

C E R A

COMMISSIONER
CONFIRMATION
HEARINGS

FILE 2

CONTENTS (LEFT-SIDE)

Copy of letter to Mark Lewis informing of hearings

AS 39.05.070

Resume - Mark Lewis

Financial Statement - Mark Lewis

Letters, articles in support of or against Mark Lewis

CONTENTS (RIGHT-SIDE)

TAB 1 General questions - Department overview

TAB 2 Valdez Property Tax Assessments

News Release - Dept. of Revenue

Municipal assessed value ratio tables 1980, 1981, 1982, Dept. of Revenue

Press Release - Mark Lewis

Letter, Mr. Randall, assessor, to Mark Lewis re: assessed values dated March 31, 1981

Valdez City Code - taxation

Valdez City Charter - taxation

Excerpts Anchorage Daily Times, February 18, 1983; February 19, 1983

TAB 3 Seward Grain Terminal

Chronology of events - Seward Grain Terminal

TAB 4 Valdez Personnel Policy Change

Request for change - April 12, 1982

Memo for Review Committee - April 12, 1982

Valdez City Attorney report - August 25, 1982

Valdez City Code - personnel

Unsigned city resolution No. 8248, Sept. 1982

City ordinance No. 8216, Sept. 20, 1982

INDEX

TAB

1. ANNOUNCEMENTS
2. STATUTES, RE: CONFIRMATION
3. BIOGRAPHY - MARK LEWIS
4. CONFLICT OF INTEREST STATEMENT
5. LETTERS OF SUPPORT
6. LETTERS, RE: VALDEZ
7. LETTER OF NON-SUPPORT

Lee Sharp
586 -

How Gov's appointed you?
why?
Hunt Bldg - from
Candace St.

Alaska State Legislature

file

Barbara Lacher, Chairman
Mae Tischer, Vice-Chairman
Randy Phillips
Milo Fritz
Don Clocksin
Jack McBride
Mike Szymansk



Room 104
State Capitol
Juneau, Alaska 99811

Pouch V
Juneau, Alaska 99811

House of Representatives
Committee on Community & Regional Affairs

March 17, 1983

Joe Hayes
House Speaker
State Capital
Pouch V
Juneau, AK 99811

Dear Speaker Hayes,

This is to request an extension of the April 1, 1983 recommendation from the Committee on Community & Regional Affairs pertaining to the confirmation of Mr. Mark Lewis as Commissioner, Department of Community and Regional Affairs.

We initially scheduled the hearings to begin on March 21, 1983, this schedule was based upon timely receipt of a report from the Department of Revenue and of receiving legal opinions on related issues. The report arrived this morning and will clearly require additional staff time to fully analyze. In all fairness to Commissioner Lewis, we need to clear up the allegations that have been addressed in the report.

The primary purpose of this request is to insure that the Committee provide Mr. Lewis with a full hearing and, in so far as possible, clear the air on any possible allegations.

Sincerely,

A handwritten signature in cursive script, appearing to read "Barbara Lacher".

Barbara Lacher
Representative
District 16

BL/sr

Alaska State Legislature

Barbara Lacher, Chairman
Mae Tischer, Vice-Chairman
Randy Phillips
Milo Fritz
Don Clocksin
Jack McBride
Mike Szymanski



Room 104
State Capitol
Juneau, Alaska 99811

Pouch V
Juneau, Alaska 99811

House of Representatives Committee on Community & Regional Affairs

March 17, 1983

Mr. Mark Lewis, Commissioner
Department of Community & Regional
Affairs
Juneau, Alaska

Dear Commissioner Lewis:

I regret that I must inform you that confirmation hearings for your appointment, scheduled for March 21 and 22, must be delayed.

When we initially scheduled the hearings for the above dates, it was with the understanding that we would be in receipt of a report from the Department of Revenue and of receiving legal opinions on related issues. The report just arrived this morning and will clearly require additional staff time to review. It is my intention to inform myself and the committee to the fullest extent possible and it is with this in mind that I am delaying the hearing.

Please rest assured that hearings will be rescheduled as soon as possible.

Sincerely,

A handwritten signature in cursive script, appearing to read "Barbara Lacher".

Representative Barbara Lacher
Chairman, House C & R A Committee

Enclosure

Alaska State Legislature



Room 104
State Capitol
Juneau, Alaska 99811

Pouch V
Juneau, Alaska 99811

Barbara Lacher, Chairman
Mae Tischer, Vice-Chairman
Randy Phillips
Milo Fritz
Don Clocksin
Jack McBride
Mike Szymanski

House of Representatives Committee on Community & Regional Affairs

March 14, 1983

Mr. Mark Lewis, Commissioner
Department of Community and
Regional Affairs
Pouch B
Juneau, Alaska 99811

Dear Commissioner Lewis:

Pursuant to AS 39.05.080, the House Committee on Community and Regional Affairs is in receipt of communications that request the Committee to conduct hearings pertaining to your confirmation as Commissioner, Department of Community and Regional Affairs.

This is to notify you that confirmation hearings will be scheduled to begin at 3:15 p.m. on March 21 in Room 205, Capitol and on March 22, in Room 126, Capitol. Additional hearings may be scheduled, if deemed necessary. The Committee respectfully requests your presence during the hearings.

Sincerely,

A handwritten signature in cursive script, appearing to read "Barbara Lacher".
Representative Barbara Lacher
Chairman, House Community and
Regional Affairs Committee

BL:pt

Applied in Alaska State-Operated School Sys. v. Mueller, Sup. Ct. Op. No. 1157 (File No. 2138), 536 P.2d 99 (1975).

Cited in Walker v. Alaska State Mortgage Ass'n, Sup. Ct. Op. No. 353 (File No. 669), 416 P.2d 245 (1966); Alaska State Housing Auth. v. Dixon, Sup. Ct. Op. No. 793 (File No. 1529), 496 P.2d 649 (1972).

Am. Jur. 2d and ALR references. — 63 Am. Jur. 2d, Public Officers and Employees, §§ 5, 38-81, 360-413.

Conclusiveness of governor's decision in removing or suspending officers, 52 ALR 7; 92 ALR 998.

Constitutionality of statute providing for direct appeal or other review of orders and rulings of governor, 66 ALR 586.

Prohibition as means of controlling action of governor, 115 ALR 14.

Legislative power to prescribe qualifications for or conditions of eligibility to constitutional office, 34 ALR2d 155.

Sec. 39.05.065. Qualifications of members of the Board of Education. (a) Each member of the Board of Education shall be a citizen of the United States and have been a resident of Alaska for at least three years.

(b) A member of the Board of Education may also be a member of a district school board. (§ 11 ch 96 SLA 1967; am § 19 ch 26 SLA 1980)

Revisor's note. — "District" as used in subsection (b) of this section apparently means a district of the state public school system as set out in AS 14.12.010.

Cross reference. — As to appointment

of members of Board of Education, see AS 14.07.085.

Effect of amendment. — The 1980 amendment, added subsection (b).

Sec. 39.05.070. Purpose. It is the purpose of AS 39.05.070 — 39.05.110 to—provide procedural uniformity in the exercise of appointive powers conferred by the legislature to eliminate, insofar as possible, recess or interim appointments except in the event of death, resignation, inability to act or other removal from office and the exercise, insofar as possible, of appointive powers only when the legislature is in session. (§ 1 ch 64 SLA 1955)

Section repugnant to tacit confirmation. — The expressed intention of this section is repugnant to tacit

confirmation of appointments. Munson v. Territory of Alaska, 16 Alaska 580 (1956).

Sec. 39.05.080. Procedure for all appointments. Appointments shall be made in the following manner:

- (1) The appointing authority shall, within 30 days of the convening of the legislature in regular session, present to the legislature for confirmation the names of the following persons: (A) persons appointed to a position or membership who have not previously been confirmed by the legislature or either house of it; (B) persons appointed by him subject to confirmation to fill an existing position or membership vacancy; (C) persons to be appointed subject to confirmation to fill a position or membership the term of which shall expire before July 2, following the session of the legislature. If an appointment is made after the deadline but while the legislature is in session, the appointing

authority shall, within five calendar days after the appointment is made, present to the legislature for confirmation the name of the person appointed. The deadline may be extended by the legislature by the approval of a concurrent resolution.

(2) When appointments are presented to the legislature for confirmation,

(A) the presiding officer of each house shall assign the name of each appointee to a standing committee of that house for a hearing, report and recommendation; standing committees of the two houses assigned the same person's name for consideration may meet jointly to consider the qualifications of the person appointed and may issue either a separate or a joint report and recommendation concerning that person; then

(B) the legislature shall, before the end of the session in which the appointments are presented, in joint session assembled, act on the appointments by confirming or declining to confirm by a majority vote of all of the members the appointments presented.

(3) When the legislature declines to confirm an appointment, the legislature shall notify the appointing authority of its action and a vacancy in the position or membership exists which the appointing authority shall fill by making a new appointment. The new appointment shall be presented for confirmation to the legislature within 20 calendar days following receipt by the appointing authority of the legislature's notification of its refusal to confirm the prior appointment. If the name of a person is submitted and is not confirmed, the appointing authority may not, upon resubmission of appointments, submit again the name of the person whose confirmation was refused for the same position or membership during the session of the legislature at which confirmation was refused. The person whose name is refused for appointment by the legislature may not thereafter be appointed to the position or membership during the interim between legislative sessions. Failure of the legislature to act to confirm or decline to confirm an appointment during the session in which the appointment was presented is tantamount to a declination of confirmation on the day the session adjourns.

(4) Pending confirmation or rejection of appointment by the legislature, persons appointed shall exercise the functions, and have the powers and be charged with the duties prescribed by law for the appointive positions or membership. (§ 4 ch 64 SLA 1955; am §§ 1—3 ch 1 SLA 1964; am § 1 ch 2 SLA 1967; am § 1 ch 65 SLA 1974; am § 2 ch 82 SLA 1975)

Legislative history of ch. 82, SLA 1975. — See Bradner v. Hammond, Sup. Ct. Op. No. 1297 (File No. 2802), 553 P.2d 1 (1976).

Laws requiring bilateral appointments are mandatory. Munson

v. Territory of Alaska, 16 Alaska 580 (1956).

Paragraph (2) of this section imposes a direct mandate upon the legislature to act upon the nominations of the governor. Munson v. Territory of Alaska, 16 Alaska 580 (1956).

BIOGRAPHY

Mark E. Lewis

Born:

Place: Boston, Massachusetts

Year: June 27, 1951

Education:

Grade School - Marblehead, Massachusetts

High School - Shattuck School
Fairbault, Minnesota

Undergraduate - Washington State University
September 1971 - June 1974; Bachelor of Arts - Political
Science/Public Administration; course work emphasis in
community development; organization and government
administration

Graduate - Washington State University
February 1977 - January 1978; course work emphasis in
finance and accounting

Listings and Offices:

- President, Alaska City Managers Assoc., 1980/81
- Vice President, Alaska City Managers Assoc., 1979/80
- Board of Directors, Alaska City Managers Assoc., 1978/79
- "Who's Who" Among Students in American Universities and
Colleges, 1973/74

Military:

- Graduate of United States Army
Ranger School - 1972
Status: Army Reserves

Work Experience:

- City of Pullman
Pullman, Washington
1972 - 1974

Program Coordinator

Worked part-time while an undergraduate student as staff
assistant to a City Department Head

- City & Borough of Juneau
Juneau, Alaska
June 1974 - February 1977

City/Borough Administrative Assistant (Assistant to the City Manager)

The City of Juneau is a consolidated full-service "home-rule" city/borough government of the capital of the State of Alaska with a population of 22,000; net budget approximately \$40 million, including \$15 million capital budget. Responsibilities as the Assistant to the City Manager included: budget preparation and budget management assignments; direct responsibility for the City's insurance program and State and Federal grant programs. As staff assistant to the manager, I conducted management analysis and review of various City operations, supervised a wide variety of civic projects and aided in the development of staff policy on a broad spectrum of issues.

- City of Valdez
Valdez, Alaska
January 1978 - May 1978

Assistant City Manager

Managed day-to-day routine operations of the City, along with being directly responsible for financial operations. Did research; monitored, evaluated and directly supervised various programs; developed staff policy recommendations on a broad spectrum of issues.

- City of Valdez
Valdez, Alaska
May 1978 - July 1982

City Manager

The City of Valdez is a growing oil pipeline and port community - the terminus of the Trans-Alaska Pipeline and North America's largest oil port. The City is a full-service, "home-rule," local government encompassing 275 square miles, with a 1981 net operating budget of \$29 million and a capital budget of \$70 million. The Community has approximately 80 full-time City employees and a population of approximately 4,000 people.

The Community's goals, as defined and developed, are to expand and diversify the economy - building on the economic base of the pipeline terminal and utilizing the City's unusual tax base to rebuild and establish the community's long term assets while improving the quality of life for its citizens.

I, as City Manager, was able to make significant contributions to the City of Valdez while, at the same time, gaining a great wealth of management experience, especially in the fields of municipal finance and industrial development, as well as obtaining the experience of piloting major construction projects with significant environmental considerations through Federal and State permit process, on schedule and within budget.

Experience Summary

- Identified, developed and implemented comprehensive community goals with the City Council over a period of years.
- Planned and implemented a comprehensive capital improvement program which included: major port facilities, schools, roads, storm and sanitary sewers, parks, library, civic center, administration building and police and fire stations.
- Facilitated the economic development and diversification of the City.
- Developed the City as one of the major leaders in tax-exempt financing.
- Reconstructed and redirected the City's financial systems.
- Developed a capable staff who are able to follow through with the City's diversification programs.

Economic Development and Diversification

The City Administration established a sound working relationship with industry, which has been the basis for Valdez's economic development. The Administration's efforts included the development of the oil industry, port and marine industries, seafood industry, pipeline related industries, as well as small businesses.

Tax-Exempt Financing

The City of Valdez has become a leader in the field of tax-exempt financing. I was the key administrative official for the City of Valdez on the following financing:

- in the final issues of \$1.35 Billion in Marine Terminal Revenue Bonds;

- \$600 million developed to construct oil facilities in Valdez;
- \$48 million Port Redevelopment bond issue to construct a new "interior Alaska" container port at Valdez;
- \$10 million housing mortgage revenue bond (low interest 8 1/2%) which provided tax-exempt housing mortgage money for Valdez residents; and
- \$18 million school bond issue used to construct various school facilities

Capital Construction

Major new capital construction programs completed under my administration include the following:

- Library facilities - \$2.6 million
- Administration and Police buildings - \$3.0 million
- Three fire stations (2 rural and 1 central)
- City shop (heavy equipment, vehicle maintenance facility)
- Roads, storm and sanitary sewers, parks
- Airport reconstruction - \$7.0 million (including Navigational Aid System)
- Port facilities - \$48.0 million (cargo and container)
- Civic Center (includes theater and large convention center)

These construction projects were designed to build Valdez's infrastructure of community facilities while stimulating the economy in the midst of a temporary recession. During these years the tax millage rate was lowered from 8.9 mills to 6.3 mills.

Awards

Valdez-All America City, 1981-82 by the National League of Cities

Excellence in financial Reporting, 1982 by the Municipal Financial Officer's Association

JAN 4 1983

STATE OF ALASKA
ALASKA PUBLIC OFFICES COMMISSION

APOC - JNO

610 C Street, Suite 211
Anchorage, AK 99501-3598
(907) 276-4176

OR

Room 302, Goldstein Bldg.
130 Seward Street
Mail: Pouch CO
Juneau, AK 99811-0222
(907) 465-4864

CONFLICT OF INTEREST STATEMENT FOR STATE PUBLIC OFFICIAL OR CANDIDATE

PART 1. GENERAL INFORMATION

REPORTING PERIOD: January 1, 1982 to December 31, 1982 *

REPORTING OFFICIAL: Name: Mark Lewis

Resident Address: 150 Third Street Mailing Address: Pouch B

City: Juneau State: AK Zip Code: 99811 Home Phone: (907) 465-4700
Work Phone: (907) 465-4700

APPLICABLE OFFICE (Mark one or more, as appropriate, and complete blanks):

Legislative (Senator or Representative) Judicial: (title)

Executive Commissioner Community and Regional Affairs
(title of position) (name of department)

Board or Commission Alaska Housing Finance Corporation, Alaska Industrial Develop
and others declared by State Statute
(name of Board or Commission)

TERM OF OFFICE: Begin December 6, 1982 End -

If Candidate, Date Declaration of Candidacy or Nominating Petition Filed: _____

If Appointed or Hired, Effective Date of Appointment: December 7, 1982

MEMBERS OF FAMILY OF REPORTING OFFICIAL: (Please list names)

Spouse: N.A. Dependent Children: N.A.

Non-dependent Children Living with Reporting Official: N.A.

PART 2. CERTIFICATION

I, the undersigned, declare under oath and on penalty of perjury that the statements contained in this conflict of interest statement are, to the best of my knowledge, true, correct, and complete.

DATED: 1/3/83 SIGNED: [Signature]

SUBSCRIBED AND SWORN to before me this _____ day of _____, 19 _____.

Notary Public: _____
My commission expires: _____

*The reporting period is the preceding calendar year for public officials and candidates; were an official to be appointed to a position subject to AS 39.50 in 1981 or were a candidate to file for office in 1981, the "current" COI Statement would cover calendar year 1980.

PART 3. SOURCES OF INCOME AND CAPITAL GAINS OVER \$100

NAME (of reporting official, spouse, etc.)

SOURCE OF INCOME (by name; amounts need not be disclosed.)

1) Salary:

Mark Lewis

State of Alaska

Commissioner

Community and Regional Affairs

Office of the Commissioner

2) Rentals (include business name, if any):

(renters)

3) Dividends and Interest:

Mark Lewis

First National Bank of Anchorage

Foster & Marshall, Inc.

4) Self employment (business name):

(clients or customers or "retail")

N.A.

5) Other:

N.A.

(Continue on blank sheet if necessary)

PART 4. BUSINESS INVOLVEMENT OR OWNERSHIP INTEREST AS A STOCKHOLDER, OWNER, OFFICER, DIRECTOR, PARTNER, PROPRIETOR, OR EMPLOYEE

NAME (reporting official, spouse, etc.)	NATURE OF INVOLVEMENT OR INTEREST	NAME AND ADDRESS OF BUSINESS
<u>Mark Lewis</u>	<u>Savings Account</u>	<u>First Nation Bank of Anch. Valdez, AK 99686</u>
	<u>Savings Account</u>	<u>Foster & Marshall, Inc. Juneau, AK 99801</u>

(Continue on blank sheet if necessary)

PART 5. REAL PROPERTY INTERESTS OWNED, INCLUDING OPTIONS TO BUY

NAME (of reporting official, spouse, etc.)	IDENTITY OF PROPERTY INCLUDING LOCATION AND CURRENT USE	NATURE OF INTEREST
<u>Mark Lewis</u>	<u>House - 324 Hanagita Valdez, AK 99686</u>	<u>Owner, current Rental</u>
	<u>Town house, Juneau</u>	<u>Purchasing house</u>
	<u>Douglas Island</u>	<u>Mortgage TBA</u>

(Continue on blank sheet if necessary)

PART 6. BENEFICIAL INTEREST IN TRUSTS OR OTHER FIDUCIARY RELATION

NAME (reporting official, spouse, etc.)	TRUSTOR	PROPERTY	EXTENT OF INTEREST
<u>N.A.</u>			

(Continue on blank sheet if necessary)

**PART 7. LOANS, LOAN GUARANTEES OR OTHER FINANCIAL OBLIGATIONS
OF \$500 OR MORE**

NAME (reporting official, spouse, etc.)	IDENTITY OF MAKER OF LOAN, LOAN GUARANTOR, OR CREDITOR
Mark Lewis	Mortgage on Valdez house - self mtg. w/ FWBA
Mark Lewis	Car loan self-loan w/ FWBA

(Continue on blank sheet if necessary)

**PART 8. CONTRACTS AND OFFERS TO CONTRACT WITH THE STATE
OR AN INSTRUMENTALITY OF THE STATE**

NAME AND RELATIONSHIP (John Doe, reporting off.; Jan Doe, spouse)	STATE CONTRACTING DEPT. OR INSTRUMENTALITY	IDENTITY OF CONTRACT	INDICATE: BID, HELD, OFFERED
N.A.			

(Continue on blank sheet if necessary)

**PART 9. LEASES OR OFFERS TO LEASE MINERAL, TIMBER, OIL,
OR OTHER NATURAL RESOURCES**

NAME AND RELATIONSHIP (John Doe, reporting off.; Mary Doe, mother)	NATURE OF LEASE	IDENTITY OF LEASE	INDICATE: HELD OR OFFERED
N.A.			

(Continue on blank sheet if necessary)

JAN 3 1983

STATE OF ALASKA
ALASKA PUBLIC OFFICES COMMISSION

610 C Street, Suite 211
Anchorage, AK 99501-3598
(907) 276-4176

OR

APOC - JNO
P.M. H.C.
Room 302, Goldstein Bldg.
130 Sewart Street
Mail: Pouch CO
Juneau, AK 99811-0222
(907) 465-4864

CONFLICT OF INTEREST STATEMENT FOR STATE PUBLIC OFFICIAL OR CANDIDATE

PART 1. GENERAL INFORMATION

REPORTING PERIOD: January 1, 1983 to December 31, 1983

REPORTING OFFICIAL: Name: Mark Lewis

Resident Address: 2733 John Street Mailing Address: Pouch B

City: Juneau State: AK Zip Code _____ Home Phone: _____
Work Phone: (907) 465-4700

APPLICABLE OFFICE (Mark one or more, as appropriate, and complete blanks):

Legislative _____ Judicial: _____
(Senator or Representative) (title)

Executive Commissioner of the Department of Community and Regional Affairs
(title of position) (name of department)

Board or Commission Alaska Housing Finance Corporation and the Alaska Industrial
Development Association & others by State Statute
(name of Board or Commission)

TERM OF OFFICE: Begin December 6, 1982 End _____

If Candidate, Date Declaration of Candidacy or Nominating Petition Filed: _____

If Appointed or Hired, Effective Date of Appointment: December 6, 1982

MEMBERS OF FAMILY OF REPORTING OFFICIAL: (Please list names)

Spouse: N.A. Dependent Children: N.A.

Non-dependent Children Living with Reporting Official: N.A.

PART 2. CERTIFICATION

I, the undersigned, declare under oath and on penalty of perjury that the statements contained in this conflict of interest statement are, to the best of my knowledge, true, correct, and complete.

DATED: 1/3/83 SIGNED: Mark Lewis

SUBSCRIBED AND SWORN to before me this 3rd day of January, 19 83

Notary Public: Walter E. English
My commission expires: 7/16/83

*The reporting period is the preceding calendar year for public officials and candidates; were an official to be appointed to a position subject AS 39.50 in 1981 or were a candidate to file for office in 1981, the "current" COI Statement would cover calendar year 1980.

PART 3. SOURCES OF INCOME AND CAPITAL GAINS OVER \$100

NAME (of reporting official, spouse, etc.)

SOURCE OF INCOME (by name; amounts need not be disclosed.)

1) Salary:

Mark Lewis
Mark Lewis
Mark Lewis

City of Valdez
University of Alaska
State of Alaska/CRA/Commissioner

2) Rentals (include business name, if any):

(renters)

3) Dividends and Interest:

Mark Lewis

First National Bank of Anch
Foster & Marshall, Inc

4) Self employment (business name):

N.A.

(clients or customers or "retail")

5) Other:

N A

(Continue on blank sheet if necessary)

**PART 4. BUSINESS INVOLVEMENT OR OWNERSHIP INTEREST AS A STOCKHOLDER,
OWNER, OFFICER, DIRECTOR, PARTNER, PROPRIETOR, OR EMPLOYEE**

NAME (reporting official, spouse, etc.)	NATURE OF INVOLVEMENT OR INTEREST	NAME AND ADDRESS OF BUSINESS
Mark Lewis	Savings Account	Valdex, AK 99686
_____	_____	Foster and Marshall, Inc.
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

(Continue on blank sheet if necessary)

PART 5. REAL PROPERTY INTERESTS OWNED, INCLUDING OPTIONS TO BUY

NAME (of reporting official, spouse, etc.)	IDENTITY OF PROPERTY INCLUDING LOCATION AND CURRENT USE	NATURE OF INTEREST
Mark Lewis	House - 324 Hanagita	Owner -
_____	_____	_____
_____	_____	_____
_____	_____	_____

(Continue on blank sheet if necessary)

PART 6. BENEFICIAL INTEREST IN TRUSTS OR OTHER FIDUCIARY RELATION

NAME (reporting official, spouse, etc.)	TRUSTOR	PROPERTY	EXTENT OF INTEREST
N.A.	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

(Continue on blank sheet if necessary)

**PART 7. LOANS, LOAN GUARANTEES OR OTHER FINANCIAL OBLIGATIONS
OF \$500 OR MORE**

NAME (reporting official, spouse, etc.)	IDENTITY OF MAKER OF LOAN, LOAN GUARANTOR, OR CREDITOR
Mark Lewis	Car loan self-loan w/FWBA

(Continue on blank sheet if necessary)

**PART 8. CONTRACTS AND OFFERS TO CONTRACT WITH THE STATE
OR AN INSTRUMENTALITY OF THE STATE**

NAME AND RELATIONSHIP (John Doe, reporting off.; Jan Doe, spouse)	STATE CONTRACTING DEPT. OR INSTRUMENTALITY	IDENTITY OF CONTRACT	INDICATE: BID, HELD, OFFERED
N.A.			

(Continue on blank sheet if necessary)

**PART 9. LEASES OR OFFERS TO LEASE MINERAL, TIMBER, OIL,
OR OTHER NATURAL RESOURCES**

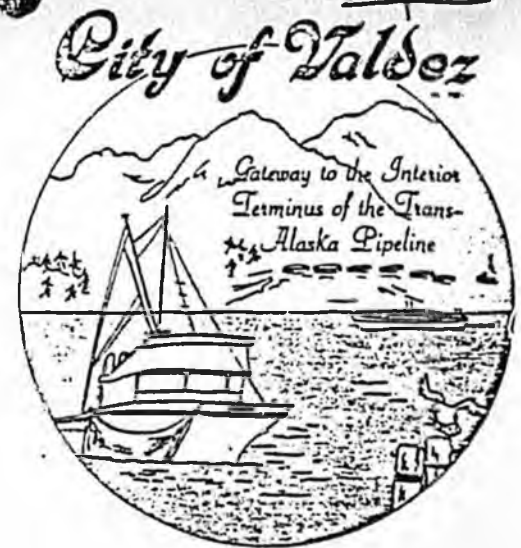
NAME AND RELATIONSHIP (John Doe, reporting off.; Mary Doe, mother)	NATURE OF LEASE	IDENTITY OF LEASE	INDICATE: HELD OR OFFERED
N.A.			

(Continue on blank sheet if necessary)

RECEIVED

JAN 27 1983

POLICE DEPARTMENT
January, 24, 1983 DEPT. OF COMMUNITY
AND REGIONAL AFFAIRS



Governor Bill Sheffield
Pouch A
Juneau, Alaska 99811

Dear Governor Sheffield:

I am writing this letter because I feel that it is important that other views be known. I have never used the news media or other public sources to air my personal opinions. However; recently after reading several stories in the Anchorage Daily News I find myself compelled to ask for a few minutes of your time.

I will not answer each point that has been made by the Anchorage Daily News as I feel this is a blatant attempt by them not only to discredit Mr. Lewis but also a cheap way to sell newspapers.

I have worked closely with Mr. Lewis and was very pleased with his appointment to the state cabinet post. I feel this appointment and others that you have made are a clear sign that we will not only have honesty in our state government but that we will have progressive government rather than business as usual.

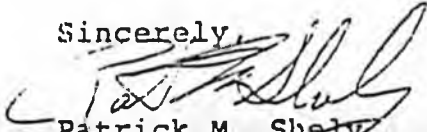
In the time Mr Lewis spent as City Manager with the City of Valdez I found his integrity and honesty to be of the highest level. I would not hesitate to work for or with Mr. Lewis on any matters.

To allow blatant attempts by the Anchorage Daily News and others who appear to have personal grudges against Mr. Lewis to remove Mr. Lewis from office would be a serious miscarriage of justice.

I also feel that this type of political mudslinging would damage our political process if allowed to have any credibility.

Thank you for your time. Please be assured of my support and cooperation.

Sincerely,


Patrick M. Shely
Chief of Police

cc: Mark Lewis



CO—MAN SERVICES

BOX 234
DILLINGHAM, ALASKA 99576

February 24, 1983

The Honorable
Representative Barbara Lacher
Pouch V
Juneau, Alaska 99811

Dear Rep. Lacher:

I have recently met with the Department of Community and Regional Affairs Commissioner and wish to convey to you my favorable impression of him. Mr. Lewis strikes me as a person who is sensitive to municipal problems of communities of all sizes in our state.

It is my hope that you will look favorably on his confirmation. Although I have heard of certain allegations in reference to Mr. Lewis, I am not personally aware of anything substantial against him to cause me to speak against his confirmation.

With this in mind, I am in support of Mr. Lewis as Commissioner of Community and Regional Affairs and I sincerely urge you to vote in favor of his confirmation.

Thank you for your consideration.

Sincerely,

Nels A. Anderson Jr.

Nels A. Anderson, Jr.

NAA:bjb

Alaska State Legislature

SENATOR BETTYE FAHRENKAMP
CHAIRMAN RESOURCES COMMITTEE

4016 EVERGREEN
FAIRBANKS, ALASKA 99701
907-476-3550



Senate

WHILE IN JUNEAU
POUCH V
JUNEAU, ALASKA 99811
OFFICE 907-465-3763
RESOURCES COMMITTEE
907-465-3834
HOME 907-789-9182

March 7, 1983

Mr. Nels A. Anderson, Jr.
Co-Man Services
Box 234
Dillingham, Alaska 99576

Dear Nels:

Thank you for your letter supporting Mark Lewis. I've had the opportunity to work with Mark and I find him to be not only very dedicated, but bright and aggressively motivated. I tend to feel as you do, I'm very impressed.

Nels, as you know, there are no assurances. But, I intend to do all that I can to see this fine young man confirmed. It's just too bad you're not here to cast your official vote. We sure do miss you in the chamber and in the lounge.

I sincerely hope all is well with you professionally and personally. Next time you are in town, don't be such a stranger.

Warm personal regards.

Sincerely,

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

Bettye Fahrenkamp
Alaska State Senator

BF/ab



THE FIRST NATIONAL BANK OF ANCHORAGE

November 7, 1980

Mark Lewis
City Manager
City of Valdez
P.O. Box 307
Valdez, Alaska 99686



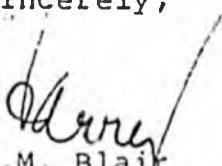
Dear Mark:

I'm sorry to hear you're leaving the City for I've truly enjoyed the candor of our relationship.

You, as well as all who are willing to conscientiously and meaningfully devote some portion of your lives to public service, are to be applauded.

In the meantime, I'm anxious to learn of your future plans, so do let me know.

Sincerely,


H.M. Blaik
Senior Vice President

HMB/ks





Seatrain Pacific Services, Inc.

John W. Graves
President
and Chief Operating Officer



November 20, 1980

Mr. Mark Lewis
City Manager
City of Valdez
P.O. Box 307
Valdez, Alaska 99686

Dear Mark:

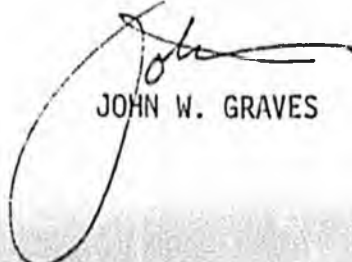
It's with mixed feelings that I received word of your intent to resign as City Manager of Valdez on the first of next year. Certainly, the citizens of Valdez have benefited by your energies and dedication in directing the city into the 80's. Your accomplishments in guiding the economic growth of Valdez in a sensible manner, but always with an eye towards the long-term, are exceedingly noteworthy and will not soon be forgotten.

We, at Seatrain, will miss dealing with you as a representative of Valdez, but there is no doubt your management skills will greatly enhance the prospects of your next endeavor and bring you personal rewards and fulfillment, as well.

I personally wish you much success in the years ahead. Please take leave from Valdez with the thought the city is better for your efforts and take the best wishes of your associates with you as you begin a new journey elsewhere.

Best personal regards.

Sincerely,


JOHN W. GRAVES

/def

*cc: [unclear]
11/20/80
LW
11/20/80*

Alaska Pacific Bank

A Subsidiary of Alaska Pacific Bancorporation



November 17, 1980

Mark Lewis
City Manager
P.O. Box 307
Valdez, Alaska 99686

Dear Mark:

Although your letter of resignation was not a surprise, it was certainly received with deep regret.

You have made a substantial contribution to the City of Valdez and are clearly the most outstanding city manager with whom I have ever dealt.

Naturally—I am extremely interested in your future plans and would appreciate hearing from you in that regard if you deem that appropriate.

My colleagues join me in extending to you our grateful appreciation for the opportunity to work with you in the past, and we send you best wishes for unbounded success in the future.

Cordially,

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

Robert R. Richards
President

Handwritten note:
Ward
my file
amid



Charter Resources Company
2525 C Street - Suite 508
Anchorage, Alaska 99503
Telephone 907-276-3545

November 18, 1980



Mr. Mark Lewis
City Manager
City of Valdez
P.O. Box 307
Valdez, Alaska 99868

Dear Mark,

I must say I was mildly surprised to learn of your decision to resign as City Manager of Valdez. However, in light of the success you and the City have realized over the past few years, the temptations and opportunities to tackle new, challenging tasks surely must be considered.

I have enjoyed very much knowing you and working with you over the past year, and look forward to continuing a relationship wherever you ultimately settle.

All my best wishes to you and your family, and good luck on your future endeavors. Please keep in contact and let us know what you are doing.

Very truly yours,

CHARTER RESOURCES COMPANY

W.L. THORPE
President

WLT:jcg

ALASKA POWER AUTHORITY

333 WEST 4th AVENUE - SUITE 31 - ANCHORAGE, ALASKA 99501

Phone: (907) 277-7641
(907) 276-2715

November 13, 1980

Mr. Mark Lewis
City Manager
City of Valdez
P. O. Box 307
Valdez, Alaska 99686



Dear Mark:

I was surprised, as I'm sure many others were, at your decision to leave your position as City Manager. I feel that you served the City well and that you will be missed. I've enjoyed knowing you and am sorry that we did not have an opportunity to work together more.

Again, I am sorry to see you leave and wish you well in your future endeavors either in Alaska or Outside.

Sincerely,

A handwritten signature in black ink, appearing to read "Eric P. Yould".

Eric P. Yould
Executive Director

my file
copy to [unclear]

CC: John Hunter 11-26



NORTHERN TELEVISION, INC.
THE BROADCAST CENTER

P.O. BOX 2200 ANCHORAGE, ALASKA 99510
KTVA-TV/KBYR-AM/KNIK-FM/MUZAK
(907) 272-3456

P.O. BOX 930 FAIRBANKS, ALASKA 99701
KTVF-TV/KPRB-AM
(907) 452-5121

November 14, 1980

Mr. Mark Lewis
City Manager
City of Valdez
P.O. Box 307
Valdez, Alaska 99686

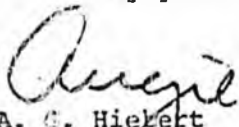


Dear Mark,

Just noticed in the Nov. 5th issue of the Valdez Vanguard that you have resigned from your City Manager post. Needless to say I am extremely sorry to hear this, because my company and I have enjoyed a very fine and cooperative relationship with you and personally I hate to see you leave very much.

Let me take this opportunity to thank you on behalf of Northern Television for all of your efforts on our behalf, and to wish you well in whatever new responsibility you take on where ever you may be once you leave your Valdez position. I sincerely hope you will remain in Alaska and contribute your expertise to some other city or company who I know will benefit considerably from it.

Cordially yours,


A. G. Hiebert
President

cc: Mr. Ron Moore, Vice President, Northern Television
Mr. Randy Kruse, Sales Manager, KBYR-AM Radio

Valdez City Schools

Office of the Superintendent

Box 398
Valdez, Alaska 99686
Phone: (907) 835-4357

November 7, 1980



Mr. Mark Lewis
City Manager
City of Valdez
P. O. Box 307
Valdez, Alaska

Dear Mark:

The news of your resignation is very distressful. You are an asset to this community, and Sue is improving the quality of our educational programs tremendously.

I could go on and on listing your achievements, such as fiscal support, construction support, in-kind services, etc., etc., etc., but I would just like to say that I consider you a true person who devoted his most to the benefit of our community and a kind friend.

I wish you the best in your endeavors, and if any time I can do something for you, please let me know.

Sincerely,

A handwritten signature in cursive script, appearing to read "George Maykowskyj".

George Maykowskyj
Superintendent

GM:m1

Handwritten notes at the bottom right corner, including "1472" and "1472" with some illegible scribbles.

Holland America Cruises
Two Pennsylvania Plaza
New York, N.Y. 10001

John R. Berry
President

October 27, 1980

Mr. Mark Lewis
City Manager
City of Valdez
Box 307
Valdez, AK 99686



Dear Mr. Lewis:

On behalf of Holland America Cruises, I would like to thank you for your assistance and cooperation in aiding the passengers and crew of the Prinsendam. We have received many comments, both from the passengers and our own personnel, that you went beyond the call of duty to insure that the passengers and crew were taken care of properly.

The spirit of cooperation that you and your fellow Valdez residents displayed was truly extraordinary. You should be very proud and realize that your actions were greatly appreciated.

Sincerely,

John R. Berry

John R. Berry

JRB/sec

*my file
completed
m*

Valdez Chamber of Commerce

P.O. Box 512 • Valdez, Alaska 99686 • Phone 835-2330

March 12, 1981

Mr. Mark Lewis
City Manager
City of Valdez, Alaska

CITY OF VALDEZ

MAR 13 1981

Dear Mr. ~~Lewis~~ *Mark*;

The Valdez Winter Carnival Committee extends a hearty thanks and appreciation to you and your staff's participation and support in this years Sixth Annual Winter Carnival.

Our goal is to provide a well rounded list of events for our community and it's guest participation and to maintain a balanced budget. We feel we have acheived that goal with you help.

We look forward to your continued efforts in our endeavors.

Thank you,

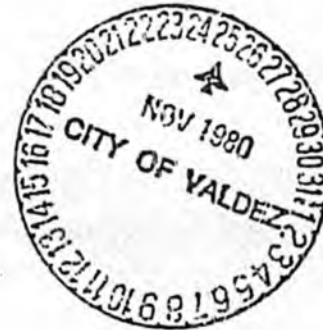
VALDEZ CHAMBER OF COMMERCE

Barney
Barney M. Meyring
President

John M. [unclear]

LUTHERAN
Hospitals and Homes
Society of America

BOX 2087 • FARGO, NORTH DAKOTA 58107 • PHONE 701-293-9053



November 19, 1980

Mr. Mark Lewis
City Manager
City of Valdez
P.O. Box 307
Valdez, Alaska 99686

Dear Mark:

I have just learned from Val Stasch, our Valdez hospital administrator, of your resignation effective January 1, 1981 as City Manager of Valdez.

We have enjoyed the finest relationship with you as City Manager and have been pleased in all of our dealings with your office in the administration of your city hospital. You will be missed by the Society.

We want to thank you for past courtesies and wish you the very best in your future career. Hopefully, the future will bring other opportunities for our association.

Sincerely,


GLEN W. BENSON, F.A.C.H.A.
Vice President

GWB/cgs

CC: Val Stasch, Administrator, Valdez, AK

Valdez Chamber of Commerce

P.O. Box 512 • Valdez, Alaska 99686 • Phone 835-2330

November 12, 1980

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

Dear Mr. McAlpine:

On this date the Board of Directors of the Valdez Chamber of Commerce held its regular meeting and during a discussion of business matters, the subject of the resignation of City Manager, Mark Lewis, was addressed.

It was the unanimous decision of the Board that it should urge you and the council members to request that Mr. Lewis withdraw his resignation and seriously consider continuing his relationship with the City of Valdez as City Manager.

Our reasons for making this request are many, but to detail a few, we list the following:

1. Mr. Lewis has been professionally and personally involved in the City activities with an intensity almost unknown heretofore. This is a quality we would not like to see lost.
2. If there were a change in the city administration, existing projects currently underway could be severely delayed, curtailed or abandoned; or the direction of these projects could be substantially changed from the original intent.
3. Mr. Lewis has shown outstanding abilities and has demonstrated capability in the administration of the City which would be sorely missed should he leave the community.
4. We are aware of, and would not like to lose, Mr. Lewis' expertise in the area of managing the City's excess funds and maximizing the income therefrom.
5. Mr. Lewis has demonstrated that he has the ability to gain the respect of federal, state and

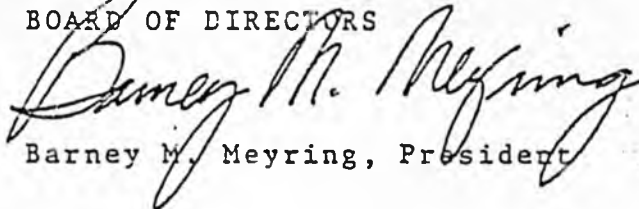
Page Two
Stephen A. McAlpine, Mayor
City of Valdez

industry's top people which is important to Valdez
in our future growth and development.

6. Our contacts with many of the citizenry of
Valdez show that they would like to see Mr. Lewis
continue in his present position.

We feel it is in the best interests of the community of Valdez
that Mark Lewis be retained as City Manager. Therefore, we
urge you and the council to accomplish this in whatever manner
you deem appropriate.

Very truly yours,
VALDEZ CHAMBER OF COMMERCE
BOARD OF DIRECTORS



Barney M. Meyring, President

DLR

cc: Mark Lewis
City Council Members



Mayor and City Council
City of Valdez
Box 307
Valdez, Alaska 99686

Dear Mayor McAlpine and
Members of the City Council:

I hereby respectfully request that you accept the
withdrawal of my letter of resignation dated November
3, 1980.

Respectfully,

Mark Lewis
City Manager

Lewis changes mind, urged to stay here

City Manager Mark Lewis, who two weeks ago said it was time to pack his bags, withdrew his resignation Monday and said he would stay.

The community and City Council members had "convinced me I haven't quite overstayed my welcome yet," said Lewis after he asked the council to disregard his earlier resignation.

No council action was required, because the body had not yet acted on the resignation. Mayor Stephen McAlpine, who helped spearhead an effort to keep Lewis on the city payroll, said the council would gladly turn the matter aside.

"I think the city is the largest beneficiary of his (Lewis') decision," McAlpine said after the regular council meeting Monday.

A major factor in the 29-year-old Lewis' reconsideration apparently was a letter written to McAlpine by the Valdez Chamber of Commerce board of directors. Meeting last week, the board decided to ask the council to keep Lewis, and "to accomplish this in whatever manner you deem appropriate."

Lewis, said the chamber officials, "has been professionally and personally involved in the city activities with an intensity almost unknown heretofore."

With a change in the city manager's spot, "existing projects currently underway could be severely delayed, curtailed or abandoned; or the directions of these projects could be substan-

tially changed from the original intent," the letter continued.

Lewis was praised for his financial management capabilities, with the chamber recognizing his "expertise in the area of managing the city's excess funds and maximizing the income therefrom."

At the same time Lewis was being cited for his "ability to gain the respect" of government officials at various levels by the chamber board, he was in Fairbanks being elected president of the City Managers Association of the Alaska Municipal League.

McAlpine, who also was at the AML meeting, indicated there was a lot of interest expressed by other cities' officials in latching onto Lewis, who had said he would leave his post at the end of the year.

But Lewis said he became convinced that he was still welcome in Valdez, also.

His decision did not involve apprehension about his relationship with the newly elected council, Lewis said. In fact, one of the reasons he asked to resign was because he was getting along so well with the current council, Lewis said.

"It was a team relationship. It was a good relationship," he said.

In deciding to submit his resignation, Lewis said he had also considered that the city was in top financial shape, having just received a spotless audit report.

He said he had come to like Valdez too much "to leave under any other circumstances than the very best."



participate in a Nov. 9 Valdez fight in from Anchorage for the

or hospital

turn combination of reachable and the unreachable things," Mathis said.

Guests were able to purchase the designer fashions after the show, but Mathis said she sold only "a third of as much as I would have liked to have sold."

Still, Mathis said, "We were terribly pleased. Everything was so organized and prepared. It made it really easy for us."

"We feel we have made a lot of friends in Valdez," she said.

Although the fashions were imported, Rasmus said it was a

Old Post Office Gallery
 Where you'll find that perfect gift
 Mile 101.5 Richardson Hwy. in Copper Center
 Original paintings, drawings and photography. Athabascan bead work.

Valdez Vanguard

Welcome back, Mark

There was a collective sigh of relief at City Council Monday when Mark Lewis asked that his resignation, announced two weeks earlier, be withdrawn.

There was no objection.

There had been much objection the past two weeks to the city manager's decision to look elsewhere for employment. And there was apparently a lot of lobbying going on to get him to change his mind.

The youthful Lewis was as politic this week as he was two weeks ago—revealing little in public about the real reasons behind his decisions. He continued to draw on the analogy that a city manager is like a guest in someone else's house. The worst thing that guest can do is overstay his welcome.

The best thing the guest could do was move on while times were good and everything was running smoothly.

Lewis and many others feel the city is cruising nicely now. But what came out the past two weeks is that there is a strong opinion that Lewis is a necessary gear in the machinery.

The Chamber of Commerce board of directors strongly voiced this opinion in a letter to Mayor Stephen McAlpine urging the council to do what it could to persuade Lewis to stay. The board also said its opinion reflected the community.

"Our contacts with many of the citizenry of Valdez show that they would like to see Mr. Lewis continue in his present position," the board's letter read.

It is an extremely unusual situation for a person in Lewis' position to retract a resignation once tendered. But Lewis is an unusual administrator. His talents are perhaps appropriate for these extraordinary times in Valdez—with so many projects of sizable magnitude in progress.

To whomever or whatever made him change his mind, we take off our hats and say, "Good work."

And now let's get back to work.

LETTERS FROM THE PEOPLE



people' is your space to comment on nearly any topic, considerations of good taste and libel. The shorter the letter the more likely it can be published; in any case the best guideline is 100 words. Prose only, please; no poems or verse. All letters should include a daytime phone number so we can contact you if necessary. Address letters to The Daily News, Pouch 6610.

fact that there is a wild and untamed land is here is not much of an sympathy with exactly it is.

hat Alaska is cold is a stereotype attitude that you have not facts of Alaskan nation has. If you everybody in Alaska around this "cold," as your attitude one who does.

he best fishing and in the world, and like to come to this reason that they so, is for the jobs. in the Transalaska years ago, and they

- Robert Armstrong

Support your local jazz musician

I would like to comment about the fledgling jazz opportunities in Anchorage, Alaska. I am an Alaskan since 1967 and have played in various "in town" settings as an entertainer. It seems in the late 70s (disco era), local musicians were given their walking papers by local club owners in favor of "out of towners." Do Alaskans really think "in town" acts can't be quality?

I went to a local "jam session" last Sunday at the Tiki Cove. It seems the house band members (which are composed mostly of non-resident Alaskan residents) seem to get all of the jazz jobs that come in. They seem to entertain themselves and could not let local musicians play alone as a group for even one song.

The purpose of "jam sessions" are to let everyone express themselves musically. People have to be able to crawl before we walk.

In the late '30s and early 60s, the "Oasis" club was a frequent stopover spot for many

our forests, and turn our lakes and streams into garbage dumps — all this in only a few years — we'd better hurry, 'cause there isn't much time left.

All that aside, Jerry, you still haven't answered my main question: how much do the oil companies write off when they find a dry hole? And why bother drilling when they know nothing is there? I say, let us put our money and intelligence to better use!

- Dave Carlson

A response from Valdez

The recent letter congratulating your reporters on spotlighting Valdez' profligate ways was not amusing to Valdezeans, nor was it accurate. As with anything that is spotlighted, much of what is really there languishes in the dark.

While we recognize that telling stories on Valdez has become great sport of late, your letter writer's gross exaggeration demands correction. The great "Big Mac Importation" was not quite as exciting a story as it apparently translated by a pilot passing on an amplified anecdote.

Political fund-raisers necessitate unique items to spur contributors and as auction coordinator, I fixed on Big Macs. While lakers, for granted by Anchorageites, we in the hinterlands have Big Mac Attacks that necessarily involve 350-mile ventures upcountry to satisfy. The order for 50 Big Macs was placed and arrangements were made to have them picked up and delivered to Valdez Airlines on their last evening run into Valdez so the burgers would be "fresh" for the big event. A last-minute snag in pick-up arrangements developed, however, and as zero hour approached, prevailed upon a Valdez Airlines employee to run and get them for us and get them to the plane.

Unfortunately, the run took a bit longer than anticipated and because Valdez Airlines was kind enough to accommodate my plea for help, the plane was delayed in its departure, time awaiting delivery. That plane was by no means chartered; it was on a regularly scheduled flight and the accommodations were in time and energy expended by employees who responded to customer requests. We have come to expect that kind of good service by Valdez Airlines and we very much appreciate it.

It should also be pointed out that Messrs. McAlpine and Lewis steered Valdez through years of unparalleled prosperity and activity; during those years an investment plan was developed, a master plan was implemented and the community bonded and put in place: new schools, a dock complex, a civic center, a senior citizens center, a softball complex, a hatchery, a new city hall, and a new library and it increased its network of roads and water and sewer systems. It spruced up its parks and green areas, added flowers and trees and increased the overall quality of life in Valdez immeasurably.

We in Valdez are not blind to the fact that some mistakes were made along the way, but we wish the naysayers and predictors of doom would not be blind to the fact that we have accomplished an enormous amount in a very short period of time and we are well on the road to diversifying Valdez's economy. We are very much alive and well here in Valdez and we are looking forward to a continuing bright future.

- Judy Londo

Thanks for coverage on Brothers

ALASKA CLIPPING
SERVICE

Anchorage Daily
News
Anchorage, AK

Valdez named All-America city

VALDEZ — The National Municipal League's Citizen Action Awards Program has named Valdez as one of its 10 All-America Cities of 1981. More than 500 cities were nominated. City officials said the award to Valdez was based in part on the depth of citizen involvement in community projects such as the new \$40 million port, a fisheries enhancement program and construction of a recreation complex.

49

ALASKA CLIPPING
SERVICE

Alaska Journal
of Commerce
Anchorage, AK

MAR 1 1982

Chapt. 5: he's resigned 49

Valdez City Manager, Mark Lewis, has notified the Valdez City Council his resignation of Jan. 18 will stand over the protest of local business and community leaders.

Lewis' move follows a rejection of his original Jan. 18 resignation by the City Council at their Feb. 1 meeting. After the city council rejected his resignation, Lewis then announced that he would recon-

sider in light of strong community support for his remaining in the city's top executive position.

"I sincerely appreciate the council's rejection of my resignation," said Lewis. "However, after further reflection, it is my belief that my resignation cannot be rejected."

Lewis' resignation is effective July 18.

DEPARTMENT OF TRANSPORTATION
UNITED STATES COAST GUARD



Certificate of Merit

IN RECOGNITION of notable services which have
assisted greatly in furthering the aims and
functions of the Coast Guard

This certificate is awarded to

MARI LEWIS

Executed this 15TH day of JANUARY, 1941

at JUNEAU, ALASKA

A handwritten signature in dark ink, appearing to read "J. E. Kelly".

J. E. KELLY
Rear Admiral, U.S. COAST GUARD

UNITED STATES COAST GUARD

THE FOLLOWING DOCUMENT(S) MAY NOT FILM
LEGIBLY BECAUSE OF POOR QUALITY OF THE
ORIGINAL.

Certificate of Merit

to

MARK LEWIS
CITY MANAGER OF VALDEZ

"MARK LEWIS is cited for meritorious service performed during the period of 4 October 1988 through 6 October 1988. Early on the morning of 4 October 1988, five hundred and nineteen passengers and crewmembers of the luxury liner PRINSENDAM were forced, by fire, to abandon ship in lifeboats and life rafts in the Gulf of Alaska. Throughout the day, rescue efforts continued until all 519 passengers and crewmembers of the stricken vessel had been accounted for and placed safely aboard vessels for transportation to port. City Manager LEWIS, working with state and federal agencies coordinated the efforts of the city of Valdez and local citizen groups in preparing to receive and care for the 372 survivors that were transported to Valdez by the tanker WILLIAMSHIRE. As a result of his expert planning the reception of the survivors was conducted in a most exemplary manner. MARK LEWIS' dedication and genuine concern for humanity are reminiscent of Alaskan traditions and are highly commendable."



THE PRECEDING DOCUMENT(S) MAY NOT FILM
LEGIBLY BECAUSE OF POOR QUALITY OF THE
ORIGINAL.

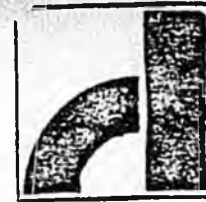
STEPHEN A. McALPINE
LIEUTENANT GOVERNOR

STATE OF ALASKA
POUCH AA
JUNEAU 99811
(907) 465-3520

In light of all of the publicity recently received by the City of Valdez and Commissioner Mark Lewis, I thought the attached information would be of interest to you. It was recently forwarded to me from the City of Valdez.



Stephen McAlpine
Lieutenant Governor



MUNICIPAL FINANCE
OFFICERS ASSOCIATION

EXECUTIVE OFFICES
180 NORTH MICHIGAN AVENUE
CHICAGO, ILLINOIS 60601
312 977-9700

news release

DATE:

RE: Certificate of Conformance in Financial Reporting awarded to

The CITY OF VALDEZ, ALASKA has been awarded a Certificate of Conformance in Financial Reporting by the Municipal Finance Officers Association of the United States and Canada (MFOA) for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended DECEMBER 31, 1981. The Certificate of Conformance is the highest form of recognition in the area of governmental financial reporting, and its attainment represents a significant accomplishment by a government and its management.

In order to be awarded a Certificate of Conformance, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report (CAFR), whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

Eligible CAFRs are evaluated by an impartial Special Review Committee composed of government finance officers, certified public accountants, educators and others with particular expertise in the area of governmental accounting and financial reporting.

When a Certificate of Conformance is awarded to a government, an Award of Financial Reporting Achievement is also presented to the individual(s) designated by the government as primarily responsible for its having earned the certificate. An Award of Financial Reporting Achievement has been awarded to

CITY MANAGER, MARK LEWIS

NOTE: A list of governments holding valid Certificates of Conformance is published periodically. A copy of the most recent list is enclosed. Further information concerning the Certificate of Conformance in Financial Reporting Program is available upon request from MFOA at 180 N. Michigan - Suite 800, Chicago, Illinois 60601 or (312) 977-9700.

THE FOLLOWING DOCUMENT(S) MAY NOT FILM
LEGIBLY BECAUSE OF POOR QUALITY OF THE
ORIGINAL.



The Municipal Finance Officers Association
of the United States and Canada

presents this

AWARD OF FINANCIAL REPORTING ACHIEVEMENT

to:

MARK LEWIS
CITY MANAGER

CITY OF VALDEZ, ALASKA



The Award of Financial Reporting Achievement is presented by the Municipal Finance Officers Association to those individuals who have been instrumental in their governmental unit achieving a Certificate of Conformance in Financial Reporting. A Certificate of Conformance is presented to those governmental units whose comprehensive annual financial reports (CAFR's) are judged to substantially conform to program standards.

Executive Director

Jeffrey A. Essee

Date JANUARY 5, 1983

THE PRECEDING DOCUMENT(S) MAY NOT FILM
LEGIBLY BECAUSE OF POOR QUALITY OF THE
ORIGINAL.



MUNICIPAL FINANCE
OFFICERS ASSOCIATION

January 5, 1983

EXECUTIVE OFFICES:
180 NORTH MICHIGAN AVENUE
CHICAGO, ILLINOIS 60601
312. 977-9700

Mr. Stephen A. McAlpine
Mayor
City of Valdez
Box 307
Valdez, AK 99686

CITY OF VALDEZ
JAN 13 1983

Dear Mr. McAlpine:

We are pleased to notify you that the comprehensive annual financial report of City of Valdez, Alaska for the fiscal year ended December 31, 1981 qualifies for a Certificate of Conformance in Financial Reporting. The Certificate of Conformance is the highest form of recognition in governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a governmental unit and its management.

When a Certificate of Conformance is awarded to a governmental unit, an Award of Financial Reporting Achievement is also presented to the individual designated by the governmental unit as primarily responsible for its having earned the certificate. Enclosed is an Award of Financial Reporting Achievement for City Manager, Mark Lewis.

The Certificate of Conformance will be mailed to you under separate cover. We hope that you will arrange for a formal presentation of the certificate and Award of Financial Reporting Achievement, and that appropriate publicity will be given to this notable achievement. A sample news release is enclosed. We suggest that you provide copies of it to the appropriate local newspapers and radio and television stations.

We hope that this example will encourage other government officials in their efforts to achieve and maintain an appropriate standard of excellence in financial reporting. If you have any questions regarding this matter, or if we may be of any further assistance, please don't hesitate to contact us.

Very truly yours,

MUNICIPAL FINANCE OFFICERS ASSOCIATION

Gila K. Klein
Director/Certificate of Conformance Program

GKK/pdp

Enclosures

**SOMETIMES,
IT PAYS TO CONFORM.**



certificate of conformance

MUNICIPAL FINANCE
OFFICERS ASSOCIATION

The Certificate of Conformance is the highest form of recognition in the area of governmental financial reporting, and its attainment represents a significant accomplishment by a government and its management.

The Certificate of Conformance in Financial Reporting Program was begun by MFOA in 1945 to emphasize the association's belief that every government and public employee retirement system (PERS) should prepare and publish an easily readable and understandable comprehensive annual financial report (CAFR) covering all of its funds and financial transactions during the year. MFOA believes that governments have a special responsibility to fully and fairly disclose their financial affairs. The CAFR is a very detailed report that goes beyond the requirements of generally accepted accounting principles (GAAP) and beyond the requirements of applicable statutes and regulations in an effort to present all of the information necessary to meet the information needs of the many persons and groups with legitimate interests in the financial affairs of government.

To be eligible for a Certificate of Conformance, a report must be the published CAFR of a government or PERS. Eligible CAFRs must include general purpose financial statements prepared in substantial conformance with generally accepted accounting principles which have been independently audited in accordance with generally accepted auditing standards and a reproduction of the auditor's opinion on them. Governmental CAFRs must also include financial statements for individual funds for which an independent auditor has accepted at least "in relation to" supplementary data responsibility.

To earn a Certificate of Conformance, a CAFR must tell its financial story clearly, thoroughly and understandably. Certificate of Conformance reports are efficiently organized, employ certain standardized terminology and formatting conventions, minimize ambiguities and potentials for misleading inference, enhance understanding of current GAAP theory, and generally demonstrate a constructive "spirit of full disclosure."

The Certificate of Conformance Program provides a government with easy and economical access to an extensive amount of technical reference material concerning governmental accounting and financial reporting theory. It provides technical informational tools which can enable government finance officers to help themselves to improve their financial reporting techniques. The standards of the Certificate of Conformance Program are quite rigorous. This is apparent from the large number of governments which do not receive a certificate on their first attempt. There should be no stigma attached to a government's failure to earn a Certificate of Conformance at the time of its first, or even its second, submission of its CAFR. The Certificate of Conformance review process should be viewed as a learning device. A government's follow-up analysis and study of the comments and suggestions for improvements provided through the review can significantly facilitate an improved management by objectives approach to the government's financial reporting activities.

To participate in the program, units must complete an application form, submit the appropriate fee and send five copies of their CAFRs for review by the Certificate of Conformance Program Special Review Committee. Special Review Committee members include finance officers, certified public accounts, educators and others with particular expertise in governmental accounting and financial reporting. Reports must be received by MFOA within six months of the end of the reporting entity's fiscal year.

The governments listed on the following pages held Certificates of Conformance on October 27, 1982. Results of reviews still in process on that date are not reflected in this list.

Further information about the Certificate of Conformance in Financial Reporting Program is available upon request from Gila K. Klein, Director/Certificate of Conformance Program, Municipal Finance Officers Association, 180 North Michigan Avenue, Suite 800, Chicago, IL 60601.

<u>ALABAMA</u> Birmingham Huntsville	Board of County Commissioners, Hillsborough Board of County Commissioners, Seminole County Bradenton Clearwater Coral Gables Coral Springs Daytona Beach Deerfield Beach Escambia County Fort Lauderdale Gainesville Greater Orlando Aviation Authority Holly Hill Hollywood Jacksonville Juno Beach Kissimmee Lakeland Maitland Manatee County Melbourne Metropolitan Dade County Naples New Smyrna Beach Orlando Pensacola Polk County Polk County Board of Commissioners Pompano Beach Port Orange Sarasota St. Cloud St. Petersburg Tallahassee Tampa Temple Terrace Treasure Island Utilities Commission New Smyrna Beach Vero Beach Volusia County West Palm Beach Winter Haven Winter Park	Chicago Metropolitan Sanitary District Community Unit School District #304, Geneva Decatur Department of Water City of Chicago Des Plaines Downers Grove Elgin Flossmoor Hoffman Estates Homewood Illinois Municipal Retirement Fund LaGrange Lake Forest Niles Northlake Oak Brook Oak Lawn Park Ridge Rockford Rock Island Valley View Public Schools #365 U Wheeling Winnebago County Winnebago County Forest Preserve Dist.	Maryland National Capital Park & Planning Commission Montgomery County New Carrollton Prince George's County Prince George's County Public Schools Rockville State of Maryland
<u>ALASKA</u> Fairbanks North Star Borough Kenai Kenai Peninsula Borough			
<u>ARIZONA</u> Phoenix Scottsdale Tempe			
<u>ARKANSAS</u> Little Rock			
<u>CALIFORNIA</u> Anaheim Bakersfield Beverly Hills California State Teachers Retirement System Costa Mesa Fresno County Grass Valley Inglewood Irvine Lakewood Long Beach Oceanside Orange County Orange County Transit District Pacifica Palm Springs Port of Stockton Riverside Sacramento San Buenaventura Santa Ana Santa Cruz Santa Cruz County Santa Rosa Simi Valley Ventura County			
<u>COLORADO</u> Aurora County of Weld Fort Collins Lakewood Loveland Palm Springs Pueblo Thornton			
<u>CONNECTICUT</u> Greenwich Town of East Hartford			
<u>DELAWARE</u> New Castle County			
<u>DISTRICT OF COLUMBIA</u> District of Columbia			
<u>FLORIDA</u> Boca Raton			
	<u>GEORGIA</u> Atlanta Regional Commission Cartersville Cobb County Board of Education Decatur DeKalb County Forest Park LaFayette Milledgeville	<u>INDIANA</u> Indianapolis <u>IOWA</u> Ames Cedar Rapids Des Moines <u>KANSAS</u> Andover El Dorado Lenexa Olathe Overland Park Wichita <u>KENTUCKY</u> Jefferson County Fiscal Court Owensboro <u>LOUISIANA</u> Baton Rouge Bossier City Shreveport <u>MAINE</u> Lewiston <u>MARYLAND</u> Anne Arundel County Baltimore County Board of Education & Public Schools of Anne Arundel County Bowie College Park Frederick Frederick County Gaithersburg Howard County	<u>MASSACHUSETTS</u> None <u>MICHIGAN</u> Big Rapids Burton Genesee County Grand Rapids Lansing Midland Muskegon County Port Huron Southfield <u>MINNESOTA</u> Anoka Bloomington Brooklyn Center Brooklyn Park Coon Rapids Duluth Fridley Hennepin County Maplewood Minneapolis Ramsey County Robbinsdale Rochester Roseville St. Paul <u>MISSISSIPPI</u> Armory <u>MISSOURI</u> Berkeley Bridgeton Columbia Crestwood Gladstone Independence Kansas City Kirkwood Lee's Summit Missouri LGERS Springfield <u>MONTANA</u> None <u>NEBRASKA</u> None <u>NEVADA</u> Clark County Division of Colorado River Resources Las Vegas Las Vegas Valley Water District

North Las Vegas
Reno
Sparks

NEW HAMPSHIRE
None

NEW JERSEY
None

NEW MEXICO
Albuquerque

NEW YORK
New York
New York ERDA
White Plains

NORTH CAROLINA
Asheville
Buncombe County
Charlotte-Mecklenburg
Schools
Durham County
Greensboro
Guilford County
High Point
Mecklenburg County
New Hanover County
Raleigh
Sanford

NORTH DAKOTA
None

OHIO
Cincinnati
Columbus
Wooster

OKLAHOMA
Muscogee (Creek) Nation

OREGON
Beaverton
Eugene
Gresham
Marion County Oregon
School District 24J
Milwaukie
Oregon Public
Employees Retirement System
Portland

Portland Public
Schools
Portland School
District #1
Springfield
Washington County
School District #48

PENNSYLVANIA
Allentown
Lancaster County
Mt. Lebanon
Philadelphia

RHODE ISLAND
None

SOUTH CAROLINA
Orangeburg County
School District
Sumter County

SOUTH DAKOTA
Aberdeen
Sioux Falls
Yankton

TENNESSEE
Gallatin
Hamilton County
Hendersonville
Memphis
Oak Ridge
State of Tennessee

TEXAS
Abilene
Addison
Alice
Amarillo
Andrews
Arlington
Arlington Independent
School District
Austin
Bell County
Bexar County
Boerne
Carrollton Farmers
Branch Independent
School District
College Station
Collin County
Conroe Independent
School District

City of Dallas
Dallas County
Dallas Independent
School District
Forest Hill
Fort Worth
Galveston
Garland
Goldsmith
Guadalupe-Blanco
River Authority
Harris County &
Harris County Flood
Control
Harris County--Port
of Houston Authority
Houston Independent
School District
Hurst
Irving
Klein Independent School
District
La Porte
League City
Lubbock County
Mesquite
North Central Texas
Council of Governments
North East Independent
School District
Nueces County
Odessa
Palestine
Pearland
Richardson
Richardson Independent
School District
San Antonio
San Marcos
Seabrook
Spring Independent
School District
Stephenville
Temple

UTAH
Bountiful
Logan
Murray City
Corporation
Salt Lake City
Corporation
Salt Lake City
School District

VERMONT
None

VIRGINIA
Alexandria
Arlington County
Blacksburg
Charlottesville
Chesapeake
Chesterfield County
Colonial Heights
Fairfax
Fairfax County
Hampton
Hampton Roads
Sanitation District
Henrico County
Herndon
James City County
Newport News
Portsmouth
Prince-William County
Roanoke
Rockingham County
Vienna
Virginia Beach

WASHINGTON
Clark County
Edmonds
Kent
Seattle

WEST VIRGINIA
None

WISCONSIN
Fond du Lac
Milwaukee
Milwaukee County
Milwaukee Metro-
politan Sewerage
District
Outagamie County
Waukesha Area
Vocational
Technical & Adult
Education District

WYOMING
Cheyenne Board of
Public Utilities
Laramie

On October 27, 1982, the Special Review Committee membership included the following individuals:

Damon R. Adams, Director of Finance, Fort Lauderdale, Florida

Charles A. Anderson, Partner, Anderson & Whitney, CPAs, Greeley, Colorado

Roy Anderson, Controller, Illinois Municipal Retirement Fund, Chicago, Illinois

Harold L. Ashby, Partner, Coopers & Lybrand, Baltimore, Maryland

Harold H. Bach, Jr., Partner, Arthur Young & Company, Chicago, Illinois

Francois R. Barfuss, Partner, Deloitte Haskins & Sells, New York, New York

David R. Bean, Cusas Coordinator, State of Illinois, Springfield, Illinois

R. Edward Beranek, Partner, Main Hurdman, Newport Beach, California

Leroy R. Bergstrom, Partner, Kafoury, Armstrong & Co., Reno, Nevada

James J. Bolthouse, Director of Accounting, State of Michigan, Lansing, Michigan

Lyle D. Botkin, City Controller, Wichita, Kansas

Walter Bransen, Supervisor, Peat, Marwick, Mitchell & Co., Chicago, Illinois

Michael F. Bresnan, Manager, Deloitte Haskins & Sells, Costa Mesa, California

Gerald D. Brighton, Professor of Accounting, University of Illinois, Urbana, Illinois

Philip T. Calder, Partner, Arthur Young & Company, Detroit, Michigan

Patrick Callan, Supervisor, Cherry, Bekaert & Holland, CPAs, St. Petersburg, Florida

Gary Caporicci, Audit Manager, Apodaca, Finacchiaro & Company, Newport Beach, California

Edward P. Chait, Senior Technical Consultant, Price Waterhouse, Washington, D.C.

Linda S. Chappell, Controller, Atlantic Services, Wichita, Kansas

Joseph L. Christoffel, CPA, Sartoris Inc., Farmington Hills, Michigan

Mary Ellen Clemens, Assistant Director, Bureau of Financial Management Services, Tallahassee, Florida

Tom Cleveland, Partner, Touche Ross & Co., San Francisco, California

Harriet V. Commons, Audit Senior, Price Waterhouse, Sacramento, California

Gary M. Cone, Senior Consultant, Arthur Young & Company, Birmingham, Alabama

Robert K. Cox, Partner, Main Hurdman, Chicago, Illinois

Gilbert W. Crain, Associate Professor of Accounting, School of Business, Montana State University, Bozeman, Montana

John Crider, Manager, Alexander Grant & Company, San Antonio, Texas

Jack R. Crist, Director of Finance, Sacramento, California

William J. Crowley, Partner, Arthur Andersen & Co., Detroit, Michigan

Kenneth Daly, Partner, Peat, Marwick, Mitchell & Co., Philadelphia, Pennsylvania

Irwin T. David, Partner, Touche Ross & Co., Chicago, Illinois

Irwin R. Davis, Executive Director of Finance, School District of Philadelphia, Philadelphia, Pennsylvania

Francis A. Dawson, Finance Director, Cincinnati, Ohio

Mark W. Dick, Partner, Fox & Co., Wichita, Kansas

William B. Dillon, Partner, Arthur Andersen & Co., Dallas, Texas

James B. Dodson, Audit Partner, Harris, Huber & Co. P.C., Casper, Wyoming

Francis J. Dubas, Jr., Manager, Deloitte Haskins & Sells, New York, New York

Dennis F. Dycus, Director, Division of Municipal Audit, State of Tennessee, Nashville, Tennessee

Bert T. Edwards, Partner, Arthur Andersen & Co., Washington, D.C.

Burton Emmer, Partner, Alexander Grant & Co., Fort Lauderdale, Florida

Gary W. Findlay, Consultant, Gabriel, Roeder, Smith & Co., Detroit, Michigan

S. Grady Fullerton, CPA, University of Houston System, Houston, Texas

A. R. Garraway, Partner, Laventhol & Horwath, Las Vegas, Nevada

Gary L. George, CPA, Manager, Fox & Company, Wichita, Kansas

Terry Gordon, CPA, Tucker, Georgia

William T. Gordon, III, Audit Manager, Price Waterhouse & Co., Orlando, Florida

Robert Green, Finance Director, Daly City, California

Richard J. Haas, CPA, Chicago, Illinois

Robert D. Hammond, Partner, Clifton, Gunderson & Co., Denver, Colorado

George Hanna, Supervisor, Governmental Accounting, Derieux, Baker, Thompson & Whitt, CPAs, Richmond, Virginia

Roger Harmelink, Partner, McGladrey Hendrickson & Co., Rock Island, Illinois

Rhett Harrell, Manager, May, Zima & Co., Tallahassee, Florida

Jane Anne Hart, Director of Budget & Research, Dallas, Texas

Stanley C. Henslee, Partner, Fox & Co., Newport Beach, California

Harold Hensold, Partner, Arthur Young & Co., Chicago, Illinois

William W. Holder, Associate Professor, University of Southern California, School of Accounting, Los Angeles, California

Paula J. Horgen, Comptroller, Orlando, Florida

Charles J. Huckleberry, Jr., Deputy Director of Finance, DeKalb County, Decatur, Georgia

Robert L. Hull, Vice President, Selden, Fox & Associates, Ltd., Oak Brook, Illinois

Leo T. Hury, Partner, Davis, Monk, Farnsworth & Company, Gainesville, Florida

Richard J. Hutchinson, Manager, Nowlen, Stewart, Tedamonsen & Holt, West Palm Beach, Florida

Ronald G. Ibarra, Chief Accountant, Tampa, Florida

Charles I. Johnson III, Accounting Supervisor, Alexandria, Virginia

Lawrence F. Johnson, Principal, Arthur Young & Company, Tulsa, Oklahoma

Jeff A. Jones, Manager, Arthur Andersen & Co., Washington, D.C.

Robert Jones, Assistant Administrator & Audit Coordinator, Cleveland, Ohio

Louis G. Karrison, Partner, Karrison & Byrne, Wheaton, Illinois

Steven R. Kay, Manager, Peat, Marwick, Mitchell & Co., Los Angeles, California

William P. Kessler, Deputy Comptroller, Metropolitan Sanitary District of Greater Chicago, Illinois

Alex H. Kish, Manager, Brent Millikan, New Smyrna Beach, Florida

Jeffrey A. Klank, Senior, Ernst & Whinney, Dayton, Ohio

Edward M. Klasny, Partner, Ernst & Whinney, Cleveland, Ohio

Gary S. Kofnovec, Partner, McIntosh & Associates, Austin, Texas

Roger Korvola, Partner, Touche Ross & Co., Portland, Oregon

Alexander L. Leonard, CPA, Principal, Haynes, Moore, VanLandingham & Finney, CPA's, Rome, Georgia

John B. Lilja, Manager, Deloitte Haskins & Sells, St. Paul, Minnesota

John MacDonald, Partner, Coopers & Lybrand, Kansas City, Missouri

Thomas L. Maher, Partner, McGladrey Hendrickson & Co., Davenport, Iowa

Anthony M. Mandolini, Partner, Peat, Marwick, Mitchell & Co., Chicago, Illinois

John M. Mann, CPA, Coral Springs, Florida

Anthony R. Maresca, Audit Manager, Main Hurdman, Houston, Texas

Douglas R. Martin, Executive Secretary, State Board of Public Accountancy, Albany, New York

Mike McDonald, Manager, Touche Ross & Co., Nashville, Tennessee

Frank McHugh, Deputy Comptroller, Metropolitan Sanitary District of Greater Chicago, Illinois

Bob Melville, Manager, Price Waterhouse, Denver, Colorado

Terrill E. Menzel, Senior Audit Manager, Peat, Marwick, Mitchell & Co., Atlanta, Georgia

G. Michael Miller, Director of Finance, Orlando, Florida

Robert E. Moody, Manager, Ernst & Whinney, West Palm Beach, Florida

Anthony J. Mottola, Partner, Coopers & Lybrand, New York, New York

Terry L. Musika, Manager, Coopers & Lybrand, Boston, Massachusetts

R. J. Nachlinger, Finance Officer, Beaumont, Texas

Claude Nixon, Jr., Partner, Bourgeois, Bennett, Thokey & Hickey, New Orleans, Louisiana

Donald Oatman, Executive Director of Business Services, Jefferson County School District #1, Lakewood, Colorado

Paula C. O'Connor, Assistant Director of Finance, Tacoma, Washington

Carl G. Orne, Associate Dean of the School of Business and Economics, California State University, Hayward, California

Jose R. Pagan, Jr., Controller, Metropolitan Dade County, Miami, Florida

James L. Pandolfi, Partner, Pandolfi, Touhy, Weiss & Co., Chicago, Illinois

Dan Patrick, Assistant Director of Finance, Lakewood, Colorado

John S. Pavlik, Partner, Deloitte Haskins & Sells, New Haven, Connecticut

Bob Plain, Partner, Touche Ross & Co., Washington, D.C.

Dennis D. Powell, Partner, Coopers & Lybrand, Portland, Oregon

Louis Profumo, Senior Manager, Peat, Marwick, Mitchell & Co., Miami, Florida

Mike Profumo, Partner, Coopers & Lybrand, Sacramento, California

Robert L. Puckett, Audit Manager, Alexander Grant & Co., Denver, Colorado

David M. Pugh, Manager, Ernst & Whinney,
Harrisburg, Pennsylvania

Steven C. Purvis, Partner, Ripley, Doorn &
Co., Boise, Idaho

James B. Pyers, Director of Finance, City of
Wooster, Wooster, Ohio

Donald L. Rahn, Supervisor, Virchow, Krause
& Co., Madison, Wisconsin

William Reidy, Partner, Coopers & Lybrand,
Cleveland, Ohio

Larry J. Robertson, Partner, Peat, Marwick,
Mitchell & Co., Sacramento, California

Joseph W. Rose, Assistant to County Auditor,
Cook County, Chicago, Illinois

Daniel P. Rosen, Assistant Comptroller, City
of New York, New York

John Ryan, Manager, Ernst & Whinney,
Oklahoma City, Oklahoma

Paul Sachs, Manager, Arthur Andersen & Co.,
Chicago, Illinois

Tom Samp, Manager, Peat, Marwick, Mitchell
& Co., Chicago, Illinois

Rudolph J. Santoro, Partner, Deloitte,
Haskins & Sells, Woodbury, New York

David H. Sarbey, Supervising Manager, Spear,
Safer & Co., Miami, Florida

Raymond M. Saunders, Project Manager Consultant,
Americ. Management Systems, Arlington,
Virginia

Gerald J. Schmidt, CPA, St. Louis, Missouri

Dan Schultz, Manager, Peat, Marwick, Mitchell
& Co., Tulsa, Oklahoma

William R. Schwartz, Executive Secretary,
Missouri Local Government Employees Retirement
System, Jefferson City, Missouri

Robert A. Shonk, Finance Director & Comptroller,
Evanston, Illinois

Joe Shore, Manager, Alexander Grant & Co.,
Fort Lauderdale, Florida

D. Scott Showalter, Manager, Peat, Marwick,
Mitchell & Co., New York, New York

Gary Smith, Manager, Deloitte Haskins & Sells,
Los Angeles, California

Peggy Smith, Manager, Arthur Andersen & Co.,
Washington, D.C.

John G. Smithyman, Deputy Controller,
Philadelphia, Pennsylvania

Thomas W. Snow, Partner, Peat, Marwick,
Mitchell & Co., Los Angeles, California

Robert W. Spence, Partner, Peat, Marwick,
Mitchell & Co., Kansas City, Missouri

Thomas M. Stack, Treasurer, Chicago Board
of Education, Chicago, Illinois

Virginia Stanton, Director of Finance,
Fulton County, Atlanta, Georgia

Barbara Steckel, Municipal Manager, Anchorage,
Alaska

Roger R. Stoltz, Principal, Arthur Young &
Company, Cleveland, Ohio

Robert V. Stout, Manager, Coopers & Lybrand,
New York, New York

Paul C. Sundee, Partner, Price Waterhouse &
Co., Newport Beach, California

Marcia L. Taylor, Director of Finance, Mt.
Lebanon, Pennsylvania

Tommy J. Tompkins, Principal, Arthur Young
& Company, Dallas, Texas

Robert W. Trudeau, Chief Accountant, St.
Paul, Minnesota

Richard C. Vaughan, Partner, Peat, Marwick,
Mitchell & Co., St. Louis, Missouri

Edward J. Virnig, Partner, Arthur Andersen &
Co., Milwaukee, Wisconsin

Carl L. White, Director of Finance, San
Antonio, Texas

James L. Williams, Partner, Deloitte Haskins &
Sells, Houston, Texas

King Moore Willis, Vice President, John C.
Muse Company, Sanford, North Carolina

William D. Wysocki, Partner, Arthur Young &
Company, Indianapolis, Indiana

Frederick Zahn, Partner, Deloitte, Haskins &
Sells, Cleveland, Ohio

Robert J. Zarlengo, Hines, Condon & Zarlengo,
Arvada, Colorado

THE FOLLOWING DOCUMENT(S) MAY NOT FILM
LEGIBLY BECAUSE OF POOR QUALITY OF THE
ORIGINAL.

BERING STRAITS COASTAL RESOURCE SERVICE AREA BOARD

c/o City of Unalakleet
Box 28
Unalakleet, Alaska 99684

0471 024 304

18 March 1983

Harry V. Boer
Cordova, AK 99702

Paul Bimloh
Box 135
Seward, AK 99780

Robert Skidgen
Box 945
Teller, AK 99778

Francis Deegan
Box 51
Unalakleet, AK 99684

Dwight Millwright, Sr.
Box 134
Noor, AK 99702

Andrew Danich
Eliot, AK 99734
In Chukotk, Sr.
Michael, AK

THROUGH LEGISLATIVE INFORMATION TELECOPIER

Representative John G. (Jack) Fuller
Senator Frank Ferguson
Repr. Al Adams
Representative Tony Vasco
and Other Members of the Bush Caucus

Gentlemen:

On behalf of the Bering Straits CRSA Board, I am writing to express grave concerns regarding the appointment of Mr. Mark Lewis by Governor Sheffield as Commissioner of the Department of Community & Regional Affairs (DCRA).

At their regular meeting at Unalakleet, Alaska on March 16, 1983, the Bering Straits CRSA Board directed me to convey the Board's extreme disappointment that Governor Sheffield did not appoint a person with known seasoned experience and knowledge of local concerns.

To the Board's knowledge, Mr. Lewis has not demonstrated requisite experience and knowledge of our Inupiat and Yupik cultures in the Bering Straits Coastal Resource Service Area District. From Shishmaref to Stebbins along the coastline and over to St. Lawrence Island, we Inuit along with the Nalunaniut (White People) who live in this Region, have advocated the adoption of a Coastal Management Program, which, when adopted, will provide an opportunity for local residents to express their concerns regarding major coastal land and water resources, uses, and management plans.

We understand that Mr. Lewis's Confirmation Hearings are scheduled before the DCRA Committee - House on Monday and Tuesday of next week, and before the DCRA Committee - Senate on Wednesday.

Please convey to the Committee the Board's feelings, and give a copy of this letter to them and to Governor Sheffield as well.

Thank you for your kind assistance and cooperation.

Very truly yours,

BERING STRAITS CRSA BOARD

BY: Francis A. Deegan
Francis A. Deegan
Secretary/Treasurer

cc Bering Straits CRSA Board

Shishmaref, Wales, Diamond, Brvig Mission, Teller, "Nome Wood", White Mountain, Colville, Selkome, Council, "Name Law", Eliot, Koyuk, Haktomik, Unalakleet, Stebbins, St. Michael, Campbell, Seward

THE PRECEDING DOCUMENT(S) MAY NOT FILM
LEGIBLY BECAUSE OF POOR QUALITY OF THE
ORIGINAL.

Tuesday

- 1. Grain Elevator
- 2. Fish Processing Plant

* 3. Sick Pay
 City Manager of Odessa
 4. Assessment - Rick Randall

Wednesday

- * 5. Contract Awards
- * 6. Others

3rd Day

Mark Lewis - Testify Background
 Introduction
 Qualifications

1st
 Mark Lewis Intro, Background, Ambitions, etc.
 Goals,

Binder from Marjorie

Alaska State Legislature

Barbara Lacher, Chairman
Mae Tischer, Vice-Chairman
Randy Phillips
Milo Fritz
Don Clocksin
Jack McBride
Mike Szymanski



Room 104
State Capitol
Juneau, Alaska 99811
Pouch V
Juneau, Alaska 99811

House of Representatives Committee on Community & Regional Affairs

CONFIRMATION HEARINGS

AGENDA

THURSDAY JUNE 2, 1983

2:00 P.M.

ROOM 124 CAPITOL

1. CALL TO ORDER
2. ROLL CALL
3. CONTINUE COMMITTEE DIALOGUE WITH MARK LEWIS
 - A. SUBJECTS REGARDING VALDEZ ACTIVITIES
 - (1) PERSONNEL POLICY RULE CHANGE
 - (2) VALDEZ TAX ASSESSMENTS *
 - B. CONSULTANT CONTRACT PROCEDURES **
4. DISCUSSION OF GOALS OF COMMISSIONER RE: DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS
5. CONCLUSION OF HEARINGS

NOTE: ADDITIONAL MEETINGS FOR CONTINUATION OF HEARINGS MAY BE SCHEDULED AS NECESSARY. COMMITTEE DISCUSSIONS MAY INCLUDE SUBJECTS NOT LISTED ABOVE.

* MAY INCLUDE TELECONFERENCE TESTIMONY -----RICHARD RANDALL

** MAY INCLUDE TELECONFERENCE TESTIMONY-----LAWRENCE KIMBALL

Attorney general review finds no contract bid conflict

By STEVE SEPLOCHA
and JOHN LINDBACK
Daily News reporters

A company denied a state Department of Community and Regional Affairs contract because of a possible conflict of interest actually had no conflict, an attorney general's office opinion says.

The Kuskokwim Planning and Management Corp. bidding for one-third of a \$395,000 contract for planning in Western Alaska, was called a "runaway winner" in the competition by a department bid review team in January.

But Community and Regional Affairs Commissioner Mark Lewis threw out all bids for the contract amid questions over potential conflicts in Kuskokwim's bid, and in the bid made by the second-ranked competitor, Callista Professional Service Corp.

A Kuskokwim employee, Richard Aks, had been deputy commissioner of the Department of Community and Regional Affairs. He resigned Dec. 3, and became general manager

of Kuskokwim Corp. on Jan. 5.

Thomas Jahnke, an assistant attorney general asked by Aks to review the situation, said in a letter to Aks that his review of documents and discussions with state officials "lead me to conclude that there has been no impropriety on your part."

Jahnke said, "It was appropriate for Commissioner Lewis to inquire about the appearance of conflict in connection with your employment by KP (Kuskokwim). However, on closer examination, the apparent conflict is seen to be illusory."

The Jahnke opinion on Aks said the record was "entirely contrary" to any of the factors required for a conflict finding under Alaska law.

Lewis' actions on the contract have been criticized by the former director of the department's community planning division, Lawrence H. Kimball Jr., and a number of private contractors. They claim Lewis steered the contract to Callista Professional Services Corp. and/or the Association of Village Council Presidents (AVCP).

Lewis has denied any improper actions and has said his actions were aimed at making the contracting procedure fair. He further accused Kimball of having a personal vendetta against him.

Jeff Smith, director of the C&RA Local Assistance Division, said Lewis would have no comment on the ruling. Smith said he felt the actions taken by Lewis were "still justified based on the appearance (that existed at the time) and other issues involved."

Aks began negotiating with Kuskokwim in mid-October and immediately notified superiors that he was talking with the firm and would take no part in department decisions regarding the planning contract.

In January, the bids were graded by a department review team and the Kuskokwim proposal was cited as the best.

The second-ranked proposal, by Callista, was also recommended for two-thirds of the \$395,000 award, since the top firm had only applied for one-third.

However, about the same time, Sen. John Sackett, R-Ruby, complained to Lewis and Gov. Bill Sheffield's office that Aks' employment by Kuskokwim should disqualify that company.

Lewis convened an executive review committee in February, at which Aks' potential conflict was addressed, along with information that Kimball had that a member of the original review committee had been employed by Callista.

After a stormy second meeting of the review committee, in which Kimball said he made charges of impropriety and asked to be relieved of any involvement in the award, Lewis threw out all proposals.

In tossing out the bids, Lewis announced a change in the scope of the work that had the effect of eliminating resubmission of the Kuskokwim bid.

He subsequently made another rule change that allowed Association of Village Council Presidents, a non-profit organization with close ties to

Callista, to enter the second round of bids. Lewis also briefly put a Callista shareholder who is a relative of an influential AVCP member on the second round review committee.

A new review committee appointed after complaints about the Callista shareholder met this week and made a contract award recommendation to Lewis.

Smith said Lewis would issue a press release Tuesday giving his decision on the contract.

Callista, in partnership with AVCP, resubmitted a bid in the second round.

The alleged conflict involving the Callista employee, who had access to all first round bids and an apparent advantage in the second round, has not been resolved.

Smith said earlier this week that he had a preliminary indication that the change that eliminated the Kuskokwim bid represented a significant revision of the proposal and made the point about a potential Callista conflict moot.

U.S.S. Anchorage visiting namesake

Anchorage's namesake on the high seas is paying a holiday visit, and the welcome mat is out to residents.

The U.S.S. Anchorage is docked at the Port of Anchorage and the public has been invited to scurry over its decks, peer in its holds and sit in a captain's chair from noon to 5 p.m. today.

The Anchorage is a Dock Landing Ship (LSD), designed for two main missions. First, it is a cargo ship, capable of toting up to 300 fully equipped troops and their land vehicles and demarcating them on any

as harbor tugs to steer in for overhauls.

"We can get a boat in the lower decks and it works just like a dry dock," said Lt. Jg. Michael Craft. "We can use the cranes and lift an engine right out of a vessel and drop another one in."

The upper deck is also large enough to allow medium-sized helicopters to drop in for service and storage.

The Anchorage carries three twin-barreled 50-caliber gun mounts with a range of six miles. While primarily for



Phillips
Cap. 421
BILL SHEFFIELD, GOVERNOR

STATE OF ALASKA
DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

May 31, 1983
FOR RELEASE 8 a.m.

POUCH B
JUNEAU, ALASKA 99811
PHONE: (907) 465-4700
 225 CORDOVA STREET - BLDG B
ANCHORAGE, ALASKA 99501
PHONE: (907) 264-2294

PRESS RELEASE

Mark Lewis, Commissioner of the Department of Community and Regional Affairs, announced today that the Anchorage firm of Maynard and Partch has been selected to carry out the Yukon/Kuskokwim Regional Planning Needs Assessment project, subject to successful contract negotiations. This selection implements a unanimous recommendation by the Proposal Evaluation Committee.

Revised Requests for Proposals were issued on April 20, 1983, with an addendum to the RFP issued on April 29, 1983. Using appropriate bidder's lists, maintained by the Alaska Department of Administration, the RFP was distributed to over 180 firms. In addition, public notice was printed in major Alaska newspapers in both Anchorage and Juneau inviting prospective bidders to submit proposals.

Five proposals were received by the deadline for submission on May 19, 1983. A five-member Proposal Evaluation Committee met on May 25 and 26 in Anchorage to consider the proposals which had been submitted in a manner responsive to the terms of the RFP. The final proposals were submitted by Maynard and Partch in association with Kuskokwim Planning and Management Corporation; Kevin Waring and Associates; Woodward and Clyde Consultants and the second from Calista Professional Services joint venture with the Association of Village Council Presidents. The other three proposals were rejected as not complying with the submittal requirements of the RFP.

Proposal Evaluation Committee members were Fred Ali, President, Kuskokwim Community College, Bethel; Tony Stigel, Planning Director, City of Bethel; George Gee, Private Consultant, Ketchikan; Jim Edwards, Department of Transportation and Public Facilities, Anchorage; and Ed Busch, Department of Community and Regional Affairs, Division of Community Planning.

The Proposal Evaluation Committee reviewed the proposals according to criteria established within the RFP. Major criteria included:

1. Quality and Thoroughness of Presentation
 - Understanding of the project
 - Understanding of the communities and the region
 - Responsiveness to contractual requirements
 - Organization and clarity of the proposal
 - Innovativeness of the proposal
2. Capabilities and Organization of the Proposed Team
 - Qualifications and experience
 - Work satisfactorily completed on related projects
 - Organization and management
3. Project Budget

Following their discussions on May 25, the Proposal Evaluation Committee elected to interview both proposed project teams on the morning of May 26. Following these interviews, the members resumed their discussions and, ultimately, moved to recommend the firm of Maynard and Partch as the firm most qualified to carry out this project. The Committee vote was unanimous in favor of the motion.

Subject to successful negotiations, the Yukon/Kuskokwim Regional Planning Needs Assessment Project is expected to be under contract with the firm of Maynard and Partch before June 30, 1983.

The policy of this administration is to award all contracts in a fair and equitable manner and to contract with the firm most capable to successfully complete the project. As evident by the process we have just completed regarding the Regional Planning Needs Assessment for the Yukon/Kuskokwim both of these goals have been met.

Commissioner Mark Lewis said:

"It is unfortunate that the Anchorage Daily News was so quick to judge this contract review process and that their articles were one-sided and had a biased interpretation. I am pleased to announce this award and as I have maintained all along that this contract review process has been fair and equitable to all the participants involved."

CONTACT Jeff Smith - 465-4707.

Alaska State Legislature

Barbara Lacher, Chairman
Mae Fischer, Vice-Chairman
Randy Phillips
Milo Fritz
Don Clocksin
Jack McBride
Mike Szymanski



Room 104
State Capitol
Juneau, Alaska 99811

Pouch V
Juneau, Alaska 99811

House of Representatives Committee on Community & Regional Affairs

TO: Representative Lacher
FROM: Staff
DATE: May 25, 1982
SUBJ: Planning Consultant Contract, Department of Community and Regional Affairs.

CAUTION: The following information has been summarized from articles appearing in the Anchorage Daily News on May 15 and May 17, 1983 and has not been verified by independent investigation.

The articles allege that Commissioner Mark Lewis has directed actions that favor the award of a State-funded Regional Planning Contract to Calista Professional Services Corporation. The amount of the contract is \$395,000. and is one part of a larger multi-part contract.

Earlier portions of the larger Regional Planning Contract were awarded to Calista Professional Service Corporation. Proposals from several consulting and planning firms for the latest contract were reviewed in January by a contract review committee comprised of employees of the Department of Community and Regional Affairs. The review committee recommended award of the contract to Kuskokwim Planning and Management Corporation.

In January, Senator Sackett informed the Governor that a conflict of interest existed in the award of the contract to Kuskokwim because a former employee of the Department, Richard Aks, worked for Kuskokwim. The Senator also wanted to award one contract on a regional basis rather than several smaller contracts on a subregion basis. A decision to follow the Senator's request would mean eliminating the request for contract proposals and the Kuskokwim bid.

Subsequent to receipt of Senator Sackett's letter, Commissioner Lewis directed a newly formed contract review committee to again review the proposals and recommend a winning bid. Reasons given for appointment of a new review committee were to be certain that the program was in line with the new administration policies (not clarified) and possible conflict of interest in the earlier recommendation for contract award.

The new or "executive" review committee met twice but apparently made no recommendation. On March 13, Lewis announced that all of the bids would be discarded but, bidders would be paid for their efforts. He also announced that readvertisements for bids would eliminate the provisions that permitted bids for portions of the work. This change eliminated the proposal submitted by Kuskokwim from further consideration.

During the month of February, a Mr. Jim Pederson who prepared Calista's bid proposal resigned from Calista, which would reduce the strength of that Corporation's proposal. Additionally, Gary Hennigh, a former Department employee who had been a member of the original bid review committee had been hired by Calista. Since Mr. Hennigh had seen all the competitive bids, it could be a conflict of interest in subsequent proposals submitted by Calista.

An Assistant Attorney General, Mr. Janhke, stated that a preliminary review of materials supplied by Lewis indicated that Richard Aks of the Kuskokwim organization did not create a conflict of interest situation in their bid proposal.

The requests for new bid proposals were advertised on April 22. Later, Lewis directed additional changes to the bid rules to allow the Bethel based association of Village Council Presidents to submit a bid proposal. The rule change allowed an organization with no planning staff to submit a bid (the Association had no planning staff), even though an important part of the bid evaluation was based on the expertise of the applicant's planning staff.

The Association of Village Council Presidents has strong ties to Calista Corporation. The rule change could result in the Association being awarded the contract, and then using or hiring the Calista Planning Staff to do the work. In effect, the Calista Corporation may have two chances for the contract.

Lewis is reported to have told Lawrence Kimball and Jim Kohler that he (Lewis) was going to name another committee to review the proposals. The new committee would include Bethel City Manager Lyman Hoffman, nephew of the Chairman of the Association of Village Council Presidents and a Calista shareholder. Lewis later said that he would not name Hoffman to the committee.

Lawrence Kimball, who was the Director of the Departments' Division of Community Planning, has resigned at the request of Lewis. Kimball had advised Lewis of the legal and ethical problems involved in the rejection of the original review committee's recommendations and of subsequent actions. Jim Kohler, Kimball's Deputy Director advised Lewis against changing the bid rules to allow the Association of Village Council Presidents to bid on the contract.

Three charges involving the procedures and circumstances surrounding the bidding procedures have been filed with the State Ombudsman's office.

STATE OF ALASKA

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

May 17, 1983

BILL SHEFFIELD, GOVERNOR

POUCH B
JUNEAU, ALASKA 99811
PHONE: (907) 465-4700

225 CORDOVA STREET - BLDG R
ANCHORAGE, ALASKA 99501
PHONE: (907) 264-2294

Howard Weaver
Anchorage Daily News
200 Potter Drive
Anchorage, Alaska 99504

Dear Mr. Weaver

It has not been my policy to respond directly to the articles that have been appearing in the Daily News. However, following the article that appeared in your May 15 Sunday edition, I feel a response is necessary. In reviewing this entire contract's history, it must be remembered that this project was appropriated and developed during the last year of the Hammond Administration and the associated problems have arisen as a result of their decisions. It has fallen to the Sheffield Administration to correct these problems and to implement the project. This, I have attempted to do in a fair and equitable manner.

The article that was printed contained factual errors, conclusions inconsistent with the facts and, at best, misrepresented the actions that I have taken regarding the Yukon-Kuskokwim Planning Needs Assessment. The article is as interesting for what it doesn't say as much as for what it does. Contradictory documentation that was provided to your reporters does not appear anywhere in the article. This is especially troubling from the standpoint that this proffered documentation was also written by a major source for your story, Larry Kimball. Following is a point by point rebuttal to your article.

In the article you state that decisions made by me have consistently favored the Calista Corp. This is patently not true and I do not believe that this statement is substantiated in the article. While your reporters view the change in the second RFP as benefiting Calista, it was actually made in order that the RFP conform to the original "legislative" intent for this project. The project was instigated by the Legislature in order to provide for a comprehensive regional planning effort, not a subregional planning effort. On what basis DCRA, under the Hammond Administration, made this change in the project remains unclear to us now. We can find no supporting documentation in the files for not meeting the intent of the legislation. Therefore, this change to the RFP that you intimate is so damaging, in actuality only readdresses the original intent of the project. The other change referred to is the amendment to the second RFP that would allow for a firm to disclose the staff that will be hired to implement the project, after selection, but before the contract is let.

Mr. Howard Weaver
May 17, 1983
Page 2

While your reporters view this as giving Calista two chances, in fact, the Association of Village Council Presidents (AVCP) could choose to hire its staff from any firm. As I stated during my interview, the possibility that AVCP would hire Calista did not occur to me and my only motivation was to remove a stumbling block from the path of any firm which desired to respond to the proposal without having to receive firm commitments from professionals to work on a project that may not be awarded to them. In your article you state that this constitutes a pattern. I do not believe two changes are a pattern, especially when at least one of the changes was to bring the project into compliance with the original intent of the legislation.

You go on to mention the complaints received by the Ombudsman's Office and his subsequent review. If carefully scrutinized, you would discover that the majority of the aspects under investigation by the Ombudsman were actions taken by the former Hammond Administration. The concern regarding a favoring of firms with ties to native organizations from that region, refers to the original RFP written in October of 1982 by Larry Kimball of the Division of Community Planning. Both of these complaints were closed by the Ombudsman's Office after we cancelled the old RFP and went out for new bids.

Your point that these actions all figured heavily in the dismissal of Larry Kimball is pure conjecture. Kimball's departure is due to the proposed reorganization of the Department and Mr. Kimball's inability to conform to the stronger management style of this administration. Both Mr. Kimball and I made a good faith effort during the last few months to communicate better, however, this was without success. As stated to me in my last meeting with Mr. Kimball, he felt the same way and was not upset about leaving the Department. He indicated that he was tired and looked forward to entering the private sector.

Your May 15th article stated that my reasons for throwing out the first set of bids was due to the conflicts previously mentioned and was an attempt on my part to provide the Calista Corporation with another chance at the contract. What wasn't stated in the article, and should have been apparent, is that due to the number of problems and apparent conflicts that came up regarding the contract, no matter to whom the contract was awarded, a cloud would have been left hanging over the project. This was apparent and no one, including Mr. Kimball, recommended that we award the project to the third, fourth or fifth bidder. The decision to re-bid was a joint and unanimous decision by all the staff involved.

Mr. Howard Weaver

May 17, 1983

Page 3

You further state that Mr. Kimball repeatedly warned me about legal and ethical problems. This is a very interesting point. The only time that Mr. Kimball stated he felt there were problems with the manner in which I was proceeding was in a memo dated February 24th and that memo was not received in my office until March 14, at almost the same time that it was given to your newspaper by person or persons unknown. However, in a trip report written by Mr. Kimball March 3rd which covers the meeting held February 23 in Juneau, he states:

I met with Jeff Smith and Marty Rutherford to convene as the Executive Review Committee on the Y-K proposals. I had discussed the situation with Bob Rehfeld earlier in the day. He was unable to attend the review committee meeting.

Marty, Jeff and myself spent considerable time discussing the increasing problems with the proposal evaluations and decided to identify the issue areas and pass our concerns on to you prior to issuing a decision from the committee. You have been so informed and I agree with the course of action you have directed Marty to take. I have a separate memorandum coming to you relative to my continued involvement in this matter.

In addition, in another trip report covering the second and last meeting of the review team, Mr. Kimball wrote:

"Met with Marty, Jeff and Bob to discuss the tasks necessary to follow your directives on the Y-K projects. I firmly believe your decisions were sound on these projects".

Both of these trip reports were provided to your reporters here in Juneau and these were never mentioned in your article. It must be remembered that the review committee held only two meetings. The first was held February 23 and the second held March 16. Mr. Kimball was present at both meetings, and his trip reports, I believe, reflect his immediate and therefore more accurate thoughts about the process. I do not believe that contradictory statements can be construed as repeatedly warning me of legal and ethical problems. If the statements made in Mr. Kimball's February 24 memo were true, and his impressions later changed, why did he not immediately come to my office and inform me of those instructions or at the very least utilize our telecommunication system to send me that memo on February 24, which could have been received in my office in minutes.

Mr. Howard Weaver
May 17, 1983
Page 4

Instead, he chose to communicate these concerns to me in a memo I received eighteen days after it was written and on the same day your newspaper received it. With regard to your second point about the change in the RFP attempting to exclude the Kuskokwim Planning and Management Corp. (KPMC) this is simply not true. Again, this action was taken in order to bring the project in line with legislative intent. KPMC can, under these guidelines, still bid on the project, but like everyone else, they have to include the whole region and not just parts of it in their scope of work.

You also brought up in your article a February 10 meeting that never occurred. The first meeting to review the project was held February 23. Further, at no time did Mr. Kimball recommend an Attorney General's opinion on the conflicts that he had pointed out to me.

In the interview I held with your reporters on Friday, May 13, Marty Rutherford, my Special Assistant, stated that she never used the word "orders" at that meeting, however, you imply in the article that she admitted using that word. You also imply that Jeff Smith, the Director of our Local Government Assistance Division, admitted to opening the February 23 meeting with the statement "Larry, you're not going to like this." Mr. Smith did comment that he made that statement at the meeting held on March 16 when he informed Mr. Kimball that I had decided to let the Land Management Contract to Darbyshire and Associates. This action was recommended by the technical evaluation team, however, Mr. Kimball did not want this contract given to that particular firm and Mr. Smith made his remark because he was aware of that fact.

You state that Mr. Kimball was allowed to leave the committee and he began losing influence in the decisions regarding the matter. In reality, in Mr. Kimball's February 24 memo he states categorically that he does not want to have anything further to do with this contract. However, he did continue to play a role as evidenced by his March 16 trip report and his May 2 memo, in which he pointed out problems with the proposed review committee. These comments were taken into consideration when I changed the membership of the new evaluation team.

A conflict of interest or an appearance of one is not to be taken lightly and deserves to be reviewed very carefully. At no time did we state that former Deputy Commissioner Aks had a conflict, but since Senator Sackett had questioned this, we were unable to ignore the concern. The records show that Mr. Aks signed the Authority To Negotiate (ATN) and approved the RFP for Contract Advertisement for the Yukon-Kuskokwim Contract.

Mr. Howard Weaver
May 17, 1983
Page 5

I still maintain that since there was an appearance of a conflict, it was in the best interest of the State to throw out all the original proposals and start new. I find it ironic that attempts to proceed cautiously and be fair in awarding the contract would be interpreted as somehow "wiring" the outcome.

It is interesting to note that on April 28 Mr Kimball requested that I approve a sole-source contract to Kawarek, Inc., a non-profit regional corporation serving the Bering Straits Region, to develop a regional strategy. The Bering Straits Regional Strategy and the Yukon-Kuskokwim Region Comprehensive Plan are very similar. Both plans are designed to develop a region-wide policy and goal statement, which includes physical, social and economic growth and development issues, along with compiling information on the economic, political, cultural and physical characteristics of the region. This information and goal statements, and other pertinent information and data , will be used to assess development trends in the years to come and serve as a foundation for capital improvement programming. Mr. Kimball states that the success of the Bering Straits Plan depends upon the involvement of the Non-profit Regional Corporation (Kawarek, Inc), yet when he discusses doing the same planning in the Yukon-Kuskokwim Region, his statements are totally different. Mr. Kimball accuses me of "wiring" the Yukon-Kuskokwim contract in favor of the Calista Corporation, yet he, without the benefit of any competitive process, advises me to award a sole-source contract in the amount of \$ 102,000 and calls it standard contracting practice in his division. One has to question the consistency of this logic. While I have not attempted to "wire" this contract to the Calista Corporation, Mr. Kimball's recommendation raises serious questions.

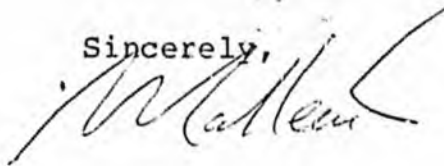
If, as you suggest, my only motivation was to ensure that Calista receive the contract for this project, I would have proceeded to award the contract to them on February 1st when everyone, including Mr. Kimball, presented that as an option. I did not do this and still your newspaper chose to imply that all of my actions had one purpose and one purpose only, to give the contract to the Calista Corp. For whatever reasons, however, you do not question the contradictory written statements of Mr. Kimball. You use words such as "pattern" and "repeatedly" in such a manner as to make them inflammatory. Throughout the article you make editorial judgments and assumptions and present them as factual information. You state that all planners and their firms, with the exception of Calista, complained about the sequence of events, but in my interview with your reporter, he stated that some of the firms contacted would not comment, yet you state that they all complained, when in fact, some you contacted did not.

Mr. Howard Weaver
May 17, 1983
Page 6

The only conclusion I can draw is that this article demonstrates that your newspaper, or perhaps just one of your reporters, is trying to insinuate from loosely gathered facts that I am manipulating a contract process in order to favor one firm over others. This is absolutely not true and my past and future actions will bear out my contention that every decision I have made was to ensure that the people of the region and the state get a high quality product for the money, and that the project is implemented by the firm most capable to perform the work.

I look forward to an opportunity to meet with you to discuss this issue at your earliest opportunity.

Sincerely,

A handwritten signature in cursive script, appearing to read "Mark Lewis". The signature is written in dark ink and is positioned above the typed name.

Mark Lewis
Commissioner

Alaska State Legislature

Barbara Lacher, Chairman
Mae Tischer, Vice-Chairman
Randy Phillips
Milo Fritz
Don Clocksin
Jack McBride
Mike Szymanski



Room 104
State Capitol
Juneau, Alaska 99811

Pouch V
Juneau, Alaska 99811

House of Representatives Committee on Community & Regional Affairs

TO: House C & R A Committee

FROM: Representative Barbara Lacher

SUBJECT: Confirmation Hearings

DATE: March 16, 1983

Attached you will find a summary of allegations pertaining to Mr. Lewis that appeared in the Anchorage Daily News during January 1983. The staff has developed some questions that you may wish to further refine in order to clarify some of the allegations. I am not suggesting that the proposed questions be used for any purposes other than to assist your efforts in preparing for the confirmation hearings.

Please use the attached information with caution and discretion. None of the allegations or reports have been substantiated, the only source being newspaper articles. Materials provided in your file folder provide clarification on several of the issues.

ANCHORAGE NEWS ALLEGATIONS -Mark Lewis

SUBJECT: TAX ASSESSMENT ROLLS

ALLEGATION: MR. Lewis directed that the property tax assessment rolls for the City of Valdez non-oil related properties be lowered by 15% in 1981 and 1982.

BACKGROUND: State law and City of Valdez code require that only the assessor, upon the direction of the City Council, can change the assessment rolls.

Property within the City that is oil related is taxed by the City at the same rate as non-oil related property, but oil related property is assessed by the State. The reduction in assessed valuation of non-oil related property resulted in the oil related property paying a higher percentage of City revenues in 1981 and 1982.

SUGGESTED QUESTIONS: Was Mr. Lewis aware of the City of Valdez and State laws that require property to be assessed at 100 percent of market value?

Was Mr. Lewis aware that, by law, only the City Council could direct the Assessor to make any change to the assessment role?

Did Mr. Lewis own any property in the City of Valdez? And, if so, did he realize a personal gain by ordering the reduction of the assessment rates?

Did Mr. Lewis, at any time, discuss his order to reduce the assessment roles with any elected official of the City?

Why did Mr. Lewis not discuss or refer the question of reducing the tax assessment roles to the City Council?

POSSIBLE WITNESSES:

Rich Randall: Contracted with the City of Valdez for property assessments in 1981-82. Has stated that Lewis requested him (Randall) to change assessments in 1981 but he refused and that he (Randall) never agreed to alter the figures. In 1982, Randall, at the verbal request of Lewis, prepared the tax rolls with the same 15 percent reduction.

Lori Anderson: Secretary to City Manager. Has stated that Lewis verbally instructed Randall to prepare 1982 tax rolls with the 15 percent reduction.

Lt. Gov. Steve McAlpine and/or Council members: For verification that they were not consulted or aware of tax reductions.

ADDITIONAL QUESTION

Did Mr. Lewis reduce the assessment rolls by 15 percent and request City Council approval of those rolls while being fully aware that the individual property cards would continue to reflect the full 100 percent of market value as required by law?

SUBJECT: PERSONNEL POLICY CHANGE

ALLEGATION: Mr. Lewis changed the personnel policy for the City of Valdez employees two months prior to his departure, resulting in Mr. Lewis' being paid an additional \$6,174 in compensation for accrued sick leave.

BACKGROUND: The City of Valdez has an ordinance that prohibits the City Manager from changing personnel policy but the ordinance had not been placed in the city code book (codified).

Lewis approved the change which allowed departing employees to be paid for unused sick leave four months after he announced his resignation and two months before he departed. The change in policy is reported to have been requested by Valdez Police Chief Pat Shely. Lewis established a committee of City employees to review and make a recommendation on the policy change. The committee recommended the change be made. Lewis departed his employment in July 1982 and collected the \$6,174.

Lt. Gov. McAlpine is reported to have said that the City Council retroactively approved the personnel policy change in September 1982. Apparently there was debate as to whether Lewis had the authority to make the rule change. Lt. Gov. McAlpine is reported to believe that Lewis acted properly.

POSSIBLE QUESTIONS.

Did the City of Valdez have an ordinance in effect that prohibited the City Manager from making personnel policy changes when Mr. Lewis directed the change to the City personnel policy?

What is the policy of the City of Valdez on frequency of codification of ordinances? Are ordinances effective even though they have not been codified?

When Mr. Lewis made the policy change, was he aware that he could realize a substantial amount of money?

Assuming that Mr. Lewis' subordinate employees that he appointed to the committee to make a recommendation on the policy change were aware that Mr. Lewis had a financial interest in their decision, did Mr. Lewis feel that the committee members might be unduly influenced in their decision?

Did Mr. Lewis make any other major employee policy changes during his tenure as City Manager? If so, did he normally discuss with or inform the City Council of such changes - especially those with financial impact? Did Mr. Lewis inform the Council of the policy change in question?

POSSIBLE WITNESSES:

Policy Chief Pat Shelby. Reported to have requested the sick pay policy change and convinced Lewis that he (Lewis) should make the change for the long range benefit of the employees.

Lt. Gov. Steve McAlpine. Reports imply that McAlpine was not aware of the change in personnel policy (he may have departed for campaigning in July 1982) and that he (McAlpine) had conducted an investigation to confirm that Lewis had established an employee recommendation committee.

City Clerk (name unknown) Should be able to verify existence of ordinance prohibiting the City Manager from changing personnel policy, effectiveness of adopted ordinances prior to codification, and City Manager authorities under the City charter and codes pertaining to Lewis' authority regarding policy changes and budgeting matters.

City Treasurer (name unknown) Questions may be asked regarding city procedures on changing personnel policies that have a fiscal impact, especially when those changes affect a fiscal year budget that has previously been approved by the City Council. The implication could be that Lewis improperly made a policy change with budgetary impact without council approval.

Recommendation Committee Members (names unknown). Regarding guidance or influence from Lewis in making their recommendation. Were they aware of Lewis' imminent departure and, did they feel any pressure or obligation to report favorably on the policy change.

Council Members To determine if council members believed Lewis' action to change the personnel policy was proper or improper.

SUBJECT: MR. LEWIS' RELATIONSHIP WITH ALASKA GRAIN CO.

ALLEGATION: There is potential of collusion and use of office to assist Alaska Grain Co. in return for personal gain.

BACKGROUND INFORMATION: Apparently, when the voters of Valdez and the City Council decided to build a grain terminal, the concept was to contract the operation of the terminal, but the City would retain ownership. After the construction contract was awarded, Mr. Lewis presented to the Council a contract that not only awarded operations of the facility, but included selling the 30,000 ton capacity facility to Alaska Grain Co. The company was given a five year deferral to begin payments to Valdez.

Mr. Lewis deposited \$5 million of Valdez funds, at 8% interest in a bank in Montana to help Alaska Grain Co. start up its business. Alaska banks refused to loan Alaska Grain Co. money because of too much risk.

In December, 1982, Mr. Eugene Thayer, President of Montana Merchandising (parent company of Alaska Grain Co.) stated he expected to sell the grain terminal as a tax credit to a third party. Reports are that Mr. Thayer's profit will be between \$1.5 million and \$3 million.

POSSIBLE QUESTIONS: It appears that Mr. Lewis' actions to 1) sell the grain terminal to Alaska Grain Co. 2) reduce the size and scope of the facility that was to be built in order to keep the contract alive, and 3) provide for the financing of Alaska Grain Co., were all performed under circumstances that are - at the least - "questionable."

Was there, at any time, and in any manner, reason for Mr. Lewis to believe or understand that he might realize any type of remuneration or other benefit, directly or indirectly, from his transactions or dealings with Alaska Grain Co. or Montana Merchandising or their representatives?

POSSIBLE WITNESSES:

Councilman Chuck Lapaze: will probably state that the idea of selling the facility had not occurred until Mr. Lewis proposed the selling and council was not aware of the reduction in the size of the terminal or of the Montana Bank investment until after the fact.

Eugene Thayer, President of Montana Merchandising regarding contacts, agreements or understandings between himself and Mr. Lewis regarding potential rewards from the sale of the terminal to a third party.

Tom Watson, Valdez City Manager: Can relate faulty aspects of contract to sell a 30,000 ton capacity facility while building a 15,000 ton facility, and associated problems caused by the contract.

SUBJECT: DECISION TO BUILD VALDEZ GRAIN TERMINAL

ALLEGATION: Mr. Lewis intentionally suppressed information concerning the economic feasibility of a Valdez grain terminal.

BACKGROUND INFORMATION: It has been reported that on February 17, 1982, Mr. Lewis received the results of a \$17,000 feasibility study that indicated construction of the grain terminal was a "relatively high risk endeavor." Three weeks after receipt of the report, Mr. Lewis authorized \$10 million in bonds be issued to build the grain facility. At least one city councilman who objected to the issuing of the bonds was unaware of the feasibility study and it is unknown if any of the council members were aware of the study. Mr. Lewis has reportedly indicated that there are several studies that are "relatively positive" toward the project and, that the council was aware that there were negative aspects of the project.

POSSIBLE QUESTIONS:

Did Mr. Lewis or the City Council initiate the action to have a grain terminal feasibility study prepared by Mr. Frank Orth?

Did Mr. Lewis discuss the results of the grain terminal feasibility study, prepared by Mr. Frank Orth, with any city official before authorizing the issuance of \$10 million bonds to build the project?

In view of a report that indicated a high degree of risks for the City of Valdez, why did you not feel it appropriate or necessary to review the project with the council prior to proceeding with the bond sale, especially in consideration of the cost of the project?

Can Mr. Lewis produce any studies that reflect favorably on the economic viability of the Valdez grain terminal?

Was Mr. Lewis aware of efforts to construct a grain terminal in Seward and were his actions to rapidly proceed with the Valdez grain terminal influenced by knowledge of a potentially competing grain terminal? Did Mr. Lewis discuss at any time, with any person, any possibility of impeding or preventing the construction of a grain terminal at Seward, Ak.?

Did Mr. Lewis normally report the results or availability of city sponsored studies to the Council? Why did Mr. Lewis not take steps to insure that the City Council was aware of Mr. Frank Orth's study?

Was Mr. Lewis aware that an increase from 7500 acres of harvested grain in 1981 to a harvest of 150,000 acres of grain would be required before the City of Valdez could realize a profit on the grain terminal?

POSSIBLE WITNESSES:

Mr. Bob Kellar: Councilman who reportedly was against the issuance of bonds for the grain facility, had asked in March of 1982 if it was too late to terminate the bond action and was told by the city attorney that it was not and was not informed of the Frank Orth study, which was available in February, 1982.

Mr. Frank Orth: consultant who prepared the report that was allegedly suppressed by Mr. Lewis.

Mr. Ken Jacobus. Valdez City Attorney

Other City Council Members: For verification or denial if being made aware of consultant study(s) or contents. Other information as desired.

SUBJECT: VALDEZ GRAIN TERMINAL CONTRACT

ALLEGATION: Mr. Lewis entered into a contract on behalf of the City of Valdez that contained substantial errors.

BACKGROUND INFORMATION: It has been reported that, in the spring of 1982, Mr. Lewis learned that the \$10 million of bonds issued would not pay for the 30,000 ton grain capacity building and conveyor system to transport the grain to the dock. At that time, the size of the project was reduced to a 15,000 ton facility with no conveyor system. After the decision to reduce the size of the project, Mr. Lewis signed a contract selling the terminal to Alaska Grain Company. The contract with Alaska Grain Company specified a 30,000 ton facility with a conveyor belt. In November of 1982, Alaska Grain Company asked for renegotiation of the contract, during which negotiations the city of Valdez was in a disadvantageous position.

In May of 1982, Mr. Lewis signed documents that deposited \$5 million dollars (Valdez funds) in a five year certificate of deposit in the National Bank of Great Falls, Montana. The certificate of deposit was to guarantee a \$628,000 loan to Alaska Grain Company so that the company could complete a grain receiving terminal in Delta, Alaska.

Mr. Lewis allegedly states that some of the Council members may not have been aware of the financial transactions but that Councilman John Devens and former Mayor Steve McAlpine were informed. Former Mayor McAlpine is reported to have stated that, during the following month (June, 1982), he asked the other council members if they approved.

POSSIBLE QUESTIONS:

While the voters of Valdez authorized a \$10 million bond issue for construction of the grain facility, does Mr. Lewis feel that he was authorized to commit an additional \$5 million to guarantee a loan for Alaska Grain Co. without prior voter or city council approval?

How does Mr. Lewis account for the alleged fact that after he had to reduce the size of the grain terminal project and eliminate the conveyor belt, he then entered into a contract to sell the facility with the original capacity (30,000 tons) and with a conveyor belt?

In that the original plans called for a 30,000 ton capacity facility, with conveyor system to be constructed for \$10 million and had to be reduced to one-half that capacity with no conveyor system, how does Mr. Lewis account for this amount of error in cost estimates?

Mr. Lewis, is the following sequence of events correct as they pertain to the deposit of \$5 million of Valdez funds in a Montana bank in the May-June 1982 time frame?

1. You signed documents investing the \$5 million in the Montana Bank at 8% interest, while the city charter for the Permanent Fund required investment at the higher rate of interest then available.

2. The Council learned of your investment action and protested because they were unaware of the investment and because of the low interest rate.

3. You then secured an agreement from the Alaska Grain Company to repay the City the difference between the 8% and 12% interest.

POSSIBLE WITNESSES:

Councilman John Devens - reported to have been kept informed of Mr. Lewis' financial transactions on behalf of the City of Valdez and was to keep the remainder of the council informed.

Lt. Gov. McAlpine. During tenure as Mayor of Valdez, did he convey to Mr. Lewis the impression that his (McAlpine's) approval of Mr. Lewis' transactions in regard to financing the Alaska Grain Co.'s loan, constituted the approval of the city council?

Mr. Jim Watson, present Valdez City Manager. Can provide insight into potential gains or loss to the City of Valdez as a result of Mr. Lewis' financial and contractual activities.

Mr. Ken Jacobus, City Attorney to assist in determining propriety of Mr. Lewis' actions in accordance with City Charter and terms of employment.

Mr. Clark Lapage, city councilman. Has stated that Council believed everything to be in order when they gave Lewis approval to sign a contract selling the 30,000 ton facility, with conveyor system to Alaska Grain Co.

1/20/53

Anchorage Daily News

Winner, 1976 Pulitzer Prize Gold Medal for Public Service

Katherine Fanning
Editor and Publisher

Howard Weaver
Managing Editor



Gerald E. Grilly
General Manager

Steve Lindbeck
Editorial Page Editor

Lawrence Fanning, Editor and Publisher 1927 to 1971
4 Anchorage Morning News established • Founded in 1948 by Norman C. Brown

Lewis appointment demands examination

Serious questions of competence and attitude surround the performance of Mark Lewis as Valdez city manager and strongly suggest that he is unqualified to assume a state Cabinet post.

Mr. Lewis has been selected by Gov. Bill Sheffield as head of Community and Regional Affairs, a wide-ranging department that deals extensively with all local governments in the state. That appointment is a dramatic step forward for the young administrator, but is a peculiar move for the state.

In essence, the question is this: Why should Mr. Lewis be elevated to high state office after a decidedly questionable tenure as a city official?

An extensive investigation of his Valdez reign resulted in a series of stories in The Daily News in recent days. Those stories ranged across a multitude of matters, but centered on these most telling revelations:

- After he decided to leave his Valdez job, Mr. Lewis changed city personnel rules and allowed himself to collect more than \$6,000 in unused sick pay from the city.

- Without authority under state law or city ordinance — and without informing the Valdez City Council — Mr. Lewis directed that property tax assessments in the city be lowered by 15 percent for two years running.

- Mr. Lewis received a consultant's report outlining high risks for a city-sponsored grain terminal project but did not show it to other city officials before the bonds to finance the project were sold.

- He negotiated a flawed contract to sell that terminal to a private firm, and errors in the contract later influenced dramatic revisions in the deal that made it far less favorable to the city.

Taken even in the most favorable light, those are not the actions of a skilled administrator sensitive to the public decision-making process. It is not a record that recommends advancement.

As commissioner of Community and Regional Affairs, Mr. Lewis would be dealing with many of the same issues — and not just for Valdez, but the entire state. Can he be counted on to give unfavorable reports of pet projects wide distribution? Will he handle departmental personnel policies with more judgement than he did Valdez regulations? Can he now be relied upon to give state contracts the care he failed to exercise with the Valdez grain terminal? Considering his actions with Valdez tax assessments, should he now be made the boss of the state assessor?

Gov. Sheffield must weigh those questions. The quality and competence of his initial appointments will set a tone and establish standards for his entire administration. And once the governor formally submits his Cabinet nominations, the legislature must vote on confirmation. If Mr. Lewis is recommended by the governor, surely many questions arising from his Valdez tenure demand the closest scrutiny.

These issues will be addressed first by the governor. Even if he is satisfied, they must also be examined thoroughly and vigorously at legislative confirmation hearings, and Alaskans must be certain that the Valdez experience will not be repeated on a statewide stage.

Valdez sick pay is worth \$6,174 to commissioner

By STEVE SEPLOCHA
Daily News business editor

Commissioner of Community and Regional Affairs Mark Lewis received \$6,174 in extra pay when he left office in July as Valdez city manager after he changed personnel rules to allow departing employees to cash in unused sick time.

The rule change, made in May, came four months after Lewis announced his resignation and two months before he left office.

The change came to light in September, according to Lt. Gov. Steve McAlpine, who was Valdez mayor during the period. He said the City Council investigated whether to seek return of the money but did not.

An ordinance prohibiting the city manager from changing the personnel policy existed at the time, but McAlpine

said it had been inadvertently omitted from the published list of codes and revisions.

Lewis said he felt he did no wrong in ordering the rule change and took steps to "divorce myself from it."

He said Police Chief Pat Shely requested the change as an incentive to keep people from taking sick leave just to get rid of it. Shely felt that if employees could cash in a portion of the leave on departure there would be less absenteeism, Lewis said.

Lewis said he realized he would benefit if he changed the rule and therefore set up a committee of employees to recommend whether he should adopt the change.

The recommendation was favorable and at the time it was made, Lewis said mention was made of the fact that

See Back Page, OFFICIAL

Official cashes in sick pay

Continued from Page A-1

he was leaving. He said he almost vetoed the matter at that stage but was convinced by the chief that the change was for the long range benefit of a lot of employees.

Lewis signed the change and it became effective. In July, he left his job and took the \$6,174 due him as a result of the new rules.

McAlpine said the council retroactively approved the change in a resolution in September since there was some room to argue whether Lewis had authority to make the change.

The council did not seek to

recover the money because members believed Lewis thought he acted properly, McAlpine said. McAlpine said he agreed.

Lewis did not notify the council that he had changed the rule or that he would personally benefit from the change. McAlpine said Friday that, in retrospect, had he (McAlpine) been Lewis, "I probably would have said something about it."

McAlpine said his own investigation verified Lewis' statements that the chief and other employees initiated the change and that Lewis set up a recommendation committee.

Valdez grain terminal proves to be risky venture

By DON HUNTER
STEVE SEPLOCHA
and JOHN LINDBACK
Daily News reporters
© 1983 Anchorage Daily News

When Valdez voters in 1981 approved a \$10 million bond issue to build a grain terminal, they were hoping to turn present oil wealth into a future grain industry for the town.

At the time of the referendum it was envisioned that the city would be able to create jobs with the facility and make money. The dream, however, has been shattered and instead of making money on the deal, the city will be lucky to come out of it without a loss.

In addition the city came close in December to losing a significant chunk of a \$5 million certificate of deposit it pledged to help the grain operator get started in business.

Here is how it happened:

In the fall of 1981 voters, by a 2-1 margin, gave the City Council approval to build the terminal.

The council felt pressed to award a construction contract this spring so that the terminal could be built during the summer season and ready for the 1983 harvest.

There was a problem, however, in that no agreement had been reached with an operator for the facility.

At this point, then-City Manager Mark Lewis appeared before the council with a contract from Alaska Grain Co. proposing that Alaska Grain not only operate the terminal but that the company buy the operation from the city.

Councilman Chuck LaPage said the idea of selling the facility had not occurred to the council but they heard the proposal out.

Alaska Grain, a subsidiary of Montana Merchandising of Great Falls, Mont., wanted to defer making payments for five years. When the payments started, they proposed that the amount be based on the amount of grain processed up to a maximum not to exceed the annual bond payments.

LaPage said the deal did not sound great, but since there was pressure to get the terminal on line the council gave Lewis permission to sign the agreement.

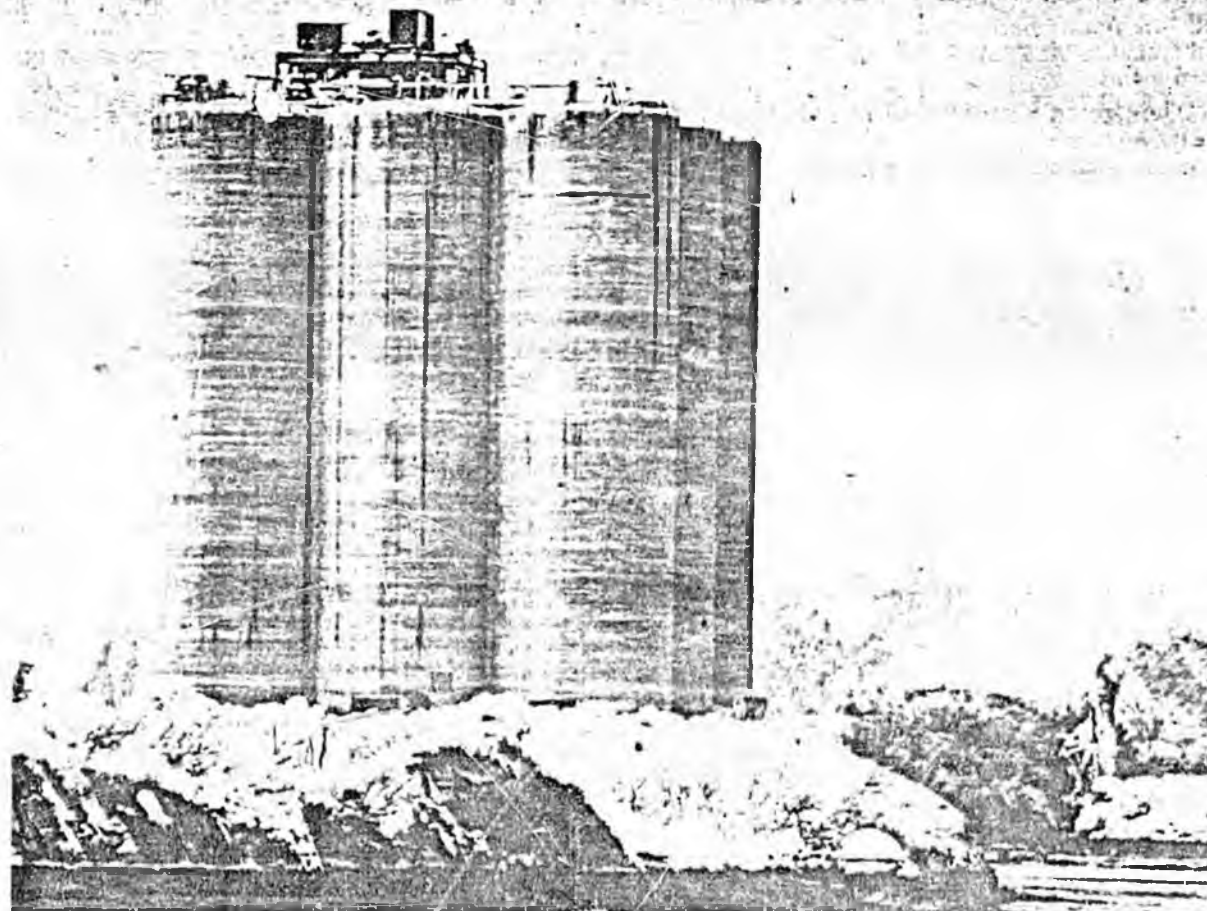
The contract specified that the terminal would hold 30,000-35,000 tons of grain and would be complete with a conveyor system.

Around the same time, the council gave Lewis permission to let the contract for the terminal and, according to LaPage, everything seemed in order.

In early June the council learned that Lewis, without consulting the council, had signed documents to invest \$5 million of the Valdez permanent fund in a bank in Great Falls.

The money was invested in a five-year certificate of deposit at 8 percent interest, which was 4 percent below the prevailing rate.

A controversy ensued, as some members on the council protested because Lewis had not informed the council of his actions and because the lower rate was said to violate the charter provisions requiring prudent invest-



Anchorage Daily News/Jim Larakas

The new grain terminal in Valdez

ment of funds at the highest rates of interest available.

Lewis explained that he made the deposit to help Alaska Grain start up its business.

Alaska banks had refused to loan Alaska Grain money to complete an elevator it was building in the Delta region to compete the grain transport chain. The banks in Alaska, not involved in agricultural lending, felt there was too much risk in the state grain program.

So, in an effort to secure the loan for the company, Lewis agreed to guarantee that the \$5 million would stay in the bank for five years. If it were withdrawn the city would lose interest and a significant part of the principal.

With the Valdez money committed the National Bank of Great Falls, agreed to loan Alaska Grain \$600,000 to complete the Delta terminal.

Lewis got an agreement from the company that it would repay the city the difference between the 12 percent the money had been earning and the 8 percent that the certificate would earn.

His rationale was that the city would break even on the interest with this plan, and would at the same time be helping the company; which in turn would help the city.

The council bought the argument and the matter was settled.

During the summer and fall the work on the terminal was completed, Lewis and Mayor

Steve McAlpine left office, and a new city manager was hired.

In late November, the new manager, Jim Watson, came to the council with news that Alaska Grain wanted to change terms of the purchase agreement.

The company wanted to extend the deferred payment period to 15 years.

Watson also revealed that there was a problem with the original contract with Alaska Grain. The contract called for the city to provide a 30,000-35,000 ton capacity building and a conveyor system. But, Watson said, the building only had a capacity of 15,000 tons and there was no conveyor system.

The council was told that another \$3 million would be needed to build the conveyor system. Besides, Watson told the council, since there was no conveyor and the building was half the size it should have been, Alaska Grain could probably get out of the contract and sue for losses.

Members of the council began raising questions about the deal. The explanations generally told this story:

Early estimates of the cost for the facility were wrong.

When the administration discovered this, they decided to scale the project down. When this happened is still not clear, and there is dispute over whether the council was formally advised of the change.

It was not brought to the council's attention

that the city was building itself into a contract problem with Alaska Grain because of the discrepancy between the operating agreement and the building contract.

The bottom line was that the city was in a corner. Its house of grain was crumbling into dust. If Valdez pulled out of the deal with Alaska Grain, the city stood to lose at least the \$28,000 to be paid by the grain company. And Valdez would be without an operator for its new terminal. If it salvaged the deal it would still be out a bundle because of a reduced payback from Alaska Grain.

And no matter what it did it still had to build some type of conveyance system or it would be stuck with a new building with no functional use.

To address the latter matter, the council in early December decided to buy \$600,000 worth of trucks and land and set up a circle of trucks to haul the grain from the terminal to the dock. Additional funds would be provided for drivers, maintenance, and other operating expenses.

Later in the month, on Dec. 20, the council voted against renegotiating the contract with Alaska Grain, and said they wanted to stick with the five-year deferral.

In the last week of December, Eugene Thayer, president of Montana Merchandising asked for reconsideration and an emergency council meeting was called.

Thayer and LaPage both said it was understood that the deal was on the verge of collapse. But they said the company did not allude to that possibility and dealt only with its need to spread payments.

Another vote was taken and it deadlocked 3-3. The motion to grant deferral failed.

A recess was called until the seventh councilman, Lynn Chrystal, could be found. He voted for a compromise on the deferral request that would have the company pay a minimum of 3 percent of the bond payment during the first five years, 5 percent during the second five years and 12 percent during the final three years.

This meant the Alaska Grain share of bond repayment would be a minimum of \$45,000 a year. The city's share of bond payment would be \$1.3 million.

The property was turned over to Alaska Grain and Thayer said he expects to sell it as a tax credit to a third party in the next 90 days. There were reports he would receive \$3 million in the sale but he said the figure will probably be much less. He said he will use the money for operating capital.

New Mayor Susy Collins said the council felt there were no good answers to the problem and chose the path least damaging to the city.

"It is a strange arrangement," she said. "The city spent an enormous amount on a facility that isn't there... We have bonded \$10 million plus the \$5 million tied up in the bank and we don't even own it."

But she also said the decisions leading to the present situation must be viewed in the context of the time. "I think Mark felt he had a great deal of community support for what he did. I believe he had complete support for aggressively pursuing this."

Valdez grain project rocked by changes

1-9-83

By STEVE SEPLOCHA
DON HUNTER and
JOHN LINDBACK
Daily News reporters
©1983, Anchorage Daily News

VALDEZ — A \$10 million grain terminal operation approved by Valdez voters in 1981 has now become a \$15 million gamble that requires astronomical increases in state grain production just to break

even. The project — engineered by former City Manager Mark Lewis and former Mayor Steve McAlpine — was marked by:

- Gross errors in cost estimates;
- Questionable investment plans for city funds; and
- A faulty contract that required renegotiation and will cost the city hundreds of

thousands of dollars yearly.

McAlpine is now Alaska's lieutenant governor; Lewis is commissioner of Community and Regional Affairs. Both defended their decisions this week and said the city got a good deal that will bring long term benefits to Valdez.

But several current city officials say there is only a remote chance the city will ever get back the money in-

vested in the project.

City Manager Jim Watson, who succeeded Lewis two months ago, said Saturday a profitable Valdez operation would require farmers in the state to harvest at least 150,000 acres of grain a year and ship all grain not used for state consumption through the Valdez terminal.

Farmers last year harvested about 7,500 acres of grain.

In addition, the state has proposed building a grain terminal at Seward that could compete with Valdez for business.

The first miscalculation in the project was discovered last spring, when it was learned that \$10 million would not pay for the initially proposed 30,000-ton capacity

See Page A-10, VALDEZ

Valdez grain project is rocked by changes

Continued from Page A-1

ty building and a conveyor system to move the grain to the dock. The project was then scaled back to a 15,000-ton facility with no conveyor system.

Later, in June, a contract was signed selling the terminal to Alaska Grain Co. The sales contract, though, promised a 30,000-ton capacity facility complete with a conveyor. This contractual error, along with risks incurred through a financing plan initiated by Lewis without prior council authorization, forced city officials to renegotiate terms of the sales agreement last month at a significant disadvantage.

Though Lewis has come under criticism since he left office, city officials say that he acted within power granted under the strong city manager form of Valdez government.

Criticism has been leveled at the wisdom of his actions and he has been accused by some members of keeping the council in the dark.

Lewis acknowledges some council members may not

have known what was going on at times, but said he kept former Mayor McAlpine and Councilman John Devens "fully informed about the whole project."

He said because the city had a number of projects in progress, it was his practice to consult with the mayor on all the work and different council members on each project. Information was supposed to be passed to the entire council through this system, he said.

McAlpine said the council was kept informed on the project and all members should have known what was going on.

He cites a City Council meeting in early June when he polled members about the financing scheme and asked each, individually, whether they approved.

The discussion was not in the minutes but did occur, according to council members and newspaper accounts.

However, the meeting was held after Lewis, with McAlpine's blessing, signed documents committing \$5 million of the city's \$13 million permanent fund to a five-year

certificate of deposit in the National Bank of Great Falls, Mont.

The documents, signed May 20, resulted in the city receiving eight percent interest instead of the prevailing 12 percent on the \$5 million deposit. The certificate was used to guarantee a \$628,000 loan to Alaska Grain so the company could complete work on its \$2 million grain receiving terminal in Delta.

The \$628,000 loan represented the difference between the 12 percent prevailing rate and the 8 percent certificate. Lewis and McAlpine explained that Alaska Grain would repay that amount to the city. That would represent a break-even on interest for the city, with the benefits of the new industry as the city's payoff.

At risk, though, was the \$628,000. Should the company default to the city, that money might be lost.

Such a possibility occurred in November and December when Alaska Grain asked for renegotiation of the sales agreement. The original contract called for a two-year

See Page A-11, GRAIN

Grain project hit by change

Continued from Page A-10

deferral of payments from Alaska Grain with the possibility of a five-year deferral.

Alaska Grain said it wanted to change the deferral to 15 years so it could re-sell the building to a third party for investment tax credits.

Watson informed the council of the Alaska Grain request and advised the council that Alaska Grain might pull out of the deal and sue because of the faulty contract.

"It was held out that we had a faulty contract," Watson said Saturday. It was also known, he said, that should the deal fall through there was a good chance that Alaska Grain would default and the city would have a problem collecting the \$628,000 loan made through the Montana Bank.

The council considered the arguments and, on Dec. 20, rejected the request to renegotiate.

On Dec. 27, Eugene Thayer, president of Montana Merchandising, the parent company of Alaska Grain, appeared at an emergency council meeting and asked for reconsideration.

Thayer said Friday he dealt only with his request for the deferral extension at that meeting but acknowledged both sides knew of the contract faults and that default on the loan was possible. He said he intended to go through with the deal no matter what the vote.

The council then approved a deferral, with the company paying a fraction of the bond obligation during the next 15 years.

Thayer, meanwhile, said he will realize more than \$1.5 million in the next 90 days when he sells the property for the investment tax credit. He said the money will be used for operating capital and points out that should his company fail the city can still get the building back.

The city faces increased cost of operations because no conveyor system was built, including establishment of truck delivery system to move the grain from silo to

dock, Watson said. That will cost \$600,000 originally plus salaries for three or four drivers. The city must later pay the cost of putting in a permanent conveyor system.

The company will pay the city a minimum of \$45,000 during the first five years of the new deal, leaving the city with a annual bond payments approaching \$1.5 million.

Prospects of success for the project hinge on the state's grain program.

The council has been told the state needs 30,000 acres under cultivation — up from 7,500 acres last season — to fill the terminal one time. That amount would fill one small ship and would turn an operating profit for the company.

If the company is to process enough grain to meet the city's bond obligation as well, production would have to be increased to at least 150,000 acres.

Watson said that could come in five to 10 years. He said there is concern the state grain program won't advance as planned but "I'm told its realistic."

Asked Friday whether the operation was a good one in view of its current status, both McAlpine and Lewis said it was.

Lewis said that the financial arrangements were made in an effort to help Alaska Grain get on its feet. He said the "link deposit concept" used with the Montana bank was sound and that the city funds were safe.

Because of it, he said, jobs and port commerce will be created. McAlpine agreed.

Watson, who wasn't in Valdez until this fall, said he could not challenge the intentions of the previous administration. "I think they were convinced the state would make it (grain production) grow."

Asked if he would propose an arrangement like the Montana deposit, he said, "As a professional manager you are very conservative person. It depends on the mood of the community. Your role is not to dictate but to respond to the wishes of the council."

'Gloomy' Valdez grain study, tax roll change found

By STEVE SEPLOCHA
JOHN LINDBACK and
DON HUNTER

Daily News reporters

©1983, Anchorage Daily News

After Mark Lewis left the city manager's job in Valdez for a Cabinet post in Juneau, the new city manager discovered that tax rolls had been improperly altered under Lewis' tenure and that Lewis had withheld a \$17,000 feasibility study predicting gloomy prospects for a \$10 million grain terminal the city has since built.

Lewis, in an interview Friday, acknowledged the tax rolls were changed and said the council may not have seen the report, but denied any wrongdoing on his part.

Lt. Gov. Stephen McAlpine, who was Valdez mayor during the period, said he learned only recently of the tax roll change and the existence of the feasibility report.

Lewis's performance as chief administrator in Valdez came into scrutiny beginning in September, when it was learned he had changed personnel rules two months before he left office and took \$6,174 in extra pay as a result when he left office in July.

Appraiser Rich Randell, who had a contract to assess city property for the tax roll, says Lewis asked him in early 1981 to lower his valuation of property in the pipeline terminus city.

Randell said he told Lewis his figures might be computed differently by someone else because no two assessors see things the same way, but "I'm going to give you what I think the numbers are."

State law requires assessment at 100 percent of fair market value.

Randell said he told Lewis

Pessimistic Valdez grain report, changes in tax assessment rolls found

Continued from Page A-1

that he (Randell) wouldn't change the numbers but that the city could do what it wanted to with them.

The numbers were later lowered 15 percent across the board and the roll was presented to the council for certification without mention of the change.

Alaska statutes and the city code of Valdez say only the assessor, after instructed by the city council, can change numbers on the roll and he must personally certify those changes to the council.

Lewis claims Randell agreed to the changes and certified them to the city in a letter shortly after the change. Randell says his letter did not agree to alter the figures.

Valdez taxes two separate assessment rolls. The one that was changed was for all non-oil-related property in the city. The city sets the assess-

ment and applies taxes to this property.

Oil-related property is taxed by the city at the same rate as non-oil related property, but is assessed by the state.

The effect of the change on the city-assessed roll was that oil-related property did not receive the same break and, accordingly, paid a higher percentage of city revenues during 1981-82.

Randell said in preparing the 1982 roll he asked the city whether the 15 percent break was to be applied again. He said he was told "yes" and submitted the figures that way "to save them the trouble of changing it."

Current Valdez City Manager Jim Watson and Lori Anderson, secretary to the city manager, say Lewis directed the change in assessments in 1982. The council did not address the issue.

Anderson said Lewis's directive was verbal.

Individual property cards

maintained by Randell reflect 100 percent values, as required by law, for both years, he said.

Charges of suppression of information surfaced when it was learned that Lewis did not alert council members of a \$17,000 grain terminal feasibility report.

The report, submitted to Lewis Feb. 17, 1982, came about three weeks before \$10 million in bonds were issued to build the terminal and warned of risks in the venture.

Minutes of city council meetings show that Councilman Bob Kellar asked City Attorney Ken Jacobus early in March if it was too late to pull out of the bond deal. He was told it was not.

Kellar, who objected to the bond deal from the beginning, said he did not know that a "gloomy" report was in Lewis's possession when he asked the question.

The report was prepared by consultant Frank Orth, who

had a contract to evaluate and advise on the grain terminal project.

The summary portion of the report contained Orth's characterization that it was gloomy and said the city could elect to pull out and let private enterprise develop any grain facilities.

"This relatively bleak forecast suggests that selection of the aggressive policy option may be essential to prevent the city's investment in the grain terminal from being a wasted or seriously underutilized asset," the Orth report says. "While we are disappointed for you and the city to have to make such a gloomy prediction, we do feel that the situation is manageable with a continued aggressive posture on the part of the city and Port of Valdez."

He went on to outline the best route should the city choose to build in light of the "relatively high risk endeavor."

The terminal has been

plagued with cost estimate problems, a faulty contract prepared under Lewis's direction, and a crisis with the proposed operator in December that resulted in further losses to the city.

Lewis said Friday that the council was fully aware that the project had some negative aspects.

He said if he is to be judged fairly, the entire context of the operation must be considered.

First, he said, the mood of the community was to build the terminal and his job was to build it. Secondly, he said, the "body of information that was available" in several studies was "relatively positive" toward the project.

He said he did not suppress the Orth study and that it was available to any councilmen who wanted to see it. He said he could not recall if he took any steps to tell the council there was a report that was partly negative.

Fish plant transactions raise questions

By DON HUNTER
JOHN LINDBACK
and STEVE SEPLOCHA
1983, The Daily News
Daily News reporters

Dealings between Valdez city officials and fish processors over the past three years have resulted in questions about the propriety of actions by Stephen McAlpine, now lieutenant governor, and two other members of the City Council.

The complex string of transactions concerns a city-owned warehouse bordering

McAlpine, Lewis leave legacy behind in Valdez

By SHEILA TOCMEY
Daily News reporter

The town and the men who ran it were alike: ambitious, confident, brash.

Mark Lewis and Stephen McAlpine have moved on to higher office now, leaving behind a mixed legacy in Valdez. But for a couple of years they were the dream team that was going to make it all happen for a

city that feels perpetually cheated by destiny — and by an overgrown railroad camp to the west called Anchorage.

A community of 3,700 people located on Prince William Sound, Valdez has Chugach mountain majesty at its back and a year-round port at its feet. "The Switzerland of

See Back Page, McALPINE

the Valdez dock that the city leased for use as a fish processing plant.

The record of the city's eviction of one processor and lease with another shows:

• That McAlpine, acting as a lawyer while serving on the Valdez City Council, had a

\$7,200 warehouse rent check to the city seized on behalf of a private client;

• That McAlpine vigorously pressed for city payment of \$68,000 in repairs to the dockside facility for a subsequent renter even though the firm had agreed to lease it "as is;"

• That two councilmen were stockholders in a corporation that leased the city property — and one of them later gave up his ownership so he would be allowed to vote to help the firm;

See Page A-12, FISHER

McAlpine, Lewis leave a mixed legacy in Valdez where the two teamed up to run city

Continued from Page A-1

Alaska," a bygone promotional campaign gushed.

Settled before Anchorage and once the seat of federal power in the state, Valdez' dream of becoming the center of Alaska commerce died at the hands of Anchorage boosters. Instead — like much of Alaska — Valdez is temporarily oil rich and worried about the future.

Things started to go downhill for Valdez before 1920, when the new Alaska Railroad linked Seward to Anchorage. The freight that once came through the Port of Valdez for the rest of Alaska quickly dropped off. In 1940, what was to have been a branch of the U.S. Third District Court — then headquartered in Valdez — opened in Anchorage. Soon after, the headquarters court and its big federal payroll all moved to the new Anchorage building.

For now, jobs and taxes from the terminus of the trans-Alaska oil pipeline in Valdez have brought the always feisty town a new era of optimism and opportunity.

For the future, "diversification" is the dream: grain terminals, fish plants and tourists to take up the economic slack when the oil runs out.

In 1978, when Lewis arrived in Valdez to begin a \$2,385-a-month job as assistant city manager, the town was looking for someone to help them take charge of the future. Within the year, the man who hired Lewis had been fired and Lewis had his job.

Then in his late twenties, Lewis had grown up in Edina, Minn., an affluent suburb of Minneapolis. He was graduated in 1974 from Washington State University with a bach-

elors degree in politics and public administration and headed for Alaska.

During a three-year stint as administrative assistant in the Juneau city manager's office Lewis seemed eager to learn how local government really worked. "He was always ready to take the bull by the horns," is how one co-worker from that period put it.

Valdez City Council members say they were impressed by Lewis' intelligence, his hustle and his savvy about government systems. "The old city manager was into delegating authority," said a Valdez businessman who was on the council at the time.

"After a while Mark looked sharper than him at the council meetings."

During his own administration, where he came to earn \$60,000-a-year, Lewis rarely delegated authority to anyone, according to present and past city officials. His department heads reportedly made few decisions on their own.

At least once, when Lewis and the mayor were both out of town, subordinates had difficulty finding someone authorized to sign a check.

At about the time Lewis came to power, one of Valdez' two lawyers was elected to the City Council. At 30, Stephen McAlpine had lived in Valdez on and off for almost 10 years. A native of Yakima, Wash., and a graduate of the University of Washington, he worked for the state and for a pipeline company before getting a law degree from the University of Puget Sound Law School.

One of the most interesting things about McAlpine is that his friends and his enemies use the same words to describe him: colorful, aggres-



Steve McAlpine

sive, articulate, hot tempered. "He really knows what he wants," says gas station owner and former Valdez Mayor Mack MacDonald. "He's politically astute. He gets things done."

"He's a colorful character," a former girl friend says of McAlpine, "but he pushes too far. He baits people into fights. He wants to ram a point down your throat beyond good taste, beyond politics, beyond reason."

However, the same woman called McAlpine charming, perceptive, shrewd and able to laugh at himself. And MacDonald says he has a lot of respect for McAlpine although the two often disagree.

"When he kicks your fancy, that's the end of it," MacDonald laughs.

A year after joining the council, McAlpine was elected mayor and for the next two years — according to most accounts, but not theirs — the two men ran Valdez virtually on their own.

Together and separately,



Mark Lewis

Lewis and McAlpine usually convinced the City Council to go along with them, at least partly because both so hated to lose even the smallest point.

MacDonald remembers a minor flap about how a new Little League baseball diamond should be laid out — "You know, how the sun should rise and set and so forth."

Lewis allegedly told Little League sponsors that the city already had decided how to lay it out, "and that was that. It was a small item, no big deal," MacDonald says.

"But when I got to the council meeting he had a bunch of experts there. He took me to the cleaners." The baseball diamond was laid out the way Lewis wanted.

"He always lined up his ducks," MacDonald said. "He was always ready."

The stories about McAlpine sound a similar chord. Charles LaPage, a long-time city councilman, local accountant and air service op-

erator who was a frequent political foe of the administration, accuses McAlpine of using his attorney's skills to belittle people who challenge him. "And he will defend his actions to the end in the face of criticism," LaPage said.

Aggressive is the most often offered description of both men — usually meant as a compliment. People seem either to have loved them or hated them. "They're that kind of people," MacDonald said.

Like others, MacDonald had little quarrel with Lewis' and McAlpine's plan to develop Valdez. "It's just how you get there," he said.

Respectively divorced and separated at the time, McAlpine and Lewis socialized as well as worked together. Valdez is a small town and Lewis and McAlpine were well known. Townspeople described them a close friends.

For a while all was well between the town and the two bright young men who ran it. If their own ambitions were obvious — well, Valdez isn't the kind of place that would fault men for ambition as long as they were willing to tie the town's fortunes to the tail of their personal comet.

During this period Valdez built a beautiful convention center — one that can handle more people than Valdez hotels can accommodate.

In a financial transaction that is now being questioned, the city floated a \$10 million bond issue and beat the state in a race to construct a grain terminal. The terminal joined a new floating dock to complete an international barley marketing system.

Its future — like that of the state's barley crop itself — remains uncertain.

There is a new airport terminal with a space-age radar

system so sophisticated that planes landing in Valdez can't use it.

And, in the midst of plenty, there's a looming 70-percent property tax hike.

By early 1982, the bloom was off the rose, at least for Lewis. Four, perhaps five, Valdez City Council members favored firing him because of prevailing sentiment that he was making too many important decisions without consulting them, according to council members LaPage and Jason Wells, and former Councilman George Hillar.

Lewis resigned. It was the third time he had submitted his resignation; this time it was accepted.

"I think this town needed him for a while," says former Mayor MacDonald, "but it was time for him to leave. We knew it and he knew it."

Around the same time, McAlpine filed for lieutenant governor and eventually the team moved on. Lewis helped McAlpine during the primary race and ran the Sheffield-McAlpine headquarters in Fairbanks during the general election campaign.

Now Lewis is Commissioner of Community and Regional Affairs. The new job makes him responsible for the federally funded CETA program, the state's coastal management program, senior citizens housing programs, distribution of municipal assistance funds and a miscellany of other community local government assistance programs, including the Local Boundary Commission. Lewis' department also includes the Office of the State Assessor.

As for McAlpine, he is the No. 2 man in state government.

Valdez is still worried about the future.

Fish processing plant transactions raise questions involving McAlpine, city officials

Continued from Page A-1

- That the city leased its facility to a firm composed of local fishermen only to see it taken over — three days later — by a company headed by a man involved earlier in the controversial bankruptcy of Salamatos Seafoods in Kenai; and

- That the city's close relationship with that firm has fueled protest from another Valdez processor who claims unfair competition and threatens to sue.

The story centers on the city-owned warehouse at the Valdez dock. Hoping to diversify the city's oil-dominated economy, city officials, in 1978 awarded a lease on the building to a fish processing company that in early 1980 fell into serious financial difficulties.

A restructured company called Arctic Coast Fisheries Inc. then assumed control of the leased plant and scaled down operations. The company began to run up unpaid bills, and a series of non-sufficient-funds checks were issued to fishermen and former employees.

In early 1981, the city began to explore the possibility of declaring Arctic Coast in default and resuming control of the processing plant. On March 20, then City Manager Mark Lewis sent notice to the firm that the city considered the company in default for three reasons:

- Monthly rent payments totalling \$3,600 for January and February had not been

the city.

McAlpine told his fellow councilmen that it was he who had directed the seizure of the check. According to the minutes of that meeting, McAlpine said because he had "several interests in having Arctic Coast Fisheries eliminated, he (McAlpine) would abstain" from voting on a motion to declare the company in default.

But he still lobbied the council to find the company in default. The minutes show: "Mr. McAlpine did, however, proceed to explain his futile efforts to seek other assets and declared that because both Farm-N-Sea (the company that preceded Arctic Coast) and Arctic Coast fisheries have done nothing but exhibit a bad faith position both to the city and the fishermen who attempted to serve them and open this area for fisheries development, and because they had not properly filed bonds and become licensed with the state of Alaska, he was in favor of declaring default."

When questions were raised about McAlpine's seizure of the check, City Attorney Ken Jacobus replied that "there might be a conflict of interest because both his (McAlpine's) client and the city wanted the check."

With McAlpine abstaining, the council then voted 6-0 to confirm Lewis' declaration of default.

McAlpine this week said he learned of the rent payment by reading information sent to all members of the City

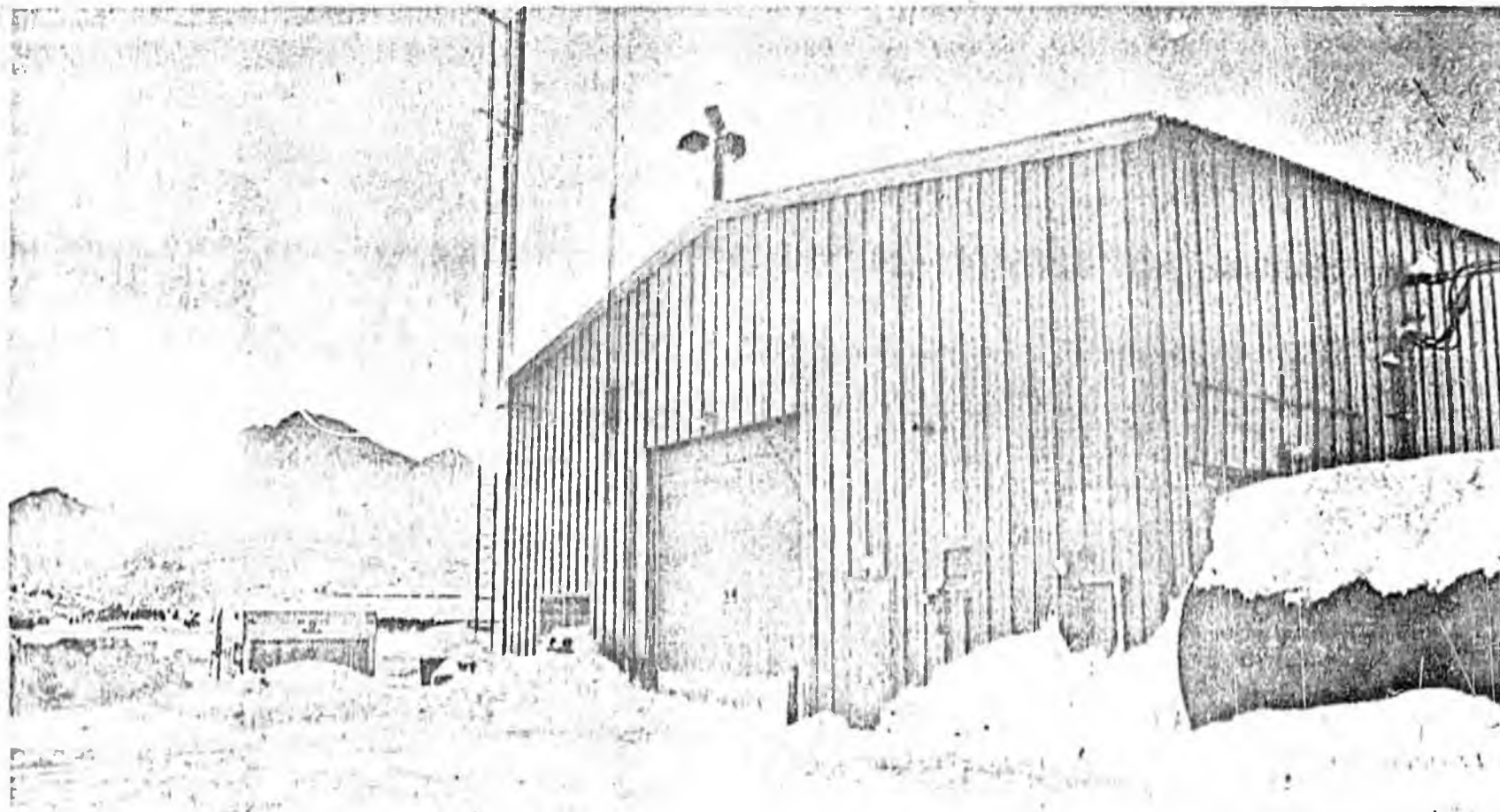


Photo shows the Waterkist warehouse in Valdez.

interested in moving into the warehouse.

A ballot proposition that would have created a company owned by Valdez citizens to operate a processing plant failed at a special election in 1981.

In January 1982, according to City Council minutes, a tour of the plant was conducted with Orth, council members, and Prince William Sound Processors, a new firm

line Service worker and a part-time commercial fisherman who also serves as head of the Valdez Fisheries Development Association. Wells is a fisheries biologist for the association, which is developing a salmon hatchery near Valdez.

Kellar said he didn't view as a conflict of interest his strong advocacy for fisheries development in Valdez so he and others in the local indus-

council members, Wells said.

And without votes from himself or Kellar, the lease couldn't have been accomplished. Both those factors led Wells to dispose of his interest in Prince William Sound Processors.

"It enabled me to become the sixth vote," Wells said. He said his intent was not personal financial gain. "My total emphasis has been to get something going in Valdez for

million worth of improvements to the building. Its monthly payroll during the summer months of operations was \$150,000, Waterer said.

But the complaints about the arrangements spurred worries by the new city administration headed by present City Manager Jim Watson.

The city in November mailed a notice of default on the lease to Waterkist, arguing that assignment of the

Anchorage Daily News/Jim Lawless

of declaring Arctic Coast in default and resuming control of the processing plant. On March 20, then City Manager Mark Lewis sent notice to the firm that the city considered the company in default for three reasons:

- Monthly rent payments totalling \$3,600 for January and February had not been made;

- The company allegedly had failed to maintain liability insurance; and

- The company had ceased actively purchasing or processing fish.

The notice allowed the company 30 days to correct the deficiencies.

In April, Arctic Coast sent a check for \$7,200 — to cover the rent for the first four months of the year — to City Hall. McAlpine, then a city councilman, issued a writ of execution on behalf of a client to whom the company owed money and had a state trooper seize the check at city offices. The check was held by the court for several weeks until the city secured its release.

On April 17, Lewis wrote another letter to the firm advising that the \$7,200 check had been seized by troopers. "Needless to say," Lewis continued, "this leaves the rent on the city owned building still due."

Lewis also discounted Arctic Coast claims that its scaled-down operation still conformed with the lease. "We do not, under any stretch of the imagination," Lewis wrote, "believe that your watchman selling some of the product retail or wholesale justifies 'active fish purchasing or food processing.'"

Lewis told the firm the city still considered Arctic Coast in default and ordered it to move company equipment stored on or in city property within 20 days.

At the May 5, 1980, City Council meeting, Lewis told the council that Arctic Coast had been advised that it was in default of the lease. He also noted that the \$7,200 rent check had been seized from

because both his (McAlpine's) client and the city wanted the check."

With McAlpine abstaining, the council then voted 6-0 to confirm Lewis' declaration of default.

McAlpine this week said he learned of the rent payment by reading information sent to all members of the City Council that was also available to any member of the public.

He argued that his first responsibility was to his client.

McAlpine said the conflicts that have arisen throughout the city's attempts to support fisheries development can be attributed to Valdez's small population.

"It's a small town. At one time or another I have represented the majority of people in the city," he said.

At least five suits and countersuits surrounding the disposition of the Arctic Coast lease have been filed. A trial on several of those suits, since combined, was scheduled for Oct. 4, 1982. It was delayed on the motion of the city, supported by affidavits from Lewis and McAlpine, who in part argued that their involvement in the general election campaign would hinder their participation.

At the time, McAlpine was campaigning for lieutenant governor and Lewis — who had stepped down as Valdez city manager in mid-July — was managing the Sheffield-McAlpine Fairbanks campaign.

The trial is now set for April 23.

Even before the Arctic Coast eviction, the City Council decided to look for another processor. Seattle consultant Frank Orth was commissioned to conduct a \$240,000 study on prospects for the fish processing industry in the area and search out businesses that might lease the warehouse.

Orth's 1980 study concluded that fish processing was a feasible industry for Valdez. But the consultant said he couldn't find anyone firmly

wished to have created a company owned by Valdez citizens to operate a processing plant failed at a special election in 1981.

In January 1982, according to City Council minutes, a tour of the plant was conducted with Orth, council members, and Prince William Sound Processors, a new firm.

Also on the tour was Tom Waterer. Council members say they were told he was considering running the fish processing plant for Prince William Sound Processors.

On April 12, 1982, the city's warehouse lease with Prince William Sound Processors was executed. Three days later, the firm was taken over by Waterkist Corp. Its president is Tom Waterer.

Waterkist operated the plant all last summer. But another local processor, Sea Hawk Seafoods, some members of the City Council and other citizens of Valdez have questioned the original intent of Prince William Sound Processors and Waterer.

Council members and city officials said they didn't realize that Prince William Sound Processors intended to sell out so quickly. They thought the city was leasing its building to a group of local fishermen, not a man who was formerly connected to Anchorage and Kenai fish processing businesses.

"The first time I was introduced to Mr. Waterer, he was going to be the manager of the plant for Prince William Sound Processors," said City Councilman Chuck LaPage. "The next thing we know, Prince William Sound Processors isn't doing anything and Waterkist is running a plant out of the city's building," LaPage said.

Waterer was out of town and attempts by The Daily News to reach him during the past week for comment were unsuccessful.

Prince William Sound Processors, composed of about 20 area fishermen, included two City Council members, Bob Kellar and Jason Wells.

Kellar is an Alyeska Pipe-

line who also serves as head of the Valdez Fisheries Development Association. Wells is a fisheries biologist for the association, which is developing a salmon hatchery near Valdez.

Kellar said he didn't view as a conflict of interest his strong advocacy for fisheries development in Valdez so he and others in the local industry could have another place to sell their fish.

"You've got to remember, processors are folding up all around the state," said Kellar.

The Orth study said a successful fish processing operation would help others get started in Valdez, Kellar said.

Orth, as part of his study, tried to search out potential processors for Valdez but was unsuccessful, Wells said. So he and 19 other fishermen formed Prince William Sound Processors.

But Orth introduced Waterer to the group, and after the lease with the city was signed in April, a stock transfer took place that "made Prince William Sound Processors for all intents and purposes a dead horse," Wells said.

Wells said he sold his stock in Prince William Sound Processors soon after the council began discussions of leasing the group its waterfront warehouse. He said he had left the group because of a conflict of interest with his elected position as a city councilman.

Kellar has opted to maintain his interest in Prince William Sound Processors. Minutes of City Council meetings show that Kellar has abstained from all votes on the city's deal with the fish processing operation.

But he said in an interview that he doesn't consider it a conflict of interest for him to discuss and lobby with other councilman on matters pertaining to the firm.

"I could see I was getting into a conflict of interest situation, and I didn't want to get into that," Wells said.

Any time the city leases or sells property, it must be approved by six of the seven

couldn't have been accomplished. Both those factors led Wells to dispose of his interest in Prince William Sound Processors.

"It enabled me to become the sixth vote," Wells said. He said his intent was not personal financial gain "My total emphasis has been to get something going in Valdez for fisheries," he said.

"Every fisherman in town has been accused of being in cahoots with the city and it's not true," said Wells, adding that he intends to complete the second year of his term and bow out of city politics.

The Waterkist merger spurred a new issue for the city when Waterer in June presented them with a letter demanding payment for \$70,000 in repairs to the warehouse.

A source of dispute in that controversy was that the lease agreement specified that the firm would be willing to accept the building "as is, where is" and wouldn't press the city to finance improvements.

Council minutes show Waterer argued that the repairs should have been financed by the city because there was no way he could have realized they were necessary when he took a tour of the building in January 1982.

Members of the council including McAlpine, voted to pay for \$68,000 of the repairs. McAlpine, according to council minutes, argued that the city had a moral obligation to appropriate the funds in order to ensure the success of the processing plant. He also argued that the repairs would be permanent improvements to the city-owned building.

Competitor Sea Hawk Seafoods Vice President Sandy Cesarini protested the move. She also asked the council to appropriate \$68,000 to her business so that all processors in Valdez would be treated equally. The City Council did not respond.

According to a letter by Waterer printed in the Valdez Vanguard, the local newspaper, Waterkist has made \$1

summer months of operations was \$150,000, Waterer said.

But the complaints about the arrangements spurred worries by the new city administration headed by present City Manager Jim Watson.

The city in November mailed a notice of default on the lease to Waterkist, arguing that assignment of the lease from Prince William Sound Processors to Waterkist required City Council approval. The council must now decide whether to approve that assignment.

The emergence of Waterer in the processing operation has fueled a petition drive that calls for the city to investigate the background of businesses that intend to lease city property.

Last week Watson said he has asked Waterer to submit details of his financial background to auditors who can compile a report for the town government.

But some details are already public.

Waterer was head of Salamatos Seafoods, a fish processing plant in Kenai that went broke two years ago.

At least some council members have been notified that the federal government recently filed a notice of federal tax liens against Waterkist in the amount of \$43,808.

"The thing showed up in my mailbox in a clean white envelope with no return address," LaPage said.

LaPage, an accountant, said the notice indicates that during 1982 Waterkist deducted Social Security and income taxes from its employees and did not make later payments to the federal government.

Meanwhile, Sea Hawk Seafoods is showing signs of taking legal action.

Sea Hawk lawyer Henry Camerot recently mailed a letter to the council, demanding that the City of Valdez its help to the Waterkist operation. The city is participating in an illegal restraint of trade under provisions of the Sherman Anti-Trust Act, Camerot contends.

INDEX

TAB

1. STAFF MEMO - CONFIRMATION HEARINGS
2. POSSIBLE QUESTIONS - GENERAL
3. VALDEZ PROPERTY TAX ASSESSMENTS
 - a. Independent Assessor Review
 - b. Department of Revenue Review
 - c. Extract, 1981 Valdez Tax Rolls
 - d. Ratio of Local Assessments
 - e. Press Release
 - f. Letter - Valdez Assessor to Mr. Lewis
 - g. Assessor Contract
 - h. Tables, Local Assessments vs. Full Value
 - i. Extracts, Valdez City Code
 - j. Staff Review and Comment
4. VALDEZ PERSONNEL POLICY CHANGE
 - a. State Statutes
 - b. Request for Policy Change
 - c. Valdez City Attorney Opinion
 - d. Valdez Resolution and Ordinance to Correct Earlier Actions

Alaska State Legislature

Barbara Lacher, Chairman
Mae Tischer, Vice-Chairman
Randy Phillips
Milo Fritz
Don Clocksin
Jack McBride
Mike Szymanski



Room 104
State Capitol
Juneau, Alaska 99811

Pouch V
Juneau, Alaska 99811

House of Representatives Committee on Community & Regional Affairs

MEMORANDUM

TO: Committee on Community and Regional Affairs

FROM: Staff

SUBJECT: Confirmation Hearings

DATE: March 18, 1983

The following comments were prepared as a result of a discussion during which legal advice was requested for the question: "What is the role of the Committee in conducting confirmation hearings?"

Presumably the nominee who will be appearing before the Committee has received careful consideration by the Governor and as such, represents the Governor's choice for the position. Traditionally, the Committee has an affirmative attitude towards the Governor's selection.

The question which the individual committee members must resolve in their own minds is: "Do you believe the nominee would properly fulfill the duties of the Commissioner?"

The decision is essentially a political process as opposed to a legal process. There is no requirement to apply the rule of "burden of proof;" a more appropriate description is a "burden of persuasion."

During the process, the determination of an act or acts being technically illegal is "mildly interesting" and in large part irrelevant from the perspective of the Committee. The question of impropriety is more important in the decision making process.

The rationale for the previous statement is that the commitment of an illegal act(s), even if substantially proven, may or may not be indicative of a person's qualifications to perform assigned duties and, the Committee is not in a position to prosecute for illegal acts.

On the other hand, the Committee is charged with making a judgement, based on all reasonably available information, whether or not the actions of the individual convince the Committee that the nominee will, or will not, properly fulfill the role of Commissioner.

Alaska State Legislature

Barbara Lacher, Chairman
Mac Tischer, Vice-Chairman
Randy Phillips
Milo Fritz
Don Clocksin
Jack McBride
Mike Szymanski



Room 104
State Capitol
Juneau, Alaska 99811

Pouch V
Juneau, Alaska 99811

House of Representatives Committee on Community & Regional Affairs

TAB 1 - GENERAL QUESTIONS

POSSIBLE QUESTIONS FOR COMMISSIONER LEWIS:

Can we expect any changes in the direction, philosophy, or organization of the Department of Community and Regional Affairs, and, if so, how will they differ from the present situation?

Alaska State Legislature



Barbara Lacher, Chairman
Mae Tischer, Vice-Chairman
Randy Phillips
Milo Fritz
Don Clocksin
Jack McBride
Mike Szymanski

Room 104
State Capitol
Juneau, Alaska 99811

Pouch V
Juneau, Alaska 99811

House of Representatives Committee on Community & Regional Affairs

POSSIBLE QUESTIONS FOR COMMISSIONER LEWIS

The Department of Community and Regional Affairs recently compiled a list of capital improvement projects submitted by state municipalities. Does this activity indicate that the Department will act as a screening agency to establish priorities for state funding of all capital improvement projects, including such things as airports, roads and sewage facilities?

Alaska State Legislature

Barbara Lacher, Chairman
Mae Tischer, Vice-Chairman
Randy Phillips
Milo Fritz
Don Clocksin
Jack McBride
Mike Szymanski



Room 104
State Capitol
Juneau, Alaska 99811

Pouch V
Juneau, Alaska 99811

House of Representatives Committee on Community & Regional Affairs

POSSIBLE QUESTIONS FOR COMMISSIONER LEWIS

A major portion of the effort and resources of the Department of Community and Regional Affairs is directed towards grant administration and other activities for the unincorporated communities and unorganized boroughs.

One of the major reasons for the establishment of the Department was to assist the unorganized areas in achieving a level of sophistication and education that would encourage them to organize into municipalities for the delivery of services.

In your view, has the Department been a success or a failure in this role?

Do you believe the Department should encourage rural areas to incorporate?

What incentives do you believe are necessary to encourage incorporation?

Alaska State Legislature

Barbara Lacher, Chairman
Mae Tischer, Vice-Chairman
Randy Phillips
Milo Fritz
Don Clocksin
Jack McBride
Mike Szymanski



Room 104
State Capitol
Juneau, Alaska 99811

Pouch V
Juneau, Alaska 99811

House of Representatives Committee on Community & Regional Affairs

POSSIBLE QUESTIONS FOR COMMISSIONER LEWIS

To date, there has been considerable reluctance in the rural - or unorganized borough - parts of the state to organize into municipalities. The state constitution provides for maximum self-government, both through the organized and unorganized borough. However, the delivery of services in the unorganized borough presents considerable problems to the state and to the residents of the unorganized borough.

Partial solutions for the delivery of services have evolved by the formation of such entities as the Regional Education Attendance Area (REAA), the Native Regional Housing Corporations, the Regional Development Corporation, and others. Other needs have been provided for by direct legislative appropriations, usually administered by the Department of Community and Regional Affairs.

Do you feel that providing all these services, some of which are funded at 100 percent from the state general fund, is an inducement or a disincentive to the formation of organized municipalities? Why?

Alaska State Legislature

Barbara Lacher, Chairman
Mae Tischer, Vice-Chairman
Randy Phillips
Milo Fritz
Doc Clocksin
Jack McBride
Mike Szymanski



Room 104
State Capitol
Juneau, Alaska 99811
Pouch V
Juneau, Alaska 99811

House of Representatives Committee on Community & Regional Affairs

POSSIBLE QUESTIONS FOR COMMISSIONER LEWIS

Many of the activities of the Department of Community and Regional Affairs appear to overlap or duplicate the functions of other departments in the Administration. Among these duplicated activities are housing mortgage loans and construction, employment training programs, grants for court litigation, grants for water and sewer projects in rural areas, and many projects that are normally within the realm of responsibilities of the Department of Transportation and Public Facilities.

You have now indicated a desire to organize a separate "grants management" organization which would be similar to a function in the Department of Administration.

In brief, it seems that the Department of Community and Regional Affairs is drifting towards being a separate, large entity that encompasses the responsibilities of all the other departments in state government, and is intended to serve as all state agencies for the rural areas of Alaska.

Do you feel that the Department should perform all functions for the rural areas and the remaining departments concentrate their efforts on the urban areas of the state, or should the other departments perform their respective responsibilities statewide?

Alaska State Legislature

Barbara Lacher, Chairman
Mae Tischer, Vice-Chairman
Randy Phillips
Milo Fritz
Don Clocksin
Jack McBride
Mike Szymanski



Room 104
State Capitol
Juneau, Alaska 99811
Pouch V
Juneau, Alaska 99811

House of Representatives Committee on Community & Regional Affairs

TAB 2 - VALDEZ PROPERTY TAX ASSESSMENTS

Alaska State Legislature

Barbara Lacher, Chairman
Mae Tischer, Vice-Chairman
Randy Phillips
Milo Fritz
Don Clocksin
Jack McBride
Mike Szymanski



Room 104
State Capitol
Juneau, Alaska 99811

Pouch V
Juneau, Alaska 99811

House of Representatives Committee on Community & Regional Affairs

TAB 2 - Valdez Property Tax Assessments

POSSIBLE QUESTIONS FOR COMMISSIONER LEWIS

As Commissioner of the Department of Community and Regional Affairs, you will be responsible for reviewing and approving requests for state funds, many of which will be based on the local revenue generating capability, including property taxes.

State law requires property assessments for taxation to be 100 percent of true value. Please discuss your philosophy on who should be authorized to determine property valuations and who should be authorized to change valuations.



Matanuska-Susitna Borough

BOX B, PALMER, ALASKA 99645 • PHONE 745-~~3228~~
DEPARTMENT OF ASSESSMENT 4801

March 22, 1983

MAR 26 1983

House of Representatives
Barbara Lacher, Chairman
Community and Regional Affairs Committee

Dear Representative Lacher:

This is in response to your request for me to review the packet you sent me regarding reduced assessments in Valdez for 1981 and 1982.

The packet seemed to address the legal implications of reducing the assessments and, therefore, contained very little information as to whether or not the reduction of assessments could be substantiated.

After reviewing the packet, as presented, it is my personal and professional opinion that the reduction of assessments in Valdez was not substantiated by any supporting data and the method used could be considered, by professional assessors, as improper and unethical. My opinion is based upon the following observations:

1. Property appraisal is not an exact science but an opinion of value based on facts. Mr. Randell indicated in his letter that it was his opinion that his values represented 100% market value. I believe that a small amount of research will show that these value estimates were based upon facts which Mr. Randell obtained through his market analysis.
2. The valuations were reduced "because he (Mr. Lewis) believed that local economic conditions were depressed to the extent that the market probably would not support the values used by Mr. Randell." Nowhere in the packet can I find any information to support what Mr. Lewis believed. If this strategy were used by other assessors in the State, we might all raise our assessments by 10% - 20% because we believed we were low. This could not happen because our Boards of Equalization require us to show supporting data for our value estimates.
3. Mr. Randell's statement, it is not uncommon for appraisers to differ as much as 15% to 20% in valuation, is a correct statement. However, it should be noted that both appraisers values would be based upon supporting data. The interpretation of this data usually is the reason for a difference of opinions.

MAR 26 1983

Barbara Lacher
Page Two
March 22, 1983


4. The statutes mandate that the assessor assess property at its full and true value, not attempt to assess at a level comparable with other municipalities.

As I stated earlier, the appraisal of real estate is not an exact science but an opinion of value based on facts or supporting data. If Mr. Lewis believed that the assessments were high, a sales ratio study should have been conducted. A sales ratio study may have shown that the assessments were high and adjustments were warranted. This would have been the proper method for an assessor to follow rather than an arbitrary percentage reduction. I would like to point out that this may have been done, however, I did not see it in the packet you sent me. If this were in fact done, then I would state that the actions taken were both ethical and proper. For your information, I have enclosed a copy of the IAAO Code of Ethics which most assessing offices use.

As to your question regarding the tax dollar amounts as reported by Gerald Heier with the Department of Revenue, I believe the figures obtained are correct with respect to the information he received.

I hope I have answered your questions and would like to point out that the opinions expressed in this letter are my personal opinions and not necessarily those of my employer.

Respectfully,



Steve Van Sant
Director of Assessments
and Land Management

cr

MAR 26 1973

The functions of the assessing officer and other members of IAAO are professionals in character. This Code of Ethics is a set of dynamic principles guiding the members' conduct. Each member of IAAO agrees that he will:

1. Cooperate fully with other members in all matters affecting his official duties.
2. Conduct his activities in a manner that will reflect credit upon himself, other members and the IAAO.
3. Cooperate with the IAAO and its officers in all matters, including, but not limited to the investigation, censure, discipline or expulsion of members who by their conduct prejudice their professional status or the reputation of the IAAO.
4. Protect the professional reputation of other members of IAAO who subscribe to and abide by this Code of Ethics.
5. Treat as confidential all information concerning persons or their property obtained in his official capacity, except for lawfully authorized uses. It is proper for members

employed by different jurisdictions to exchange factual information concerning persons or their property to aid either or both in the assessment of property legally subject to taxation.

6. Perform his assessment duties in a manner consistent with statutory requirements without advocacy for accommodation or any particular interests, being factual, objective, unbiased and honest in his conclusion.
7. Maintain, at all times, a courteous and respectful attitude in his relations with taxpayers, public officials and the public generally, and to compel a similar attitude on the part of his subordinates.
8. Give full faith and allegiance to his oath of office, apply the law of his jurisdiction to all taxpayers alike, and obey all applicable laws and regulations.
9. Conform in all respects to this Code of Ethics, The Standards of Professional Conduct and the Constitution of the IAAO as the same may be amended from time to time.

Standards of Professional Conduct

In relations with assessing officers, an IAAO member will:

Cooperate within the legal and ethical boundaries of his office or profession with other members who request his cooperation in performing the functions of their offices or profession.

Treat information obtained in his professional capacity as confidential unless use of that information is authorized by law. It is proper for members employed by different jurisdictions to exchange factual information concerning property to aid either or both in the assessment of property legally subject to taxation.

Protect the professional reputation of other members who subscribe to and abide by these Standards of Professional Conduct.

Give full credit to the originator of any material he uses in his writings or speeches.

Conduct his activities in a manner that will reflect credit upon himself, other members, and the IAAO.

Cooperate with the officers of the IAAO in all matters, including but not limited to the investigation, censure, discipline, or expulsion of members whose conduct casts a shadow on their professional status or the reputation of the IAAO.

In relations with public officials, an IAAO member:

Has a duty to cooperate with public officials to improve the efficiency and economy of public administration.

Will always maintain an attitude of respect and cooperation toward public officials and governmental agencies to whom the law has assigned official duties relating to the work of the IAAO member.

In relations with the public and taxpayers, an IAAO member will:

Maintain at all times a courteous and respectful attitude in his relations with taxpayers, taxing officials, and the public

generally, and will compel a similar attitude on the part of his subordinates.

Give full faith and allegiance to his oath of office.

Apply the law of his jurisdiction equitably.

Perform his duties in a manner consistent with statutory requirements without advocacy for accommodation of any particular interests; he will be factual, objective, unbiased, and honest in his conclusion.

Appraisal standards to be complied with by IAAO members:

Any appraisal by an IAAO member shall conform to the highest professional assessment/appraisal standards.

Any value estimate made for assessment purposes by an IAAO member shall be an estimate of true market value as defined by the courts having jurisdiction, regardless of the assessment percentage to be used, except when the law of his jurisdiction requires or the assessment practice in his jurisdiction permits special valuation techniques.

Any value estimate made by an IAAO member shall be a true opinion of value in accordance with generally accepted appraisal practices, except when the law of his jurisdiction requires or the assessment practice in his jurisdiction permits special valuation techniques.

Any fee appraisal assignment accepted by an IAAO member shall be one in which he has no unrevealed personal interest or bias, and one which he is competent to complete without placing his personal integrity or the assessing/appraisal profession in jeopardy.

It shall be unethical for a member of IAAO to accept an engagement for which the amount of his compensation is contingent upon reporting a predetermined value or upon the amount of the value estimate; or upon reporting a predetermined opinion, conclusion, or recommendation; or upon the amount of a tax reduction obtained by a client where his services are used; or upon any result, value, or subsequent transaction.

STATE OF ALASKA

BILL SHEFFIELD, GOVERNOR

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

POUCH 5
JUNEAU, ALASKA 99811
PHONE: (907) 465-2300

March 17, 1983

House of Representatives
Barbara Lacher, Chairman
Community & Regional Affairs Committee

Senate
Frank Ferguson, Chairman
Community & Regional Affairs Committee

Review of potential State claim against
the City of Valdez for recovery of taxes
paid under AS 43.56

In conjunction with the Department of Law, we have completed an investigation of allegations that Mark Lewis, the former City Manager of Valdez, improperly reduced assessments on local property in 1981 and 1982, thereby increasing the overall millage rate in the local tax on the petroleum properties in concomitantly reducing taxes paid to the State, and have concluded from the facts that Mr. Lewis did not act improperly or illegally. Therefore, the State should not pursue any claim against the City of Valdez for recovery of additional taxes under AS 43.56 and we view the matter as closed.

A copy of the Department of Revenue's report dated March 14, 1983 and a copy of the Department of Law's legal opinion dated March 16, 1983 are attached. The following is a brief summary of those findings.

AS 43.56.010(a) imposes a state tax of 20 mills on oil and gas property. Under AS 43.56.010(b) and AS 29.53.045 a municipality may levy a tax on petroleum properties within its jurisdiction at the rate applicable to other property tax by the municipality. The tax paid to a municipality under this subsection is then credited under AS 43.56.010(d) against the state tax due.

In 1981 and 1982, the City of Valdez hired on contract an appraiser to assess property in the city for purposes of taxation. The contractual provisions required the appraiser to perform the statutory duties of an assessor. Under state law (AS 29.53.060(a)) and the Valdez city code (25-4 (2)) the city is required to assess property at its true and full value. Both define "full and true value" in a manner which clearly allows for a determination upon which reasonable minds can differ. In addition, real estate appraising is not an exact science and does not allow for "full and true value" determinations to be precise and often appraisers differ by as much as 20 percent on valuations.

House of Representatives
Barbara Lacher, Chairman
Community & Regional Affairs Committee

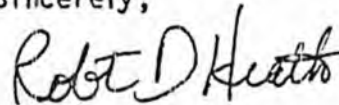
Senate
Frank Ferguson, Chairman
Community & Regional Affairs Committee

The City of Valdez's contracted assessor made his real property valuations as being 100% of fair market value, however, Mr. Lewis believed the assessor's assessments were high in light of the local economic conditions and after consultation with the assessor lowered the assessments by 15%. The assessor certified the reduced assessments as true and correct for 1981 and 1982.

The Department of Revenue investigation shows that all the real property assessments ratios for the municipalities which contain petroleum property are less than 100% of valuation. The ratios for Valdez in 1981 and 1982 are 89.6% and 93.8% respectively. When comparing the Valdez assessment ratios with the assessments ratios of other municipalities having oil and gas properties which ranged from 70.0 to 93.8, it is clear that the City of Valdez appraisals were in fact high and will not support a finding of any improper or illegal action.

In conclusion, the facts do not substantiate that Mr. Lewis acted improperly or that his actions resulted in the City of Valdez making any illegal real property assessment determinations under AS 29.53.060(a) and therefore, we conclude that the State did not lose any revenue under AS 43.56.010(d) and the matter is closed.

Sincerely,



Robert D. Heath
Commissioner of Revenue

RDH:NS:mc

Attachments

MINERAL CREEK SUBDIVISION

		LAND	IMPROVEMENTS	TOTAL
<u>Block 1</u>				
Lot 2		17,600 20,700	\$ 3,400-	21,000 20,700
		Ferrer, Basil & Marian Box 434 Valdez, Alaska 99686		
Lot 3	38	17,600 20,700	-0-	17,600 20,700
		Wallace, Jack & Mary Box 794 Valdez, Alaska 99686		
Trailer Only		-0-	6,700-	6,700-
Lot 3	39			
		Hitchcock, Glen & Kathy <i>Maryann</i> General Delivery Valdez, Alaska 99686		
Lot 4	4	17,600 20,700	12,100-	29,700 32,800
		Coleman, Allan C. & Mary Ann T. Box 1127 Valdez, Alaska 99686		
Lot 5	58	17,600 20,700	-0-	17,600 20,700
		Dieringer, James F. Jr. Box 508 Valdez, Alaska 99686		
Trailer Only		-0-	13,100-	13,100-
Lot 5	59			
		Esposti, John Box 1203 Valdez, Alaska 99686		
Lot 6	68	17,600 20,700	-0-	17,600 20,700
		Dieringer, James F. Jr. Box 508 Valdez, Alaska 99686		
Trailer Only		-0-	5,100-	5,100-
Lot 6	69			
		Dunning, Richard Box 413 Valdez, Alaska 99686		
Lot 7	78	17,600 20,700	-0-	17,600 20,700
		Dieringer, James F. Jr. Box 508 Valdez, Alaska 99686		
Trailer Only		-0-	9,100-	9,100-
Lot 7	79			
		Henson, Larry Box 187 Valdez, Alaska 99686		
Lot 8	88	17,600 20,700	-0-	17,600 20,700
		Dieringer, James F. Jr. Box 508 Valdez, Alaska 99686		
(Trlr. Only)		-0-	14,000-	14,000-
Lot 8	89			
		Herrin Kathy Box 172 Valdez, Alaska 99686		
Lot 9	90	17,600 20,700	-0-	17,600 20,700
		Dieringer, James & Nora Box 508 Valdez, Alaska 99686		
Lot 10	100	17,600 20,700	-0-	17,600 20,700
		Dieringer, James & Nora Box 508 Valdez, Alaska 99686		
Lot 11	110	17,600 20,700	-0-	17,600 20,700
		Dieringer, James & Nora Box 508 Valdez, Alaska 99686		

EXTRACT OF VALDEZ 1981
TAX ROLLS - with Changes

Block 1

3700210120

Lot	Handwritten Lot	Name	Handwritten Value	Printed Value	Handwritten Value
Lot 12-13		Dieringer, James & Nora Box 508 Valdez, Alaska 99686	35,300	\$12,500-	47,800 \$ 54,000-
Lot 14	14	Small, George E. Box 466 Valdez, Alaska 99686	22,500	36,400	58,900 60,300-
Lot 15	15	Madsen Construction Co. Box 338 Juneau, Alaska 99802	22,500	66,700	89,200 105,000-
Lot 16	16	Ruhl, Clyde E. & Hallie N. Box 513 Valdez, Alaska 99686	22,500	58,200	80,700 94,900-
Lot 17-18	17	Larson, Robert W. & Frances W. Box 426 Valdez, Alaska 99686	45,050	52,400	97,450 114,000-
Lot 19	19	City of Valdez Box 307 Valdez, Alaska 99686	-0-	-0-	-0-
Lot 20	20	Sumner, Judith K. Box 21 Valdez, Alaska 99686	23,550	57,050	80,600 94,800-
Lot 21	21	Irons, Steven L. & Porothy B. Box 1247 Valdez, Alaska 99686	23,550	68,350	91,900 108,100-
Lot 22	22	Chung, Ching & Tran Le Box 1356 Valdez, Alaska 99686	23,500	87,000	110,500 130,000-
Lot 23	23	Gard, Charles & Delores Box 936 Valdez, Alaska 99686	23,500	47,700	71,200 83,700-
Lot 24	24	Welch, Del & Virginia Box 962 Valdez, Alaska 99686	23,500	67,200	90,700 106,700-
Lot 25	25	City of Valdez Box 307 Valdez, Alaska 99686	-0-	-0-	-0-
Lot 26	26	Cerutti, John L. Box 582 3201 Montclair Ct Valdez, Alaska 99686	17,600	16,500-	34,100 37,200-
Lot 27	27	Frank Moolin & Associates Box Valdez, Alaska 99686	17,600	24,300-	17,600 30,700-
	279			5,300	16,300

4. 27-27 - John Cerutti 176,000
207,000

MINERAL CREEK SUBDIVISION

Block 15

		<u>LAND</u>	<u>IMPROVEMENTS</u>	<u>TOTAL</u>
Lot 9	Collins, William J. & Lorenza M. Box 1402 Valdez, Alaska 99686	42,500 550,000-	83,300 588,000-	125,800 5148,000-
Lot 10	Hickok, Terry L. & Patricia L. Box 713 Valdez, Alaska 99686	28,300 33,300-	121,300 212,700-	149,600 176,000-
Lot 10A	D & M Rentals Box 338 Juneau, Alaska 99802	28,300 33,300-	121,300 132,700-	149,600 126,000-
Lot 11	D & M Rentals Box 338 Juneau, Alaska 99802	28,300 33,300-	121,300 142,700-	149,600 176,000-
Lot 12	Alaska USA Federal Credit Union (Attn: Fred Smith) 777 Juneau Street Anchorage, Alaska 99501	42,500 50,000-	735,250 865,000-	777,750 925,000-

Block 16

Lot 1-4	Alaska State Housing Authority		-EXEMPT-	
Lot 5	Eder, Robert O. & Rita R. Box 791 Valdez, Alaska 99686	24,900 25,300-	88,700 104,300-	113,600 135,600-
Lot 6	Wilson, Maurice L. 2705- Arlington Anchorage, Alaska 99503	24,900 29,300-	88,700 104,300-	113,600 132,600-
Lot 7	Gallagher, Michael & Goudreau, Damian J. Box 971 Valdez, Alaska 99686	24,900 29,300-	166,350 195,700-	191,250 225,000-
Lot 8	Robinson, Claude D. & Janet Box 588 Valdez, Alaska 99686	24,900 29,300-	54,300 63,900-	79,200 93,200-
Lot 9A	Teeters, Katherine G. Box 567-1793 Valdez, Alaska 99686	46,900 55,100-	265,600 322,500-	312,500 367,100-
Lot 10A	Cooper, Steve E.B. & Dorothy M. Box 4-493 Anchorage, Alaska 99509	75,900 89,300-	162,000 190,000-	237,900 279,900-
Lot 12	Gilson, Mrs. George Box 504 Valdez, Alaska 99686	42,500 50,000-	46,000 54,100-	88,500 104,100-

Block 17

Lot 162	Alaska State Housing Authority		-EXEMPT-	
---------	--------------------------------	--	----------	--

1274.200

2054,100

2488.000

Block 17

Lot 3

Wood, Walter M.
Box 868
Valdez, Alaska 99686

~~140,000-~~
119,000

-0-

~~140,000-~~
119,000

Block 18

Lot 1

Church of the Epiphany

-EXEMPT-

Lot 2&3

St. Francis Xavier Catholic
Church

-EXEMPT-

417,000

FOR IMMEDIATE RELEASE - February 18, 1983

TITLE: Revenue sharing under oil and gas property tax.
FROM: Alaska Department of Revenue, Pouch SA, Juneau, AK 99811

The Department of Revenue is conducting an overall review of local property tax assessment procedures utilized by those jurisdictions which share oil and gas property tax revenues under AS 43.56 to determine if the state is receiving its proper allocation under that program. This review was prompted by allegations that assessment practices utilized by the City of Valdez led to an underpayment of oil and gas property tax to the state during the years 1981 and 1982. The final report will be concluded by early March, but due to misimpressions left by the Anchorage Daily News story (Feb. 18) relating to the Valdez situation, Robert Heath, Commissioner of Revenue, feels that the preliminary results of the investigation should be released at this time.

First, the 1981 and 1982 ratios of local assessments to full and true appraised value as set forth in Alaska Taxable 1981 and 1982 are as follows:

	<u>1981</u>	<u>1982</u>
Anchorage	87.24	82.05
Kenai	90.39	79.93
Fairbanks North Star Borough	93.11	87.03
Valdez	<u>74.74</u> 89.6	<u>93.84</u>
Matsu	80.84	88.18
North Slope Borough	70.0	76.0

These indicate that, during the relevant period, the Valdez assessments compared very favorably with other assessment ratios.

--Add One--

* SOURCE: DEPT. OF COMMUNITY AND REGIONAL AFFAIRS
REPORT (ENCLOSURE)

--Add one-- February 18, 1983, Alaska Department of Revenue

Second, officials of the Department of Revenue conducting the review indicate that it is not unusual for these "appraised" values and "assessed" values to differ by ten to fifteen percent.

Commissioner Heath stated: "The results of the overall investigation will be made public once they have been reviewed and approved by myself."

STATE OF ALASKA

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

BILL SHEFFIELD, GOVERNOR

Mark Lewis, Commissioner

POUCH B
JUNEAU, ALASKA 99811
PHONE: (907) 465-4700

225 CORDOVA STREET - BLDG B
ANCHORAGE, ALASKA 99501
PHONE: (907) 264-2294

PRESS RELEASE

To All News Media

Juneau, Alaska
Friday, February 18, 1983

Commissioner of Community & Regional Affairs, Mark Lewis, today said he welcomed a State review of 1981 and 1982 tax assessment roles across Alaska, particularly those compiled by the City of Valdez during his tenure as City Manager.

The Commissioner said that adjustments were made uniformly to the pre-certified residential property tax roles in the post-pipeline town. These adjustments were made while the assessments were in draft form prior to certification of the roles and after a review was conducted to consider the towns artificially inflated tax roles, which were a result of the boom economy resulting from pipeline construction. The adjustments were made to reflect the proper post-pipeline market conditions and were made legally and properly.

Lewis presented the back-up documentation which clearly indicates the tax roles were not improper and that studies of assessed valuation to market value indicate Valdez assessments were in conformance with State standards.

Lewis said, "It is unfortunate the recent stories did not present the complete facts on the issue and have a one-sided biased interpretation."

RICE RANDELL APPRAISAL COMPANY
P.O. BOX 1921
VALDEZ, ALASKA 99686
PH: 835-2717

March 31, 1981

Re: Real Estate Values
for Properties Located
in the City of Valdez

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

Attention: Mr. Mark Lewis

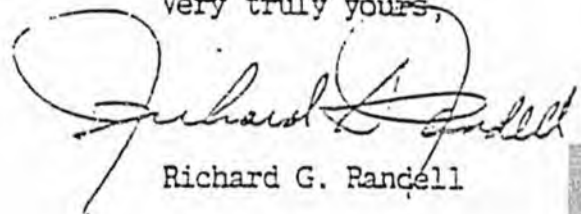
Dear Mr. Lewis,

In reference to our conversation of March 23, 1981 pertaining to assessed values for tax purposes in the city of Valdez, I feel that the valuations I arrived at are 100% of fair market value. However, it is not uncommon for appraisers to be as much as 15% to 20% apart in valuation and two appraisers could arrive at two different values on the same piece of property. Therefore, it would be reasonable to apply a percentage of increase or decrease to the values I arrived at for assessment purposes.

Real estate appraising is not a science, it is an estimation based on knowledge and analysis of the real estate market. The analyses utilized in arriving at an estimation is uniform throughout the appraisal field, but because of the many different variables involved in these processes different appraisers do arrive at different estimations of value.

I hope this satisfactorily answers your questions and if any others should arise please contact me.

Very truly yours,



Richard G. Randell

CONTRACT F PROFESSIONAL APPRAISAL SERVICES

THIS AGREEMENT, made and entered into this 15th day of
December, 1981, by and between the CITY OF VALDEZ,
a municipal corporation organized under the laws of the State
of Alaska, hereinafter referred to as the "City," and Rich
Randall Appraisal Company, hereinafter referred to as the
"Appraisers".

WITNESSETH:

1. The Appraiser shall:

(a) Appraise, in accordance with standard Alaska tax practice, all taxable real property located within the existing limits of the City at true value, furnishing all necessary cards, photographs and forms required for such appraisal, for tax year 1982 and 1983.

(b) Appraise, in accordance with standard Alaska tax practice, all City, State, and Federal property located within the existing limits of the City at true value, furnishing all necessary property cards with photographs and information on acreage and dimensions as well as a description of any improvements, for tax year 1982 and 1983.

(c) Furnish all necessary equipment and labor, other than legal and/or location descriptions and ownership records of those parcels to be appraised, in connection with the appraisal required in the preceding paragraphs, and make a final report to the City in the manner required by law.

(d) Investigate, evaluate and report to the City the merits of all written complaints received by the City and forwarded to the appraisers after evaluation notices have been mailed and prior to Board of Equalization hearings. The City shall determine which complaints are to be forwarded to the Appraiser for further investigation and evaluation.

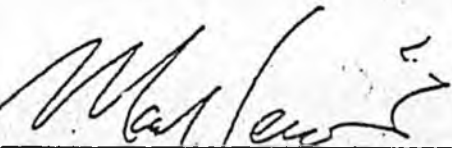
(e) Attend hearings of the Board of Equalization at such times as required by law.

*City of Valdez Contract for Appraisal
Services with Richard Randall, 1981*

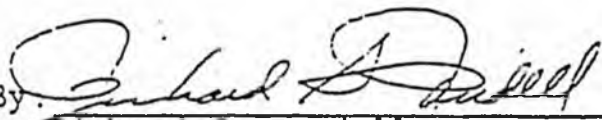
4. The parties agree that all existing property cards and tax records, as well as those cards and records which may be created by the Appraiser while performing this contract, are and shall remain the property of the City.

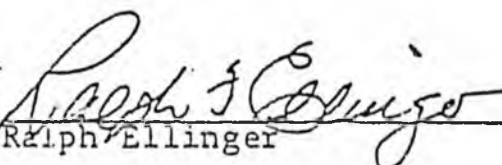
IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year first above written.

CITY OF VALDEZ, ALASKA

By: 
Mark Lewis, City Manager

Rich Randall Appraisal Company

By: 
Richard G. Randell

By: 
Ralph Ellinger

APPROVED AS TO FORM:

HUGHES, THORSNESS, GANTZ,
POWELL & BRUNDIN, Attorneys
for the City of Valdez

By: 
Kenneth P. Jacobus

(f) Complete, prior to March 1, of each year, all obligations to be performed on the part of the Appraiser with the exception of investigation of complaints and attendance at the Board of Equalization hearings.

2. The City shall:

(a) In consideration of the performance of the obligations undertaken under paragraph 1, Sections (a), (b), (c) and (f), by the Appraiser, pay to the Appraiser the sum of twenty-five thousand two hundred dollars (\$25,200) for the 1982 tax year and the sum of twenty-five thousand (\$25,000) for the 1983 tax year. Eight thousand four hundred dollars (\$8,400) shall be paid not later than December 15th of each year with the remainder to be paid within thirty days of delivery to the City of the tax roll and satisfaction of all contract requirements for that year.

(b) In consideration of the obligations undertaken by the Appraiser under Paragraph 1, Sections (d) and (e) herein pay to the Appraiser amount of FIFTY DOLLARS (\$50.00) per hour for the time spent performing these services, except that no additional fee shall be paid for appeals caused by Appraiser negligence, such as appraising non-existent property or misidentifying property.

(c) Provide the Appraiser, prior to commencement of field work in Valdez, with legal or location descriptions, ownership records, owners' addresses, and the existing property cards with photographs from the previous tax year. The property cards and city records shall be returned to the City as soon as possible after use by the Appraiser.

(d) Provide the Appraiser with copies of existing City maps, plats and zoning maps covering the properties to be appraised.

3. The parties agree that the Appraiser shall have no responsibility for the appraisal of either the Pipeline-oriented property which has been appraised by the State or any property, the location and description of which, the City has not provided to the Appraiser.

170-

TABLE IV

LOCAL ASSESSMENTS VS. FULL VALUE

The following information should be used to interpret Table IV:

Municipalities: Boroughs and cities organized under the laws of Alaska, except those second class cities which are located outside of boroughs and do not levy a property tax.

ASSESSED VALUES:

Locally assessed property values taxable under provisions of municipal ordinance and state law. (AS 29.53)

RATIOS:

The relationship in terms of percent, which actual assessed property values bear to the Department's full value determination.

FULL VALUES:

The full value of real and personal property taxable under provisions of local ordinance and state law as equalized by the Department of Community and Regional Affairs in conformity with uniform standards defined in Attorney General Opinion No. 18, 1962.

NOTE: Table III does not include oil and gas property (AS 43.56).

171-

TABLE IV
LOCAL ASSESSMENT VS. FULL VALUE

MUNICIPALITY	REAL PROPERTY			PERSONAL PROPERTY			REAL & PERSONAL PROPERTY			
	Boroughs	Assessed Value	Ratio	Full Value	Assessed Value	Ratio	Full Value	Assessed Value	Ratio	Full Value
ANCHORAGE, MUNICIPALITY OF										
City	2,636,844,486	79.51	3,316,206,917	318,386,000	74.63	426,624,792	2,955,230,486	78.96	3,742,831,709	
Other	4,952,824,256	83.47	5,933,452,460	555,647,000	63.67	872,636,090	5,508,471,256	80.93	6,806,088,550	
TOTAL	7,589,668,742	82.05	9,249,659,377	874,033,000	67.27	1,299,260,882	8,463,701,742	80.23	10,548,920,259	
BRISTOL BAY										
	43,673,300	89.53	48,780,600	36,762,392	95.00	38,697,300	80,435,692	91.94	87,477,900	
FAIRBANKS NORTH STAR										
City	706,122,900	89.67	787,168,304	--	--	280,370,040	706,122,900	66.13	1,067,047,224	
North Pole	68,764,650	95.24	72,201,430	--	--	27,523,300	68,764,650	60.95	99,724,731	
Other	846,477,175	87.51	967,288,078	--	--	242,564,220	846,477,175	69.97	1,209,852,298	
TOTAL	1,621,364,725	87.03	1,826,957,900	--	--	550,466,360	1,621,364,725	67.18	2,377,424,260	
HAINES										
City	25,126,024	94.22	26,660,113	--	--	8,123,300	25,126,024	72.22	34,791,413	
Other	26,821,070	93.06	28,821,559	--	--	7,337,700	26,821,070	74.17	36,159,259	
TOTAL	51,947,094	93.62	55,481,672	--	--	15,461,000	51,947,094	73.22	70,950,672	
JUNEAU, CITY & BOROUGH										
City	200,188,500	92.99	215,282,127	42,820,200	49.11	87,208,100	243,016,700	80.34	302,490,227	
Douglas	35,921,900	87.31	41,144,477	1,630,275	16.45	9,907,075	37,552,175	73.56	51,052,352	
Other	503,382,300	93.67	537,375,089	55,224,250	37.60	146,854,400	558,606,550	81.64	684,229,409	
TOTAL	739,492,700	93.16	793,801,693	99,682,725	40.86	243,970,375	839,175,425	80.86	1,037,772,068	
KENAI PENINSULA										
Homer	118,052,600	90.71	130,139,215	20,961,993	83.67	25,053,774	139,014,593	89.58	155,192,989	
Kenai	129,523,015	77.42	167,293,567	23,064,009	83.67	27,566,104	152,587,024	70.31	194,859,671	
Seldovia	10,130,400	72.02	14,066,117	4,152,464	83.67	4,963,025	14,202,864	75.06	19,029,142	
Seward	37,817,000	86.11	43,917,949	16,369,047	83.67	19,564,285	54,106,047	85.36	63,482,234	
Soldotna	102,485,600	90.09	113,759,134	9,256,876	83.67	11,063,819	111,742,476	89.52	124,822,953	
Other	1,200,741,580	78.57	1,630,024,118	176,675,311	83.67	211,163,293	1,457,416,891	79.11	1,842,187,411	
TOTAL	1,678,750,195	79.93	2,100,200,100	250,479,700	83.67	299,374,300	1,929,229,895	80.40	2,399,574,400	
KETCHIKAN GATEWAY										
City	221,789,800	86.96	255,048,068	37,401,250	62.93	59,436,000	259,191,050	82.42	314,481,068	
Other	240,723,800	79.99	300,950,232	33,146,450	64.53	51,368,200	273,870,250	77.73	352,318,432	
TOTAL	462,513,600	83.19	555,998,300	70,547,700	63.67	110,804,200	533,061,300	79.94	666,802,500	
KODIAK ISLAND										
City	146,150,045	77.48	188,635,850	47,868,072	35.40	135,208,156	194,018,117	59.91	323,844,006	
Other	69,830,323	77.46	90,146,050	8,516,368	35.40	24,055,444	78,346,691	68.60	114,201,494	
TOTAL	215,980,368	77.47	278,781,900	56,384,440	35.40	159,263,600	272,364,808	62.18	438,045,500	
MATANUSKA-SUSITNA										
Palmer	61,686,080	82.70	74,590,181	10,242,300	57.88	17,697,132	71,928,380	77.94	92,287,313	
Houston	22,406,040	87.01	25,751,100	205,621	57.93	493,008	22,691,661	86.46	26,244,108	
Wasilla	97,108,090	90.70	107,065,050	10,350,494	57.93	17,865,884	107,458,494	86.01	124,930,934	
Other	788,761,520	88.37	892,588,735	37,576,982	57.95	64,843,376	826,338,502	86.31	957,432,111	
TOTAL	969,961,640	88.18	1,099,995,066	58,455,397	57.93	100,899,400	1,020,417,037	85.64	1,200,894,466	

TABLE IV

LOCAL ASSESSMENT VS. FULL VALUE

MUNICIPALITY	REAL PROPERTY			PERSONAL PROPERTY			REAL & PERSONAL PROPERTY			
	Boroughs	Assessed Value	Ratio	Full Value	Assessed Value	Ratio	Full Value	Assessed Value	Ratio	Full Value
NORTH SLOPE BOROUGH	304,790,980	76.00	401,040,800	145,201,100	100.00	145,201,100	449,922,080	32.38	546,241,900	
SITKA, CITY & BOROUGH	317,326,605	98.86	320,972,300	60,433,130	60.17	100,433,130	377,759,735	89.64	421,405,430	
TOTAL BOROUGHIS	13,995,469,949	83.65	16,731,677,700	1,651,979,584	53.92	3,063,831,647	15,647,449,533	79.05	19,795,509,355	
A										
CITIES										
CORDOVA	46,775,895	85.37	54,789,400	-0-	--	61,576,200	46,775,895	40.20	116,365,600	
CRAIG	13,912,560	100.00	13,912,600	640,200	8.29	7,726,000	14,552,760	67.25	21,630,600	
DILLINGHAM	30,953,255	73.70	41,999,000	21,412,659	70.74	27,194,500	52,365,914	75.68	69,193,500	
GALENA	---	--	4,855,050	---	--	1,373,050	---	--	6,229,700	
HOONAH	---	--	12,209,450	---	--	4,369,500	---	--	16,659,050	
HYDABURG	---	--	5,847,200	---	--	3,129,600	---	--	8,976,800	
KAKE	---	--	7,258,000	---	--	112,900	---	--	7,371,700	
KING COVE	---	--	6,773,300	---	--	21,403,000	---	--	28,256,300	
KLANOCK	---	--	3,334,300	---	--	377,000	---	--	3,711,300	
NEHANNA	4,067,738	85.00	4,785,600	3,553,844	85.00	4,181,000	7,621,582	85.00	8,966,600	
NOME	87,004,142	63.00	138,104,262	11,672,407	56.77	20,562,465	98,676,549	62.13	158,666,727	
PELICAN	3,310,640	42.47	7,795,410	3,669,945	65.85	5,573,345	6,980,585	52.22	13,368,755	
PETERSBURG	49,968,757	71.18	70,200,500	6,965,925	11.70	59,151,300	56,934,682	44.02	129,351,000	
ST. MARY'S	---	--	2,331,400	---	--	777,100	---	--	3,108,500	
SAND POINT	---	--	13,240,000	---	--	42,000,000	---	--	55,240,000	
SKAGWAY	49,953,450	104.06	48,003,900	---	--	8,929,300	49,953,450	87.74	56,933,200	
TANANA	---	--	4,903,500	---	--	291,800	---	--	5,195,300	
UNALASKA	45,475,240	104.38	43,566,588	29,590,833	98.79	29,954,354	75,066,073	102.10	73,520,942	
VALDEZ	91,811,450	91.14	97,838,600	---	--	27,833,000	91,811,450	73.06	125,672,400	
WRANGELL	65,306,979	96.28	67,829,900	---	--	19,924,717	65,306,979	74.42	87,754,617	
YAKUTAT	7,207,043	38.47	18,733,400	---	--	3,733,500	7,207,043	32.07	22,466,900	
TOTAL CITIES	495,747,149	74.17	668,392,960	77,505,813	22.13	350,255,331	573,252,962	56.28	1,018,648,291	
STATEWIDE TOTAL	14,491,217,098	83.28	17,400,070,668	1,729,405,397	50.66	3,414,086,978	16,220,702,495	77.93	20,814,157,646	

1981

1981

TABLE III

LOCAL ASSESSMENTS VS. FULL VALUE

The following information should be used to interpret Table III:

Municipalities: Boroughs and cities organized under the laws of Alaska, except those second class cities which are located outside of boroughs and do not levy a property tax.

ASSESSED VALUES:

Locally assessed property values taxable under provisions of municipal ordinance and state law. (AS 29.53)

RATIOS:

The relationship in terms of percent, which actual assessed property values bear to the Department's full value determination.

FULL VALUES:

The full value of real and personal property taxable under provisions of local ordinance and state law as equalized by the Department of Community and Regional Affairs in conformity with uniform standards defined in Attorney General Opinion No. 18, 1962.

NOTE: Table III does not include oil and gas property (AS 43.56).

19

TABLE III
LOCAL ASSESSMENT VS. FULL VALUE

MUNICIPALITY Boroughs	REAL PROPERTY			PERSONAL PROPERTY			REAL & PERSONAL PROPERTY		
	Assessed Value	Ratio	Full Value	Assessed Value	Ratio	Full Value	Assessed Value	Ratio	Full Value
ANCHORAGE, MUNICIPALITY OF									
City	2,140,200,615	82.72	2,587,401,600	354,236,390	81.56	434,329,100	2,494,535,005	82.55	3,021,810,700
Other	3,015,518,437	90.00	4,329,567,300	488,246,070	70.65	691,081,200	4,303,754,507	87.29	4,930,651,500
TOTAL	5,955,807,052	87.24	6,027,010,900	842,492,460	74.06	1,125,413,300	6,798,299,512	85.49	7,952,462,200
BRISTOL BAY									
	35,341,700	88.61	39,853,000	42,566,270	95.00	45,164,500	78,247,970	92.04	85,077,500
FAIRBANKS NORTH STAR									
City	607,650,600	94.50	642,472,600	-0-	-	208,301,200	607,650,600	71.42	850,853,800
North Pole	60,259,000	89.63	67,218,000	-0-	-	21,825,800	60,259,000	67.66	89,056,600
Other	715,121,800	92.19	775,777,200	-0-	-	251,599,300	715,121,800	69.61	1,027,339,500
TOTAL	1,383,031,400	93.11	1,485,443,600	-0-	-	481,006,300	1,383,031,400	70.30	1,967,249,900
HAINES									
City	22,945,630	96.64	23,743,400	4,746,915	72.02	6,591,100	27,692,545	91.29	30,334,500
Other	24,423,900	96.64	25,273,700	5,866,202	72.02	8,145,450	30,290,182	90.63	33,419,150
TOTAL	47,369,530	96.64	49,017,100	10,613,197	72.02	14,736,550	57,982,727	90.95	63,753,650
JUNEAU, CITY & BOROUGH									
City	169,605,300	92.12	184,113,750	35,419,075	42.99	82,389,100	205,024,375	76.93	266,502,850
Douglas	30,493,200	89.09	34,227,250	1,436,500	47.99	3,341,450	31,929,700	81.99	37,568,700
Other	421,191,700	94.35	446,426,000	46,660,675	41.00	108,526,950	467,060,375	84.31	554,952,950
TOTAL	621,290,200	93.46	664,767,000	83,524,250	42.99	194,257,500	704,014,450	82.05	859,024,500
KENAI PENINSULA									
Homer	101,763,965	94.67	107,493,450	31,814,445	84.66	37,500,800	133,570,410	92.08	145,074,250
Kenai	125,365,370	81.07	155,260,350	30,125,514	84.39	35,694,000	155,970,004	86.69	190,959,150
Soldotna	8,901,400	94.17	9,452,200	4,053,908	81.39	4,803,000	12,955,303	90.88	14,256,000
Seward	38,084,425	93.03	41,796,200	24,950,050	84.39	29,565,200	63,034,475	89.45	71,361,400
Soldotna	86,117,900	90.20	95,470,700	11,005,020	84.39	13,040,700	97,122,920	89.51	108,511,400
Other	1,233,254,015	91.02	1,354,075,800	113,370,503	84.39	134,471,100	1,346,633,318	90.42	1,489,346,900
TOTAL	1,594,707,005	90.39	1,764,340,700	215,327,440	84.39	255,159,600	1,810,115,315	89.63	2,019,500,300
KETCHIKAN GATEWAY									
City	105,906,950	86.10	215,710,000	32,399,700	56.02	57,830,800	218,306,650	79.08	273,541,600
Other	200,073,600	86.10	233,086,400	26,698,350	68.64	38,894,900	227,571,950	83.67	271,931,300
TOTAL	306,780,550	86.10	448,797,200	59,098,050	61.09	96,725,700	445,878,600	81.73	545,522,900
KODIAK ISLAND									
City	115,761,027	74.44	155,377,500	301,560,294	87.61	343,923,200	237,322,121	79.56	298,300,700
Other	51,627,039	74.45	69,341,700	9,330,308	87.63	10,714,200	61,015,427	76.22	80,055,900
TOTAL	107,300,066	74.44	251,719,200	310,890,602	87.61	354,637,400	298,337,548	78.85	378,356,600
MAJORSKA-SUSITNA									
Palmer	66,319,000	88.52	74,956,900	7,108,421	47.69	14,905,500	63,457,401	80.77	78,562,400
Houston	10,921,300	80.11	23,678,300	93,025	47.71	195,000	19,014,405	73.05	25,811,300
Wasilla	85,507,260	86.08	98,419,900	6,129,494	47.69	12,852,000	91,636,754	82.35	111,277,700
Other	601,946,660	79.59	756,831,800	22,370,264	47.68	46,705,000	704,254,924	77.94	903,616,800
TOTAL	842,724,360	80.84	1,042,526,900	35,639,204	47.69	74,730,300	878,363,564	78.62	1,117,265,200

TABLE III

LOCAL ASSESSMENT VS. FULL VALUE

MUNICIPALITY	REAL PROPERTY			PERSONAL PROPERTY			REAL & PERSONAL PROPERTY			
	Boroughs	Assessed Value	Ratio	Full Value	Assessed Value	Ratio	Full Value	Assessed Value	Ratio	Full Value
WIRTH SLOPE BOROUGH		219,665,480	70.00	313,007,800	90,317,880	96.79	93,317,900	309,983,360	76.14	407,125,700
SEIKA, CITY & BOROUGH		270,683,840	98.85	273,820,600	62,945,916	50.84	108,620,103	333,629,756	87.24	382,448,700
TOTAL BOROUGHES		11,544,870,853	87.72	13,161,150,000	1,553,813,349	59.38	2,616,585,150	13,098,684,202	83.02	15,777,735,150
CITIES										
CORCOVA		42,270,850	98.90	42,708,100	-0-	-	54,854,450	42,270,850	43.33	97,562,550
CRAIG		8,471,892	90.00	9,413,200	614,600	8.09	7,594,800	9,086,492	53.42	17,008,000
DELL INDIAN		20,604,355	75.10	30,194,900	20,587,029	100.00	20,507,000	49,271,304	81.82	50,781,900
GALENA		-0-	-	4,470,500	-0-	-	1,353,500	-0-	-	5,784,000
HOLMAN		-0-	-	11,213,000	-0-	-	3,986,900	-0-	-	15,199,900
HYDABURG		-0-	-	5,335,000	-0-	-	2,855,500	-0-	-	8,190,500
KANE		-0-	-	6,623,000	-0-	-	103,000	-0-	-	6,726,000
KING COVE		-0-	-	6,773,300	-0-	-	1,018,500	-0-	-	8,591,800
KLAMOCK		-0-	-	3,042,200	-0-	-	344,000	-0-	-	3,386,200
NEENAH		5,516,219	92.75	5,947,400	3,379,605	90.00	3,755,100	8,895,824	91.69	9,702,500
NOHE		5,015,818	68.54	8,756,300	9,014,171	57.89	16,952,300	69,829,989	66.81	101,516,600
PELICAN		2,771,400	85.20	3,252,600	2,724,300	67.93	4,010,300	5,495,700	75.66	7,263,100
PETERSBURG		61,803,850	99.37	62,193,300	13,392,259	24.81	53,970,200	75,196,109	64.73	116,163,500
ST. MARY'S		-0-	-	2,127,200	-0-	-	709,000	-0-	-	2,836,200
SAND POINT		-0-	-	9,976,000	-0-	-	7,300,000	-0-	-	17,276,000
SILAGWAY		44,085,250	99.55	44,205,700	7,135,383	84.37	8,458,900	51,221,633	97.11	52,744,600
UNALASKA		35,077,110	70.00	50,110,200	33,061,776	93.90	35,209,600	68,130,886	79.81	85,319,800
VALDEZ		87,412,330	89.60	97,557,700	-0-	-	25,396,000	87,412,330	71.09	122,953,700
WRANGELL		46,915,950	89.58	52,372,500	6,272,047	34.44	18,209,000	53,187,997	75.36	70,585,500
YAKUTAT		7,216,095	40.65	17,751,800	-0-	-	3,577,600	7,216,095	33.03	21,329,400
TOTAL CITIES		430,241,119	76.71	560,872,100	96,982,170	35.78	271,045,650	527,223,289	63.37	831,917,750
STATEWIDE TOTAL		11,975,111,972	87.27	13,722,022,100	1,650,795,519	57.17	2,887,630,800	13,625,907,491	82.04	16,609,653,590

TABLE III
LOCAL ASSESSMENTS VS. FULL VALUE

The following criteria should be used to interpret Table III:

Municipalities: Boroughs and cities organized under the laws of Alaska except second class cities without boroughs which do not levy a property tax.

ASSESSED VALUES:

Local assessed property values taxable under provisions of municipal ordinance and state law. (AS 29.53)

RATIOS:

The relationship in terms of percent, which actual assessed property values bear to the Department's full value determination.

FULL VALUES:

The full value of real and personal property taxable under provisions of local ordinance and state law as equalized by the Department of Community and Regional affairs in conformity with uniform standards defined in Attorney General Opinion No. 18, 1962.

NOTE: Table III does not include oil and gas property. (AS 43.56).

TABLE III

LOCAL ASSESSMENT VS. FULL VALUE

MUNICIPALITY	REAL PROPERTY			PERSONAL PROPERTY			REAL & PERSONAL PROPERTY			
	Boroughs	Assessed Value	Ratio	Full Value	Assessed Value	Ratio	Full Value	Assessed Value	Ratio	Full Value
ANCHORAGE, MUNICIPALITY OF										
City	1,987,317,291	81.42	2,440,796,800	319,361,295	83.08	384,361,300	2,306,678,586	81.65	2,825,158,100	
Other	3,495,752,955	86.68	4,033,200,900	445,609,870	75.54	603,272,000	3,941,452,825	85.23	4,636,472,900	
TOTAL	5,483,070,246	84.69	6,473,997,700	765,071,165	78.47	987,633,300	6,248,131,411	83.74	7,461,631,000	
BRISTOL BAY										
	31,288,300	95.00	32,871,900	24,315,006	100.00	24,315,000	55,543,306	93.84	57,186,900	
FAIRBANKS NORTH STAR										
City	554,714,450	87.20	636,121,000			159,030,200	554,714,450	69.76	795,151,200	
North Pole	52,823,925	92.18	57,306,300			14,326,600	52,823,925	73.74	71,632,900	
Other	664,039,675	91.34	727,010,500			78,028,600	664,039,675	82.40	805,839,100	
TOTAL	1,271,578,050	89.52	1,420,437,800			252,185,400	1,271,578,050	76.02	1,672,623,200	
HEALING										
City	12,266,725	99.74	12,298,700	8,348,005	48.12	17,348,000	20,614,730	69.53	29,646,700	
Other	27,498,100	92.67	29,672,800				27,498,150	92.67	29,672,800	
TOTAL	39,764,825	94.74	41,971,500	8,348,005	48.12	17,348,000	48,112,880	81.11	59,319,500	
JUNEAU										
City	148,361,800	92.91	159,690,500	32,685,850	51.08	63,984,300	181,047,650	80.94	223,674,800	
Douglas	26,398,100	91.91	28,721,300	1,244,725	22.84	5,449,700	27,642,825	80.90	34,171,000	
Other	341,349,700	94.52	361,145,100	52,011,425	54.79	94,921,500	393,361,325	86.25	456,066,600	
TOTAL	516,109,600	93.91	549,556,900	85,942,200	52.29	164,355,500	602,051,800	84.33	713,912,400	
KENAI PENINSULA										
Homer	98,125,965	87.35	112,333,200	15,576,641	100.00	15,576,600	113,702,606	88.89	127,909,800	
Kenai	104,054,885	80.57	117,484,200	19,567,508	100.00	19,567,500	123,622,393	90.20	137,051,700	
Seldovia	8,045,900	78.01	10,314,300	2,167,568	100.00	2,167,600	10,213,468	81.83	12,481,900	
Seward	37,540,850	77.14	48,668,600	20,364,325	100.00	20,364,300	57,905,175	83.88	69,032,900	
Soldotna	85,597,750	88.59	96,618,100	13,097,315	100.00	13,097,300	98,695,065	89.95	109,715,400	
Other	1,035,993,145	91.01	1,138,327,700	96,302,135	100.00	96,302,100	1,132,295,280	91.71	1,234,629,800	
TOTAL	1,369,358,495	89.81	1,523,746,100	167,075,492	100.00	167,075,400	1,536,433,987	90.87	1,690,821,500	
KETCHIKAN GATEWAY										
City	155,813,790	85.85	181,495,400	25,940,850	75.18	34,505,000	181,754,640	84.15	216,000,400	
Other	160,777,025	85.85	187,275,800	24,082,100	75.18	32,030,600	184,859,125	84.29	219,310,300	
TOTAL	316,590,815	85.85	368,771,200	50,022,950	75.18	66,535,600	366,613,765	84.22	435,310,700	
KODIAK ISLAND										
City	133,152,009	80.22	165,983,600	94,509,618	100.00	94,509,600	227,661,627	87.40	260,493,200	
Other	47,656,202	80.21	59,410,800	37,758,835	100.00	37,758,900	85,415,037	87.90	97,169,700	
TOTAL	180,808,211	80.22	225,394,400	132,268,453	100.00	132,268,500	313,076,664	87.53	357,662,900	
MATANUSKA-SUSITNA										
Palmer	6,934,580	68.96	10,055,900	10,679,490	100.00	10,679,500	17,614,070	84.95	20,735,400	
Houston	7,452,160	81.92	9,096,900	629,480	100.00	629,500	8,081,640	83.09	9,726,400	
Wasilla	20,751,400	88.43	23,465,000	10,147,260	100.00	10,147,300	30,898,660	91.93	33,611,300	
Other	725,600,760	83.41	869,871,500	51,491,350	100.00	51,491,300	777,092,110	84.34	921,362,800	
TOTAL	760,738,900	83.37	912,489,300	72,947,580	100.00	72,947,600	833,686,480	84.60	985,436,900	

TABLE III

LOCAL ASSESSMENT VS. FULL VALUE

MUNICIPALITY	REAL PROPERTY			PERSONAL PROPERTY			REAL & PERSONAL PROPERTY		
	Assessed Value	Ratio	Full Value	Assessed Value	Ratio	Full Value	Assessed Value	Ratio	Full Value
Boroughs									
NORTH SLOPE	190,888,650	66.84	285,599,451	82,033,140	100.00	82,033,100	272,921,790	74.24	367,632,600
SITKA, CITY & BOROUGH OF	254,986,831	102.14	249,651,000	53,669,600	66.04	81,269,600	308,656,431	93.27	330,920,600
TOTAL BOROUGHS	10,415,122,923	86.19	12,084,491,251	1,441,683,591	70.40	2,047,966,900	11,856,806,514	83.90	14,132,458,200
Cities									
Cordova	36,125,560	88.91	40,631,600			16,100,000	36,125,560	63.79	56,731,600
Craig	5,364,518	90.14	6,436,100	437,000	18.46	2,367,800	5,801,518	65.90	8,803,900
Dillingham	25,070,425	78.74	31,839,500	15,857,697	100.00	15,857,700	40,928,122	85.81	47,697,200
Galena			2,610,800			1,601,200			4,292,000
Hoonah			5,050,935			2,467,848			7,518,783
Hydaburg			3,287,600			535,000			3,822,600
Kake			2,155,400			1,078,700			3,234,100
King Cove	4,732,096	87.45	5,411,500			1,567,700	4,732,096	67.80	6,979,200
Klawock			2,622,600			344,000			2,966,600
Kenai	3,613,554	95.00	3,803,700	1,981,645	100.00	1,981,700	5,595,199	96.71	5,785,400
Rome	55,614,713	78.09	71,257,200	8,922,450	81.69	10,922,500	64,637,164	78.65	82,179,700
Pelican	2,752,500	95.00	2,897,400	2,839,565	78.71	3,607,600	5,592,065	85.97	6,505,000
Petersburg	49,077,330	82.72	59,329,500	12,106,749	62.48	19,376,700	61,184,079	77.74	78,706,200
St. Mary's			1,833,800			611,200			2,445,000
Sand Point			8,600,000			2,100,000			10,700,000
Skagway	38,344,050	99.58	38,492,400	6,703,463	78.58	8,753,500	45,037,413	95.33	47,245,900
Unalaska	26,082,800	95.00	27,455,600	29,173,476	100.00	29,173,500	55,256,276	97.58	56,629,100
Valdez	88,451,310	94.74	93,631,500			28,089,500	88,451,310	72.67	121,721,000
Wrangell	44,121,635	87.04	50,692,600	5,054,864	49.41	10,229,900	49,176,499	80.72	60,922,500
Yakutat	9,089,303	90.00	10,099,200				9,089,303	72.00	12,624,000
TOTAL CITIES	388,459,794	82.93	468,138,935	83,076,909	52.13	159,370,848	476,112,644	75.07	627,509,783
STATEWIDE TOTAL	10,803,582,717	86.07	12,552,630,186	1,524,760,500	69.08	2,207,337,748	12,332,919,158	83.56	14,759,967,983

Taxation

CHAPTER 25.

TAXATION.¹

Article I. Assessment, Levy and Collection of Taxes.

Division 1. Generally.

- § 25-1. Property subject to taxation generally.
- § 25-2. Exemption of personal property from taxation; mobile homes classified as real property.
- § 25-2.1. Exemptions required by state law.
- § 25-2.2. Additional exemptions.
- § 25-3. Determination of annual levy, due dates, etc.; limitation on amount of levy.

Division 2. Assessments.

- § 25-4. Assessment procedure generally; preparation of assessment roll.
- § 25-4.1. Reevaluation.
- § 25-5. Contents of assessment roll.
- § 25-6. Notices of assessment to be given; corrections in assessment roll by assessor.
- § 25-7. Appeals to board of equalization.
- § 25-7.1. Hearing.
- § 25-8. Completion of assessment roll; records of board of equalization; certification of assessment roll.
- § 25-9. Appeals to superior court.
- § 25-10. Supplementary assessment rolls.
- § 25-11. Delivery of assessment roll to city council; validity of assessment rolls.

Division 3. Levy and Collection.

- § 25-12. Determination of tax rate and delinquent date; tax statements; penalties for delinquent payment.
- § 25-12.1. Deadlines for rate of levy determinations and tax statement mailing.
- § 25-13. Delinquent tax roll; foreclosure lists; payment of taxes prior to sale; giving of notices.
- § 25-14. Foreclosure and sale of real property for delinquent taxes; redemption.
- § 25-15. Foreclosure on personal property.

Article II. Sales Tax.

- § 25-16 to 25-33. Repealed.

1. As to finance generally, see ch. 9 of this Code.

Article V. Tax on Pipeline Property.

- § 25-124. Levied on "taxable property."
 § 25-125. Levied on "construction equipment."

Article VI. Hotel-Motel Room Tax.

- § 25-126. Definitions.
 § 25-127. Levied; responsibility for payment; collection.
 § 25-128. Certificate of registration.
 § 25-129. Receipts--Segregation.
 § 25-130. Same--Transmittal; due date; penalty.
 § 25-131. Returns to be confidential.
 § 25-132. Records--Maintenance and inspection.
 § 25-133. Same--Investigation by city.
 § 25-134. Suits for collection.
 § 25-135. Prohibited acts.
 § 25-136. Civil penalties for violations.
 § 25-137. Use of funds generated; creation of advisory board.

Article I. Assessment, Levy and Collection
of Taxes.

Division 1. Generally.

Sec. 25-1. Property subject to taxation generally.

All property not expressly exempt by the city, or exempted from taxation by the city under federal or state constitutional provisions, shall be subject to annual taxation at its full and true value based upon the actual value of the property assessed. (Ord. No. 6303, § 1.)

Sec. 25-2. Exemption of personal property from taxation;
mobile homes classified as real property.

(a) Effective January 1, 1968, all personal property located within or owned by residents of the city shall be exempt from the Valdez personal property tax. This exemption includes, but is not limited to, household furniture and effects, intangibles, inventories and goods in process, and boats and vessels of all types.

(b) For the purposes of this chapter, real property includes, among other things, trailers and mobile homes, and lean-tos and similar structures attached or contiguous thereto. The words "trailers and mobile homes" include all forms of housing adaptable to being moved by a power connected thereto, and which are or can be used for residential, business, commercial or office purposes. Provided, however, that those trailers which are (1) used for camping or recreational purposes only, or (2) not affixed to the site and not con-

ected with utilities, shall be considered to be personal property and exempt from taxation. A trailer or mobile home is conclusively presumed to be affixed to the land and real property for the purposes of taxation when it has remained at a fixed site for more than ninety days. When the ownership of a trailer or mobile home and attachments and appurtenances is different from the land upon which it rests, the city may, in its discretion, assess and tax the ownerships separately. (Ord. No. 6803, § 2.)

Sec. 25-2.1. Exemptions required by state law.

(a) The following property is exempt from general taxation:

(1) Municipal, state or federally owned property; except, that private leaseholds, contracts or other interest in the property shall be taxable to the extent of those interests.

(2) Household furniture of the head of a family or a householder not exceeding five hundred dollars in value.

(3) Property used exclusively for nonprofit religious, charitable, cemetery, hospital or educational purposes. "Property used exclusively for religious purposes" includes the following property owned by a religious organization:

a. The residence of the pastor, priest, rabbi, minister or religious order of a recognized religious organization: —

b. A structure, its furniture and its fixtures used solely for public worship, charitable purposes, religious education or a nonprofit hospital;

c. Lots supporting and adjacent to a structure or residence mentioned in subparagraphs a. or b. of this subsection which are necessary to convenient use; and

d. Lots required by local ordinance for parking near a structure defined in subparagraph b. of this subsection.

(4) Property of a nonbusiness organization composed entirely of persons with ninety days or more of active service in the armed forces of the United States whose conditions of service and separation were other than dishonorable, or the property of the auxiliary of such organization.

(5) Money on deposit.

(6) After January 1, 1973, the real property owned and occupied as a permanent place of abode by a resident sixty-five years of age or over is exempt from taxation of the assessed value of the real property. Only one exemption may be granted with respect to the same property and, if two or more per-

sons are eligible for an exemption with respect to the same property, the parties shall decide between or among themselves which shall receive the benefit of the exemption. No real property may be exempted under this subsection which the assessor determines, after notice and hearing to the parties concerned, has been conveyed to the applicant primarily for the purpose of obtaining the exemption. The determination of the assessor is appealable under Alaska Statutes, sections 44.62.560--44.62.570.

(b) Property described in subsection (a) of this section from which income is derived is exempt only if that income is solely from use of the property by nonprofit religious, charitable or hospital groups or by educational groups for classroom space.

(c) No exemption may be granted except upon written application for the exemption on a form prescribed by the state assessor for use by local assessors. The claimant must file the application no later than January 15 of the assess-

next year in which the exemption is sought. If an application is filed within the required time and is approved by the assessor, he shall allow an exemption in accordance with the provisions of this section. The assessor may at any time require proof in the form he considers necessary of the right and amount of an exemption claimed under this section. (Ord. No. 7538, § 1.)

Sec. 25-2.2. Additional exemptions.

Thirty percent of the assessed value, up to a maximum of ten thousand dollars, of a principal residence owned and occupied by the taxpayer is exempt from taxation. (Ord. No. 7611, § 1.)

Sec. 25-3. Determination of annual levy, due dates, etc.; limitation on amount of levy.

The rate of levy of tax, the date of equalization of the tax and the date when taxes shall become delinquent shall be fixed by resolution of the city council, and the levy for school and municipal purposes shall be separately made and fixed, but the aggregate thereof shall not exceed three per cent of the assessed value of the property assessed. (Ord. No. 218, § 1.)

Division 2. Assessments.

Sec. 25-4. Assessment procedure generally; preparation of assessment roll.

(a) All taxable property shall be assessed at its true and full value and all assessments shall be uniform and equal and based upon the actual value of the property assessed. The "full and true value" is the estimated price which the property would bring in an open market and under the then prevailing market conditions in a sale between a willing seller and a willing buyer both conversant with the property and with prevailing general price levels.

(b) The city assessor shall annually assess and list on a tax roll all real property in the name of the person by whom it is owned on the first day of January. If no owner or claimant to the property can be discovered, the property shall be assessed to the unknown owner.

(c) The assessor shall complete the listings for the annual assessment roll of all real property within the city before March 1, or other such date as may be established by the city council each year. The listing of all taxable property may be made upon permanent separate ledger cards which will be the combined assessment roll and tax ledger. Real property shall be assessed to the owner of record as shown in the records of the recorder of the district; provided, that any other person having an interest in the property may be listed on the assessment records with the owner. The person in whose name any property is listed as owner thereof shall be conclusively presumed to be the legal owner of record. If the owner of land is unknown, such land may be assessed to an "Unknown Owner" or "Unknown Owners." No assessment shall be invalidated by a mistake, omission or error in the name of the owner of the real property assessed, if the property is correctly described.

(d) The assessor may list real property located in any subdivision by lot and block or tract description, and unsubdivided property according to the land office section and township survey description, or by giving the boundaries thereof, or by reference to the book and page of the records of the recorder where the description may be found or by designation of tax lot number, referring to a public record kept by the assessor of descriptions of real property, or in such other manner as to cause the description to be capable of being made certain. Initial letters, abbreviations, fractions and exponents to designate the township, range, section or part of a section, or the number of any lot or block or part thereof, or any distance, course, bearing or direction, may be employed in any such description of real property.

(e) The assessor personally, or by any designated assistant, shall, after identifying themselves, have the right to enter upon and inspect the premises of any person at reasonable times for the purpose of making an examination, valuation, or assessment of real property. He shall have access to and may examine all property records involved, and any person shall, upon request, furnish to the assessor or his assistant every facility and assistance for the purposes of such examination, valuation or assessment. (Ord. No. 6803, § 3; Ord. No. 7539, § 1.)

Sec. 25-4.1. Reevaluation.

A systematic reevaluation of taxable real and personal property undertaken by the assessor, whether of specific areas in which real property is located or of specific classes of real or personal property to be assessed, shall be made only in accordance with a resolution or other act of the city council directing a systematic reevaluation of all taxable property within the city over the shortest period of time practicable, as determined by the city council and fixed in the resolution or other act of the council. (Ord. No. 7539, § 2.)

Sec. 25-5. Contents of assessment roll.

The assessor shall prepare an annual assessment roll, in duplicate, upon which he shall enter the following particulars:

- (a) The names and last known addresses of all persons with property liable to assessment and taxation.
- (b) A description of all taxable property.
- (c) The assessed value, quantity or amount of such property.
- (d) The arrears of taxes, if any, owed by any person. (Ord. No. 218, § 4.)

Sec. 25-6. Notices of assessment to be given; corrections in assessment roll by assessor.

(a) The assessor shall give to every person named in the assessment roll a notice of assessment, showing the assessed value of his property, at least

thirty days before the equalization hearings. On the back of each assessment notice shall be printed a brief summary, for the information of the taxpayer, of the dates when the taxes are payable, delinquent and subject to interest and penalty, dates when the board will sit for equalization purposes and any other particulars specified by the city council. The assessment notice shall be directed to the person to whom it is to be given, and shall be sufficiently given if it is mailed by first class mail addressed to, or is delivered at, his address as last known to the assessor; or if the address is not known to the assessor, the notice may be addressed to the post office nearest to the place where the property is situated. The date on which the notice is mailed, or if delivered by a city official or employee then on the date of such delivery, shall be deemed to be the date on which the notice is given.

(b) When valuation notices have been mailed, the assessor shall cause notice that the assessment rolls have been completed to be published in a newspaper of general circulation once each week for two successive weeks. In the event no newspaper of general circulation is published in the city, the assessor shall cause such notices to be posted at two public places for a period of two weeks. Such notice shall also state when and where the equalization hearings shall be held, and that an appeal may be taken to the board of equalization upon the filing of notice, in writing, with the board specifying the grounds for the appeal.

(c) The assessor may correct any error or supply any omission made or arising in the preparation of the assessment roll at any time before the sitting of the board of equalization. It shall be the duty of every person receiving a notice of assessment to advise the assessor of any error or omission he may have observed in the assessment of his property, in order that the assessor may correct the same.

If errors found in the preparation of the assessment roll are adjusted, the assessor shall mail a corrected notice allowing thirty days for appeal to the board. (Ord. No. 218, § 5; Ord. No. 7539, §§ 3, 4.)

Sec. 25-7. Appeals to board of equalization.

(a) Any person who receives notice or whose name appears on the assessment roll may appear to the board of equalization with respect to any alleged error in the valuation, overcharge, omission or neglect of the assessor not adjusted to the taxpayer's satisfaction. Whenever it appears to the board that there are overcharges or errors or invalidities in the assessment roll, or in any of the proceedings leading up to or subsequent to the preparation of the roll, and there is no appeal before the board by which the same may be dealt with, or where the name of any person is ordered by the board to be entered on the assessment roll, by way of addition or substitution, for the purpose of assessment, the board shall cause notice of assessment to be mailed by the assessor to that person or his agent giving him at least thirty days from the date of such mailing within which to appeal to the board against the assessment.

(b) Notice of appeal, in writing, specifying the grounds for the appeal, shall be filed with the board of equalization within thirty days after the date on which the assessor's notice of assessment was given to the person appealing. Such notice shall contain a certification that a true copy thereof was mailed or delivered to the assessor. If notice of appeal is not given within that period, the right of appeal shall cease as to any matter within the jurisdiction of the board, unless it is shown to the satisfaction of the board that the taxpayer was unable to appeal within the time so limited. A copy of the notice of appeal shall be sent to the assessor as above indicated.

(c) Upon receipt of the notice of appeal, the assessor shall make a record of the same in such form as the city council may direct, which record shall contain all the information shown on the assessment roll in respect of the subject matter of the appeal, and the assessor shall place the same before the board of equalization from time to time as may be required by the board. The board shall cause a notice of the sitting at which the appeal is to be heard to be mailed by the assessor to the person by whom the notice of appeal was given, and to every other person in respect of whom the appeal is taken, to their respective addresses last known to the assessor.

(d) The city may appeal an assessment to the board of equalization in the same manner as a taxpayer. Within five days after receipt of the appeal, the assessor shall notify the person whose property assessment is being appealed by the city. (Ord. No. 218, § 6; Ord. No. 7539, § 5.)

Sec. 25-7.1. Hearing.

(a) If an appellant fails to appear, the board of equalization may proceed with the hearing in his absence.

(b) The appellant bears the burden of proof.

(c) The only grounds for adjustment is proof of unequal, excessive or improper valuation based on facts which are stated in a valid written appeal timely filed or proved at the hearing.

(d) The board shall certify its actions to the assessor within seven days.

(e) The assessor shall enter the changes and certify the final assessment roll by June 1.

(f) An appellant may appeal to the superior court for, and is entitled to, trial de novo of the board's action. Either party to the appeal may demand a jury trial. (Ord. No. 7539, § 6.)

Sec. 25-8. Completion of assessment roll; records of board of equalization; certification of assessment roll.⁹

(a) The assessor shall enter the changes, so certified upon his records, and no assessed valuations shall thereafter be changed. After the hearings held by the board of equalization are concluded, the assessor shall complete the annual assessment roll, at a time to be determined by the city council, which shall be based on values as of January 1 immediately preceding, and he shall certify the same. Such supplementary assessment rolls shall be prepared and certified as may be expedient or necessary.

(b) The city clerk shall be ex officio clerk of the board of equalization and shall record in the minutes of the meeting all proceedings before the board and the names of all persons protesting assessments. All changes, revisions, corrections and orders relating to claims or adjustments and all final decisions shall be recorded in a record to be kept by the city clerk and to be known as the appeal record. Within three days following the final hearings of the board, the city clerk shall transmit to the assessor all corrections, revisions or changes authorized and approved by the board and shall certify that the changes so reported are as approved by the board of equalization.

(c) All taxes to be levied or collected, except as otherwise provided, shall be calculated, levied and collected upon the assessed values entered in the assessment roll and certified by the assessor as correct, subject to the taxpayer's right of appeal and to the corrections and amendments made in the rolls pursuant to this article. (Ord. No. 218, § 7.)

Sec. 25-9. Appeals to superior court.¹

Any person feeling aggrieved by any order of the board of equalization shall have the right of appeal on a de novo basis to the superior court; provided, that the person has first taken his appeal to the board of equalization. (Ord. No. 218, § 8.)

Sec. 25-10. Supplementary assessment rolls.²

All the duties imposed upon the assessor and the city clerk with respect to the annual assessment roll and all the provisions of this article relating to assessment rolls shall, as far as applicable, apply to supplementary assessment rolls. The delinquent date when taxes shall become delinquent, as determined by the city council, shall also apply to property listed on the supplementary assessment rolls. (Ord. No. 218, § 9.)

9. For similar state law, see A. S., §§ 29.10.432, 29.10.435, 29.10.429, 29.10.438.

1. For similar state law, see A. S., § 29.10.426.

2. For similar state law, see A. S., § 29.10.441.

Sec. 25-11. Delivery of assessment roll to city council; validity of assessment rolls.³

(a) When the final assessment records have been completed by the assessor as provided in this division, the assessor shall deliver to the city council a statement of the total assessed valuation of all real property within the city.

(b) ~~Every assessment roll as completed and certified by the assessor, and as corrected and amended by him from time to time in conformity with this article and the decisions of the board of equalization, shall, except insofar as the same may be further amended as a result of an appeal to the court, as provided by this article, be valid and binding on all persons, notwithstanding any defect, error, omission or invalidity existing in the assessment roll or any part thereof, and notwithstanding any proceedings pertaining thereto. (Ord. No. 6803, § 4.)~~

Division 3. Levy and Collection.⁴

Sec. 25-12. Determination of tax rate and delinquent date; tax statements; penalties for delinquent payment.⁵

The city council shall thereupon, by resolution, fix the rate of tax levy and designate the number of mills upon each dollar of assessed real and personal property that shall be levied, and shall levy such tax in accordance therewith and shall determine the date when taxes shall become delinquent. If the total tax assessed to any owner is less than one dollar, then the administration may delete such tax obligation from the tax roll.

The assessor shall then prepare and mail tax statements to the persons listed as the owners on the tax rolls. If the total tax assessed against the taxpayer is in excess of ten dollars, the taxpayer shall be given the right to pay such taxes in two installments. If the first half tax is not paid when due, the entire tax becomes delinquent and penalty and interest accrue as provided in this article. If the first half is paid when due, the second half of such taxes shall be payable on the date fixed by the city council for such second half, and if not paid shall be delinquent after such date.

A penalty not to exceed eight per cent shall be added to all taxes delinquent until the due date fixed for the payment of the second half, and interest at the rate of eight per cent a year shall be charged on the whole of the unpaid taxes, not including the

3. For similar state law, see A. S. , §§ 29.10.444, 29.10.447.

4. For state law authorizing city to enforce tax liens by foreclosure and sale, see A. S. , § 29.10.456.

5. For similar state law, see A. S. , §§ 29.10.447, 29.10.450, 29.10.453.

(g) The council has the power to:

- (1) Delegate the power to invest the fund to the city manager or other city official, and require reports relating to the investment as it prescribes;
- (2) Hire other persons as necessary to assist the council in the exercise of its powers; and
- (3) Take whatever other actions are reasonably necessary in furtherance of the purpose of this section. (7-19-77.)

Chapter VII. Taxation.

Sec. 7.1. Taxation by ordinance.

The council shall provide in the Code for the annual assessment, levy and collection of city taxes. Council may provide for differential taxation based upon differences in kind or level of services provided within service areas established by ordinance.

Sec. 7.2. Exemptions.

The power of taxation shall never be surrendered. No exemptions from taxation shall be allowed, except such as are expressly provided by law. Private leaseholds, contracts or interests in land or property owned or held by the United States, the state or its political subdivisions, shall be taxable to the extent of the interests.

Sec. 7.3. Assessment day

The taxable status of property shall be determined as of the first day of January, or such other date as may subsequently be required by law, which shall be the assessment day. Values on the assessment roll shall be determined according to the facts existing on the assessment day for the year for which the assessment roll is made, and no change of the status of any property after that day shall be considered by the council when acting as a board of equalization. Standards of appraisal shall be followed by the council when established as a board of equalization.

Standards of appraisal shall be followed by the council when established by law.

Sec. 7.4. Security for taxes on real property.

The city shall have a first lien upon all real property against which taxes are assessed for the taxes and any collection charges, penalties and interest which may accumulate thereto, which lien shall continue until the taxes are paid.

Sec. 7.5. Protection of city's real property tax liens.

The city may protect its lien for taxes upon real property by sale at tax sale, or by purchasing the real property at any tax sale or other public sale, or by direct negotiation with the owner. Any such procedure shall be deemed to be for a public purpose. When the city has acquired an interest in real property to protect a tax lien thereon, the owner of any interest in such real property may redeem the same by paying the delinquent city taxes and all accrued charges, penalties and interest thereon. After the city has held any tax delinquent real property for one year, it may hold the same for public use or sell it at public auction to the highest bidder.

THE FOLLOWING DOCUMENT(S) MAY NOT FILM
LEGIBLY BECAUSE OF POOR QUALITY OF THE
ORIGINAL.

§ 7.6. Security for taxes on personal property.

City taxes on personal property shall be a debt to the city from the persons to whom they are assessed. If any person to whom such taxes are assessed fails to pay the taxes, or if the collecting officer reasonably believes that any person will not pay such taxes, the taxes and accrued charges, penalties and interest may be collected by a personal action in the name of the city against the person to whom assessed in a court of competent jurisdiction, or by distraint and sale of any personal property of the person assessed. Neither of the remedies herein given shall be exclusive of the other at any time.

Chapter VIIA. Service Areas.

§ 7A.1. Purpose.

Service areas may be established to provide services not provided on an area-wide basis or to provide a higher level of service than that provided on an area-wide basis.

§ 7A.2. Establishment.

(a) The council by ordinance may establish, alter, consolidate or eliminate service areas. The council by ordinance may add or eliminate services to a service area. The ordinance shall contain the following:

- (1) Boundaries and area to be included;
- (2) Service to be provided or be eliminated; and
- (3) Other provisions the council includes.

(b) If a petition of protest is filed with the council before the effective date of the ordinance adopted under this section, the ordinance shall be submitted to the qualified voters residing in the service area or proposed service area and if ratified shall take effect upon certification of the election. The petition shall contain signatures of at least ten percent or 100 of the qualified voters residing in the service area or proposed service area, whichever is the lesser. Each new service or each service to be eliminated shall be placed separately on the ballot and shall require ratification by a majority of the qualified voters voting on the question. There shall be no election under this subsection to eliminate a service to be provided on an area-wide basis.

THE PRECEDING DOCUMENT(S) MAY NOT FILM
LEGIBLY BECAUSE OF POOR QUALITY OF THE
ORIGINAL.

Sec. 1.13. Severability of Charter provisions.

If any portion of this Charter is held to be invalid, such invalidity shall not affect the remainder of the Charter; and to that end, this Charter is declared to be severable.

Chapter II. Officers.Sec. 2.1. City officers.

- (a) The elective officers of the city are the seven councilmen.
- (b) The appointive officers of the city are the city clerk, and the city attorney.
- (c) The administration officers are all officers of the city other than elective officers and appointive officers.

Sec. 2.2. Eligibility for elective city office.

(a) To be eligible to file a nominating petition for election to a city office, a person shall be an elector of the city and shall have been a resident of the city or of territory annexed to the city, or shall have had a combination of residence in the city and in the annexed territory for a period of not less than one year immediately preceding the date of the filing of such petition.

(b) A person appointed to fill a vacancy in an elective office must have such qualifications at the time of his appointment.

(c) The council shall be the judge of the election and of the qualifications of its members.

Sec. 2.3. Persons ineligible for city office or employment.

A person who holds or has held an elective city office shall not be eligible for appointment to an office or for employment for which a salary is paid by the city until one year has elapsed following the term for which he was elected or appointed. An exception may be made with the approval of four or more members of the council.

Sec. 2.4. Notice of election or appointment.

The city clerk shall mail to each person elected or appointed, a certificate of election or appointment within five days from the time of election or appointment.

Sec. 2.5. Compensation of officers.

The compensation for the service of each city officer and employee shall be the amount fixed by the council.

Sec. 2.6. Compensation of mayor and councilmen.

The compensation of the mayor and councilmen shall be determined by ordinance. No increase in the compensation of the mayor and councilmen shall take effect until the council meeting following the first general city election after the increase is ordered.

Sec. 2.7. Oath of office.

Every officer of the city before entering upon his duties shall take the oath or affirmation required by section 5 of article XII, Constitution of the State of Alaska. The council may require designated employees to take such oath before entering upon their employment. Oaths of office shall be filed with the city clerk.

Sec. 2.8. Surety bonds.

In order to protect the city and the public, the council may require appropriate surety bonds of officers and employees. The premium of such bonds shall be paid by the city.

Sec. 2.9. Giving of surety by officers and employees forbidden.

No officer or employee shall give or furnish any bail, bond or recognizance, nor shall he be the agent of any bondsman in connection with any bond which may be required by law or by the council.

Sec. 2.10. Vacancies in office.

(a) A city office shall become vacant upon the occurrence of any of the following:

- (1) The expiration of the term of office;
- (2) The death of the incumbent;
- (3) A resignation when approved by the council;
- (4) A removal from office in the manner provided by law;
- (5) Ceasing to possess at any time the qualifications or eligibility required by this Charter for election or appointment to office;
- (6) Final conviction of a felony involving moral turpitude, or an offense involving a violation of an oath of office;
- (7) A judicial determination that the incumbent is of unsound mind;

Anchorage Daily News

ANCHORAGE, ALASKA, FRIDAY, FEBRUARY 18, 1983

PRICE 25 CENTS

Revenue department examines Valdez property tax rolls

Continued from Page A-1

residential property. The second is Alyeska Pipeline Co. property, which is assessed by the state.

The oil company property, which provides about 95 percent of the city's tax revenues, did not receive the benefit of Lewis' assessment reduction and was taxed at full assessed value. Had he not changed the city roll, Valdez residents would have paid \$100,000 more during the period

and the state would have received \$100,000 more from its oil tax.

Alyeska pays a flat 20 mills in property taxes each year on property in Valdez. The city tax levy, 0.7 mills in 1982, is taken out of the 20-mill state levy and the remainder goes to the state.

The assessment change meant that the tax rate on the oil property had to go up to produce enough money to operate city government. When this happened Alyeska paid more to the city and, accord-

ingly, less of the 20 mill assessment went to the state.

Donohue said his department is investigating all aspects of the question.

He said one determination to be made is whether the resultant city roll on which taxes were levied was assessed at fair market value.

This determination can be made only by the state tax assessor, who works under Lewis in the Department of Community and Regional Affairs.

"This is the first time we

have been approached with this kind of a problem," Donohue said. "Our jurisdiction is to try to determine whether the state received a fair amount of money."

He said the results will be referred to the Department of Law "to see if it is actionable."

Donohue said he could not predict when his investigation might be completed. He said the review may be complicated by variances in the law regarding assessment procedures.

State probes property tax rolls in Valdez

By STEVE SEPLOCHA
Daily News business editor

The state Department of Revenue is investigating Valdez property tax records for 1981 and 1982 to determine whether the city owes the state \$100,000 as a result of changes made in the tax roll by then-City Manager Mark Lewis.

Joe Donohue, deputy commissioner of revenue, said Thursday that if the investigation verifies press reports about the changes the matter will be referred to the Department of Law for possible collection action.

Lewis, who is now Commissioner of Community and Regional Affairs, lowered the tax assessment rolls by 15 percent in 1981 and 1982 without legal authority to do so.

State statutes prohibit any individual from changing property appraisals delivered by the tax assessor. Changes can only be made by a court or by the city council sitting as the Board of Tax Equalization.

Lewis said he ordered the rolls lowered because he felt economic downturns in the community justified it. He said the assessor agreed with the changes but the assessor, Rich Randell, said he did not.

The change may have had the effect of denying the state \$100,000 it was due over the two-year period from state taxes on oil property in the city.

Valdez taxes two rolls. One is the city commercial and

See Back Page, REVENUE

Valdez tax flap sparks state probe

By STEVE SEPLOCHA
Daily News business editor

State Commissioner of Revenue Robert Heath said Friday that he is conducting an investigation of all oil pipeline property that is taxed by municipalities in the state.

Heath said the investigation was touched off by articles in The Daily News about changes made in the Valdez property tax rolls in the past two years that may have caused the state to lose money.

Former Valdez City Manager Mark Lewis, who is now commissioner of Community and Regional Affairs, ordered the 1981 and 1982 tax rolls presented by the city's tax assessor to be lowered 15 percent without legal authority to do so. The changes meant that the state did not receive about \$190,000 it would have gotten had the rolls as presented by the assessor been unchanged.

The city of Valdez has two

See Back Page, STATE

State starts investigation of oil pipeline property taxed by municipalities

Continued from Page A-1

tax rolls — one prepared by the city and an oil property roll prepared by the state.

The oil property did not receive the 15 percent reduction that Lewis applied to the city roll.

Alyeska Pipeline Service Co. is taxed a flat 20 mills by the state, and from the 20 mills the city tax is subtracted. By paying more to the city the pipeline company paid less to the state.

Heath said that the situation outlined in the stories might occur elsewhere and that is why he talked to Gov. Bill Sheffield about a statewide investigation and began one with Sheffield's approval. He said he hasn't gotten to the specifics of the Valdez changes made by Lewis, but plans to pursue the investigation.

When asked if he was investigating Lewis, Heath said, "If there are state monies that are not where they

should be, I will include that in my report to the Department of Law."

In a press release issued in Juneau, Heath said an article in Friday's Daily News about the investigation contained "misimpressions" about his investigations. When asked later to be specific, he said he meant that the investigation is statewide. The Daily News story centered on the Valdez investigation.

When asked what the statewide probe had to do with Lewis and the Valdez situation, he emphasized that his study was "in a very preliminary stage" and had not touched on the Valdez issue.

He said his investigators had not talked to past or present Valdez officials unless they had done so in the past day or so. Heath further said that his office had not checked with Valdez tax assessor Rich Randell but would do so.

Lewis maintains that he changed the rolls because of

economic downturns in the community and that he had Randell's permission to do so. Randell said he did not give his permission and maintained "true value rolls" in his office that were higher than those Lewis had approved by the City Council.

The City Council did not become aware that changes were made until last fall, months after Lewis had left the city. An opinion by the city attorney in December concluded "that no one individual has the authority" to change the assessments presented by the assessor.

The issue may turn on a letter that Randell sent Lewis in 1981 shortly after the two had talked about the accuracy of the assessments presented by Randell.

Lewis' version is that Randell agreed the rolls could be off by 15 percent and agreed to write a letter to that effect.

Lewis said this letter was consent to the assessment re-

duction as required by statute. Randell, however, said that he did not consent. He said he told Lewis that any assessor could make a mistake and sent him a letter to that effect. He said the letter in no way agreed with lowering the rolls and that is why he kept his original cards on file.

Heath, in discussing his investigation, agreed that there were two separate issues involved: one being whether the state is receiving its fair share of taxes on a statewide basis and the other being the Valdez matter specifically.

He said his preliminary conclusion was that statewide, including Valdez, it appears the tax assessments reported to the state were fair.

He acknowledged that this information was provided by the state tax assessor, who works under Lewis, but said he "will get it independently."

He further acknowledged that the conclusion did not

address the issue of whether Lewis changed the roll and whether such a change was proper. "What I need is time to finish my report," he said. Heath said the report probably will be finished by March.

According to the Associated Press, Lewis issued a press release Friday saying he welcomes the review, "particularly those compiled" by Valdez, during his tenure as city manager. In the release Lewis said the assessments were made "legally and properly."

The story quoted Lewis as saying he presented the "back-up documentation which clearly indicates the tax rolls were not improper and that the studies of assessed valuation to market value indicate Valdez assessments were in conformance with state standards."

"It is unfortunate the recent stories did not present the complete facts on the issue and have a one-sided biased interpretation."

Alaska State Legislature

Barbara Lacher, Chairman
Mac Tischer, Vice-Chairman
Randy Phillips
Milo Fritz
Don Clocksin
Jack McBride
Mike Szymanski



Room 104
State Capitol
Juneau, Alaska 99811

Pouch V
Juneau, Alaska 99811

House of Representatives Committee on Community & Regional Affairs

TO: Representative Barbara Lacher

FROM: Staff

SUBJECT: Review of Attorney General's report on potential state claim against the City of Valdez for recovery of taxes.

DATE: May 12, 1983

According to the Department of Revenue Report and the opinion by the Department of Law, Mr. Lewis' actions were not illegal and "it is not clear that Mr. Lewis acted improperly. . . ." After detailed review of the report and of other factors, I believe the report is precisely correct in the conclusions made therein.

Should you have any remaining concerns on this subject, I would suggest that the following areas be reviewed for clarification. The line of thought is not in points of law, but in points of fact that may, in the minds of the committee, be indicative of characteristics upon which the committee may wish to base a judgment.

The central issues to be addressed are:

-Did Mr. Lewis assume the role of assessor by changing the tax valuations and, if so, was the assumption proper or improper?

-Was the City Council not informed of the tax valuation changes with the intent that the Council would assume that the tax rolls presented to it reflected the result of the contract assessor's work?

Discussion:

Re: Assumption of role of assessor.

While state law and city codes are explicit in requiring the assessor to prepare the tax valuations, they are not clear on who the assessor shall be. The City of Valdez does not have a designated assessor and thus, under the broad powers and authorities delegated to a City Manager, it can be reasonably argued that the manager can perform the acts of a de facto assessor.

The argument that Mr. Lewis is not qualified to act as an assessor cannot be completely substantiated. First, there are no legally established standards of qualifications to be an assessor and, secondly, the reduced property valuations are judged to be reasonable in relation to valuations in other municipalities. The only potentially questionable areas in the reduction of the tax rolls are procedural questions. First, not all properties were reduced equally in that the less valuable properties were not reduced from the assessor's valuation; and, secondly, a reputable assessor would have established a factual basis for an across-the-board assessment reduction. This is essentially a question of procedure, the dollar valuation of the lower valued properties being irrelevant, and no points of law are involved.

Legally, the tax rolls containing the lowered figures were certified by the assessor, Mr. Randell, as being true and correct and in accordance with law. Therefore, it is reasonable to assume that Mr. Randell agreed with the lowered figures.

There remains a "fine line" of distinction, outside of legal sufficiency, regarding Mr. Randell's agreement or disagreement with the reduced figures. Mr. Randell readily agreed that a variance of 15% to 20% in valuation opinions is reasonable, but the valuations he submitted were correct in his best judgment. He did not clearly acquiesce, at that time, to reducing the valuations, but, by his later certification, he legally agreed. While there is no indication of implied or explicit coercion, the fact is that Mr. Lewis was solely responsible for the selection and contracting for city assessment work. It appears that Mr. Randell tried to maintain his own professional standards by refusing to personally change his valuations, and later tried to accommodate the situation by ignoring the fact that the rolls he certified were not the ones he prepared.

Conclusion: The bottom line is that it is a subjective judgment as to the propriety or impropriety of Mr. Lewis' action to alter the tax rolls after they were prepared by the assessor. There is little, if any, likelihood that any illegal acts could be proven in a court of law.

The second issue, that of not informing the Council of the alteration of the property valuations, again, clearly does not constitute a legal violation.

There does not appear to be any debate over the allegation that the City Council was not informed of the lowering of the assessed valuations. Absent such debate, and in note of public statements that substantiate the allegation, it should be assumed that the Council was not informed.

If the arguments that assert that Mr. Lewis had the right and authority to act in the role of assessor are accepted, then it follows that the assessor's valuations were presented to the Council and there was no need to inform it of any changes, because in this case, there effectively were no changes to the tax rolls that were finally prepared for the Council.

If the argument that Mr. Randell agreed to the reduction in property valuations is accepted, there still remains the "fine point" of when he agreed -- before the presentation of the rolls to the Council, or after the Board of Equalization adjustments.

Assuming that Mr. Randell did not agree to the property valuation changes prior to the presentation to the Council, and that it is believed that Mr. Lewis should not have acted in the role of assessor, the ethical question remains: Should Mr. Lewis have informed the Council of his actions regarding the changes in the property valuations?

An important consideration in the mental process of determining an answer to the question involved, is the relationship established by a City Council and the City Manager. The extent of the trust and confidence of the Council in the Manager, and the Manager's knowledge of what is and what is not of interest or concern to the Council, is developed over an extended period of time. Some councils expect and demand to be informed of virtually every activity and decision of the city administration and others are simply not interested in the details. In the latter case, it is a matter of personal judgment on the part of the manager as to what items should be brought to the attention of the council. In the case of the Valdez City Council, it is commonly accepted that the City Manager was given a fairly free hand in the administration of the City.

In view of the preceding discussion, there is probably no reason to make a harsh judgment of impropriety unless there were other motives for failing to tell the Council of the changes directed by Mr. Lewis. Following this line of reasoning, the Council would not have been informed because of the possibility that it would not have approved of Mr. Lewis' action. The basis of its disapproval could have been the arbitrary method used for reducing the rolls, or the usurpation of the role of the assessor by Mr. Lewis, or it may have simply had more confidence in the validity of the figures prepared by the contract assessor.

Regardless of the possible reasons for Council disapproval, if in fact the Council was not informed for other motives, the possible motives need review.

First, the benefit to be gained by the reduction in property tax that might accrue to Mr. Lewis is not sufficient to be significant, given the income of Mr. Lewis, and should be discarded as a possible motive.

Next, a major consideration when evaluating the effectiveness of a city manager or a political figure is the ability to provide excellent public services and capital improvements while keeping tax rates at the lowest possible level. I have found no evidence of Mr. Lewis having ambition for higher office, or of criticism of his city manager activities in early 1981, when the property valuation reductions were first directed.

Another possible motive was that Mr. Lewis had become overly involved, on a deeply personal and emotional level, with trying to do everything possible in the best interest of the citizens of Valdez. If this were

the case, and this being the motive for not informing the Council of his actions for fear of disapproval, then this is an issue for which he could be faulted for judgment.

If, as Mr. Lewis has stated, the reason for his reduction in property valuations was simply that he felt that they were too high, we come back full circle to the question -- why did he not tell the Council that he had changed them? Again, the same answer -- fear of disapproval and possible alternate motives, all of which I can imagine have been examined.

Conclusion: If Mr. Lewis intentionally wanted to have the City Council assume that the property valuation rolls presented to them had been prepared by the assessor, the only logical reason was fear that they would not approve his changing the rolls.

The possible motives for intentionally deceiving the City Council have been examined and from the viewpoint of personal gain have been, in large part, found to be without substantial merit. Therefore, it can reasonably be argued that Mr. Lewis really did not feel that he had done anything irregular and was not obligated to inform the Council.

Whether or not Mr. Lewis acted improperly is probably an arguable point. Whether or not he used appropriate judgement or acted irregularly in not informing the Council is a matter for the considered evaluation of this committee.



Official Business

Alaska State Legislature

Senate

Pouch V
State Capitol
Juneau, Alaska 99811

MEMORANDUM

TO: Senator Gilman
Member
Senate Community & Regional
Affairs Committee

DATE: 18 March 1983

FROM: McKie Campbell *McK*
Professional Assistant
Senate Community & Regional
Affairs Committee

SUBJ: 1981 Valdez
Property Tax
Values

In January of this year the Anchorage Daily News published a series of articles concerning Mark Lewis's tenure as City Manager of Valdez. Several of the articles contained the allegation that Mr. Lewis had illegally changed the tax rolls of Valdez by lowering the value of most non-oil or gas related property by 15 percent.

Based on these articles, the Department of Revenue instigated a review to determine if Mr. Lewis's actions were improper or illegal.

According to the DOR report and attached opinion by the Department of Law, Mr. Lewis's actions were not illegal and the state does not have grounds to pursue action for lost state revenues caused by the alteration of the tax roll.

I have reviewed this report thoroughly and endorse the report is accurate in its conclusion. Both the report and the newspaper articles agree that Richard Randell, the appraiser hired by Valdez under contract to act as the city assessor, certified the reduced figure as true and correct for 1982. The report states that Randell had also certified the reduced figures as true and correct for 1981. Newspaper accounts had quoted Randell as denying that he certified the reduced figures in 1981.

I contacted Mr. Randell to resolve this contradiction. Randell said that in early March, 1981, he submitted the

roll of assessed property values to the Valdez City administration. On March 23, 1981, Randell discussed the figures with Lewis. Randell states that during that conversation he acknowledged that another appraiser might come in with different figures but held that the figures he had submitted were his best estimate of full and true value. Randell followed this conversation up with a March 31, 1981 letter to Lewis which DOR has included in their report as Exhibit F. Sometime in the middle or end of March, Lewis caused the values of most non-oil or gas related properties in the city to be reduced 15 percent.

In late March 1981, the tax notices were mailed to property owners at the reduced values. Twenty appeals were filed and Randell participated on the Board of Equalization hearings on these appeals in June 1981. Randell was aware at this time that the values had been reduced and he did not protest.

In late August 1981, Randell was reminded by the city that he had not submitted a formal letter certifying the tax roll as true and correct. On September 1, 1981, Randell wrote a letter to Lewis (Revenue Exhibit A) certifying the tax roll for 1981 as true and correct. Randell said that in his own mind he was certifying his original figures as true and correct, but he acknowledges that given his knowledge that the values had been reduced and the fact that he worked with the reduced figures at the Board of Equalization without protest, it was a reasonable assumption on the part of the city to believe he was certifying the reduced figures.

After examination of the sequence of events, I believe it could reasonably be held that Randell did certify the lower figures. This concurs with the report by DOR and the opinion by the Department of Law and supports the contention that the reduction of property values as handled and administered by Mark Lewis was legal.

Alaska State Legislature

Barbara Lacher, Chairman
Mae Tischer, Vice-Chairman
Randy Phillips
Milo Fritz
Don Clocksin
Jack McBride
Mike Szymanski



Room 104
State Capitol
Juneau, Alaska 99811
Pouch V
Juneau, Alaska 99811

House of Representatives Committee on Community & Regional Affairs

TAB 4 - VALDEZ PERSONNEL POLICY CHANGE

Alaska State Legislature

Barbara Lacher, Chairman
Mae Tischer, Vice-Chairman
Randy Phillips
Milo Fritz
Don Clocksin
Jack McBride
Mike Szymanski



Room 104
State Capitol
Juneau, Alaska 99811

Pouch V
Juneau, Alaska 99811

House of Representatives Committee on Community & Regional Affairs

TO: Committee on Community and Regional Affairs

FROM: Staff

DATE: May 12, 1983

RE: Personnel Policy Change

Allegation: Four months after announcement of Mr. Lewis' departure, and two months prior to his actual departure, Mr. Lewis changed city personnel rules which resulted in his being paid an additional \$6,174 in compensation for accrued sick leave.

Alaska Statute: 29.23.555. "Each home rule and general law municipality shall adopt a conflict-of-interest ordinance which, other provisions of this chapter notwithstanding, includes provision that an officer or employee shall disqualify himself from participating in any official action in which he has a substantial financial interest. If a home rule or general law municipality fails to adopt such a conflict-of-interest ordinance within 90 days from September 10, 1972, the conflict-of-interest provision of this section is automatically applicable to and binding upon that municipality."

Discussion: Mr. Lewis followed the recommendations of a committee by changing the personnel rules. In that a 1971 ordinance requiring council approval of such an action had not been properly codified, it is understandable that Mr. Lewis believed that he was acting within his delegated authority under city code. The inclosed report by the Valdez City Attorney states that the change of personnel policy by Mr. Lewis was not in accordance with city code or state statutes.

compensation for service to the municipality. Per diem payments or reimbursements for expenses are not compensation under this section. (§ 2 ch 118 SLA 1972)

ALR and C.J.S. references.—Effect of illegality of appointment or compensation, 7 ALR 1682.

Actions for compensation by de facto officers, 93 ALR 258. 62 C.J.S. Municipal Corporations §§ 522, 541.

Mandamus to compel appropriation for payment of salaries of public officers, 81 ALR 1253.

Sec. 29.23.540. Prohibitions. (a) No person may be appointed to or removed from municipal office or in any way favored or discriminated against with respect to a municipal position because of his race, color, sex, creed, national origin or, unless otherwise contrary to law, because of his political opinions or affiliations.

(b) This section applies to home rule and general law municipalities. (§ 2 ch 118 SLA 1972)

Sec. 29.23.550. Personnel system. All appointments and promotions of municipal officers and employees are made on the basis of merit. The assembly or council may provide for a personnel system. (§ 2 ch 118 SLA 1972)

Sec. 29.23.555. Conflict of interests. Each home rule and general law municipality shall adopt a conflict-of-interests ordinance which, other provisions of this chapter notwithstanding, includes provision that an officer or employee shall disqualify himself from participating in any official action in which he has a substantial financial interest. If a home rule or general law municipality fails to adopt such a conflict-of-interests ordinance within 90 days from September 10, 1972, the conflict-of-interests provision of this section is automatically applicable to and binding upon that municipality. (§ 1 ch 147 SLA 1972)

Effective date.—Section 11, ch. 147, SLA 1972, provides that this Act takes effect September 10, 1972.

Sec. 29.23.560. Reports. (a) Home rule and general law municipalities shall file with the Department of Community and Regional Affairs:

- (1) maps and descriptions of all annexed or excluded territory;
- (2) a copy of the annual audit or in the case of second class cities an audit or statement of annual income and expenditures;
- (3) tax assessment figures as requested;
- (4) reports relating to long-term debt as provided in AS 44.19.205.

(b) Compliance with the provisions of this section is a prerequisite to receipt of state shared-revenues under AS 43.18. The state shall withhold annual allocations under that chapter in the event of

noncompliance with.

Effect of amendment, substituted "

Sec. 29.2 under the f by the asse elective off

(1) fail tion or app

(2) is period, un

(3) res

(4) is office;

(5) is

(6) mi or

(7) is of l' out

Acceptan cilman. — law: (1) his own w public con est, cast a: duties; (2) complete r thory or lieved by cessor. T Alaska 60

Assumi: to accept man, it v order to

Sec. 2 shall be council heard a rule and

MEMO

City of
Valdez, Alaska Box 307, 99686

To Mark Lewis

Date April 12, 1982

Subject Personel Leave vs. sick
and annual leave

From P.M. Shelv

I am respectfully submitting, for your consideration, a plan that would propose the change of sick and annual leave into personal leave.

This change would effect city personnel regulations 6.1 Annual Leave, 6.102 Computing Leave Accural, 6.2 Sick Leave

The City of Valdez now accures annual leave at the following rate:

1½ days per month for less than 2 years
1 ¾ days per month for 2 years but less than 5 years
2 days per month for 5 years but less than 10 years
2½ days per month for more than 10 years
Sick leave accures at the rate of 1½ days per month.

My proposal would ask that be changed to personal leave and accure at the following rate.

2 days for under 2 years
2½ days for 2 to 5 years of service
2½ days for 5 years but less than 10 years of service
3 ¼ 3 days for more than ten years of service

There are other things that are effected and need answers. However, I would propose that a committee of four or five people be appointed by you to spend time answering those questions and make recommendations to you. An example of other things is what to do with people who now have sick leave. One alternative would be to take 60% of the sick leave and put that into personal leave and surrender the rest. I believe that 4 or 5 people spending 1 day on this would resolve all the questions.

I am attaching the State plan for this proposal and the State Troopers plan. They are identical.

Thank you for your consideration and I would volunteer to serve on the committee if you felt that appropriate.

MEMO

City of
Valdez, Alaska Box 307, 99686

To PAT SHELY, G. ZOET,
MARTY RUTHERFORD, SHIRLEY
SCOTT, LEE SCHLITZ

From MARK LEWIS, City Manager

Date April 12, 1982
Subject Personal Leave

I have reviewed Mr. Shely's proposal to change the city's leave program and believe it has a significant amount of merit.

The plan, I believe, would eliminate the misuse of sick leave, while rewarding those employees with excellent attendance records and habits.

You are to meet and review the proposed leave plan, amend it if necessary and have a final report - including implementation plan - by April 14th.

ML:ss

HUGHES THORSNESS GANTZ
POWELL & BRUNDIN

ATTORNEYS AT LAW
200 CHENEGA STREET
P.O. BOX 787

VALDEZ, ALASKA 99686
TELEPHONE (907) 835-2988

JOHN C. HUGHES
OF COUNSEL

509 WEST THIRD AVENUE
ANCHORAGE, ALASKA 99501
TELEPHONE (907) 274-7522
CABLE ADDRESS: DENALI
TELECOPIER: 274-7525
TELEX: 090-26367

3550 AIRPORT WAY, SUITE 265
FAIRBANKS, ALASKA 99701
TELEPHONE (907) 479-3161
CABLE ADDRESS: DENALI
TELECOPIER: 479-8478
TELEX: 090-36624

DAVID H. THORSNESS
RICHARD O. GANTZ
JAMES M. POWELL
BRIAN J. BRUNDIN
MARCUS R. CLAPP*
KENNETH P. JACOBUS
GARY W. GANTZ
JERRY E. MELCHER
JOE M. HUDDLESTON
SIGURD E. MURPHY
RICHARD D. THALER
CARL J. D. BAJMAN
FRED S. ARVIDSON
DENNIS M. BUMP*
MARY K. HUGHES
FRANK A. PFIFFNER
RALPH R. BEISTLINE*
GORDON J. TANS*
R. CRAIG HESSER
ROBERT L. MANLEY

JAMES M. GORSKI
TIMOTHY R. BYRNES
JAMES M. SEEDORF
RONALD E. NOEL*
PAUL J. ERICKSON
FREDERICK J. COSEN
MICHAEL L. WESSMEIER*
STEVEN S. VERVOOREN
MATTHEW K. PETERSON
JOSEPH R. D. LOESCHER
JAMES F. KLASSEN
KENNETH D. LONGEE*
KENNETH F. BRITAIN
DAVID H. MERSEREAU
CORY A. CARLSON
EARL M. SUTHERLAND
CRAIG A. CARLSON
W. RANDALL ENSMINGER*
JAMES E. RAMSEY
JOSEPH S. SLUSSER*

*FAIRBANKS OFFICE
*VALDEZ OFFICE

August 25, 1982

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

RE: Personnel Rule Changes
Our File No. 00925/0001

Dear Gentlemen:

At the August 20, 1982 Special Council Meeting I was requested to report on the effect of the personnel rule changes recently instituted by the former city manager. It is apparent that the changes were not made in accordance with State and local laws.

A question was raised at the council meeting regarding whether the \$2,000 limit on purchasing without council approval contained in Section 20-3 of the code applies to this situation. It does not. It only applies to contracts for the purchase of supplies, materials, equipment or contractual services. Contractual services is defined to mean "services performed for the city by persons not in the employment of the city." This limit, therefore, does not apply.

There have been several changes to the personnel regulations over the years. In 1977 a change was made in the schedule of paid holidays. In December 1981 a change was made to Section 6.103 regarding the accumulation and use of leave. And on April 14, 1982, the change in question was made which converted 60% of accumulated sick time to personal leave and eliminated entirely the categories of annual and sick leave, creating the personal leave category in their stead. None of these changes as far as I've been able to determine were brought before the council for its approval.

The City Code, as published, states that the City Manager has the power to make the rules and regulations relating to compensation and leave. Section 2.6 provides in part:

"The city manager shall have the power to make rules and regulations relating to hiring and discharge, working conditions, hours and terms of employment, retirement and insurance plans, classification, compensation, leave and the like of all the employees of the city....

These rules and regulations shall be on file and available for inspection in the office of the city clerk and shall also be available in booklet or pamphlet form entitled "City of Valdez - Personnel Regulations."

The above language was approved by the city council in Ordinance No. 7111. A second section of Ordinance No. 7111, however, provides that "Initial adoption of the personnel rules and future amendments thereto, shall be approved by resolution of the City Council." For some reason that section of the ordinance never made it into the code book after its adoption in 1971. Although there are arguments to the contrary, it is my opinion, after a brief amount of research on the question, that the section requiring council approval was duly enacted and is the law of Valdez even though it was not published in the code.

It can readily be seen, however, that if one were unaware of the unpublished portion of Ordinance No. 7111 and looked only to the code for an answer regarding the authority of the city manager to make such amendments to the regulations, that one would come to the conclusion that the city manager did have such authority. There is a substantial question whether adequate notice is provided to the city manager regarding his powers and duties under the circumstances.

The question of whether the code provides adequate notice to the city manager, however, does not directly affect the question of whether the changes in the personnel rule are valid. The answer to that question clearly seems to be that the ordinance requiring council approval of the changes was not followed and that the changes are therefore not effective. Only the council can make the changes effective.

There is also a state statute which renders the action of the city manager in approving the personnel rule changes ineffective. Alaska Statute 29.23.555 provides:

"Each home rule and general law municipality shall adopt a conflict-of-interests ordinance which, other provisions of this chapter notwithstanding, includes provision that an officer or employee shall disqualify himself from participating in any official action in which he has a substantial financial interest. If a home rule or general law municipality fails to adopt such a conflict-of-interests ordinance within 90 days from September 10, 1972, the conflict-of-interests provision of this section is automatically applicable to and binding upon that municipality."

The city council did not act to adopt a conflict-of-interests ordinance until 1978 at which time it adopted an ordinance currently codified as Section 2-77. That section does provide a rule relating to "an elected city official or member of an appointed commission, board or committee, "but with regard to city employees it provides only:

"The city council by ordinance shall adopt procedures dealing with conflict of interest on the part of city employees."

However, the city has not adopted such an ordinance, so the state conflict-of-interests statute cited above applies. In other words, state law requires "~~that an officer or employee shall disqualify himself from participating in any official action in which he has a substantial financial interest.~~" Therefore, even assuming that the Valdez City Code authorized the city manager to make personnel rule changes without council approval, the state conflict-of-interests statute would prevent the city manager from approving any change which would result in a substantial financial benefit to him.

It is my understanding based on discussions with present members of the city administrative staff that the personnel rule changes were initially suggested by a staff member and worked out in detail by a committee of staff members appointed by the city manager. It is further my understanding that the personnel rule changes are very much liked by the city staff, are substantially the same as the rules in effect for state employees, and in the opinion of the administration constitute sound management principles. If the council agrees, approving the changes effective April 14, 1982, would avoid undue hardship on all city employees who have since that time terminated and received payment for (and have probably spent) that portion of their sick leave which was converted into personal leave.

It is my recommendation that the city council take action to clarify the confusion caused by the manner in which Ordinance 7111 was codified by either repealing Section 2 of that ordinance (which would clearly give the city manager the power to make changes without council approval), or by amending the existing code section by adding language to clarify that changes in the rules are subject to council approval. It is also recommended that the city consider adoption of a conflict of interests ordinance relating to city officers and employees as it directed itself to do in Code section 2-77.

Very truly yours,

HUGHES, THORSNESS, GANTZ,
POWELL & BRUNDIN

By: 

Gordon J Tans

GJT/jam

Other duties imposed upon the city manager are those necessary to furnish complete executive direction of the administrative service of the city. He shall:

- (a) Prepare and recommend to council an annual budget.
- (b) Execute and enforce all ordinances, resolutions and motions of the city council and carry out all contracts entered into by the city.
- (c) Make such recommendations to the council as he may deem expedient or necessary and once a year present a detailed statement of what he has done during the year covered by the report.
- (d) Perform such other duties as may be assigned to him by council and other such duties as are set out in this Code.
- (e) Serve as ex officio member without vote of all city boards and commissions. (Ord. No. 6907.)

Sec. 2-5. Temporary appointment vacancy in office.

During the absence of the city manager, he shall appoint an acting city manager. Such appointment during an extended absence shall only be upon approval by city council. If the office of manager becomes vacant, council shall appoint without delay either a new manager or an acting manager to fill the office until a new manager is chosen. (Ord. No. 6907.)

Sec. 2-6. Regulation of personnel.

The city manager shall have the power to make rules and regulations relating to hiring and discharge, working conditions, hours and terms of employment, retirement and insurance plans, classification, compensation, leave and the like of all of the employees of the city; except, that no rule or regulation shall contravene the principles that the employment of city personnel shall be on the basis of merit and fitness and that there shall be no discrimination in any manner based on race, color, religion or national origin.

CITY OF VALDEZ, ALASKA

RESOLUTION NO. 8248

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF VALDEZ ADOPTING AMENDED PERSONNEL REGULATIONS AFFECTING ALL CITY EMPLOYEES.

WHEREAS, the City of Valdez has previously adopted City of Valdez Personnel Regulations, and

WHEREAS, certain changes to the Personnel Regulations have been recommended by the city staff to the city administration which has in turn recommended the changes to the city council, and

WHEREAS, a copy of the Personnel Rules incorporating the proposed changes is attached hereto, and

WHEREAS, it appears that the proposed changes are likely to be of benefit to both the City and to the employees of the City, and

WHEREAS, city administration has been acting under the proposed rules as if they had been in force beginning on May 1, 1982, and substantial hardship and inconvenience would result if the City were now required to reverse the actions taken beginning May 1, 1982, and

WHEREAS, no useful purpose would be accomplished by not approving the Personnel Rule changes effective as of May 1, 1982,

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF VALDEZ, ALASKA:

Section 1. The City of Valdez Personnel Regulations are hereby amended to read in accordance with the copy of the City of Valdez Personnel Regulations attached hereto.

Section 2. The changes to the Personnel Regulations shall be effective as of May 1, 1982.

PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF VALDEZ, ALASKA, this _____ day of September, 1982.

CITY OF VALDEZ, ALASKA

By: _____

STEPHEN A. McALPINE, Mayor

ATTEST:

CITY OF VALDEZ, ALASKA

ORDINANCE NO. 8216

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF VALDEZ, ALASKA, AMENDING SECTION 2-6 OF THE VALDEZ CITY CODE TO PROVIDE FOR COUNCIL APPROVAL OF PERSONNEL REGULATIONS.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF VALDEZ, ALASKA, that:

Section 1. Section 2-6 of the Valdez City Code is hereby amended to read as follows:

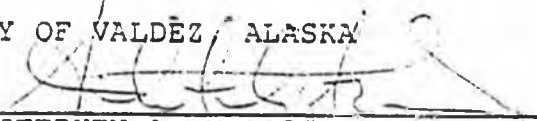
The city manager shall have the power, subject to council approval, to make or amend rules and regulations relating to hiring and discharge, working conditions, hours and terms of employment, retirement and insurance plans, classification, compensation, leave and the like of all of the employees of the city; except, that no rule or regulation shall contravene the principles that the employment of city personnel shall be on the basis of merit and fitness and that there shall be no discrimination in any manner based on race, color, religion or national origin.

These rules and regulations shall be on file and available for inspection in the office of the city clerk and shall also be available in booklet or pamphlet form entitled "City of Valdez--Personnel Regulations."

Section 2. This ordinance takes effect immediately upon passage and approval.

PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF VALDEZ, ALASKA this 20th day of September, 1982.


CITY OF VALDEZ, ALASKA

By: 
STEPHEN A. McALPINE, Mayor

ATTEST:


CITY CLERK

APPROVED AS TO FORM:
Hughes, Thorsness, Gantz,
Powell & Brundin
Attorneys for the City of Valdez

By: 
GORDON J. TANS

First Reading: September 7, 1982
Second Reading: September 20, 1982
Adoption: September 20, 1982
Ayes: 7
Noes: 0
Not Voting: 0

MEMO

City of
Valdez, Alaska Box 307, 99686

To Fred Hanson, Acting City Date August 26, 1982
Manager Subject Personal Leave Policy
Information

From Pat Shely, Police Chief

Fred, this is information pertaining to the article in the August 25th paper regarding the City Leave Policy.

As early as 1980, Mark Lewis had asked that I and several others review the Personnel Rules, however, no changes were made at that time. In 1981, I requested one change to the existing Personnel Policy; changing sick leave to personal leave. Mark reviewed that request and took no action, but stated that if I could convince him that the City employees wanted it, he would reconsider.

I didn't get on it again until about February of 1982. I then asked Mark if he would appoint a committee from the City employees to review it. He appointed a committee of which I was a member. During the course of our meetings, Mark heard a rumor that some people believed that this whole thing was for his benefit and he told me the committee was disbanded and no Personal Leave Plan could be considered at that time. I spent about an hour of one day and an hour of the next day convincing Mark that this was a needed change. Mark decided to let the committee continue, but stated that if it was felt that this change was being made for his benefit it must not be considered until after his departure.

During the committee's deliberations, they used as examples the Valdez Highway Department and State Employees Personal Leave Plans.

We submitted our proposal to Mark for his approval. While doing so, I asked Mark if we had to go to Council for approval and he said no, that it stated in the City Code that he could make the change himself. The Committee also checked the City Code and could find nothing that stated we had to get Council's approval. I was not aware of Ordinance #7111 until after Mark left, and I believe Mark was not aware of it either.

There follows several items which I believe should be considered by the City Council while reviewing this plan. These were items considered by the review Committee while putting together their proposal:

1. The City was the only Valdez Governmental Agency without a Personal Leave Plan prior to this change.
2. The Council had stated and voted it wanted the Valdez Police Department to have the same pay and benefits as the Alaska State Troopers. I believe this was the direction set by the Council during the 1975 or 1976 Budget Sessions.
3. In the Police Department alone, the sick time loss has dropped by 80% since this plan was instated.
4. This ideas was originally presented to Mark long before he even thought of leaving and it was not his idea to begin with.