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SENATE COMMITTEE REPORT

FURTHER

4/20/89  
Mr. President:

DATE TURNED INTO OFFICE 4/20/89

Finance Committee considered SB 268

municipal financing and municipal joint insurance arrangements; the Alaska Municipal Bond Bank Authority; efd

and recommended

- replace with CS SB 268 (Fin) )  same title
- or adopt CS )  new title
- attached amendment(s) and  technical title change (HB only)
- letter of intent adopted

- do pass
- do not pass
- no recommendation
- individual recommendations
- further referral to \_\_\_\_\_

FISCAL NOTE(S)  <sup>DCED</sup> zero  fiscal impact  appropriation no FN  
 new  updated  previous  
 same as previous fiscal note(s) published \_\_\_\_\_

MEMBERS SIGNING DO PASS

[Signature]  
[Signature]  
[Signature]  
[Signature]  
[Signature]

OTHER RECOMMENDATIONS

[Signature] Co-CHAIR  
 (DO NOT PASS)

Chairman signature and recommendation

Committee Backup attached [Signature] Co-CHAIR  
 Do Pass

40 SFC 4-22-89

STATE OF ALASKA  
1989 LEGISLATIVE SESSION

BILL VERSION: CS SB 268 (Finance)  
PUBLISH DATE: \_\_\_\_\_

FISCAL NOTE

REQUEST:

Revision Date: \_\_\_\_\_ Agency Affected: Commerce & Economic Dev.  
Title: An Act relating to municipal BRU: Insurance  
financing and municipal joint arrangements  
Sponsor: Frank, Sturgulewski, et al. Components: \_\_\_\_\_  
Requester: Senate C&RA

EXPENDITURES / REVENUES : (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL	0	0	0	0	0	0
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REVENUE	0	0	0	0	0	0
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FUNDING: (Thousands of dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	0	0	0	0	0	0

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary.)

Changes in the CS (Fin) have no fiscal effect. This fiscal note is appropriate. *W* SFC: 4/22/89

Prepared by: Joan Brown, Administrative Officer  
Division: Insurance

Phone: 465-2515  
Date: 4-11-89

Approved by Commissioner: Larry Mercurieff *SM*  
Agency: Department of Commerce & Economic Development

Phone: 465-2500  
Date: 4/12/89

- Distribution (by preparer):
- Legislative Finance
  - Legislative Sponsor
  - Requestor
  - Office of Management and Budget
  - Impacted Agency(ies)

Original sponsors: Frank, Sturgulewski,  
Adams, et al.

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 CS FOR SENATE BILL NO. 268 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to joint insurance arrangements,  
7 municipal financing, and the Alaska Municipal Bond  
8 Bank Authority; and providing for an effective date."

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

10 \* Section 1. FINDING AND PURPOSE. (a) The legislature finds that  
11 dramatic increases in the cost of liability and other insurance coverage  
12 for municipalities has adversely affected municipal budgets, and that even  
13 at increased premiums, insurance coverage is often not available to cover  
14 important liability exposure.

15 (b) The purpose of this Act is to allow municipalities and municipal  
16 joint insurance arrangements organized under AS 21.76 to utilize debt  
17 financing to establish reserves to self-insure against liability, when the  
18 cost of excess insurance or reinsurance is too high.

19 \* Sec. 2. AS 21.76.020 is repealed and reenacted to read:

20 Sec. 21.76.020. REGULATION BY DIVISION OF INSURANCE AND ANNUAL  
21 REPORT. (a) A joint insurance arrangement may not be considered  
22 insurance for the purpose of any other law of the state and is not  
23 subject to regulations adopted by the director.

24 (b) By October 1 of each year the administrator of a joint  
25 insurance arrangement shall prepare and deliver to the Legislative  
26 Budget and Audit Committee a report showing the true and correct  
27 financial condition of the joint insurance arrangement. The report  
28 must

29 (1) be attested to by the administrator and the board of

1 directors;

2 (2) include an analysis certified by a member of the Ameri-  
3 can Academy of Actuaries, of the sufficiency of the loss reserves; and

4 (3) be certified by a certified public accountant.

5 \* Sec. 3. AS 21.76.080(b) is amended to read:

6 (b) An expenditure may be made from a joint insurance fund only  
7 to

8 (1) pay claims, losses, or benefits, including interest on  
9 them, and the administrative and adjustment expenses incurred in  
10 connection with them, involving the types of protection for which the  
11 fund provides coverage as specified in the joint insurance agreement;

12 (2) pay contractual obligations of a joint insurance fund  
13 established by a municipal joint insurance arrangement to the Alaska  
14 Municipal Bond Bank Authority or other lender; and

15 (3) purchase insurance coverage for members of a municipal  
16 joint insurance arrangement on a group basis.

17 \* Sec. 4. AS 21.76 is amended by adding a new section to read:

18 Sec. 21.76.120. DEBT FINANCING. (a) A municipality or a munic-  
19 ipal joint insurance arrangement may authorize the issuance of nego-  
20 tiable or nonnegotiable bonds, notes, or certificates of participation  
21 to establish reserves and to self-insure against liability not covered  
22 by excess insurance or reinsurance. A bond, note, or certificate  
23 issued under this subsection by a municipal joint insurance arrange-  
24 ment shall be secured and payable from participating members of the  
25 municipal joint insurance arrangement as provided in the cooperative  
26 agreement.

27 (b) A municipality that has entered into a municipal joint  
28 insurance arrangement may enter into contracts and agreements concern-  
29 ing debt issued under (a) of this section and provide for matters that

1 affect the security of the debt. Bonds, notes, and certificates of  
2 participation issued under (a) of this section may be sold at either  
3 public or private sale as provided by the participants in the municipi-  
4 pal joint insurance arrangement in the manner and at the price the  
5 participants determine.

6 \* Sec. 5. AS 37.10.085 is amended by adding a new subsection to read:

7 (b) This section does not apply to debt issued by a municipality  
8 or a municipal joint insurance arrangement under AS 21.76.120.

9 \* Sec. 6. AS 44.85.010(a) is amended to read:

10 (a) It is the policy of the state

11 (1) to foster and promote by all reasonable means the  
12 provision of adequate capital markets and facilities for borrowing  
13 money by municipalities in the state to finance capital improvements  
14 or for other authorized purposes, to assist these municipalities in  
15 fulfilling their capital needs and requirements by use of borrowed  
16 money within statutory interest rate or cost of borrowing limitations,  
17 to the greatest extent possible to reduce costs of borrowed money to  
18 taxpayers and residents of the state, and equally to encourage contin-  
19 ued investor interest in the purchase of bonds or notes of municipali-  
20 ties as sound and preferred securities for investment;

21 (2) to encourage municipalities to continue their indepen-  
22 dent undertakings and financing of capital improvements and other  
23 authorized purposes and to assist them by making capital funds avail-  
24 able at reduced interest costs for orderly financing of capital im-  
25 provements and other purposes especially during periods of restricted  
26 credit or money supply, particularly for those municipalities not  
27 otherwise able to borrow for capital needs;

28 (3) to assist municipalities to provide for adequate insur-  
29 ance coverage by authorizing the Alaska Municipal Bond Bank Authority

1 to issue negotiable or nonnegotiable revenue bonds, notes, or certifi-  
2 cates of participation either directly or through an entity it may  
3 create for the purpose of providing a self-insurance program for  
4 municipalities or municipal joint insurance arrangements organized  
5 under AS 21.76.

6 \* Sec. 7. AS 44.85.080 is amended by adding a new paragraph to read:

7 (21) by regulation, create a new entity for the purpose of  
8 issuing negotiable or nonnegotiable revenue bonds, notes, or certifi-  
9 cates of participation to finance a self-insurance program for munic-  
10 ipalities or municipal joint insurance arrangements organized under  
11 AS 21.76; the powers, duties, and membership of the new entity shall  
12 be limited to the powers, duties, and membership of the authority and  
13 stated in the regulation; the new entity shall be a public corporation  
14 and an instrumentality of the state with the same legal existence and  
15 continuing succession as the bond bank authority.

16 \* Sec. 8. AS 44.85.170 is amended to read:

17 Sec. 44.85.170. LOANS TO POLITICAL SUBDIVISIONS AND JOINT INSUR-  
18 ANCE ARRANGEMENTS. (a) The bond bank authority, to carry out the  
19 purposes and policies of this chapter, may lend money to municipal-  
20 ities through the purchase by the bond bank authority of municipal  
21 bonds of municipalities and if the purpose of the loan is to provide  
22 financing for a municipal self-insurance program and the loan meets  
23 the credit standards of the bond bank authority, may lend money to  
24 municipalities, or municipal joint insurance arrangements organized  
25 under AS 21.76. Notwithstanding a home rule charter provision re-  
26 quiring public sale by a municipality of its municipal bonds, a munic-  
27 ipality may sell its municipal bonds to the bond bank authority at a  
28 negotiated, private sale. The bond bank authority, for this purpose,  
29 may issue its bonds and notes payable solely from the revenues or

1 funds available to the bond bank authority for such payment and may  
2 otherwise assist municipalities as provided in this chapter.

3 (b) Notwithstanding any other provision of law, to the extent  
4 that any department or agency of the state is the custodian of money  
5 payable to a municipality, at any time after written notice to the  
6 department or agency head from the bond bank authority that the munic-  
7 ipality is in default on the payment of principal or interest on  
8 municipal bonds then held or owned by the bond bank authority, or  
9 amounts due under an agreement between the bond bank authority and a  
10 municipality or a municipal joint insurance arrangement organized  
11 under AS 21.76, the department or agency shall withhold the payment of  
12 that money from that municipality and pay over the money to the bond  
13 bank authority for the purpose of paying principal of and interest on  
14 the bonds or debt. The notice shall be given in each instance of  
15 default.

16 \* Sec. 9. AS 44.85.180(a) is amended to read:

17 (a) Subject to AS 44.85.100(b), the bond bank authority may  
18 issue its bonds or notes in principal amounts that it considers neces-  
19 sary to provide funds for any purposes under this chapter, including

20 (1) the purchase of municipal bonds;

21 (2) the making of loans through the purchase of municipal  
22 bonds, notes, or certificates of participation secured by an agreement  
23 between the bond bank authority and a municipality or a municipal  
24 joint insurance arrangement organized under AS 21.76;

25 (3) the payment, funding or refunding of the principal of,  
26 or interest or redemption premiums on, bonds or notes issued by it  
27 whether the bonds or notes or interest to be funded or refunded have  
28 or have not become due;

29 (4) the establishment or increase of reserves to secure or

1 to pay bonds or notes or interest on bonds or notes and all other  
2 costs or expenses of the bond bank authority incident to and necessary  
3 or convenient to carry out its corporate purposes and powers.

4 \* Sec. 10. This Act takes effect immediately under AS 01.10.070(c).  
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4/22/89  
ADOPTED

# WOHLFORTH, ARGETSINGER, JOHNSON & BRECHT

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ROBERT M. JOHNSON  
THOMAS F. KLINKNER  
ROGER A. LUBOVICH  
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April 21, 1989

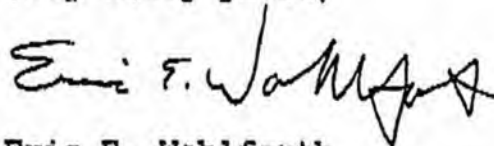
Senate Finance Committee  
Alaska State Legislature

Dear Senator:

I set forth proposed amendments to CSSB 268 (L & C) as follows:

1. Page 2, line 20, after "nonnegotiable" insert "bonds,"
2. Page 2, line 22, after "A" insert "bond"
3. Page 2, line 29, after "debt" insert "Bonds,"
4. Page 5, line 13, after "or debt." insert "The notice shall be given in each instance of default"

Very truly yours,



Eric E. Wohlforth

EEW/jf

SF: Moved Am  
No Ob

A205069

STATE OF ALASKA  
THE LEGISLATURE

POUCH Y STATE CAPITOL  
JUNEAU, ALASKA 99811  
907 465 3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

February 15, 1989

SUBJECT: Joint insurance arrangements  
(Work Order No. 6-0814)

TO: Senator Steve Frank  
Attn: Paul Pesika

FROM: Michael F. Ford *M.F.*  
Legislative Counsel

You have asked for our review of legislation to allow municipalities involved in joint insurance arrangements to finance debt through the Alaska Municipal Bond Bank. As explained in this memo, it is our opinion that the legislation would violate Article IX, section 9, of the Alaska Constitution.

Under Article IX, section 9, municipalities are prohibited from contracting debt, unless the debt is authorized by the governing body for capital improvements and ratified by the voters. A "debt" in the context of this constitutional limitation, means an obligation secured by the full faith and credit of the municipality; it does not include an obligation payable from funds on hand or current revenue. 81A C.J.S. §§219,220. The proposed legislation would authorize a contractual pledge of money by a municipality through a joint insurance arrangement. This pledge of money is the type of "debt" that is prohibited by Article IX, section 9, unless the debt is for a capital improvement and is ratified by the voters. The use of notes, certificates of participation, or bonds to establish insurance reserves would clearly not constitute a "capital improvement." See City of Juneau v. Hixson, 373 P.2d 743 (Alaska 1962).

Under Sec. 21.76.120(c) of the proposed legislation, the debt incurred would "not be a general obligation of a municipality." This language is clearly an attempt to avoid the prohibition against debt contained in Article IX, section 9. I do not think that this language will effectly remove the constitutional problem. If a court considered this issue,

Senator Steve Frank  
Page 2  
February 15, 1989

it would certainly look at the substance of the pledge. Unless the pledge is limited to current revenues, the pledge amounts to creation of a prohibited obligation on future revenues of the municipal treasury. This same section also provides that a pledge may "not include revenues derived from taxes." Again this is an effort to avoid creating the kind of "debt" prohibited by the constitution. However the debt will still be payable from whatever other general revenues are available, probably state funding. So, by eliminating tax revenues in securing the pledge, the state may be faced with an increased "moral obligation" to make payments on these bonds as a practical matter. This is precisely the kind of future obligation that Article IX, section 9 was designed to avoid.

I should also mention that there is an exception to Article IX, section 9, contained in Article IX, section 11. But this exception does not apply to the suggested legislation as I interpret it. The only bonds mentioned in this proposal are those issued by the Alaska Municipal Bond Bank. The exception would not apply to debt undertaken by a municipality, to repay revenue bonds issued by the Alaska Municipal Bond Bank.

For the above reasons, it is our opinion that a municipality could not finance it's joint insurance arrangement in this manner, without serious risk of violating the state constitution. Because bond financing is a specialized area of the law it would be wise to have bond counsel review this proposal before introducing legislation on the subject. This kind of financing arrangement may also create marketing or other practical bonding problems that bond counsel could provide advice on.

MFF:kb  
WKK2/007

# STATE OF ALASKA

## DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

STEVE COWPER, GOVERNOR

REPLY TO:

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100 CUSHMAN ST.  
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FAIRBANKS, ALASKA 99701-4679

P.O. BOX K—STATE CAPITOL  
JUNEAU, ALASKA 99811-0300  
PHONE: (907) 465-3600

January 31, 1989

Hon. Ronald L. Larson  
Alaska State Legislature  
P.O. Box V  
Juneau, AK 99811

Re: Debt financing for municipal  
joint insurance pool

Dear Representative Larson:

At the request of Jay Hogan of your staff, I have reviewed a memorandum dated February 12, 1988 of the Alaska Municipal League relating to "debt financing for municipal liability exposures." I have also reviewed a draft bill dated January 24, 1989 attached to the memorandum. You ask our opinion whether it would be lawful under art. IX of the Alaska Constitution for an association of municipalities to finance an insurance pool through the issuance of revenue bonds. I believe that it is possible to finance an insurance enterprise through the issuance of revenue bonds. Of course, my opinion is conditioned on the financial feasibility of the enterprise and possible federal tax consequences which would affect the marketability of the bonds.

It must be made clear at the outset that we are not giving an opinion concerning the adequacy of the draft bill to accomplish the purpose of the municipal league. We believe that providing insurance coverage for municipal activities is a public purpose for which municipal funds may be expended. Under art. IX, sec. 11 of the Alaska Constitution, the prohibition against incurring debt does not apply to a public enterprise financed solely by revenues generated by the enterprise. The provision of insurance to an association of municipalities probably qualifies as an enterprise under sec. 11. Presently, the municipalities are presumably purchasing insurance from private carriers and we all know that they are not charitable institutions. Insurance premiums paid by municipalities would serve as the source of rev-

Hon. Ronald L. Larson  
Alaska State Legislature  
Re: Debt financing, municipal joint ins.

January 31, 1989  
Page #2

enue to support the issuance of revenue bonds. These periodic premiums could be pledged by the public corporation operating the insurance enterprise to secure the repayment of the bonds.

Subject to authorization being granted by law, the Municipal Bond Bank Authority could operate the enterprise or it could be authorized to spin off a subsidiary public corporation for this purpose. It is also possible for municipalities to form an entity by cooperative agreement to jointly exercise the implied power to insure against risks without using the Municipal Bond Bank Authority. See Alaska Const. art. X, sec. 13 and AS 36.30.700 -- 36.30.790. However, it may be desirable to use the authority as the conduit for the financing because it is recognized by potential investors and, by virtue of that recognition, enjoys a favorable bond rating. Section 13 also allows cooperative agreements between municipalities and state agencies.

I have reviewed the memorandum dated January 30 prepared by legislative counsel on this matter and must respectfully disagree with his conclusions. Legislative counsel argues that a municipality would be barred from this financing technique because the municipality is not financing capital improvements. In support of his conclusion, counsel cites City of Juneau v. Hixson, 373 P.2d 743 (Alaska 1962). This financing arrangement could be distinguished from the method used in Hixson if the premiums paid by the municipalities are subject to annual appropriation. For this financing to work, there would need to be agreements between each municipality and the financing entity in which the payment of premiums is conditioned on the adoption of municipal appropriations. It is also likely that each municipality would need to acknowledge a moral obligation to make premium payments until the bonded indebtedness is retired. Because the debt incurred under this proposal is not for capital improvements, a municipality cannot unconditionally pledge general tax revenues. However, we believe there is no problem making premium payments from tax revenues generated by a municipality if, as explained above, the governing body of the municipality retains the discretion to appropriate amounts to pay the premiums.

I agree with legislative counsel that the committee should seek the advice of a qualified bond counsel before this bill is prepared for introduction. For example, without the concurrence of bond counsel, I would be hesitant to recommend that the bill allow the issuing entity to use negotiable or nonnegotiable instruments or certificates of participation.

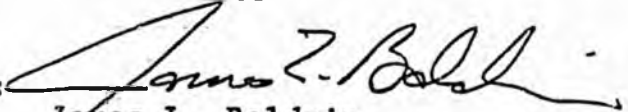
Hon. Ronald L. Larson  
Alaska State Legislature  
Re: Debt financing, municipal joint ins.

January 31, 1989  
Page #3

I hope this memorandum will serve your purposes.

Sincerely yours,

GRACE BERG SCHAIBLE  
ATTORNEY GENERAL

By:   
James L. Baldwin  
Assistant Attorney General

JLB/pjg

cc: Michael Ford  
Legislative Affairs Agency

Arthur H. Peterson  
Department of Law

AML JIA

Alaska Municipal League Joint Insurance Association, Inc.

217 Second Street, Suite 200

Juneau, Alaska 99801

(907) 586-3222

FAX: (907) 463-5480

April 12, 1989

The Honorable Steve Frank  
Alaska State Senate  
State of Alaska  
P. O. Box V  
Juneau, Alaska 99811-3100

Re: AN ACT RELATING TO MUNICIPAL FINANCING  
AND MUNICIPAL JOINT INSURANCE ARRANGEMENTS,  
THE ALASKA MUNICIPAL BANK

Dear Senator Frank:

In 1986 the Alaska Legislature, under AS 21.76, gave Alaskan municipalities, city and school borough school districts authority to form joint insurance arrangements as an alternative to commercial property, liability and workers compensation insurances. This legislation was enacted to enable municipalities to cope with the adverse effects of constantly fluctuating insurance markets. Availability and cost of needed insurance coverages has been subject to wild swings which place a strain on the municipal budgeting process. These wild swings are best illustrated by the enclosed study published recently by the Insurance Services offices. These severe swings in profitability have caused large rate increases and restrictions of coverage for municipalities countrywide.

In recent years, many states including, California, New York, Texas, Louisiana, Arkansas, Michigan, Washington, Maryland, South Dakota, Montana, Kentucky and Illinois have passed enabling legislation allowing their public entities, municipalities, school districts, special districts, etc, to use alternative methods of financing the costs of their insurance risks. Such capital market financing methods as Bonds, Certificates of Participation and Letters of Credit, are now being used to augment, supplement, or replace commercial insurance. These alternative financing methods are also being used in private industry. Self insurance, risk retention groups and risk purchase groups are indications of the continuing trend towards alternative approaches to insurance in the financing of risk (costs of loss). It is estimated that by 1990, 35 to 40 per cent of commercial organizations, both public and private, will be using such alternative risk finance techniques. In the public sector there are currently over 200 public pools such as ours. In addition, most major cities, counties and states are

Joint Insurance Assn

self insured to some extent.

The purpose of this Act, then, is to allow municipalities and municipal joint insurance arrangements organized under AS 21.76 to utilize such alternative methods to finance the costs of establishing self funded reserves to cover their liabilities. Such funds would be used:

- \* to create capital surplus on a pre-loss basis to fund to aggregate retention levels for multiple losses requiring payments in excess of retention level.
- \* to fund large losses in excess of aggregate retentions on a post loss basis in lieu of assessments.
- \* to augment, supplement or replace reinsurance or excess insurance.

The amount of funds needed to accomplish these goals would be determined by actuaries certified by the American Academy of Actuaries. The Alaska Bond Bank or other lender would have right of approval. They could either accept or reject our proposal based on their underwriting criteria.

Currently, the AML Joint Insurance Association self funds the first \$250,000 of its Property and Liability losses. The first \$350,000 of Workers Compensation loss is also self funded. This self funding is accomplished on a pooled basis using a portion of the member's premium contributions. This pooled loss fund is actuarially determined by certified actuaries, and along with reinsurance and administrative costs is reflected in the rates charged our members. Our reinsurance includes both an occurrence limit and aggregate retention limits as required by AS 21.76.

The requested legislation would provide us with a "tool" to use in better managing the financing of our risks. It could be used to reduce or replace reinsurance when its cost is expensive and to supplement our program with coverages not offered by commercial insurers. The fund could also be used to provide coverages for our members at more favorable costs than is now provided by insurers. Municipalities in other states have used this approach to provide necessary funds at substantially less cost than those of insurers when the market is "hard." The cost of insurance premiums can be likened to the cost of debt service on a capital instrument. If the cost of debt service is less than the cost of conventional insurance then certainly debt financing serves a legitimate public purpose. Financing of its costs of risk also gives municipalities greater control of their own destinies. These alternative financing arrangements would give us flexibility and clout when dealing with insurers. Flexibility in that we would purchase

Honorable Steve Frank  
April 12, 1989


Page three

reinsurance in greater amounts when prices and coverage are The inexpensive, and lesser amounts when prices increase and coverage decreases. The clout comes from reinsurers knowing that we have an alternative to purchasing our coverage from them.

In summary, the requested legislation would give Alaskan municipalities and the AML Joint Insurance Association greater protection against the cyclical swings of the insurance industry. It would enable us to increase our financial strength while broadening our coverages and would give us a stronger bargaining position with reinsurers.

Your support is earnestly requested and will be deeply appreciated.

Sincerely,

  
Robert F. Healey, CPCU, ARM, ALCM  
Administrator

Enclosure

Copies to: Phil Younker, Chairman, Board of Trustees, AML/JIA  
Members, Board of Trustees, AML/JIA

## CURRENT PARTICIPATING MEMBERS OF THE AML/JIA

PARTICIPANTS	AUTHORIZED REPRESENTATIVES	RISK MANAGERS
Akutan	Jacob Stephin, Mayor	Erika Tritremmel, Administrator
Angoon	Cynthia Paul, City Clerk	Cynthia Paul, City Clerk
Barrow	Eben Hopson, Jr., Mayor	Eben Hopson, Jr., Mayor
Chuathbaluk	Terry Hoelferle, City Manager	Terry Hoelferle, City Manager
Cordova	Jack Ferrence, Finance Director	Jack Ferrence, Finance Director
Craig	Dave Palmer, Administrator	Dave Palmer, Administrator
Dillingham	Lyle Larson, City Manager	Lyle Larson, City Manager
Eagle	Jean Boone, City Clerk/Treasurer	Oscar Ingold
Elim	Luther Nagaruk, City Clerk	Luther Nagaruk, City Clerk
Emmonak	John Alder, City Manager	John Alder, City Manager
Golovin	Thomas Punguk, Mayor	Thomas Punguk, Mayor
Hooper Bay	Susie DeGrace, Administrative Assistant	Susie DeGrace
Huslia	Elsie Vent, Administrator	Elsie Vent, Administrator
King Cove	Wayne Marshall, City Manager	Wayne Marshall, City Manager
Kotlik	Peter F. Elachik, Sr.	Peter F. Elachik, Sr.
Kotzebue	Allen Jessup, Finance Director	Allen Jessup, Finance Director
Mountain Village	Joyce A. Brown, City Clerk	Robert H. Hall, VPSO
Nenana	Steve Bainbridge, City Manager	Steve Bainbridge, City Manager
Nikolai	Roger Jenkins, City Manager	Roger Jenkins, City Manager
Nome	Polly Prchal, City Manager	Polly Prchal, City Manager
Nunapitchuk	Eli J. Wassillie, Administrator	Eli J. Wassillie, Administrator
Ouzinkie	Debra Garner, City Clerk	Debra Garner, City Clerk
Palmer	David L. Soulak, City Manager	David L. Soulak, City Manager
Petersburg	Patricia Curtiss, Acting City Manager	Patricia Curtiss, City Clerk
Port Lions	David Wakefield, City Clerk	David Wakefield, City Clerk
Quinhagak	Larry Strunk, Administrator	Larry Strunk, Administrator
St. Mary's	Francis Thompson, Administrator	Francis Thompson, Administrator
Sand Point	Bob Juettner, Administrator	Bob Juettner, Administrator
Seward	Max Royle, City Manager	Max Royle, City Manager
Shishmaref	Morris Klyutelluk, Administrator	Morris Klyutelluk, Administrator
Skagway	Tom Healy, City Manager	Tom Healy, City Manager
Soldotna	Richard Underkoffler, City Manager	Richard Underkoffler, City Manager
Tenakee Springs	Janice Eagle, City Clerk	Janice Eagle, City Clerk
Thorne Bay	Ruth Anne Taylor	Ruth Anne Taylor
Unalakleet	Steve Kniseley, Administrator	Steve Kniseley, Administrator
Wainwright	Frances Hopson, Mayor	Frances Hopson, Mayor
Whittier	Cecil DePedro, Finance Director	Cecil DePedro, Finance Director