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Alaska State Legislature



House of Representatives

RAY METCALFE

POUCH V
JUNEAU, ALASKA 99811

P.O. BOX 4-2766
ANCHORAGE, ALASKA 99509

19 January 1982

Honorable Ramona Barnes
Alaska State Legislature
Pouch V
State Capitol
Juneau, Alaska 99811

Re: HB-618 and HJR-66

HB-618 and HJR-66 are companion pieces of legislation.
HJR-66 is in your Judiciary Committee.

I have enclosed copies of the several resolutions from communities throughout the State that support the concept of HJR-66 and HB-618 and would request that you schedule a hearing on HJR-66.

If you do so, I feel that it would be appropriate to schedule a teleconference and possibly consider a joint hearing between the Judiciary Committee and State Affairs Committee to enable HB-618 to be heard simultaneously.

Sincerely,

A handwritten signature in cursive script that reads "Ray H. Metcalf".

Ray H. Metcalf
Chairman, State Affairs Committee

RHM/emc
Enclosures



Unique · even in Alaska!

THE CITY OF WHITTIER

22 October 1981

Rep. Ray Metcalfe, Chairman
House State Affairs Committee
600 W. 41st Avenue Suite 201A
Anchorage, Alaska 99503

Re: House Bill 618

Dear Ray:

The City of Whittier supports the general concept of House Bill 618. However, it would be more equitable for the formula suggested for A.S. §29.96.010(b) to read as follows:

$$\frac{(A - (M \times N \times W))}{TP} \times P + M = \text{entitlement}$$

where

M = some minimum allowance regardless of population. (The state may wish to require that this minimum allowance be matched by the municipality for eligibility.)

N = the number of eligible municipalities

Letter to Rep. Ray Metcalfe - 22 October 1981

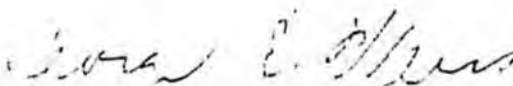
W = a weighting factor less than or equal to one determined by the expectancy of meeting of qualifications for entitlement to any portion of the minimum allowance which may require matching or some other minimum qualification.

And where all other variables are the same as set forth in House Bill 618 as introduced on 23 June 1981.

The reason for this need for a change is that population is not the only proxy for the need of a community for capital improvement. In fact, population could well be inequitable for small communities where the demonstrated benefit per capital improvement dollar per person is less than for large population centers.

The minimum figure would be relatively inconsequential for a large municipality but could make a big difference for a small community.

Sincerely,



George E. Weiss, Whittier City Manager

cc: Senator Mike Colletta
Whittier City Council
Planning and Zoning Commission



Matanuska-Susitna Borough

BOX B, PALMER, ALASKA 99645 • PHONE 745-3246

BOROUGH ASSEMBLY

October 15, 1981

Representative Ray Metcalf, Chairman
House State Affairs Committee
600 West 41st Street
Anchorage, Alaska 99503

Dear Representative Metcalf:

Thank you very much for furnishing the Matanuska-Susitna Borough with copies of House Bill 618 "State Aid to Municipalities for Capital Projects".

Your bill would be an improvement over the current law in that it gives local governments greater control over local government capital projects within their geographic boundaries. This means that we can plan better, the public can participate in the development of our capital improvement program more effectively and we will be able to schedule work better. Further, it would reduce the chances of a veto by the governor on a specific project which may be high on the priorities of the local government.

The formula contained in this bill should provide more equality between urban and remote areas of the State which does not always exist under the current law. As you are aware, urban areas many times fare less generously than do remote areas of the State in capital improvement legislation.

The language in Section 2 of the bill affecting Alaska Statute 29.96.030 is an improvement over current law as it makes the appropriation of funds to municipalities mandatory rather than permissive.

This legislation, although it provides several improvements over existing law, nonetheless leaves local governments with the dilemma of being able to project in a reasonable manner the income that will be available to them from the State for constructing capital projects. This is particularly critical where the capital projects are large enough that they logically should be constructed in phases that span more than one year. It is desirable that a method be achieved to afford local governments the ability to project their income for capital purposes for a few years in advance. This would then allow local governments to plan effectively and to budget their capital dollars in a manner that is consistent with achieving maximum benefits to their citizens from those dollars.

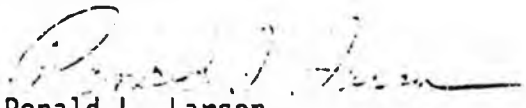
We note that your bill permits local governments to pass through funds to a non-profit corporation for public purposes of the non-profit

corporation. This is similar to SB 168. Different municipal attorneys have interpreted this language in different ways. Some have said that this language grants powers to local governments to carry on, through the non-profit corporation, functions which they could not otherwise carry out. Others say it is not a grant of an additional power. This ambiguity should be eliminated.

We will be very interested in public hearings on this piece of legislation if response to your correspondence is sufficient to generate those public hearings. Again, thank you for your consideration in mailing us advance copies of this bill.

The Assembly has reviewed this letter and has asked that these comments be furnished to you.

Sincerely,


Ronald L. Larson
Borough Mayor

GT:er

cc: Borough Manager
Finance Department

KODIAK ISLAND BOROUGH

Telephones 486-5736 - 486-5737 — Box 1246

KODIAK, ALASKA 99615

October 8, 1981

The Honorable Ray Metcalfe, Chair
House State Affairs Committee
State of Alaska
Box 4-2766
Anchorage, Alaska 99509

Re: House Bill 618 and Public Hearing

Dear Mr. Metcalfe:

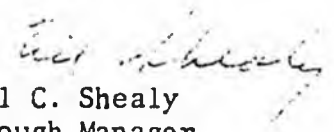
Enclosed please find a certified copy of Kodiak Island Resolution No. 81-73-R which was unanimously adopted at the Borough's meeting on October 1, 1981 indicating their support for House Bill 618 and proposed public hearings.

The Kodiak Island Borough Assembly strongly supports the proposed amendment to the constitution of the State of Alaska which would dedicate on a permanent basis, proceeds from an increase in the State's severance tax on oil or gas production to all organized boroughs and cities on an equal per capita basis for municipal purposes.

We would appreciate being notified as to the time and place of future scheduled public hearings in order that we may submit either oral or written testimony on behalf of the proposed amendment.

If I may be of any further assistance to you in this matter, please contact me at your earliest convenience.

Sincerely,


Phil C. Shealy
Borough Manager

Enclosure

mdd

KODIAK ISLAND BOROUGH
RESOLUTION NO. 81-73-R

A RESOLUTION OF THE KODIAK ISLAND BOROUGH ASSEMBLY SUPPORTING HOUSE
BILL 618 (STATE AID TO MUNICIPALITIES FOR CAPITAL PROJECTS).

WHEREAS, the Kodiak Island Borough Assembly support the allocation of
funds to municipalities for capital projects from the general fund by a formula,
and

WHEREAS, these funds would be made available by the passage of HJR 66
proposing an amendment to the constitution of the State of Alaska which would
dedicate on a permanent basis, proceeds from an increase in the State's severance
tax on oil or gas production to all organized boroughs and cities on an equal per
capita basis for municipal purposes.

NOW, THEREFORE, BE IT RESOLVED by the Kodiak Island Borough Assembly
that the Committee on State Affairs is respectfully encouraged to hold public
hearings on House Bill 618 (State Aid to Municipalities for Capital Projects)
and that the bill be recommended for adoption.

PASSED AND APPROVED this 1st day of October, 1981 by the
Borough Assembly.

KODIAK ISLAND BOROUGH

By *[Signature]*
Borough Mayor

ATTEST:

By *[Signature]*
Borough Clerk

I hereby certify that the above is a true and correct
copy of Kodiak Island Borough Resolution No. 81-73-R.

[Signature]
Borough Clerk

CITY OF SKAGWAY

GATEWAY TO THE GOLD RUSH OF '98"

P. O. BOX 415 SKAGWAY, ALASKA 99840

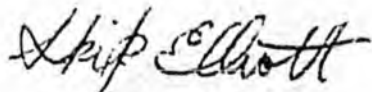
October 5, 1981

Representative Ray Metcalfe, Chairman
House State Affairs Committee
600 W. 41st/Suite 201A
Anchorage, Alaska 99503

Dear Representative Metcalfe:

The Skagway City Council discussed HB618 "State Aid to Municipalities for Capital Projects" at its October 1, 1981 meeting. After some discussion, the Council voted to support public hearings on HB618. The Council recognizes the greater flexibility and ease with which funds ~~are sent~~ "out onto the streets" when planned and administered locally rather than at the State level. However, there was some concern that smaller communities might be forgotten concerning the very large capital projects if too many funds are administered locally. Also, there is some sentiment that a differential cost-of-construction factor should be added to the distribution formula reflecting the very high capital projects cost in the bush communities. At any rate, Skagway supports the holding of public hearings on HB618 in order that these issues might be discussed.

Sincerely,



Skip Elliott
City Manager

CITY OF ANIAK

P.O. BOX 43

ANIAK, ALASKA 99557

Phone 675-4324

25 September, 1981

Honorable Ray Metcalf Chairman
House State Affairs Committee
600 W41st Street Suite 201A
Anchorage, Alaska 99503

Dear Representative Metcalf:

We have received your letter of September 7th regarding House Bill 618 State Aid to Municipalities For Capital Projects.

We are definitely interested in this bill and would welcome a public hearing here in Aniak. As you are undoubtedly aware, Aniak is the largest city in the Middle Kuskokwim River Area which includes Aniak, Chuathbaluk, Crooked Creek, Georgetown, Lime Village, Lower Kalskag, Napaimute, Red Devil, Sleetmute, Stony River and Upper Kalskag.

Most regional hearings in our area are held in Bethel. Unfortunately, this eliminates most of the Middle Kuskokwim communities from participating because of the high costs of transportation and lodging. We, therefore, request that you schedule a hearing here in Aniak.

As a constructive comment, I believe the formula proposed in the House Bill should be changed in order that each community receive an equitable share of the total money available.

The House Bill formula is written $\frac{TA}{TP} \times P = \text{entitlement}$ where TA is total money, TP is total population and P is the population of the community. I would alter this to read $\frac{TA}{TAP} \times P \times CF = \text{entitlement}$ where TA is total money, TAP is total adjusted population, P is population of the community and CF is the cost of construction factor.

To explain; Assume that Anchorage has the lowest construction cost per square foot in the State. Anchorage would have a CF of 1. Assume the construction costs in Fairbanks are 1.3 times higher than Anchorage. Fairbanks would then have a CF of 1.3. Assume the cost of construction in Aniak is 1.9 times Anchorage. Aniak would have a CF factor of 1.9.

The CF factors could be established for every eligible community in the State. Figures can be developed by DOT/PF to determine these factors. Once all factors are assigned it then becomes a simple matter to determine the per capita dollars for each community.

This determination is made by establishing the TAP (total adjusted population) of the State. It would work this way:

Multiply the true population of each community by its CF factor as established above. Example:

Anchorage: True Population	160,000	x its CF of 1	= Adjusted pop.	= 160,000
Fairbanks True Population	40,000	x its CF of 1.3	= Adj. pop.	= 52,000
Aniak True Population	400	x its CF of 1.9	= Adj. pop.	= 760

Once this is done for every community, all adjusted populations would be added together. The sum of these adjusted populations would equal the TAP (Total adjusted population).

To see how this would result in a more equitable distribution of funds we can run through two examples, one using the formula written in HB 618, the other using the proposed formula.

- First assumption: The true total population of the State is 400,000. (TP)
- Second assumption: The adjusted total population of the State is 600,000. (TAP) (derived by adding all the adjusted populations of qualifying communities)
- Third assumption: The total money available for distribution is \$400 million. (TA)
- Fourth assumption: True Anchorage population is 160,000. (P)
- Fifth assumption: True Fairbanks population is 40,000. (P)
- Sixth assumption: True Aniak population is 400. (P)

APPLY FORMULA IN HB 618: $\frac{TA}{TP} \times P = \text{entitlement}$

For Anchorage: TA = \$400,000,000 TP = 400,000 P= 160,000

Then: $\frac{\$400,000,000}{400,000} \times 160,000 = \$160,000,000$ Total entitlement for Anchorage

For Fairbanks: TA = \$400,000,000 TP = 400,000 P= 40,000

Then: $\frac{\$400,000,000}{400,000} \times 40,000 = \$40,000,000$ Total entitlement for Fairbanks

For Aniak: TA = \$400,000,000 TP = 400,000 P= 400

Then: $\frac{\$400,000,000}{400,000} \times 400 = \$400,000$ Total entitlement for Aniak

APPLY PROPOSED FORMULA: $\frac{TA}{TAP} \times P \times CF = \text{entitlement.}$

Assume: CF (Construction Factor) for Anch. is 1, Fair. is 1.3, Aniak is 1.9

For Anch: TA = \$400,000,000 TAP is 600,000 P = 160,000 CF = 1

Then: $\frac{\$400,000,000}{600,000} \times 160,000 \times 1 = \$106,666,667$ Total entitlement for Anch.

For Fair: TA = \$400,000,000 TAP is 600,000 P = 40,000 CF = 1.3

Then: $\frac{\$400,000,000}{600,000} \times 40,000 \times 1.3 = \$34,666,667$ Total entitlement for Fair.

For Aniak: TA = \$400,000,000 TAP is 600,000 P = 400 CF = 1.9

Then: $\frac{\$400,000,000}{600,000} \times 400 \times 1.9 = \$506,666,667$ Total entitlement for Aniak.

Under the proposed formula, Anchorage would receive $66\frac{2}{3}\%$ of the amount they would receive under the HB 618 formula. Fairbanks would receive $86\frac{2}{3}\%$ of the amount under HB 618 and Aniak would receive $126\frac{2}{3}\%$ of the amount under HB 618.

At first glance, it would appear that everyone in the State would benefit at Anchorage's expense. A closer look will show that this is not necessarily true.

If most bush communities are like Aniak, they depend almost entirely on either Anchorage, Fairbanks or Juneau for not only all of their construction materials and equipment but also on the cities to provide their professional and technical needs.

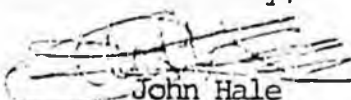
For the City of Aniak all of our engineering and legal services are purchased from Anchorage firms. All of our equipment purchases are made in Anchorage. All of our office furniture and paper supplies are purchased in Anchorage. All of our freight is shipped from Anchorage by air. Almost all of our long distance phone calls are placed to Anchorage. Most of the State and Federal Agencies that service our city and our native population are headquartered in Anchorage. Most of the money we spend when on vacation is spent in Anchorage. It probably could be said that without a lot of Aniaks spread around the State there would be no Anchorage as we know it and by the same token if there were no Anchorage there would be no Aniaks as we know them.

The saying that "The Bush is a money recycling center for Anchorage" is undoubtedly based on the generally acknowledged fact that a great deal of bush money works its way back to our cities. The loss of DIRECT grant monies to Anchorage under the proposed formula will be greatly, if not totally, offset by the increased INDIRECT monies that Anchorage would receive under the proposed formula. I'm sure that figures developed by the State Department of Labor or the State Department of Commerce and Economic Development would verify this premise.

Almost every federal program that bases its payment to States on a linear population factor has been aggressively fought by our participating State agencies and usually this has resulted in the amendment of the federal formulas to allow an adjustment factor for areas such as Alaska.

As a final observation: A fire truck delivered to Aniak costs \$12,000 more than the identical fire truck delivered to Anchorage. Based on HB 618's formula, the cities will be able to build concert halls and convention centers while the Bush will be lucky to get a basic day care center. The proposed Construction Cost Factor is not designed to penalize our cities but rather to equalize the sharing of Alaska's non-renewable resources.

Thanks for the chance to comment. Sincerely,


John Hale
City Manager

25 September 1981

Aniak, AK.

Dear Ray -

Hope this letter does not sound too critical. I would like to express my personal thanks for your bill which allows all of Alaska's citizens to share in its largesse. I hope you will be able to arrange a hearing for Aniak. If you've never been here before, I'm sure you will pleasantly be surprised.

Good luck in the wars at Juneau.

Thank you for your interest in our state

John H. Kelly

HAINES BOROUGH

P.O. BOX H
HAINES, ALASKA 99827

September 24, 1981

The Honorable Ray Metcalfe
Chairman House State Affairs
Committee
Interim Office
600 W. 41st, Suite 201A
Anchorage, Ak. 99503

Dear Representative Metcalfe,

Thank you for giving me an opportunity to comment on House Bill 618.

At first reading the bill seems to be fair to everyone since the distribution of funds is based on population. However, in rethinking through this bill, together with the results I have seen with our funding of the Dankworth Bill, I see things a little differently - at least from the point of view of the small municipality.

Let me use the Haines Borough as an example. We have a population of 687 outside of the City limits. If the full Dankworth funds were to be paid, we would have received only \$687,000. This is not enough for many kinds of capital improvements. Currently we are building a swimming pool at 1.7 million and a new school at Mosquito Lake at 1.5 million. It so happened we were able to use our Dankworth funds to add a locker and shower room to the swimming pool already under construction. Otherwise, it would have been hard to find use for the approximately \$367,000 which was the Haines Borough's entitlement.

One suggestion I have for your bill would be a method to allow a municipality to accumulate several years of payments until they have enough for a major capital improvement project. Either the municipality or the State could put the yearly funds on deposit to accumulate interest, thus, speeding up the time frame for the project to begin.

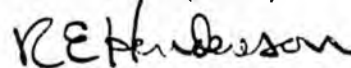
Page Two
Representative Metcalfe

September 24, 1981

Another fault I find with the bill at least as it applies to the Haines Borough, is that all of the money we collect for those who live outside the city goes for educational facilities that are used by all - both those in the city and those outside the city. However, the city spends its money for the benefit of the city residents only. This is a very difficult problem and at present I see no way to resolve it.

I believe others, especially those in small municipalities, should have an opportunity to voice their views at a public hearing.

Sincerely yours,



R. E. Henderson

Mayor

REH:kk.

Hollis Henrichs, Mayor

Ferry D. Lovett, Manager
Donna M. Sherby, Clerk / Treasurer

Council Members
Ken Van Brocklin
Don Narrance
Jay Bynum
Dick Groff
R.J. Kopchak
Ed Maxwell



Box 1210 602 Railroad Avenue
Cordova, Alaska 99574
Phone: (907) 424-3237
or 424-3238

September 16, 1981

Representative Ray Metcalfe, Chair
House State Affairs Committee
600 W. 41st., Suite 201A
Anchorage, AK 99503

Dear Representative Metcalfe:

We have had the opportunity to review proposed 'B 618, and it gave rise to a couple of comments and questions.

First, Cordova strongly disagrees with basing the population figures on the "latest figures of the U.S. Bureau of Census." These figures were collected by individuals making \$5.35/hour in a bush community where the average wage is near \$12.00/hour and the results of the census, again, proves you get what you pay for.

This summer, the City conducted a census under the direction of the State Demographer using the same criteria as the U.S. Census enumerators used, and the population figures increased from 1879 to 2223. These figures do not take into account the influx of fishing-generated personnel which our community must provide services for over a 4 to 6 month period. The Alaska Municipal League will sponsor a bill, to correct this inequity, which we hope you too will sponsor. I have dwelled at length on the subject of determining population as this is the very heart of the matter of the proposed formula.

Second, why shouldn't severance tax on coal be included in Section 4? Within the next several years, coal exports may approach oil and gas.

Section 1.(3)[d] pass through to non-profits bothers me. Almost anyone can form a non-profit corporation with any benevolent sounding name including spin-off of long-recognized service organizations. These shaky non-profits could very well glean off a great deal of State dollars before they are put out of business. I suggest either much tighter language or elimination of non-profit organization from the bill.

Also, Section 1 (c) should be revised to resolution only. Ordinances are cumbersome and must be incorporated in the codified codes of the municipalities.

With these changes, I believe the bill has considerable merit in dedicating a portion of the severance tax for the funding of capital projects. As I understand, municipalities would still be able to go to the legislature for specific capital projects.

If I can be of further assistance, please call.

Very truly yours,


Perry D. Lovett, City Manager



CITY OF NOME

P.O. BOX 281 - NOME, ALASKA 99762
TELEPHONE (907) 443-5242

September 14, 1981

Representative Ray Metcalfe
Committee on State Affairs
600 W 41st, Suite 201A
Anchorage, Alaska 99503

Dear Representative Metcalfe:

Thank you for sending me a copy of HB 618.


I have one comment I'd like to make regarding your bill. Sec. 29.96.020 Determination of Population., is according to the latest figures of the Federal Census. As you are aware, those figures are wrong in many areas of the State. They are already a year and a half old and will be completely wrong within several years.

The City of Nome and other cities and boroughs are working on a new census with strict criteria designed by the Dept. of Community & Regional Affairs.

I would suggest that all future legislation be tied to the Federal census or an updated census approved by the State.

Thank you for the opportunity to comment.

Sincerely,


Ivan L. Widom
City Manager

cc: Senator Ferguson
Representative Fuller
Mayor & Council





Matanuska-Susitna Borough

BOX B, PALMER, ALASKA 99645 • PHONE 745-3246

BOROUGH ASSEMBLY

October 15, 1981

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House State Affairs Committee
600 West 41st Street
Anchorage, Alaska 99503

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The formula contained in this bill should provide more equality between urban and remote areas of the State which does not always exist under the current law. As you are aware, urban areas many times fare less generously than do remote areas of the State in capital improvement legislation.

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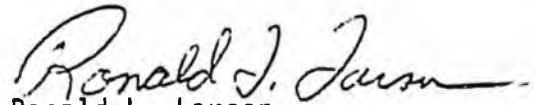
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The Assembly has reviewed this letter and has asked that these comments be furnished to you.

Sincerely,


Ronald L. Larson
Borough Mayor

GT:er

cc: Borough Manager
Finance Department



Unique - even in Alaska!

THE CITY OF WHITTIER

22 October 1981

Rep. Ray Metcalfe, Chairman
House State Affairs Committee
600 W. 41st Avenue Suite 201A
Anchorage, Alaska 99503

Re: House Bill 618

Dear Ray:

The City of Whittier supports the general concept of House Bill 618. However, it would be more equitable for the formula suggested for A.S. §29.96.010(b) to read as follows:

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Letter to Rep. Ray Metcalfe - 22 October 1981

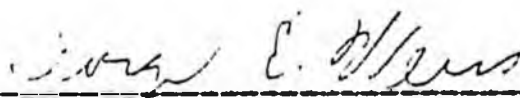
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The reason for this need for a change is that population is not the only proxy for the need of a community for capital improvement. In fact, population could well be inequitable for small communities where the demonstrated benefit per capital improvement dollar per person is less than for large population centers.

The minimum figure would be relatively inconsequential for a large municipality but could make a big difference for a small community.

Sincerely,



George E. Weiss, Whittier City Manager

cc: Senator Mike Colletta
Whittier City Council
Planning and Zoning Commission

Hollis Henrichs, Mayor

Perry D. Lovett, Manager
Donna M. Sherby, Clerk / Treasurer

Council Members
Ken Van Brocklin
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Ed Maxwell



Box 1210 602 Railroad Avenue
Cordova, Alaska 99574
Phone: (907) 424-3237
or 424-3238

REC'D SEP 21 1981

September 16, 1981

Representative Ray Metcalfe, Chair
House State Affairs Committee
600 W. 41st., Suite 201A
Anchorage, AK 99503

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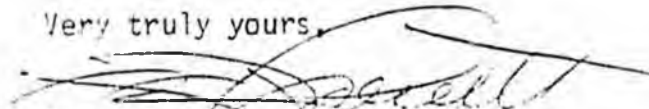
Section 1.(3)[d] pass through to non-profits bothers me. Almost anyone can form a non-profit corporation with any benevolent sounding name including spin-off of long-recognized service organizations. These shaky non-profits could very well glean off a great deal of State dollars before they are put out of business. I suggest either much tighter language or elimination of non-profit organization from the bill.

Also, Section 1 (c) should be revised to resolution only. Ordinances are cumbersome and must be incorporated in the codified codes of the municipalities.

With these changes, I believe the bill has considerable merit in dedicating a portion of the severance tax for the funding of capital projects. As I understand, municipalities would still be able to go to the legislature for specific capital projects.

If I can be of further assistance, please call.

Very truly yours,


Perry D. Lovett, City Manager

CITY OF KENAI

RESOLUTION NO. 81-115

A RESOLUTION OF THE COUNCIL OF THE CITY OF KENAI, ALASKA, EXPRESSING SUPPORT OF HOUSE BILL 618 "STATE AID TO MUNICIPALITIES FOR CAPITAL IMPROVEMENT PROJECTS" SPONSORED BY REPRESENTATIVE RAY METCALFE AND INTRODUCED ON JUNE 23, 1981, AND IS NOW IN THE HOUSE STATE AFFAIRS COMMITTEE FOR CONSIDERATION.

WHEREAS, the City of Kenai is desirous of the State of Alaska establishing a consistent and equitable method of funding capital projects for municipalities, and

WHEREAS, House Bill 618 is designed to establish funding on a per-capita basis which is an effort by Representative Metcalfe to provide equitable funding based on population, and

WHEREAS, passage of House Bill 618 would create consistent funding for each municipality and give each municipality predictability for capital improvement projects knowing in advance the amounts of money that would be provided under House Bill 618, and

WHEREAS, under existing capital improvement requests from the State of Alaska there exist many discrepancies and inequities as to the method used in awarding grants to the various communities, and

WHEREAS, the City of Kenai is desirous of the stability of consistent funding on a perennial basis.

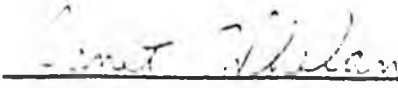
NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF KENAI, ALASKA, that House Bill 618 receive a favorable recommendation with certain reservations from the House State Affairs Committee.

BE IT FURTHER RESOLVED that upon adoption a copy be sent to Representative Ray Metcalfe.

PASSED BY THE COUNCIL OF THE CITY OF KENAI, ALASKA, this 8th day of November, 1981.


VINCENT O'REILLY, MAYOR

ATTEST:


Janet Whelan, City Clerk



PIONEER PROGRESS



CITY OF FAIRBANKS

410 CUSHMAN ST.

FAIRBANKS, ALASKA 99701



November 30, 1981

Representative Ray Metcalfe
P.O. Box 4-2766
Anchorage, AK 99509

Dear Representative Metcalfe:

As you know, many Alaskan municipalities were outraged by the inadequate job done in 1980 by the Federal Census Bureau.

We suspect those municipalities feeling most strongly of being undercounted are those which funded recounts. The City of Fairbanks commissioned a recount, and found the population to be nearly 13% higher - 2,881 more people - than determined by the Federal census. These recounts were monitored by the State Administration, and the results of the recounts are being accepted for various revenue distribution programs.

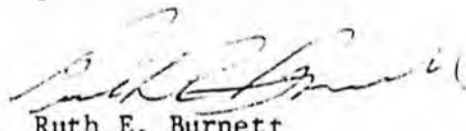
We believe the City of Fairbanks, and other Alaskan municipalities, have been done an injustice - though not intentionally - by the current per capita grants legislation (popularly known as SB 168). If the census bureau had done its work properly, the City of Fairbanks would have received substantially more from that program.

We ask, in the interest of fairness, that you work for a supplemental appropriation to the SB 168 program in the upcoming legislative session, so that each municipality in Alaska that received a deficient appropriation, can be made whole.

We have written to the Governor asking for his support. Please let us know if you will work for and support a supplemental appropriation.

Cordially,

CITY OF FAIRBANKS


Ruth E. Burnett
Mayor



Alaska State Legislature

House of Representatives

Committee on State Affairs

Interim Office

600 W. 41st/Suite 201A

Anchorage, Alaska 99503

Pouch V

State Capitol

Juneau, Alaska 99811

Official Business

DATE: September 7, 1981

TO: All interested parties

FROM: Rep. Ray Metcalfe, Chair
House State Affairs Committee

SUBJ: House Bill 618 & public hearings

The attached House Bill 618 "State Aid to Municipalities for Capital Projects," sponsored by Rep. Ray Metcalfe was introduced on June 23, 1981 and is now before this Committee for consideration.

House Bill 618 would allocate funds to the municipalities for capital projects from the general fund, via the formula outlined in the bill. These funds would be made available through the passage of HJR 66 proposing an amendment to the Constitution of the State of Alaska which would dedicate on a permanent basis, proceeds from an increase in the state severance tax on oil or gas production to all organized boroughs and cities on a equal per capita basis for municipal purposes.

We would like your input on these pieces of legislation and if enough interest is generated we plan to schedule public hearings on House Bill 618 at a future date, to be announced.

December 9, 19981



Honorable Ray Metcalfe
Representative
Alaska State Legislature
Committee on State Affairs
600 W. 41st Street, Suite 201A
Anchorage, Alaska 99503

Dear Representative Metcalfe:

On behalf of the City of Kodiak, I would like to express support of House Bill 618 and HJR 66. By passage of these items of proposed legislation, Alaska municipalities would greatly benefit and receive funding assistance on a permanent basis for capital projects. As I am sure you are probably aware, the construction costs of capital projects and improvements have been increasing at a very rapid rate, especially in Kodiak. Consequently, some very necessary capital projects do not materialize due to a lack of funds to accomplish same. Our community is growing; however, due to increased costs, it is becoming more difficult to provide for and meet the needs of growth and development. With this in mind, the Kodiak City Council passed and approved Resolution 56-81, copy enclosed, supporting House Bill 618 at their meeting of November 30, 1981.

If the City of Kodiak can offer further support or input on these pieces of legislation, please do not hesitate to contact me.

Sincerely,

CITY OF KODIAK

WILLIAM C. RIVIN
City Manager

WCB/LKG/tnw

Enclosure

CITY OF KODIAK
RESOLUTION 56-81

A RESOLUTION OF THE CITY OF KODIAK EXPRESSING SUPPORT OF HOUSE BILL 618, "STATE AID TO MUNICIPALITIES FOR CAPITAL PROJECTS".

WHEREAS, the passage of House Bill 618 would allocate funds to Alaskan municipalities for capital projects computed in accordance with the stated formula for entitlement; and

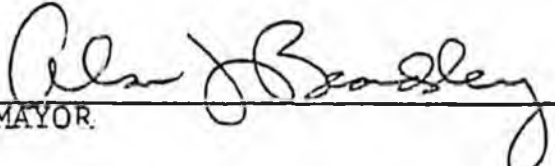
WHEREAS, funds for the program outlined in HB 618 would be made available through the passage of HJR 66 proposing an amendment to the Constitution of the State of Alaska which would dedicate on a permanent basis the proceeds from an increase in the State severance tax on oil or gas production to all organized municipalities on an equal per capita basis for municipal purposes; and

WHEREAS, construction costs for capital projects throughout Alaska and, more specifically, Kodiak, have increased at a very rapid rate.

NOW, THEREFORE, BE IT RESOLVED by the Kodiak City Council that the City of Kodiak hereby expresses support of House Bill 618, "An Act relating to State aid to municipalities for capital projects", and encourages passage of same.

PASSED AND APPROVED this 30th day of November, 1981.

CITY OF KODIAK


MAYOR

ATTEST:


CITY CLERK