,000 = \underline{\$86,229,000}$$

STATEWIDE TOTAL = \$171,600,000

Further Illustrations, Capital Foundation Program

$$\frac{\text{Adjusted Local Population}}{\text{Adjusted Total Population}} + \frac{\text{Adjusted Local Area}}{\text{Adjusted Total Area}} \times \text{One-half Appropriation} = \text{Entitlement}$$

Municipality of Anchorage

$$\frac{200,000}{449,000} + \frac{1,884}{695,671} = .4477 \quad \times \quad \$85,800,000 \quad = \quad \$38,412,660$$

Fairbanks North Star

$$\frac{60,227}{449,000} + \frac{7,500}{695,671} = .1448 \quad \times \quad \$85,800,000 \quad = \quad \$12,423,840$$

City & Borough of Juneau

$$\frac{23,115}{449,000} + \frac{3,100}{695,671} = .0555 \quad \times \quad \$85,800,000 \quad = \quad \$4,761,900$$

Ketchikan Gateway

$$\frac{13,463}{449,000} + \frac{1,250}{695,671} = .0318 \quad \times \quad \$85,800,000 \quad = \quad \$2,728,440$$

North Slope

$$\frac{7,971}{449,000} + \frac{88,281}{695,671} = .1447 \quad \times \quad \$85,800,000 \quad = \quad \$12,415,260$$

REAA Illustrations

N. W. Arctic

$$\frac{4,575}{449,000} + \frac{42,141}{695,671} = .0706 \times \$85,800,000 = \$ 6,057,480$$

Bering Straits

$$\frac{5,054}{449,000} + \frac{26,875}{695,671} = .0499 \times \$85,800,000 = \$ 4,281,420$$

Lower Yukon

$$\frac{3,269}{449,000} + \frac{22,363}{695,671} = .0394 \times \$85,800,000 = \$ 3,380,520$$

Lower Kuskokwim

$$\frac{9,275}{449,000} + \frac{26,328}{695,671} = .0579 \times \$85,800,000 = \$ 4,967,820$$

Upper Kuskokwim (Kuspuk)

$$\frac{1,100}{449,000} + \frac{14,538}{695,671} = .0233 \times \$85,800,000 = \$ 1,999,140^*$$

Nushagak - Bristol Bay (Southwest)

$$\frac{3,275}{449,000} + \frac{26,223}{695,671} = .0377 \times \$85,800,000 = \$ 3,234,660$$

Lake & Peninsula - Bristol Bay

$$\frac{1,154}{449,000} + \frac{35,138}{695,671} = .0531 \times \$85,800,000 = \$ 4,555,980$$

Aleutian Chain

$$\frac{2,969}{449,000} + \frac{7,628}{695,671} = .0176 \times \$85,800,000 = \$ 1,510,080^*$$

Pribilofs

$$\frac{1,216}{449,000} + \frac{113}{695,671} = .0029 \times \$85,800,000 = \$ 248,820^*$$

Adak

$$\frac{4,000}{449,000} + \frac{263}{695,671} = .0093 \times \$85,800,000 = \$ 797,940^*$$

McGrath (Iditarod)

$$\frac{914}{449,000} + \frac{57,744}{695,671} = .0850 \times \$85,800,000 = \$ 7,293,000$$

Middle Yukon (Yukon - Koyukuk)

$$\frac{3,535}{449,000} + \frac{77,779}{695,671} = .1197 \times \$85,800,000 = \$10,270,260$$

Upper Yukon (Yukon Flats)

$$\frac{1,255}{449,000} + \frac{72,705}{695,671} = .1073 \times \$85,800,000 = \$ 9,206,340$$

Upper Railbelt (Alaska Central Railbelt)

$$\frac{1,369}{449,000} + \frac{11,392}{695,671} = .0194 \times \$85,800,000 = \$ 1,664,520^*$$

Upper Tanana West (Delta - Greely)

$$\frac{3,814}{449,000} + \frac{7,373}{695,671} = .0191 \times \$85,800,000 = \$1,638,780^*$$

Upper Tanana East (Alaska Gateway)

$$\frac{985}{449,000} + \frac{23,108}{695,671} = .0354 \times \$85,800,000 = \$3,037,320$$

Copper River

$$\frac{2,406}{449,000} + \frac{30,568}{695,671} = .0493 \times \$85,800,000 = \$4,229,940$$

Northern Panhandle (Chatham)

$$\frac{3,973}{449,000} + \frac{17,063}{695,671} = .0334 \times \$85,800,000 = \$2,865,720$$

Southern Panhandle (southeast Islands)

$$\frac{11,760}{449,000} + \frac{18,238}{695,671} = .0524 \times \$85,800,000 = \$4,495,920$$

Metlakatla - Annette

$$\frac{1,203}{449,000} + \frac{250}{695,671} = .0030 \times \$85,800,000 = \$257,400^*$$

Chugach

$$\frac{9,298}{449,000} + \frac{17,203}{695,671} = .0455 \times \$85,800,000 = \$3,903,900$$

ILLUSTRATION OF FORMULA (in round terms)

Base:	<u>Population</u>	X	<u>Construction Cost Differential</u>	=		<u>Area (Sq. Mi.)</u>	X	<u>Construction Cost Differential</u>	=	
Organized Areas	349,000		1.0	=	349,000	149,376		1.0	=	149,376
Unorganized Boroughs	80,000		1.25	=	100,000	437,036		1.25	=	546,295
	<u>429,000</u>				<u>449,000</u>					<u>695,671</u>

Appropriation: 429,000 X \$200 = \$85,800,000

Grant:

Adjusted Per Cent of Population X \$200  
Adjusted Per Cent of Area X \$200

Organized Areas

$$\frac{349,000}{449,000} = .78 \text{ X } \$42,900,000 = \$33,462,000$$

$$\frac{149,376}{695,671} = .215 \text{ X } \$42,900,000 = \frac{9,223,500}{\$42,685,500}$$

\$42,685,500

Unorganized Boroughs

$$\frac{100,000}{449,000} = .22 \text{ X } \$42,900,000 = \$9,438,000$$

$$\frac{546,295}{695,671} = .785 \text{ X } \$42,900,000 = \frac{33,676,500}{\$43,114,500}$$

Total  $\frac{43,114,500}{\$85,800,000}$

Capital Development Foundation

1. The problem is divisible into
  - a) what should the formula be and what facilities/maintenance should it cover and
  - b) to whom should it go?
2. To whomever it goes, the following principles need to be observed
  - a) no special service districts
  - b) no forcing of government on people
  - c) equitable distribution
  - d) simplicity of classes of recipients
3. Regarding (2) as many extra concerns that can be incorporated, the better.  
-transportation planning, effects of reapportionment

Concept: The money will go to boroughs, when there is a borough. They should have a CIP. Ditto home rule municipalities. When it is a third class boro (if they survive this session), they will be treated as the next lower class.

In the unorganized boro:

Funds will be distributed along the boundary of 1) the unorganized boros as per SB or if SB is not enacted,<sup>2)</sup> along the lines of the REAA. However, as there is no ~~xxxx~~ boro government responsible and accountable for planning and expending money--or that can own title to land, property, etc--those functions will have to remain with the state. When the functions are retained by the state, DOTPF will plan for PF under Chap.168 SLA 78 on a regional basis (per SB unorganized boro bill). To facilitate that planning process, each unorganized boro will have its own advisory group to advise and assist DOTPF. A CIP will be developed for each and funds expended accordingly.

If and when an unorganized boro opts to become organized, then they would assume the planning/fund expending functions and would, additionally, take title to whatever property there may be. The same principle will apply to maintenance funds.



Official Business

# Alaska State Legislature

## House of Representatives

Committee on

Community & Regional Affairs

Pouch V  
State Capitol  
Juneau, Alaska 99811

TO: Senator Sturgulewski  
FROM: Rep. Bill Parker  
DATE: 4/15/80  
RE: Capital Projects Foundation Fund Bill

The Capital Projects Foundation Fund bill (SB 546) has been reviewed and will be introduced in the House on 4/16/80 with the following changes:

p. 1 Article 2 Sec. 44.42.100 (a)

Entitlements for capital projects shall be made to organized boroughs; home rule municipalities as defined in AS 29.08.010, and to unified municipalities. (These references are used throughout the House version)

p. 2 A new (c) is added and subsequent sections renumbered.

(c) A first class city which has not adopted a home rule charter and which is outside of an organized borough and outside of a regional educational attendance area shall be included in the capital improvement plan and shall be represented on the regional council of a regional educational attendance area or an unorganized borough which borders the city.

p. 3 Sec. 44.42.120 Regional Council representation will be as follows:

A Regional council shall be composed of 15 members as follows:

(1) one elected official who is selected by the city council of each first class city located within an unorganized borough or regional educational attendance area, or which is included in an unorganized borough's capital improvement plan or a regional educational attendance area's capital improvement plan

(2) additional members selected by the governor from persons nominated by the Department of Community and Regional Affairs who are from second class cities and unincorporated communities within an unorganized borough or regional educational attendance area; members from second class cities shall be elected officials.

p. 4 line 1 Reworded as follows:

(5) identify possibilities for projects involving facilities having more than one use

p. 4 Line 25 and following read:

(b) the amount of an entitlement shall be allocated one-half on the basis of adjusted population and one-half on the basis of adjusted area. An entitlement shall be the ratio of the adjusted population to the total adjusted population plus the ratio of the adjusted area to the total adjusted area, times one-half the amount of an appropriation to the capital projects foundation fund.

p. 5 line 12 A new (c) is added:

(c) An entitlement from the capital projects foundation fund for a project located in a first or second class city as part of the capital improvement plan of an unorganized borough or a regional educational attendance area may be disbursed, with the concurrence of the city council of the first or second class city, subject to the following terms; (continues as SB 546 p. 5 line 13)



Official Business

# Alaska State Legislature

## House of Representatives

Committee on

Community & Regional Affairs

Pouch V  
State Capitol  
Juneau, Alaska 99811

TO: Tamara Cook  
FROM: Marjorie Gorsuch  
DATE: 4/7/80  
RE: Capital Projects Foundation Fund Bill

We have reviewed SB 546 and would like the House version of the bill drafted as a companion to SB 546 but with the following changes:

- p. 3 lines 8 and following should read:
- (1) one representative from each first class city selected by their city councils who are elected officials from first class cities located within the unorganized borough or regional educational attendance area;
  - (2) additional members selected by the governor from persons nominated by the Department of Community and Regional Affairs who are from second class cities and unincorporated communities within the unorganized borough or regional educational attendance area. Second class city representatives shall be elected officials.

- p. 4 line 1
- (5) identify shared facility opportunities

- p. 5 lines 10 and following:
- Delete wording following "recipient"  
Draft a new (c) to read as follows:
- (c) For projects built in first or second class cities in the unorganized boroughs, upon concurrence by the Council, the commissioner may make an agreement including any provision agreed upon by the parties, including the following:  
(continue with line 13)

Bill would like the bill ready for our 8:30 A.M. Committee meeting on 4/9 and for introduction that day. Many thanks.

Margo

From Marge -

Do you want Mbrs  
to get Copies Today? >

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# Alaska State Legislature

## House of Representatives

Committee on

Pouch V  
State Capitol  
Juneau, Alaska 99811

Official Business

Community & Regional Affairs

BILL NUMBER AND TITLE: HB 1010 Capital Foundation Fund

ORIGINAL SPONSOR: House/Senate C&RA  
RECEIVED FROM: \_\_\_\_\_

OTHER SPONSORS: \_\_\_\_\_  
FURTHER REFERRALS: Finance

HEARING DATE: 5/2/80

MEMBERS PRESENT:	Bill Parker	X	Pat Carney	X
	Margaret Branson	X	Charlie Parr	X
	Pat O'Connell	X	Fred Zharoff	X
			Ray Metcalfe	X

Lee Sharp, Municipal Attorney, Juneau

Basically in favor of any form of revenue sharing and generally favors state assistance for capital projects however there are two basic defects in the bill as presently written:

- (1) Area is used as a major component in the formula
- (2) Bill contains a basic disincentive to organization in the sparsely populated, smaller communities.

Opposed to having population and area considered equally. It is people who generate the need for capital projects and it seems irrelevant to take into consideration the water within the borough of Juneau or the large land masses of the North Slope Borough.

Technical problems with the bill are:

- \* Assistance is not going to first and second class cities, rather just those otherwise organized.
- \* How would you could the population of a borough and the first class and home rule cities within it?
- \* Why don't first and second class cities receive consideration for assistance?
- \* If a borough doesn't exercise Parks and Recreation or another power for which money/facilities are being provided, how could they operate same?
- \* Does the requirement for a 5 year Capital Plan create conflict for those communities which currently develop 6 or 7 year plans? (perhaps the mandate for annual updating solves this problem)
- \* P. 5 line 1 Why is the plan of the organized municipality submitted to the regional council?
- \* P. 5 General problem with the formula as contained in the bill. The amount of area taken into consideration should be reduced as it distorts the situation.
- \* P. 6 l. 1 What does the term "agreement" mean? This require-] ment is a problem.
- \* P. 7 lines 18-20 Questions whether the Dept. of Labor figures are updated annually and suggests that the municipality-determined population figures used in revenue sharing be considered instead.

COMMITTEE ACTION:

No action

TAPE # 10 SIDE 1 Footage 486-1785

Sharp reiterates that he likes the idea but not with the formula in the bill. It is people not area which creates "need". Further, if the stat is going to provide maintenance, there is no incentive for organization.

Dennis Dooley, SouthEastern Director of Programming for Dept. of Transportation and Public Facilities  
Raises points in attached notes.

Parr- Suggests that cost of construction rather than cost of doing business be used as in the school formula.

Dooley - Responds that it would be difficult to sue school differential costs for other capital projects. Refers to p. 8 and asks how "costs" are going to be paid? Suggests that there needs to be clarification on how the service charge for required bond sales to implement the projects will be paid.

Parr - Asks for the distinction between major and minor maintenance costs.

Dooley - States that \$50,000 is usually considered the dividing line between costs associated with maintenance being considered those under \$50,000 (minor maintenance) and those above \$50,000 as major. Those considered minor are usually in the operating budget.

Jim Kohler, Manager, City of Yakutat

Supports strongly the concept embodied in the bill as a good and innovative as well as simple approach to funding capital projects. It allows the local political subdivision to determine its priorities and to execute those priorities. It requires locally based planning. Suggests that the basic concept and worth of the bill not be overlooked in dealing with some of the technical and formula problems. He agrees with some of the technical problems cited by Sharp but says that the formula is not improperly skewed toward sq. mile consideration. Some weight must be included for land to offset some fixed costs for such facilities. The mechanics of fund distribution needs some work. A helpful exercise might be to look at what local governments are statutorily authorized to do and to allow entitlements to go to municipalities which have power to plan and execute. City budgets address costs which must be included in such projects and these priorities should be set by local government.

Parr - Watershed decision needs to be made re local vs. state responsibility in each of the listed areas for funding.

Dooley - Local concerns might also be regional and statewide.

Ginny Chitwood - Ex. Director, Ak. Municipal League

The 50%/50% gives too much weight in the formula to area but it should be recognized that area is a factor. The mechanics of distribution presents some problems in that first class cities have the same powers basically as do home rule. The basic powers delegated are the same as home rule.

Composition of regional councils with "one" representative elected from each city may not be enough. There should be more flexibility in the composition.

There may be a problem when second class boroughs having adopted few powers and containing first class or second class cities which may have adopted more powers.

HB 4010

1. Perhaps a better definition of "local capital project"
- ② can a local area agree to have their funds spent on a state responsibility project if it is of a higher priority
3. Can home rule cities agree to have their funds spent outside their boundaries
- ④ Can a ~~borough~~ borough and a home rule city agree to combine their funds and build projects in each others areas
5. Can a home rule city petition for inclusion along with the unorganized area which encompasses it?

6. Regional Councils  
 15 members  
 → who perform these services from the organized & home rule cities  
 44.42.120

7. 44.42.130 (1)

(shall) ~~ensure~~ ~~try~~ all list & effort to be required to identify all would require efforts that would be wasted  
 + - limit to approx total of funding available  
 44.42.130

8 (4) this would be the total of all projects

who is to define this "need"?

(9) 44.42.130

(c) doesn't appear to tie to earlier definition of regional council

10 44.42.140 (see 44.42.150(b))

distribution should not be immediate but should ~~be~~ allow for the cash flow to match the cash needs

11 140(b)

\* feel that the ratios should be simplified to ~~go~~ drop area diff.  
\* weighted in favor of area too highly → should limit to a max per capita either as a ~~ratio~~ <sup>as</sup> ratio to lowest per capita

12 what about the need for a project which was not on the list

~~maximum~~  
(B) ~~maximum~~ definition needs to have a ~~lower~~ <sup>lower</sup> \$ limit? when does it become operations -

could they buy heating oil -  
repair pipes since they did not buy heat?

pg 2

In 12-14 Labor census? → annual

pg 3 confusion as to regular state <sup>programs</sup> roles

question of sufficient \* to be GIP plan

pg 4 all capital projects state funded?

local?

parameters?

\* which are not eligible? rules

(5) concur  
 (6) concur  
 (7) concur } are these criteria  
 to be used in prioritization  
 state projects?

b)

pg 5 b) ~~say~~ directed for situated areas  
how ratio of what area varies

↳ In 22 is a priority required

pg 7 In 12 see 5 varie

a) too much to hold validity  
 by exogenous variables  
 b) to each one?

pg 8 \$ for potential bond sales



April 17, 1980

The Honorable Arliss Sturgulewski  
Chairman  
Senate Community & Regional Affairs Committee  
Alaska State Legislature  
Pouch V  
Juneau, Alaska 99811

Dear Senator Sturgulewski:

With reference to SB 546 proposing a Capital Foundation Fund for construction of capital projects through-out Alaska, I feel that this legislation is well written and would urge it's passage. In particular, I like the language which insures special recognition of Rural capital needs.

If you have any comments, please advise.

Sincerely,

COMMUNITY ENTERPRISE DEVELOPMENT  
CORPORATION OF ALASKA

ALFRED R. KETZLER  
Executive Director

ARK:kra

**CEDC**

Community Enterprise Development Corporation of Alaska  
1011 E. Tudor Road, Suite 210/Anchorage, Alaska 99503. 907-279-4551

Ron Lehr, Director  
Budget & Management

October 17, 1979

Thru: Richard A. Holden, Deputy Commissioner  
Planning & Research

Kit Duke, Director  
Planning & Research  
Central Region

State Public Facilities Plan -  
FY 81 C.I.P. Review Phase

As mandated by Chapter 168/78, the Department of Transportation and Public Facilities has conducted a review of the FY 81 Capital Improvement Budget requests as submitted by the various program agencies to the Division of Budget and Management.

The intent of this review effort was to provide technical assistance on construction-related projects being proposed through budget requests and to complete Phase I of the State Public Facilities Planning process. The process outlined in the attached work plan was accomplished (see attachment 1).

Due to the relatively short time frame of the actual review period (September 20 through October 12), a screening process was developed to insure that all C.I.P. proposals received had been considered at some level of examination. The review summary (attachment 2) shows all proposed projects received by our Department for analysis. This summary also indicates three basic levels of review and the "Comments for Consideration - FY 81 C.I.P. Budget Proposals" that are attached for your use (attachment no. 3). These levels are summarized as follows:

Level 1 - All FY 81 C.I.P. Budget requests received were reviewed for scope of work described. Projects involving only equipment purchases and minor installation work were dropped for further review (attachment 2 includes a listing of all projects eliminated from review at this level).

Level 2 - FY 81 C.I.P. project proposals were then looked at from four different areas of Capital Improvement Planning and Procurement. These four areas are as follows:

- A. Life Cycle Cost Analysis - A general evaluation of initial and ultimate project cost estimates as presented on the Form 35a was made and correlated with any previous LCC analysis made on that project.
- B. Inventories and Condition Survey - Budget/project requests dealing with proposed additions and/or alterations to existing facilities were compared to field surveys currently being conducted on state-owned facilities by this Department.

- C. Combined/Companion Facilities - Proposed projects were studied to identify apparent opportunities for combining projects based on similar needs and locations. Also, parameters were set to review proposals for consideration and impact of related companion C.I.P. projects, such as sewer and water, access and acquisition requirements, communication facilities and transportation facilities.
- D. Scheduling Analysis - General evaluation was made of project schedules being proposed by the program agencies. These schedules were compared to established scheduling guidelines, proposed funding sources (fed., Gen. Fund, G.O. Bond), and other projects (both currently authorized and proposed) in same location or in reasonable proximity. The type of contracting method being proposed was also considered in analysis.

Level 3—After reviewing C.I.P. Budget requests through application of the above criteria, those proposed projects receiving comments of little or no major impact were eliminated from further processing. The remaining projects, along with review comments felt to be of potential substance, were grouped together by program agency and are submitted with a summary form indicating what types of comments were made (see attachment 3).

Per your request, six sets of these proposed projects with our review comments are attached for consideration by your staff. Only those FY 81 projects reaching the third level on analysis are included. Because of the short time for this processing, our comments in the four review areas remain in hand-written form and are attached to copies of budget forms 35A for ease of identification by your analysts.

It should be noted that the depth of analysis by our Department is limited by lack of complete field data from Inventory and Condition Surveys, and lack of background data being completed on combined facilities projects. Lack of comment should not be construed as acceptance of individual projects being proposed. Mitigation of the investigative results is most likely inherent in our condensed review for this funding cycle. It's hoped that the next budget cycle will commence early enough to allow our two agencies more time to get together earlier in the process toward the realization of comprehensive planning. We think that this is a good beginning.

One general comment on the Capital Improvement proposals concerns the code upgrading, handicapped barrier removal and energy conservation types of projects. It was noted several agencies have submitted requests addressing these rehabilitation-type projects based on the findings of our facility Inventory and Condition survey teams. A complete list of sites that have been, are presently, or will be visited and inspected by our Department is enclosed (attachment 4). Of importance is the fact.

that our Department has also submitted several statewide Capital Improvement requests aimed at correcting these same items. Total coordination of these projects should be made to avoid duplication funding. DOT/PF's requests were NOT considered to be for any specific sites but more to establish fund to address the problems being found in existing facilities owned by the State. It was envisioned that a prioritization of actual projects funded through this source would be established to enable the most cost effective and objective execution of this required work.

If there are any questions on the attached review comments that we can help clarify, please contact me at 266-1642 in Anchorage or Warren Sparks at 465-4070 in our Juneau office.

This review process have been very beneficial to us. Through the opportunity of this over-view many general questions and comments have surfaced concerning the present system being utilized for Capital Improvements. At some point, when time permits, we'd like to discuss these with you and your staff in an attempt to further improve our services to you and to the State's overall effort towards logical growth.

KD:/A/mt

Attachments: (6 copies each)

1. State Public Facilities Plan - Work Plan for DOT/PF
2. Review Summary for FY 81 Proposed Capital Projects (DOT/PF)
3. "Comments for Consideration" - FY 81 Proposed Capital Projects - Level 3 (DOT/PF)
4. List of sites included in the Facilities Inventory and Condition Survey (DOT/PF)

cc: Warren Sparks

C310

465-397

NOTE

# WORK ORDER REQUEST FORM

PRE-FILE

KEYWORDS: fiscal notes

ASSIGNED TO Vassar

appropriations

REQUEST FOR: BILL  RESOLUTION  RESEARCH  OTHER

SUBJECT Estimate of annual operating and maintenance costs for state funded capital improve-  
ments

REQUESTED FOR Senator A. Sturgulewski BY Senator Sturgulewski EXT. \_\_\_\_\_

\* DELIVER TO Senator A. Sturgulewski TAKEN BY Chenoweth

INSTRUCTIONS, EXPLANATIONS A bill providing that, when an appropriation bill making money  
available for a capital project is brought to the floor, there is also to be presented  
a fiscal note estimating annual operating and maintenance costs of the public project  
or facility once it has been constructed -- an impact statement indicating operating and  
maintenance costs that will burden the party responsible for the capital project after  
its completion. See attached.

OBTAIN

SPECIAL DRAFTING INSTRUCTIONS ATTACHED

AUTHORIZED TO CONFER WITH NO ONE

Strictly Confidential.

RETURN \_\_\_\_\_

\_\_\_\_\_ TO REQUESTER

APPROVED: BOB Director, Legal Services

\_\_\_\_\_ Director, Research

REVIEWED \_\_\_\_\_

IN 11/11 DUE end of December

TYPED - Draft \_\_\_\_\_ DATE \_\_\_\_\_

Final \_\_\_\_\_ DATE \_\_\_\_\_

PROOFED \_\_\_\_\_ DELIVERED \_\_\_\_\_

SPECIAL INSTRUCTIONS TO TYPIST/PROOFREADER

needs for early January public presentation and  
wants for profile.

DRAFT

FINAL



# CITY OF MC GRATH

P.O. BOX 57 MC GRATH, ALASKA 99627

PHONE (907) 524-3825

*T for file  
CRA file  
+ net. copy to me*

April 10, 1980

Senator Arliss Sturgulewski  
Pouch V  
Juneau, Alaska 99811

Dear Senator Sturgulewski,

I have just finished my review of the literature you and Representative Parker sent on SB 546. I feel that SB 546 warrants considerable praise in that it is an equitable bill that does not favor one area over another. More importantly, it will provide for the construction of basic facilities in small communities which will lead to an increase of services for those communities and surrounding areas. The fact that the bill allows for the maintenance of constructed facilities is extremely important. In too many cases, facilities go unused and deteriorate from a lack of fuel and maintenance.

I am, however, concerned over the administration of the program should the bill be enacted this session. If the dealings that the City of McGrath has had with DOTPF are indicative of DOTPF's administration of rural projects, I am fearful that overhead and engineering will seriously reduce the effectiveness of the program for the unincorporated boroughs. At the present time, DOTPF takes 15% for engineering and additional percentages for overhead. Take Project SOS-1(024) for example. Public hearings were held in McGrath on 9/19/78. The City was led to believe, the letters are on file in my office, that the project would be completed during the summer of 1979. The project was delayed beyond the 1979 construction seasons. Ombudsman Complaint A79-0988 revealed that delays in the project cost the project \$79,000. Moreover, there was not sufficient money left in the project to complete it! I would estimate that \$125,000 was lost from the project due to delays, engineering and travel and per diem. In order to complete the project, the City went for a supplemental appropriation for \$200,000. Yesterday, I took DOTPF's material estimates and cost and calculated the cost of the entire project. At their estimate, the entire project should have cost approximately \$348,000 and not the \$530,000 which they told the Ombudsman!

Senator Sturgulewski, I and many others have no faith in DOTPF when it comes to the administration of CIP in rural Alaska. Many second class cities and REAAs can do the same job for less money

with better results. In my opinion, and it is my opinion only, I think that DOTPF keeps the rural CIPs on the back burner so that the overhead will finance their operations.

I would recommend that SB 546 contain provisions for those communities which have demonstrated the ability to complete a CIP which would limit or eliminate DOTPF's participation in this program. I feel that the State and the taxpayers would get more for their money.

Thank you for the opportunity to comment on SB 546 and to sound off about DOTPF.

Sincerely,



Robert S. Juettner  
City Administrator

cc: Representative Bill Parker

# TELEGRAM

ALASCOM, INC.  
PHONE: 586-6442  
JUNEAU, AK 99803

'80 APR 16 PM 1 50

# 22004 HAINES AK 15 04-16 145P PST

PMS SENATOR ARLISS STURGULEWSKI, PHONE 465-3758

POUCH V

2171

JUNEAU AK. 99811 "


ADD QUOTE THIRD CLASS BOROUGH UNQUOTE TO ENTITLEMENT  
RECIPIENTS IN SB546 SECTION 44.42.100.

STEPHANIE K. SCOTT, ADMIN. SECRETARY, FOR THE HAINES BOROUGH ASSY.

HAINES AK. 99827

T + my file  
CITY OF YAKUTAT

April 10, 1980



Senator Arliss Sturgulewski  
Chairperson, Senate C/RA  
Pouch V  
State Capitol  
Juneau, Alaska 99811

Dear Senator Sturgulewski:

Thank you for the materials on SB 546, the capital foundation fund.

As drafted this proposed legislation would go a long ways to alleviating the capital improvement crunch we find ourselves in.

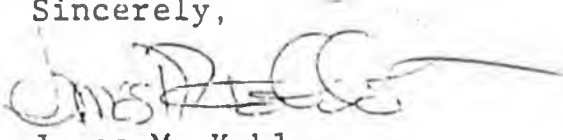
During late 1978, Yakutat drafted and accepted a capital improvement plan. Implementation, however, is slow and painful as the local funding base is insufficient to provide the necessary match funds to secure various loan/grant funds to execute the needed projects.

SB 546 would provide just such a capital base to proceed with needed projects in a timely fashion and yet avoiding prohibitively high local citizen assessments and taxation.

The City of Yakutat supports SB 546 and pledge our assistance as may be needed to assure its passage.

Your committee should be credited for the time, energy and forethought given the proposed capital foundation fund legislation.

Sincerely,



James M. Kohler  
City Manager

mjr

SB 546 Packet of Material sent 4/8/80:

Mr. Del Allison  
SRA Box 252  
Willow, Alaska 99688

Judge Carl Heirmiller  
P.O. Box "H"  
Haines, Alaska 99827

Mr. Howard J. Grey  
715 "L" Street, Suite 8  
Anchorage, Alaska 99501

Mr. Dave Olerud  
Box 577  
Haines, Alaska 99827

# CITY OF BARROW

*Taylor's file*  
"farthest north incorporated city"

BOX 629  
BARROW, ALASKA 99723  
PHONE (907) 852-5211

April 18, 1980

Honorable Arlis Sturgulewski  
Chairperson CRA Committee  
Pouch V  
Juneau, Alaska 99811

Re: SB546

Dear Arlis:

The City of Barrow would like to provide written testimony on SB546 Capital Foundation Fund. We had anticipated being able to provide input via the teleconference network, unfortunately, the phone company was unable to provide a hook-up in time.

We wholeheartedly support the concept of the type of program proposed in SB546. However, we would like to raise several questions for your consideration.

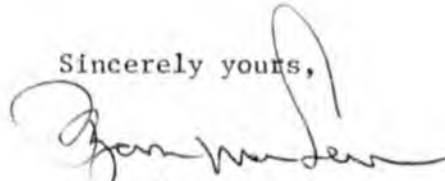
- a. Where does a home rule municipality such as the North Slope Borough fit into this type of program. We note mention of "organized" First Class Boroughs, Organized Second Class Boroughs, and Unified Home rule Municipalities, but nothing about Organized Home rule Boroughs.
- b. How much control or input will local municipalities located in a Borough have in determining what capital improvement programs will be selected for inclusion under this bill.
- c. Will cities and boroughs be able to work together effectively when a city has the statutory responsibility for a particular service or facility, but the borough is the one receiving funding that could be used on the cities projects.
- d. To us, the intent of Sec. 44.42.150 is unclear. It seems to imply that a borough is the fund recipient, but the cities are the ones that will own/operate/maintain facilities funded by SB546. If that is the case, the same question asked in C above should also be asked here.
- e. How will this program relate to the Annual Overall Economic Development Plan (OEDP) developed by some areas for the Economic Development Administration (EDA).

Honorable Arlis Sturgulewski  
April 18, 1980  
Page Two

- f. Sec. 44.42.150 C might be changed to allow for an adjustment factor that could allow for a cost override or project increase up to a certain amount. Perhaps a fixed percentage of the project cost. Some smaller communities might not be able to raise additional funds, and would thus have to scrap the entire project because of a 4 or 5 thousand dollar price increase.

We appreciate your considerations and the opportunity to actively participate in the decision making of Alaskas future.

Sincerely yours,

A handwritten signature in cursive script, appearing to read "Bryan MacLean".

Bryan MacLean  
City Manager

BML/kag

cc: Alaska Municipal League

---

sent 4/7/80

SB 546 plus first top  
3 sheets were sent to  
attached mailing list -

T



Official Business

# Alaska State Legislature

JOINT SENATE AND HOUSE  
COMMUNITY AND REGIONAL AFFAIRS COMMITTEE  
LOCAL GOVERNMENT STUDY

Co-Chairmen

Senator Arliss Sturgulewski  
Representative Bill Parker

Address all  
correspondence to:

LOCAL GOVERNMENT STUDY

Pouch V  
State Capitol  
Juneau, Alaska 99811

April 3, 1980

Dear Alaskan:

This package of material is about SB 546, proposing a Capital Foundation Fund for construction of capital projects throughout Alaska. This bill is a further result of the work conducted by the Joint House and Senate Community and Regional Affairs Committees during the summer of 1979. During the course of the Committees' work, many people identified problems regarding planning for and funding capital projects. We feel that SB 546 proposes a viable solution to difficulties experienced throughout the state. We hope that you will read the enclosed descriptive materials and the bill itself.

Senate Bill 546 proposes a systematic approach to construction of capital projects. Every area of the state would receive a formula entitlement, much like revenue sharing. Expenditure of the entitlement requires only the development of a capital improvement plan. In organized boroughs and home rule municipalities, local governments plan for and expend these funds themselves for eligible projects. In unorganized boroughs (as defined in SB 348 and HB 580), an advisory group plans for the capital projects, though the funds are expended by the Department of Transportation and Public Facilities, as their fiscally responsible agent.

Funds may be used for a variety of capital projects. Priorities are annually established on the borough level. Maintenance costs are also eligible for use of these Capital Foundation Funds. There are many other significant considerations in SB 546. Please read the descriptive material and the bill itself. Contact us regarding any suggestions for changes, comments, etc.

We look forward to hearing from you about the Capital Foundation Fund.

Sincerely,

Handwritten signature of Arliss Sturgulewski.

Senator Arliss Sturgulewski  
Chairman, Senate C/RA

Handwritten signature of Bill Parker.

Representative Bill Parker  
Chairman, House C/RA

Enclosure



Official Business

# Alaska State Legislature

Senate

Committee on

Community & Regional Affairs

Pouch V  
State Capitol  
Juneau, Alaska 99811

March 24, 1980

Senator Arliss Sturgulewski

Information Sheet

## CAPITAL FOUNDATION FUND

The Capital Foundation Fund will, by appropriation, provide funds to all areas of the State for certain capital improvements. To expend funds, each area will need to develop an areawide capital improvement plan, approved by the local assembly when there is one, and developed with the Department of Transportation and Public Facilities when there is no local government.

Organized and unorganized boroughs are encouraged to conduct regionwide planning to avoid costly duplications of capital projects and to prioritize, on the local level, needs among communities, rather than leaving this process to state level government.

Each area, so long as appropriations are made, is certain of a source of funding for local projects. Each area will receive a formula share of the appropriation. This stability will be advantageous to local governments for planning purposes. Additionally, unlike the current situation, areas may have greater ability to use capital projects for anti-cyclic economic benefits by being in control of fund expenditures. Annual funds do not lapse and may be accumulated for locally determined purposes.

Capital Foundation Funds may be used as the local match required for certain state and federal projects. This will be particularly significant in rural areas which do not now have a source of local match.

Funds are eligible for both construction and maintenance costs. This means that local governments will be encouraged to consider life-cycle costs and encouraged to maintain buildings and other improvements in order to maximize the efficiency of their capital dollars.

Local government under the Capital Foundation Fund program, will be assured of a steady supply of state funds for capital improvements that will be directed toward locally determined project needs and can be expended at a locally determined pace.

A JT. SENATE/HOUSE C/RA TELECONFERENCE WILL BE HELD  
APRIL 16, 1980 -- 1:30 P.M. JUNEAU TIME. PLEASE GO TO YOUR  
NEAREST LEGISLATIVE INFORMATION OFFICE LISTED BELOW:

RE: SB 546 DIVISION OF PUBLIC SERVICES  
CHARITY B. KADOW, DIRECTOR  
Judy D. Hopkins, Asst. to Director  
1024 West Sixth Avenue - Anchorage, Alaska 99501  
(907) 274-8518

LEGISLATIVE INFORMATION NETWORK  
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Room 30, State Capitol  
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465-4648

LEGISLATIVE TELECONFERENCE NETWORK  
Sioux Plummer, Coordinator  
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415 Main Street, Room 301  
Ketchikan 99901  
225-9675

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Borough Assembly Room, North Slope  
Borough Building, Barrow

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Ruth Richardson  
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442-3880

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Pouch 229, Dillingham 99576  
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101 College Road, Building F  
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Charles Bickenheuser

747-6263

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465-4648

VALDEZ TELECONFERENCE CENTER \*  
City Council Chambers  
Valdez

KENAI PENINSULA INFORMATION OFFICE \*\*  
Rhoda Eady  
Cordova Building, Spur Highway  
P.O. Drawer 3280, Soldotna 99669

\* Dr-call moderators - contact through LEGISLATIVE TELECONFERENCE NETWORK  
\*\* Open December 15 through end of legislative session; treat as \* during interim

WASHINGTON, D. C. TELECONFERENCE SITES  
Office of the Governor                      Office of Senator Mike Gravel  
Office of Senator Ted Stevens

10-19-79

Mr. Larry Crawford, Mgr.  
Municipality of Anchorage  
Pouch 6-650  
Anchorage, AK 99502

KRBD  
2415 Hemlock Street  
Ketchikan, AK 99901  
ATTN: Carolyn Willingham

Nome Nugget  
P.O. Box 610  
Nome, AK 99762

ATTN: Albro Gregory

Mayor James Sprague  
Craig  
P.O. Box 23  
Craig, AK 99921

Attn: Ken O'Toole  
Ketchikan Daily News  
P.O. Box 7900  
Ketchikan, AK 99901

Attn: Dave Selaski  
KIFW  
P.O. Box 229  
Sitka, Ak. 99535

Mr. James Filip, Mgr.  
Box 149  
Galena, AK 99741

Attn: Ken O'Toole  
Southeastern Log  
P.O. Box 7900  
Ketchikan, AK 99901

Attn: Thad Paulson  
Sitka Daily Sentinel  
P.O. Box 799  
Sitka, Alaska 99835

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P.O. Box 576  
Haines, AK 99827

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Kodiak, AK 99615

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Homer, Alaska 99603

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Kodiak AK 99615

Ms. F. Kraus  
Clerk  
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Kaka, AK 99830

Attn: Roger Brigham  
Kodiak Daily Mirror  
P.O. Box 1307  
Kodiak, AK 99616

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P.O. Box 37  
King Cove, AK 99612

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Kotzebue, AK 99752

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Attn: Tom Busch  
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KJZZ  
338 Denali Street  
Anchorage, AK 99501

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Pouch 6616  
Anchorage, AK 99502

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KIAK  
P.O. Box 73410  
Fairbanks, AK 99707

Attn: Norma Herrin  
KFQD  
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Anchorage, AK 99507

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Anchorage, AK 99501

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North Pole, AK 99705

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The Valley Sun  
Pouch M  
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KUAC  
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Fairbanks, AK 99701

Attn: Norma Goodman  
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1007 W. 32nd Avenue  
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The Chugiak-Eagle River Star  
Box 1107  
Eagle River, AK 99577

Attn: Dermot Cole  
Daily News Miner  
P.O. Box 710  
Fairbanks, AK 99707

Attn: Lynn Roberts  
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Anchorage, AK 99510

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KYUK  
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Tundra Times  
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Fairbanks, AK 99701

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Anchorage, AK 99501

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Bethel, AK 99559

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Soldotna, AK 99669

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KYAK/KGOT  
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Anchorage, AK 99507

Attn: Bob King  
KDLG  
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Dillingham, AK 99576

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KSRM  
P.O. Box 950  
Soldotna, AK 99669

Attn: Clay Shelton  
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2607 Fairbanks  
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Attn: Dorothy Anderson  
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Dillingham, AK 99576

Peninsula Clarion  
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Kenai, AK 99611

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P.O. Box 254  
Homer, AK 99603

Attn: Clint Andrews  
Anchorage Times  
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Anchorage, AK 99510

Attn: Arne Spink  
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Ketchikan, AK 99901

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Copper Center, Alaska 99573

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DOYON LIMITED  
First & Hall Streets  
Fairbanks, Alaska 99701

Mr. Carl Moses, Pres.  
ALEUT Corporation  
833 Gambell Street  
Anchorage, Alaska 99501

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KONIAG, INC.  
P.O. Box 746  
Kodiak, Alaska 99615

Mr. Joe Upicksoun, Pres.  
ARCTIC SLOPE REGIONAL CORP.  
P.O. Box 129  
Barrow, Alaska 99723

Mr. John Schaeffer, Pres.  
NANA REGIONAL CORPORATION INC.  
P.O. Box 49  
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Mr. Jerome Trigg, Pres.  
BERING STRAITS NATIVE CORP.  
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and Haida Indians of Alaska  
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Juneau, Alaska 99801

Mr. Martin Moore  
CALISTA CORPORATION  
516 Denali Street  
Anchorage, Alaska 99501

Mr. Cecil Barnes, Pres.  
CHUGACH NATIVES, INC.  
912 E. 15th Ave  
Anchorage, Alaska 99501

Mr. Roy Huhndorf, Pres.  
COOK INLET REGION, INC.  
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Anchorage, Alaska 99501

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State Senator  
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Anchorage, Alaska 99501

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Ak. Native Foundation  
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Ms. Julie Simon  
Kotzebue  
Alaska 99752

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City and Borough of Juneau  
155 South Seward Street  
Juneau, Alaska 99801

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RuralCAP  
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Mr. Tom Smythe  
Alaska Consultants  
704 West 2nd Avenue  
Anchorage, Alaska 99501

Mayor Jonathan Solomon  
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Fort Yukon, Alaska 99740

Honorable Terry Stimson  
State Senator  
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Anchorage, Alaska 99501

Mr. Morris Thompson  
Ak. Federation of Natives  
1577 "C" Street, Suite 304  
Anchorage, Alaska 99501

Mayor  
Bristol Bay Borough  
P. O. Box 189  
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Mayor  
City of Akiachak  
Akiachak, Alaska 99551

Mayor  
City of Atmautluak  
Atmautluak, Ak. 99559

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Fairbanks North Star  
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P. O. Box 1267  
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Mayor  
City of Akiak  
Akiak, Alaska 99552

Mayor  
City of Barrow  
Box 507  
Barrow, Alaska 99723

Mayor  
Haines Borough  
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Mayor  
City of Akolmiut  
Nunapitchuk, Ak. 99641

Mayor  
City of Bethel  
P. O. Box 388  
Bethel, Alaska 99559

Mayor  
City & Borough of  
Juneau  
155 S. Seward Street  
Juneau, Alaska 99801

Mayor  
City of Alakanuk  
Box 51  
Alakanuk, Alaska 99554

Mayor  
City of Brevig Mission  
Brevig Mission, Ak.  
99785

Mayor  
Kenai Peninsula  
Borough  
P. O. Box 850  
Soldotna, Ak. 99669

Mayor  
City of Aleknagik  
P. O. Box 24  
Aleknagik, Alaska 99555

Mayor  
City of Buckland  
Buckland, Alaska 99727

Mayor  
Ketchikan Gateway  
Borough  
344 Front Street  
Ketchikan, Ak. 99901

Mayor  
City of Allakaket  
Allakaket, Ak. 99720

Mayor  
City of Chefnak  
Chefnak, Ak. 99561

Mayor  
Kodiak Island Borough  
P. O. Box 1246  
Kodiak, Alaska 99615

Mayor  
City of Ambler  
Ambler, Alaska 99786

Mayor  
City of Chevak  
Chevak, Alaska 99563

Mayor  
Matanuska-Susitna  
Borough  
Box B  
Palmer, Alaska 99645

Mayor  
City of Anderson  
Box 4011  
Clear, Alaska 99704

Mayor  
City of Chuathbaluk  
Chuathbaluk, Ak. 99557

Mayor  
North Slope Borough  
Box 69  
Barrow, Alaska 99723

Mayor  
City of Angoon  
P. O. Box 189  
Angoon, Alaska 99820

Mayor  
City of Clark's Point  
Clark's Point, Ak.  
99569

Mayor  
City & Borough of  
Sitka  
Box 79  
Sitka, Alaska 99835

Mayor  
City of Aniak  
P. O. Box 34  
Aniak, Alaska 99557

Mayor  
City of Cordova  
P. O. Box 1210  
Cordova, Ak. 99574

Mayor  
City of Akhiok  
Akhiok, Alaska 99615

Mayor  
City of Anvik  
Anvik, Alaska 99558

Mayor  
City of Craig  
P. O. Box 23  
Craig, Alaska 99921

Mayor  
City of Deering  
Deering, Alaska 99736

Mayor  
City of Fortuna Ledge  
Marshall, Alaska 99585

Mayor  
City of Hooper Bay  
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Mayor  
City of Delta Junction  
P. O. Box 229  
Delta Junction, Ak.  
99737

Mayor  
City of Galena  
Box 149  
Galena, Alaska 99741

Mayor  
City of Houston  
Star Route Box 2727  
Wasilla, Alaska 99687

Mayor  
City of Dillingham  
P. O. Box 191  
Dillingham, Ak. 99576

Mayor  
City of Gambell  
General Delivery  
Gambell, Alaska 99742

Mayor  
City of Hughes  
General Delivery  
Hughes, Alaska 99745

Mayor  
City of Diomede  
Diomede VIA  
Nome, Alaska 99762

Mayor  
City of Golovin  
General Delivery  
Golovin, Alaska 99762

Mayor  
City of Huslia  
Huslia, Alaska 99746

Mayor  
City of Eagle  
P. O. Box 1  
Eagle, Alaska 99738

Mayor  
City of Goodnews Bay  
Goodnews Bay, Ak. 99589

Mayor  
City of Hydaburg  
Box 57  
Hydaburg, Alaska 99922

Mayor  
City of Eek  
Eek, Alaska 99578

Mayor  
City of Grayling  
General Delivery  
Grayling, Alaska 99590

Mayor  
City of Kachemak  
P. O. Box 701  
Kachemak VIA  
Homer, Alaska 99603

Mayor  
City of Ekwok  
Ekwok, Alaska 99580

Mayor  
City of Haines  
P. O. Box 576  
Haines, Alaska 99827

Mayor  
City of Kake  
P. O. Box 500  
Kake, Alaska 99830

Mayor  
City of Elim  
Elim, Alaska 99739

Mayor  
City of Holy Cross  
Holy Cross, Alaska 99602

Mayor  
City of Kaktovik  
P. O. Box 27  
Kaktovik, Alaska 99747

Mayor  
City of Emmonak  
Emmonak, Alaska 99581

Mayor  
City of Homer  
P. O. Box 335  
Homer, Alaska 99603

Mayor  
City of Kaltag  
Kaltag, Alaska 99748

Mayor  
City of Fairbanks  
410 Cushman  
Fairbanks, Ak. 99701

Mayor  
City of Hoonah  
P. O. Box 360  
Hoonah, Alaska 99829

Mayor  
City of Kasaan  
Kasaan, Alaska 99924

Mayor  
City of Kenai  
P. O. Box 580  
Kenai, Alaska 99661

Mayor  
City of Ketchikan  
P. O. Box 7300  
Ketchikan, Ak. 99901

Mayor  
City of Kiana  
Kiana, Alaska 99749

Mayor  
City of King Cove  
P. O. Box 37  
King Cove, Ak. 99612

Mayor  
City of Kivalina  
Kivalina, Ak. 99750

Mayor  
City of Klawock  
P. O. Box 113  
Klawock, Alaska 99925

Mayor  
City of Kobuk  
General Delivery  
Kobuk, Alaska 99751

Mayor  
City of Kodiak  
P. O. Box 1397  
Kodiak, Alaska 99615

Mayor  
City of Kotlik  
Kotlik, Alaska 99620

Mayor  
City of Kotzebue  
P. O. Box 46  
Kotzebue, Ak. 99752

Mayor  
City of Koyuk  
General Delivery  
Koyuk, Alaska 99753

Mayor  
City of Koyukuk  
General Delivery  
Koyukuk, Ak. 99754

Mayor  
City of Kupreanof  
P. O. Box 50  
Petersburg, Ak. 99833

Mayor  
City of Kwethluk  
General Delivery  
Kwethluk, Alaska 99621

Mayor  
City of Larsen Bay  
General Delivery  
Larsen Bay, Ak. 99624

Mayor  
City of Lower Kalskag  
Lower Kalskag, Ak. 99626

Mayor  
City of Manokotak  
Manokotak, Ak. 99628

Mayor  
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P. O. Box 57  
McGrath, Alaska 99627

Mayor  
City of Mekoryuk  
P. O. Box 29  
Mekoryuk, Alaska 99630

Mayor  
City of Metlakatla  
P. O. Box 132  
Metlakatla, Ak. 99926

Mayor  
City of Mountain Village  
P. O. Box 196  
Mountain Village, Ak.

Mayor  
City of Napakiak  
General Delivery  
Napakiak, Alaska 99634

Mayor  
City of Napaskiak  
General Delivery  
Napaskiak, Alaska 99559

Mayor  
City of Nenana  
Box 177  
Nenana, Alaska 99760

Mayor  
City of New Stuyahok  
New Stuyahok, Ak. 99636

Mayor  
City of Newhalen  
P. O. Box 31  
Iliamna, Alaska 99606

Mayor  
City of Newtok  
Newtok, Alaska 99559

Mayor  
City of Nightmute  
Nightmute, Alaska 99690

Mayor  
City of Nikolai  
Nikolai, Alaska 99691

Mayor  
City of Nome  
P. O. Box 281  
Nome, Alaska 99762

Mayor  
City of Nondalton  
Nondalton, Ak. 99640

Mayor  
City of Pilot Station  
Pilot Station, Ak. 99650

Mayor  
City of Saint Michael  
St. Michael, Ak. 99659

Mayor  
City of Noorvik  
P. O. Box 146  
Noorvik, Ak. 99763

Mayor  
City of Platinum  
General Delivery  
Platinum, Ak. 99651

Mayor  
City of Saint Paul  
P. O. Box 98  
Saint Paul Island, Ak.

Mayor  
City of North Pole  
P. O. Box 5109  
North Pole, Ak. 99705

Mayor  
City of Point Hope  
Box 169  
Point Hope, Ak. 99766

Mayor  
City of Sand Point  
P. O. Box 16  
Sand Point, Alaska 99661

Mayor  
City of Nuiqsut  
Nuiqsut, Alaska 99723

Mayor  
City of Port Alexander  
P. O. Box 725  
Port Alexander, Ak. 99836

Mayor  
City of Savoonga  
P. O. Box 141  
Savoonga, Alaska 99769

Mayor  
City of Nulato  
Nulato, Alaska 99765

Mayor  
City of Port Heiden  
General Delivery  
Port Heiden, Ak. 99549

Mayor  
City of Saxman  
P. O. Box 8676  
Ketchikan, Alaska 99901

Mayor  
City of Old Harbor  
P. O. Box 109  
Old Harbor, Ak. 99615

Mayor  
City of Port Lions  
P. O. Box 278  
Port Lions, Ak. 99550

Mayor  
City of Scammon Bay  
General Delivery  
Scammon Bay, Ak. 99662

Mayor  
City of Ouzinkie  
Box 35  
Ouzinkie, Ak. 99644

Mayor  
City of Quinhagak  
Quinhagak, Ak. 99655

Mayor  
City of Selawik  
P. O. Box 49  
Selawik, Alaska 99770

Mayor  
City of Palmer  
P. O. Box 1368  
Palmer, Alaska 99645

Mayor  
City of Ruby  
P. O. Box 15  
Ruby, Alaska 99768

Mayor  
City of Shageluk  
Shageluk, Alaska 99665

Mayor  
City of Pelican  
P. O. Box 757  
Pelican, Ak. 99832

Mayor  
City of Russian Mission  
Russian Mission, Ak.  
99657

Mayor  
City of Shaktoolik  
Shaktoolik, Ak. 99771

Mayor  
City of Petersburg  
P. O. Box 529  
Petersburg, Ak. 99833

Mayor  
City of Saint Mary's  
P. O. Box 163  
Saint Mary's, Ak. 99658

Mayor  
City of Sheldon Point  
Sheldon Point, Ak. 99666

Mayor  
City of Shishmaref  
Shishmaref, Ak. 99772

Mayor  
City of Togiak  
P. O. Box 99  
Togiak, Ak. 99678

Mayor  
City of Wasilla  
Wasilla, Alaska 99687

Mayor  
City of Shungnak  
General Delivery  
Shungnak, Ak. 99773

Mayor  
City of Toksook Bay  
Nelson Island  
Toksook Bay, Ak. 99637

Mayor  
City of White Mountain  
General Delivery  
White Mountain, Ak. 99780

Mayor  
City of Seldovia  
P. O. Drawer B  
Seldovia, Ak. 99663

Mayor  
City of Tuluksak  
General Delivery  
Tuluksak, Ak. 99679

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City Hall  
Whittier, Alaska 99502

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P. O. Box 337  
Seward, Ak. 99664

Mayor  
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Nelson Island  
Tununak, Alaska 99681

Mayor  
City of Wrangell  
P. O. Box 531  
Wrangell, Alaska 99929

Mayor  
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P. O. Box 415  
Skagway, Ak. 99840

Mayor  
City of Unalakleet  
Box 28  
Unalakleet, Alaska 99684

Mayor  
City of Yakutat  
P. O. Box 6  
Yakutat, Alaska 99689

Mayor  
City of Soldotna  
P. O. Box 409  
Soldotna, Ak. 99669

Mayor  
City of Unalaska  
P. O. Box 89  
Unalaska, Alaska 99685

Mayor  
City of Stebbins  
Stebbins, Ak. 99671

Mayor  
City of Upper Kalskag  
Upper Kalskag, Ak. 99607

Mayor  
City of Fort Yukon  
P. O. Box 269  
Fort Yukon, Ak. 99740

Mayor  
City of Tanana  
Tanana, Ak. 99777

Mayor  
City of Valdez  
P. O. Box 307  
Valdez, Alaska 99686

Mayor  
City of Teller  
P. O. Box 548  
Teller, Alaska 99778

Mayor  
City of Wainwright  
P. O. Box 9  
Wainwright, Ak. 99782

Mayor  
City of Tenakee Springs  
P. O. Box 52  
Tenakee Springs, Ak.  
99841

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General Delivery  
Wales, Alaska 99783

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President Akiachuk Ltd. Akiachak, Alaska 99551	President Sea Lion Corp. Hooper Bay, Alaska 99604	President Pilot Station Inc. Pilot Station, Alaska 9965
President Kokarmuit Corp. Akiak, Alaska 99552	President Kotlik Yupik Corp. Kotlik, Alaska 99620	President Arvig Inc. Platinum, Alaska 99651
President Alakanuk Native Corp. Alakanuk, Alaska 99554	President Kwethluk, Inc. Kwethluk, Alaska 99621	President Quinirtuug, Inc. Quinhagak, Alaska 99655
President Aniak Ltd. Aniak, Alaska 99557	President Lower Kalskag, Inc. Lower Kalskag, Alaska 99626	President Chauthbaluk Corp. Chauthbaluk via Aniak, Alaska 99557
President Atmautlauk Ltd. Atmautluak, Alaska 99559	President Maserculiq, Inc. Lower Kalskag, Alaska 99626	President Russian Mission Native Corp. Russian Mission, Alaska 99657
President Bethel Native Corp. Bethel, Alaska 99559	President Nima Corp. Mekoryuk, Alaska 99630	Mr. Paul Dixon President St. Mary's Native Corp. St. Mary's, Alaska 99658
President Chefarmute, Inc. Chefornak, Alaska 99561	President Azachorok, Inc. Mountain Village, Alaska 99632	President Askinul Corp. Scammon Bay, Alaska 99662
President Chevak Corp. Chevak, Alaska 99563	President Napakiak Corp. Napakiak, Alaska 99559	President Swan Lake Corp. Sheldon's Point, Alaska 99666
President Egfijouag Corp. Eek, Alaska 99578	President Napaskiak, Inc. Napaskiak via Bethel, Alaska 99559	President Nunakuiak Yupik Corp. Toksook Bay, Alaska 99637
President Emonak Corp. Emonak, Alaska 99581	President Newtok Corp. Inc. Newtok, Alaska 99559	President Tulkisarmute Inc. Tuluksak, Alaska 99679

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Kunit Rinit Corp.  
Kumuk, Alaska 99681

President  
Bin Googa Inc.  
Huslia, Alaska 99746

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Natives of Afognak  
Box 14  
Kodiak, Alaska 99615

President  
Upper Kalskag, Inc.  
Upper Kalskag, Alaska 99607

President  
Takathlee-Tondin Inc.  
Kaltag, Alaska 99748

President  
Aiakialik Inc.  
Box 1423  
Kodiak, Alaska 99615

President  
Ala Kaa Ka' Inc.  
Allakaket, Alaska 99720

President  
Mineelghaadza Ltd.  
Koyukuk, Alaska 99754

President  
Anton Larsen Inc.  
Box 134  
Kodiak, Alaska 99615

President  
Central Native Corp.  
Anvik, Alaska 99558

President  
Chamai Inc.  
McGrath, Alaska 99627

President  
Bells Flats Natives, Inc.  
Box 794  
Kodiak, Alaska 99615

President  
Kungwitchin Corp.  
Eagle, Alaska 99739

President  
Toghotthele Corp.  
Nenana, Alaska 99760

President  
Kaguyak Inc.  
Box 2694  
Kodiak, Alaska 99615

Mr. Jonathon Solomon  
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Kwitchyaazhee Corp.  
P.O. Box 57  
Port Yukon, Alaska 99740

President  
Donlee Corp.  
Nikolai, Alaska 99760

President  
Karluk Native Corp.  
Box 746  
Kodiak, Alaska 99615

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Kotaghleedin Ltd.  
Kotena, Alaska 99741

Mr. Peter Demoski  
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Nik'agham, Ltd.  
Nulato, Alaska 99765

President  
Litnik, Inc.  
Kodiak, Alaska 99615

President  
Kee Ya Lindge Corp.  
Kayingling, Alaska 99590

President  
Dineega Corp.  
Ruby, Alaska 99768

President  
Kitoi Inc.  
Box 1423  
Kodiak, Alaska 99615

President  
Kandas Cha-Ag Native Corp.  
Kalta Junction, Alaska 99737

President  
Zho-Tse Corp.  
Shageluk, Alaska 99665

President  
Shuyak, Inc.  
Box 733  
Kodiak, Alaska 99615

President  
Kloycheet Inc.  
Kly Cross, Alaska 99602

President  
Dinyea Corp.  
150 A Street #1  
Fairbanks, Alaska 99701

President  
Uganik Natives Inc.  
Box 2521  
Kodiak, Alaska 99615

President  
Kondlee Koga Inc.  
Kones, Alaska 99745

President  
Tozina, Ltd.  
Tanana, Alaska 99777

Mr. Frank Peterson  
President  
Ayakulik Inc.  
Box 746  
Kodiak, Alaska 99615

President  
Eyak Natives Inc.  
Box 1321  
Kodiak, Alaska 99615

Mr. Karl Armstrong  
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Leisnoi Inc.  
Box 641  
Kodiak, Alaska 99615

President  
Natives of Akhiok Inc.  
Akhiok Rural Station Inc.  
Akhiok, Alaska 99615

President  
Nu-Nacht-Pit, Inc.  
Larsen Bay, Alaska 99615

President  
Old Harbor Native Corp.  
Old Harbor, Alaska 99615

President  
Suzinkie Native Corp.  
Suzinkie, Alaska 99644

President  
Port Lions Native Corp.  
Box 266  
Port Lions, Alaska 99550

President  
Salamatoff Native Assoc. Inc.  
Box 2582  
Skenai, Alaska 99611

President  
Nickaloon Moose Creek Native  
Assoc. Inc.  
535 Primrose St.  
Anchorage, Alaska 99504

President  
Point Possession Inc.  
220 I Street  
Anchorage, Alaska 99502

President  
Sedovia Native Assoc. Inc.  
Box 185  
Sedovia, Alaska 99663

Chenega Corp.  
Box 459  
Cordova, Alaska 99574

President  
Eyak Corp.  
Box 111  
Cordova, Alaska 99574

Mr. John Borodkin  
President  
Tatitlek Corp.  
Box 758  
Cordova, Alaska 99574

President  
Buckland Nunachiak Corp.  
C/O Box 49  
Kotzebue, Alaska 99752

President  
Kivalina Sinuckmeut Corp.  
c/o Box 49  
Kotzebue, Alaska 99752

President  
Kikiktagruk Inupiat  
Box 33  
Kotzebue, Alaska 99750

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President  
Cape Fox Corp.  
Box 223  
Ketchikan, Alaska 99901

Mr. Joseph Wilson  
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Goldbelt Inc.  
130 Seward Str. Rm 302  
Juneau, Alaska 99801

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Haida Corp.  
Box 91  
Hydaburg, Alaska 99922

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Huna Totem Corp.  
Box 290  
Hoonah, Alaska 99829

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Kake Tribal Corp.  
Box 263  
Kake, Alaska 99820

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President  
Kavilco, Inc.  
Rt. 1, Box 704  
Ketchikan, Alaska 99901

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President  
Klawock Heenya Corp.  
Box 25  
Klawock, Alaska 99925

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Klukwan, Inc.  
Box 493  
Haines, Alaska 99827

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President  
Kootznoowoo, Inc.  
Box 116  
Angoon, Alaska 99820

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President  
Shaan-Seet inc.  
P.O. Box 90  
Craig, Alaska 99921

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President  
Shee Atika Inc.  
Box 578  
Mt. Edgecumbe, Alaska 99835

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Yat-tat Kwaan Inc.  
Box 416  
Yakutat, Alaska 99689

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City of Kivalina  
Kivalina, Alaska 99750

Mayor Marvin Yoder  
City of Craig  
P.O. Box 23  
Craig, Alaska 99921

Mayor Royal Harris  
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P.O. Box 46  
Kotzebue, Alaska 99752

Mayor Ben Grussendorf  
City of Sitka  
Box 79  
Sitka, Alaska 99835

Mayor  
City of Saxman  
Saxman, Alaska 99901

Mayor Larry Powell  
City of Yakutat  
P.O. Box 6  
Yakutat, Alaska 99689

Mayor W.D. Overstreet  
City of Juneau  
155 So. Seward  
Juneau, Alaska 99801

Mayor Robert Sanderson  
City of Hydaburg  
Box 57  
Hydaburg, Alaska 99922

Mayor Miles Murphy, Jr.  
City of Hoonah  
P.O. Box 360  
Hoonah, Alaska 99829

Mayor Matthew Brown  
City of Kake  
P.O. Box 500  
Kake, Alaska 99830

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City of Ketchikan  
P.O. Box 1110  
Ketchikan, Alaska 99901

Mayor Albert Macasaet, Sr.  
City of Klawock  
P.O. Box 113  
Klawock, Alaska 99925

Mayor Gail Wallace  
City of Haines  
Box 239  
Haines, Alaska 99827

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City of Angoon  
Box 189  
Angoon, Alaska 99820

City of White Mountain  
White Mountain, Alaska 99784

Mayor Christian Small  
City of Goodnews Bay  
Goodnews Bay, Alaska 99589

Mayor Camillus Tulik  
City of Nightmute  
Nightmute, Alaska 99690

Mayor Phillip Peter  
City of Akiachak  
Akiachak, Alaska 99551

Mayor Rudolphe Smith, Sr.  
City of Hooper Bay  
P.O. Box 37  
Hooper Bay, Alaska 99604

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City of Pilot Station  
Pilot Station, Alaska 99650

Mayor  
City of Akiak  
Akiak, Alaska 99552

Mayor Joseph Mike  
City of Kotlik  
Kotlik, Alaska 99620

Mayor Clara Martin  
City of Platinum  
Platinum, Alaska 99651

Mayor Paul Phillip  
City of Alakanuk  
P.O. Box 57  
Alakanuk, Alaska 99554

Mayor  
City of Kwethluk  
Kwethluk, Alaska 99621

Mayor Peter Williams  
City of Quinhagak  
Quinhagak, Alaska 99655

Mayor  
City of Aniak  
Aniak, Alaska 99557

Mayor Stanley Nook, Sr.  
City of Lower Kalskag  
Lower Kalskag, Alaska 99626

Mayor Nick Kameroff  
City of Chauthbaluk  
Chauthbaluk via Aniak, Alaska  
99557

Mayor Joshua Nick  
City of Atmautluak  
Atmautluak, Alaska 99559

Mayor Jack Williams, Sr.  
City of Mekoryuk  
P.O. Box 29  
Mekoryuk, Alaska 99630

Mayor Norman Housler, Sr.  
City of Russian Mission  
Russian Mission, Alaska 99600

Mayor Gene Peltola  
City of Bethel  
P.O. Box 388  
Bethel, Alaska 99559

Mayor Andrew Brown, Sr.  
City of Mountain Village  
Box 196  
Mountain Village, Alaska 99632

Mayor Larry Beans  
City of St. Mary's  
P.O. Box 163  
St. Mary's, Alaska 99658

Mayor Peter Mathew  
City of Chefornak  
Chefornak, Alaska 99561

Mayor Andrew Brown, Sr.  
City of Mountain Village  
P.O. Box 196  
Mountain Village, Alaska 99632

Mayor Homer Hunter Sr.  
City of Scammon Bay  
General Delivery  
Scammon Bay, Alaska 99662

Mayor  
City of Chevak  
Chevak, Alaska 99563

Mayor Billy McCann  
City of Napakiak  
General Delivery  
Napakiak, Alaska 99634

Mayor  
City of Sheldon's Point  
Sheldon's Point, Alaska 99680

Mayor  
City of Eek  
Eek, Alaska 99578

Mayor  
City of Napaskiak via Bethel  
Alaska 99559

Mayor James Charlie, Sr.  
City of Toksook Bay  
Nelson Island  
Toksook Bay, Alaska 99637

Mayor Tommy Moses  
City of Emmonak  
Emmonak, Alaska 99581

Mayor  
City of Newtok  
Newtok, Alaska 99559

Mayor  
City of Tuluksak  
Tuluksak, Alaska 99670

City of Tununak  
Nelson Island  
Tununak, Alaska 99681

City of Huslia  
Huslia, Alaska 99746

City of Kodiak  
P.O. Box 1397  
Kodiak, Alaska 99615

Mayor Steven Alexie  
City of Upper Kalskag  
Upper Kalskag, Alaska 99607

Mayor John Madros  
City of Kaltag  
Kaltag, Alaska 99748

Mayor  
City of Akhiok  
Akhiok, Alaska 99615

Mayor Stella Hamilton  
City of Allakaket  
Allakaket, Alaska 99720

Mayor Gerald Pilot  
City of Koyukuk  
Koyukuk, Alaska 99754

Mayor  
City of Larsen Bay  
Larsen Bay, Alaska 99624

Kenneth Chase  
Community Coordinator  
City of Anvik  
Anvik, Alaska 99558

Mayor Richard Forsgren  
City of McGrath  
P.O. Box 57  
McGrath, Alaska 99627

Mayor Sven Haakanson  
City of Old Harbor  
Box 109  
Old Harbor, Alaska 99615

Mayor John Borg  
City of Eagle  
c/o City Clerk  
Eagle, Alaska 99738

Mayor J.B. Coghill  
City of Nenana  
P.O. Box 177  
Nenana, Alaska 99760

City Council  
City of Ouzinkie  
Box 35  
Ouzinkie, Alaska 99644

Mayor Jonathon Solomon  
City of Fort Yukon  
P.O. Box 269  
Fort Yukon, Alaska 99740

Mayor  
City of Nikolai  
Nikolai, Alaska 99760

Mayor Jacob Sonnentag  
City of Port Lions  
P.O. Box 278  
Port Lions, Alaska 99550

Mayor Frank Benson  
City of Galena  
Box 149  
Galena, Alaska 99741

City Council  
City of Nulato  
Nulato, Alaska 99765

Mayor James Elson  
City of Kenai  
P.O. Box 580  
Kenai, Alaska 99611

Mr. Henry Deacon,  
Council Secretary  
City of Grayling  
Grayling, Alaska 99590

Mayor Dennis "Scotty" Barron  
City of Ruby  
Ruby, Alaska 99768

Mayor George Sullivan  
Municipality of Anchorage  
Pouch 6-650  
Anchorage, Alaska 99502

Mayor Robert Cramer  
City of Delta Junction  
P.O. Box 229  
Delta Junction, Alaska  
99737

Mayor Franklin Benjamin  
City of Shageluk  
Shageluk, Alaska 99665

Mayor John Colberg  
City of Seldovia  
P.O. Drawer B  
Seldovia, Alaska 99663

Mayor Walter Whitley  
City of Holy Cross  
Holy Cross, Alaska 99602

Mayor Harold Gillam  
City of Fairbanks  
410 Cushman St.  
Fairbanks, Alaska 99701

Mayor James Poor  
City of Cordova  
P.O. Box 1210  
Cordova, Alaska 99574

Helen Attla  
NYC Supervisor  
City of Hughes  
Hughes, Alaska 99745

Tanana Native Council  
Dorothy Jordan  
City of Tanana  
Tanana, Alaska 99777

Mayor Sigwien Savok  
City of Buckland  
Buckland, Alaska 99727

Mayor Don McCallum  
City of King Cove  
P.O. Box 37  
King Cove, Alaska 99612

Mayor Victor Merculief  
City of St. Paul  
P.O. Box 98  
St. Paul Island, Alaska 99660

Mayor Gary Ferguson  
City of Sand Point  
P.O. Box 16  
Sand Point, Alaska 99661

Mayor R. Charles Vowell  
City of Unalaska  
P.O. Box 89  
Unalaska, Alaska 99685

Mayor Roosevelt Paneak  
City of Anatumuk Pass  
Anatumuk Pass, Alaska 99721

Mayor Jacob Adams  
City of Barrow  
P.O. Box 507  
Barrow, Alaska 99723

Mayor Mark Sims  
City of Kaktovik  
P.O. Box 27  
Kaktovik, Alaska 99747

Mayor Elijah Rock, Sr.  
City of Point Hope  
P.O. Box 169  
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Mayor  
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Mayor Annie Christensen  
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BY THE COMMUNITY AND REGIONAL  
AFFAIRS COMMITTEE

1 IN THE SENATE

2 SENATE BILL NO.

3 IN THE LEGISLATURE OF THE STATE OF ALASKA  
4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to state aid for local capital pro-  
7 jects; establishing the capital projects foundation  
8 fund; and providing for an effective date."

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

10 \* Section 1. AS 44.42.020 is amended by adding a new paragraph to read:

11 (14) adopt regulations for management of the capital projects  
12 foundation fund established under AS 44.42.100 and administer these  
13 funds.

14 \* Sec. 2. AS 44.42 is amended by adding new sections to read:

15 ARTICLE 2. CAPITAL PROJECTS FOUNDATION GRANTS.

16 Sec. 44.42.100. CAPITAL PROJECTS FOUNDATION FUND. There is estab-  
17 lished within the department a capital projects foundation fund for the  
18 purpose of providing state assistance to local governments and to the  
19 unorganized borough for improvement, maintenance and new construction of  
20 capital projects. Within the limits of appropriations for the purpose,  
21 the department shall make grants to qualified local governments for  
22 capital projects and shall manage grants for capital projects in the  
23 unorganized borough.

24 Sec. 44.42.110. ELIGIBLE FACILITIES. A grant from the capital  
25 projects foundation fund may be used for improvement, maintenance, or  
26 new construction of the following type of facility if the facility is  
27 identified in a regional plan under AS 44.42.130:

- 28 (1) libraries;
- 29 (2) community and emergency detention facilities;

- 1 (3) fire halls, including the purchase of fire vehicles;  
2 (4) parks;  
3 (5) recreational facilities;  
4 (6) water and sewer facilities;  
5 (7) health facilities;  
6 (8) community centers;  
7 (9) transportation facilities which do not duplicate and  
8 which are not inconsistent with the state transportation system as  
9 determined by the department, including  
10 (A) service roads;  
11 (B) trails;  
12 (C) harbors and docks for small boats;  
13 (D) seaplane floats;  
14 (E) public transit facilities, including the purchase of  
15 transit vehicles;  
16 (F) emergency and recreational airstrips for small  
17 aircraft.

18 Sec. 44.42.120. REGIONAL ADVISORY COUNCILS. (a) To qualify to  
19 receive a grant from the capital projects foundation fund, a local  
20 government must establish ~~a regional advisory council of at least five~~  
21 members.

22 (b) If a version of a bill entitled "An Act establishing unorga-  
23 nized boroughs, amending the responsibilities of state agencies for  
24 state programs and services for residents of organized and unorganized  
25 boroughs, and authorizing adoption of home rule charters by unorganized  
26 boroughs; and providing for an effective date" is enacted, a regional  
27 advisory council shall be established for each unorganized borough  
28 established under the terms of that enactment. If that bill is not  
29 enacted before the effective date of this Act, a regional advisory

1 council shall be established in each regional educational attendance  
2 area organized under AS 14.08.031. There shall be 15 members on each  
3 regional advisory council established under this subsection as follows:

4 (1) one elected official from each first class city in the  
5 unorganized borough or regional educational attendance area selected by  
6 the city council or assembly;

7 (2) additional persons, up to a total of 15, selected by the  
8 governor from lists of persons nominated by the Department of Transpor-  
9 tation and Public Facilities or the Department of Community and Regional  
10 Affairs who are elected officials of second class cities or persons from  
11 unincorporated communities.

12 Sec. 44.42.130. CAPITAL IMPROVEMENT PLAN. (a) With assistance  
13 from the department, each regional advisory council established under  
14 AS 44.42.120 shall formulate a capital improvement plan which identifies  
15 all capital projects needed in the region, assigns a priority to each  
16 identified project, and contains cost estimates for each project.

17 (b) A capital improvement plan for a local government shall be  
18 submitted for approval by the council or assembly of the local government  
19 after a public hearing. Revisions in an approved plan must also be  
20 submitted for approval before becoming effective. A capital improvement  
21 plan for an unorganized borough or a regional educational attendance  
22 area shall be submitted for approval by the department after a public  
23 hearing.

24 Sec. 44.42.140. DISTRIBUTION OF GRANTS. (a) Grants from the  
25 capital projects foundation fund shall be distributed annually by the  
26 department to each local government which has approved a capital improve-  
27 ment plan as required by AS 44.42.130. Amounts from the capital projects  
28 foundation fund shall be distributed annually to accounts established by  
29 the department for each unorganized borough or for each regional educa-

1 tional attendance area if unorganized boroughs have not been established  
 2 by enactment of a version of a bill entitled "An Act establishing  
 3 unorganized boroughs, amending the responsibilities of state agencies  
 4 for state programs and services for residents of organized and un-  
 5 organized boroughs, and authorizing adoption of home rule charters by  
 6 unorganized boroughs; and providing for an effective date".

7 (b) The amount of grants to be made to a region shall be deter-  
 8 mined by multiplying its population and area in square miles by the  
 9 construction cost differential for that region and using this figure  
 10 when compared with the total of figures similarly arrived at for all  
 11 regions to calculate a percentage share of the total appropriation.

12 Sec. 44.42.150. USE OF GRANTS. (a) A grant from the capital  
 13 projects foundation fund to a local government may be used only for a  
 14 facility identified in an approved capital improvement plan. Each local  
 15 government shall determine which project to finance with the grant  
 16 received each year under AS 44.42.140.

17 (b) A grant from the capital projects foundation fund shall be  
 18 disbursed in accordance with the terms of an agreement between the  
 19 commissioner and the local government. The agreement may include any  
 20 provision agreed upon by the parties, but must include in substance the  
 21 following provisions:

22 (1) that the local government shall secure, retain and prote-  
 23 title to the site of an existing facility or on which a new facility is  
 24 to be constructed; for purposes of this paragraph it is sufficient that  
 25 title is obtained in fee or by a lease which provides that the local  
 26 government enjoys exclusive use of the land and any improvements for th  
 27 estimated life of the facility;

28 (2) that the local government agrees to proceed with and  
 29 complete the proposed project expeditiously in accordance with plans

1 submitted to the department;

2 (3) that the local government agrees to assume responsibility  
3 for the operation of the facility, and the feasibility of the discharge  
4 of this obligation shall be demonstrated to the satisfaction of the  
5 commissioner before the payment of state money;

6 (4) that the grant will not exceed the estimated total project  
7 cost as determined by the commissioner.

8 (c) If it appears that the cost of a facility financed in part by  
9 a grant from the capital projects foundation fund will vary substantially  
10 from costs estimated at the time a grant was made for the facility from  
11 the capital projects foundation fund, the local government is responsible  
12 for obtaining the additional money. The additional money may be obtained  
13 from other grants made from the capital projects foundation fund to the  
14 local government. If a project costs less to complete than estimated,  
15 the local government may apply to use this money on other projects as  
16 provided in this subsection.

17 (d) A grant from the capital projects foundation fund may be used  
18 by a local government to match other state or federal grants.

19 (e) In the unorganized boroughs or regional educational attendance  
20 areas each regional advisory council shall determine annually which  
21 projects identified in its capital improvement plan to finance. The  
22 department is responsible for the projects selected. The regional  
23 advisory council for the unorganized borough or the regional educational  
24 attendance area is responsible for the operation of a facility financed  
25 by a grant from the capital projects foundation fund and the feasibility  
26 of the discharge of this obligation shall be demonstrated to the satis-  
27 faction of the commissioner before the department begins work on a  
28 project.

29 Sec. 44.42.160. DEFINITIONS. In AS 44.42.100 - 44.42.160

1 (1) "construction cost differential" means one plus the  
2 percentage by which average construction costs in a region are greater  
3 than or less than the average construction costs in Anchorage as deter-  
4 mined by the Department using the latest available figures;

5 (2) "improvement" means renovations and additions to an  
6 existing facility which allow for better service than the facility  
7 provided in its original condition;

8 (3) "improvement, maintenance or new construction" includes,  
9 in addition to costs directly related to the project, the total of all  
10 costs of financing and carrying out the project; these include, but are  
11 not limited to, the costs of all necessary studies, surveys, plans and  
12 specifications, architectural, engineering or other special services,  
13 acquisition of real property, site preparation and development, purchase  
14 construction, reconstruction and improvement of real property; an  
15 allocable portion of the administrative and operating expenses of the  
16 grantee; the cost of financing the project, including interest on bonds  
17 issued to finance the project; and the cost of other items, including  
18 indemnity and surety bonds and premiums on insurance, legal fees, fees  
19 and expenses of trustees, depositaries, financial advisors, and paying  
20 agents for the bonds issued as the issuer considers necessary;

21 (4) "local government" means the government of a unified home  
22 rule municipality or organized borough;

23 (5) "maintenance" means restoration and repair needed to keep  
24 a facility as close as possible to its original condition;

25 (6) "population" means the population of a unified home rule  
26 municipality, organized borough, or unorganized borough or regional  
27 educational attendance area as determined by the department using the  
28 latest figures of the United States Bureau of the Census or other re-  
29 liable sources of population data, such as school enrollment figures,

1 public utility connection figures, registered voter rolls, certified  
2 employment payrolls;

3 (7) "region" means a unified home rule municipality, orga-  
4 nized borough, and unorganized borough established if a version of a  
5 bill entitled "An Act establishing unorganized boroughs, amending the  
6 responsibilities of state agencies for state programs and services for  
7 residents of organized and unorganized boroughs, and authorizing adoption  
8 of home rule charters by unorganized boroughs; and providing for an  
9 effective date" is enacted, or a regional educational attendance area  
10 which has an approved capital improvements plan.

11 \* Sec. 4. This Act takes effect July 1, 1980.

(7) federal aid — shows a normal debit balance; includes funds expected to be received from federal sources for capital projects;

(8) expenditures, prior fiscal year — shows a normal credit balance;

(9) encumbrances — shows a normal debit balance;

(10) reserve for encumbrances — shows a normal credit balance;

(11) fund balance — shows a normal zero balance.

(d) The annual financial report of the state shall contain the following statements for each capital projects fund:

(1) balance sheet;

(2) analysis of changes in bonds authorized and unissued;

(3) analysis of changes in bonds to be authorized;

(4) analysis of changes in funds to be provided by others;

(5) statement of expenditures and encumbrances compared to appropriations. (§ 8 ch 168 SLA 1978)

**Sec. 37.07.070. Legislative review.** The legislature shall consider the governor's proposed comprehensive operating and capital improvements programs and financial plans, evaluate alternatives to the plans, make program selections among the various alternatives and determine, subject to available revenues, the level of funding required to support authorized state services. During each regular session of the legislature, legislative review of the plans shall be accomplished according to the following schedule:

(1) By the 45th legislative day, the legislature shall have established by concurrent resolution the total amount of state general funds that shall be available for appropriation for the budget year and the tentative allocation of the funds among program categories in both the operating and capital budgets. The resolution shall be introduced by the finance committee of the house in which the general appropriations bill was introduced.

(2) By the 90th legislative day, the house in which the general appropriations bill was introduced by the governor shall have calendared for second reading a version of the general appropriations bill. The bill shall be supported with documentation to explain the proposed appropriations and related statements of intent. In addition, a list of other appropriations or measures with fiscal implications pending before the legislature shall be included with the documentation for the calendared bill. (§ 1 ch 188 SLA 1970; am § 1 ch 66 SLA 1977; am § 9 ch 168 SLA 1978)

**Effect of amendments.** — The 1977 amendment added the second sentence of the introductory paragraph and paragraphs (1) and (2).

The 1978 amendment, in the introductory paragraph, substituted "operating and

capital improvements programs and financial plans" for "program and financial plan" in the first sentence and "the plans" for "the plan" in the first and second sentences.

Editorial Opinion and Comment of



# Daily News - Miner

"Independent in All Things . . . Neutral in None"

Other opinions expressed on this page do not necessarily reflect those of the Daily News-Miner.

## 3/20/80 Program for pork

It wasn't long ago when Alaskan communities grubbed about in hot competition for a few million dollars a year in state budget appropriations. We cheered heartily when we got a new office building or a new highway out of the tight state budgets to boost our local economy.

Now the state is basking in new wealth, and we find our civic pork barrel specialists dressing their wish lists up like the nouveau riche strutting to their first society affair. It's no longer called "pork" or even "local capital improvements projects"—now it's a grand plan for remaking our cities in some future image.

Down in Anchorage the municipality is pressing the Legislature with a "Program for the 80s" to pour hundreds of millions of state dollars into civic centers, theaters and other projects. Many of the same projects are also advanced again under the cover of a world fair proposal in the "Expo 84" movement.

Up here we have the "Program for Progress," unveiled last week as a joint lobbying effort by the borough and the cities of Fairbanks and North Pole. The legislators who will get this pitch are all smart politicians who know the taste of pork even when it's cooked and served like veal. It's important, however, that the rest of us also understand this program for what it is before we get fooled into throwing a lot of popular support behind some local political hat trick.

First off, let's make it clear that there are some very valuable civic projects in the "Program for Progress" that do genuinely deserve our support. Most are relatively cheap, and they stand out like nuggets in the bottom of a pan:

- A long-overdue extension and rebuilding of the city's steam heat system;
  - A community beautification program;
  - A comprehensive geologic mapping of the Fairbanks area with a feasibility study of whether an ore processing plant should be built here;
  - Renovation of the Fairbanks Recreation Center;
  - A program of city utility system improvements;
- and
- Some modest capital projects from the University of Alaska added to give the grandiose "wish list" some credibility.

But the largest pieces of the local program deserve nothing but spirited opposition. Most are just examples of a government planner's dreams gone wild. They are things that would be added to our local government burden without even a vote of the people.

For instance, the proposal for a rebuilt downtown area notes that in the land ownership, "Many parcels are small and owned by different individuals, hindering consolidation of land for larger developments." Fairbanks's oldest families must be selfish individuals, one concludes, to let their lifetime investments stand in the way of a bureaucratic utopia.

The justifications for the big government projects are thin. For instance, four large public parking garages are proposed downtown at \$10 million to \$13 million each, because "traffic congestion and parking shortages are contributing to air quality problems." In truth, traffic is less congested, the air is cleaner and there are far more parking places downtown than was the case 10 years ago.

Other proposals are things that have been rejected by Fairbanks voters in the past. The Blue Line Club's hockey rink is back, with the cost up to \$7.7 million. The major focus of public opposition in the old East Side Neighborhood urban renewal plan is also back in the form of a \$2 million request for Third and Seventh avenue access roads from downtown to the Steese Expressway.

This last point was specifically rejected by voters in the urban renewal repeal initiative in 1972. It has cropped up several times since then but former city mayor Harold Gillam, who was elected in 1972 while running on the initiative platform, kept shooting it down. Now he's no longer mayor, and it's surfaced again. The proposal would require condemnation of homes and widening of two streets through our oldest neighborhood just to save busy drivers a fraction of a minute in zooming downtown on their urgent business. Of course the time saved would be lost by two new traffic signals on the "expressway."

As for the \$13.4 million borough office building, even a Juneau waste basket is too good a place for that proposal.

While there are some good points added in the confusion, the "Program for Progress" is mainly a program for bankruptcy for local taxpayers.

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# Spending formula proposed

by Roxinne Ervasti  
Associated Press

Juneau — A formula for allocating construction money throughout the state based on population and area has been proposed in the Legislature. One lawmaker said the idea might be looked upon as an "anti-pork barrel" bill.

The proposal was presented to the Senate and House Community and Regional Affairs committees Wednesday. The House panel did not discuss it but there was some debate over it in the Senate committee, which plans to introduce it soon.

The bill, yet to be drafted, would set up a "capital foundation fund" which the Legislature would appropriate to on an annual basis, starting with about \$85 million this year. Advisory committees in unorganized boroughs would set their own spending priorities.

The idea is to get more public input in unorganized boroughs, which now primarily rely on individual legislators to "bring home the bacon."

Sen. Arliss Sturgulewski, R-Anchorage, and chairman of the Senate panel, said the legislation would have been "an anathema" in the days before the state's oil wealth.

"But now we're seeing \$500 million proposed for capital improvements . . . what we're doing, by the Legislature being the sugar daddy, is throwing the burden on many municipalities for operational costs."

She said if a detailed study was made of the long-range results of current spending proposals on local entities, "the fiscal note would be staggering beyond belief."

In summary, the intent and provisions of the proposal are:

— Where there is local government, capital improvement plans would be developed much as they are now.

— In unorganized boroughs, advisory groups would set spending priorities.

— The allocations could be accumulated over several years for large projects, and they could be used as match for state and federal grants — thus assisting areas that have no way of raising match money now.

— Funds could be used for maintenance and operation as well as construction, thus getting around what Sturgulewski said is a situation where communities are indirectly encouraged not to maintain structures so that they can eventually get "construction" appropriations for repairs.

A suggested formula is that the fund total the equivalent of \$200 per capita in the state.

Allocation would be based on one-half the population of a municipality or unorganized borough, and one-half its area. Allocations would be determined by multiplying area and population times a construction cost differential. Each entity gets a minimum of 5 percent of the largest distribution made.

Sen. Bob Mulcahy, R-Kodiak, joked that the intent appeared to be to wipe out the "pork barrel" process.

"The legislative process, while it may not be all that good, is a heck of a lot better," he said. "I'm accountable back there. This would just create another layer of government."

Sen. Tim Kelly, R-Anchorage, said he could not support the concept.

"You're saying you would give \$12 million to the organized boroughs, which have a population of 349,000, and twice as much, \$25 million, to the unorganized boroughs,

which only have 80,000 people," he said.

Sen. Pat Fodey, D-Anchorage, said he saw the concept as a "reform" and said it would get money out to local areas immediately, in contrast to the backlog of bond projects approved by voters.

"It would have an important impact on the legislative process by making the local voice stronger," said Fodey. "I see it as having a leavening effect on the ups and downs of a change in legislative leadership."

Sen. Terry Stimson, D-Anchorage, supported it. "I see it causing a legislator to come down here with a list of priorities from the people back home who had an opportunity to set them," he said.

Sturgulewski said nothing would preclude the Legislature from making additional appropriations, but that her idea would guarantee a minimum kind of revenue sharing for capital construction.

# Study in magnificent new edifices

If, a few months ago, anyone would have suggested that I would be advocating the need for another impact statement, my reaction would have been to suggest a sobriety test.

It does seem, however, that another impact statement is in order and should relate to property taxes. With all the people showing up in Juneau, hats in hands, and all chorusing a syncopated version of, "How about a free lunch," we really need to take a look at whether Alaska property owners can afford to lay out the birdseed required to satisfy the warblings of these insatiable songbirds. We may find that those tempting free lunches are accompanied by a sizable bill for the fancy fiddle music that renders their theme song.

Just suppose that the folks in Juneau do decide to part with the big bucks for a whole slew of public buildings for Anchorage. In the midst of all the jubilation and mutual backslapping over having managed to get our fair share of the pie, let's don't neglect a look at that day in the not so



hayden green

distant future when all the fanfare has subsided and the dust has settled and we are left sitting in the shadows of all these new and magnificent edifices.

Do you imagine: Juneau will continue to fork over the means to maintain and operate these buildings? I really don't think so. My guess is that the property owners will be called on to dig a little deeper and come up with the money to

feed this extra drain on the public expense burden

Doubtless, about this time, someone will decide that the roads servicing all these sparkling new structures are simply inadequate and demand improvements. No sooner has this situation been corrected when, lo and behold, we will discover that the parking downtown just will not meet the needs of all those people using all those roads to get to all those buildings, and we will be faced with the construction of parking garages to meet those needs. Who do you think will be allowed to pay for all this?

A lot has been written recently about the salary increases that the Legislature voted themselves. I want to go on record as stating that I think these people aren't being paid enough. Because, as my old daddy used to say, "If all you pay is peanuts, you're liable to attract nothing but monkeys," and judging from the chattering that continues to emanate from the capital, we in Alaska have managed to attract our own circus.

3/22/80

# Legislature gets 'anti-pork' proposal

By ROXINNE ERVASTI  
Associated Press Writer

JUNEAU—A formula for allocating construction money throughout the state based on population and area has been proposed in the Legislature. One lawmaker said the idea might be looked upon as an "anti-pork barrel" bill.

The proposal was presented to the Senate and House Community and Regional Affairs committees Wednesday. The House panel did not discuss it but there was some debate over it in the Senate committee, which plans to introduce it soon.

The bill, yet to be drafted, would set up a "capital foundation fund" which the Legislature would appropriate to on an annual basis, starting with about \$86 million this year. Advisory committees in unorganized boroughs would set their own spending priorities.

The idea is to get more public input in unorganized boroughs, which now primarily rely on individual legislators to "bring home the bacon."

Sen. Arliss Sturgulewski, R-Anchorage, and chairman of the Senate panel, said the legislation would have been "an anathema" in the days before the state's oil wealth.

"But now we're seeing \$500 million proposed for capital improvements . . . what we're doing, by the Legislature being the sugar daddy, is throwing the burden on many municipalities for operational costs."

She said if a detailed study was made of the long-range results of current spending proposals on local entities, "the fiscal note would be staggering beyond belief."

In summary, the intent and provisions of the proposal are:

- Where there is local government,

capital improvement plans would be developed much as they are now;

- In unorganized boroughs, advisory groups would set spending priorities;

- The allocations could be accumulated over several years for large projects, and they could be used as match for state and federal grants—thus assisting areas that have no way of raising match money now;

- Funds could be used for maintenance and operation as well as construction, thus getting around what Mrs. Sturgulewski said is a situation where communities are indirectly encouraged not to maintain structures so that they can eventually get "construction" appropriations for repairs.

A suggested formula is that the fund total the equivalent of \$200 per capita in the state.

Allocation would be based on one-half the population of a municipality or unorganized borough, and one-half its area. Allocations would be determined by multiplying area and population times a construction cost differential. Each entity gets a minimum of 5 percent of the largest distribution made.

Sen. Bob Mulcahy, R-Kodiak, joked

that the intent appeared to be to wipe out the "pork barrel" process. "The legislative process, while it may not be all that good, is a heck of a lot better," he said. "I'm accountable back there. This would just create another layer of government."

Sen. Tim Kelly, R-Anchorage, said he could not support the concept.

"You're saying you would give \$42 million to the organized boroughs, which have a population of 349,000, and twice as much, \$85 million, to the unorganized boroughs, which only have 80,000 people," he said.

Mrs. Sturgulewski said nothing would preclude the Legislature from making additional appropriations.

A related measure that has already been passed by her committee (CSSB348) would establish a system of planning grants for unorganized boroughs.

The grants, a minimum of \$25,000 plus \$25 per capita each year for up to three years, would allow the unorganized boroughs to study whether they want to organize.

# Fink: Pay off state debts

By ROSEMARY SHINOHARA

Daily News reporter

A breeding ground for corruption and fraud would be created.

Alaska would have "social programs coming out our ears....They could lower the student/teacher ratio to one to one."

The state will pay people not to work.

State employes will reap much higher salaries.

And the state will be into all sorts of businesses, from banking to fishing.

That's Tom Fink's view of what will happen if the state decides to keep, rather than spend, it's huge revenue surplus.

Fink, a conservative Republican leader who served several years in the state House including a term as speaker, said he thinks whether the legislature attempts to keep the money, return it to the people or spend it, the state's going to end up spending it.

Given that, he's in favor of

holding down the state operating budget, and using the money for two major purposes:

- Paying off its \$750 million in bonded debt;
- And, paying for "a very expanded capital improvements program."

The state has so much money it could build a capital, build the \$3 billion to \$4 billion Susitna dams, pay for crossings on Turnagain and Knik arms, build roads, bridges and docks, he said.

Besides all of that, the state set aside a fund for local governments to draw on for their own capital improvement projects.

The important thing is to see that government does not have a surplus, he said. "We have to find a wise way to take it out of state hands. We ought to eliminate personal, corporate and the special oil and gas income tax. We can easily do that and still have a huge surplus."

Severance taxes on oil pumped out of the ground ought to be lowered until they're the same rate as other states



Tom Fink

charge, he said.

And he suggested the state could pay off some of the na-

tional debt with money left over. "Wouldn't that be wonderful?"

While he favors eliminating various taxes, Fink indicated he doesn't like the idea of the state giving \$350 to each resident, a proposal passed by the state House.

"I think it would attract a lot of people to Alaska just to get \$350." The type of person who would come for that probably wouldn't be a very good type for Alaska to have, he said.

What he thinks will happen, Fink said, is that state income taxes will be suspended. "There'll be 146 people we don't need to collect income tax. But we'll need 500 people to pass it out," he joked.

While he doesn't want the government to stockpile surpluses, Fink noted projections are that by the year 2,000, the state will have a \$200 billion surplus. "That's one-half million for every man, woman, and child. If you have a wife and 11 kids, that \$6.5 million," he noted.

Fink has a wife and 11 kids.



Contact List

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SB 546

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