

4/3/04

OVERVIEW:

MUNICIPAL

LEAGUE



Alaska State Legislature

House Committee on Community and Regional Affairs

Representative Carl Morgan, Chair
State Capitol Building, Room 408
Juneau, AK 99801
907-465-3882

AGENDA

State Capitol 124
8:00 am – 10:00 am

- **Call to Order**
 - Today's date is April 3rd, 2003
 - The time is 8:00 am
 - Roll Call

- **On today's agenda**
 - **Overview - Alaska Municipal League**

Presentation by the Executive Director
Kevin Ritchie

- **Questions and Comments from committee members**

- **Other Business**
 - If there is no other business, announce next meeting announce next meeting.
 - Next Meeting – Tuesday, April 8th

- **Adjourn**

Your Municipalities

Presentation to the House Community and Regional Affairs
Committee
April 3, 2003

What is AML? Every state has a city and a county league. Municipal Leagues are part of the American intergovernmental system. AML has 142 members representing over 97% of the population. Primarily AML is a forum for discussing joint local government issues.

- **Strong Local Economies = A Strong Alaska:**
 - Many of your local economies are battling spiraling economic decline
 - Alaskan local economies are interdependent.

- **Revenue Sharing is a thing all states do, and even more important to Alaskan communities:**
 - Alaska is too sparsely populated to survive without resource revenues.
 - Only the state can distribute resource revenues.
 - Revenue sharing is all about strong local economies
 - Alaska not only has the best constitution in the nation, it has the strongest and the best governed cities and boroughs.

- **Municipalities can be your strongest partners in achieving your goals:**
 - Municipalities bring \$1.6 Billion in taxes and fees and provide about half of all state public services.
 - AML members are ready to promote a long-range state-local fiscal plan.
 - Municipal leaders are extremely experienced in discussing revenue issues with citizens.

2003 Federal Legislative Priorities



Alaska Municipal League/Alaska Conference of Mayors

1 Resource Development:

- **Increase fisheries, forestry, mining, and other resource research** to allow the federal government to make regulatory and environmental decisions based on facts.
- **Continue support for Alaska-specific statewide priorities**, including opening Alaska National Wildlife Refuge, reauthorization of a natural gas pipeline, and the National Missile Defense project.

2 Support a "Millennium Investment Plan":

- **\$1 billion statewide package** of projects to support energy, transportation (roads/bridges/ports/airports, bus, rail & marine highway) and telecommunications infrastructure to attract private investment and improve Alaskan's quality of life.
- **Continued funding of the Denali Commission** to fill infrastructure gaps and promote state and local coordination of federal programs to maximize the efficiency of federal funding.

3 Revenue Enhancements:

- **Continue to increase PILT** (Payment-in-Lieu of Taxes) to offset the cost of providing local services to federal lands and facilities.
- Support the **Conservation and Reinvestment Act (CARA)** that would boost PILT to \$325 million per year and provide other funds to Alaskan communities for coastal impacts and general conservation activities.
- **Allow the collection of local sales tax on out of state sales over the internet** - 98 Alaskan communities depend on sales tax for public services.
- **Support reauthorization of the federal highway funding program (TEA-21).**
- **Oppose unfunded federal mandates** on state and local government.



2003 State Legislative Priorities

1 Adopt a balanced long-range revenue and spending plan.

Action must be taken this year to avoid depletion of critical financial reserves, and the resulting negative impacts on public services, taxes, and the economy. A balanced plan includes:

Economic Development

Approve a **Comprehensive Economic Development strategy** for Alaska including:

- resource development, especially:
 - ◆ fisheries redevelopment
 - ◆ timber redevelopment
 - ◆ oil, including opening ANWR
 - ◆ natural gas, including North Slope pipeline
 - ◆ minerals, including infrastructure
- statewide transportation and communications infrastructure
- reasonable and efficient regulatory programs to work with new developments
- excellent schools/higher education and research
- affordable energy
- access to investment capital and technical assistance for entrepreneurs
- federal coordination and support
- sound community public services

Sound Fiscal Policies:

Consider a **reasonable state spending limit** that controls the growth of

expenditures for public services funded by taxes, royalties, or investment earnings, but allows for new federal mandates and other unexpected needs and emergencies.

Structural Budget Changes and Efficiencies.

- Study and plan **reasonable sustainable structural budget changes** that save money and increase efficiency, but do not shift costs to local taxpayers, hurt economic development efforts, or diminish key public services.
- Consider **negotiated State-Local cooperation to save money.**

New State Revenue:

- Continue **local control** of sales and property tax, the two key revenues that sustain local services and ensure strong communities.
- Consider new revenues, other than a state sales tax, and equitable fees for state services, to reduce the drain on dwindling state reserves.

Strong Local Governments are key to efficient State Government.

- Provide **sustainable local tax relief and local services** through

stable municipal revenue sharing or creation of a Community Dividend.

- Provide incentives for municipal incorporation and remove existing disincentives.

2 Recreate a "local government agency" as required by the Article X, Sec. 14 of the Constitution at the cabinet level to make public services to Alaskans more efficient and effective. Also, create a process for all state commissioners to coordinate quarterly with municipal counterparts to foster better collaboration and cooperation.

3 Support the "Millennium Investment Plan"

- Continue efforts for the **\$1 billion package to construct, repair and maintain infrastructure statewide.** The plan includes equitable allocations for roads, multi-use trails, ports and harbors, airports, schools, bridges, recreation, public safety and energy financed primarily through General Obligation (GO) or GARVEE bonds.
- Develop and implement a **state-wide energy plan** that supports Power Cost Equalization (PCE), statewide power projects, and utilizes the Railbelt Energy Fund for Railbelt energy projects.



217 Second Street, Suite 200 ■ Juneau, Alaska 99801 ■ Tel (907)586-1325, Fax (907)-463-5480

March 24, 2003

The Honorable Frank Murkowski
Governor, State of Alaska
PO Box 110001
Juneau, AK 99811-0001

Dear Governor Murkowski,

Alaska's municipal leaders **share your goal of a balanced budget for Alaska** and request an immediate summit to discuss a comprehensive "Plan of Action." The Alaska Municipal League (AML) proposes the prompt establishment of a **State-Local Economic and Community Development Partnership** (the "Partnership") that will play an instrumental role in achieving our common goals. Items for the Partnership to discuss include state/local cooperation in the following four areas:

1. **Conduct a Partnership 30 day review of the recently proposed FY 04 state budget;**
2. **Review and recommend creation of Long-Term Efficiencies in Delivering Joint State-Local Services** – In public safety, roads & transportation, economic development, schools, etc.
3. **Review and Recommend Ways to Stimulate Local Economies** – Including the creation of regional economic development partnerships and ways to replace loss of state revenue sharing support.
4. **Develop a Long-Range State-Local Revenue and Spending Plan** – That would benefit families, communities, and businesses.

The "Plan of Action" requires the "**Partnership**" to make two reports - in 30 days on the current proposals and a report in 180 days on longer term actions. We believe that this State-Local initiative could be one of the most timely, long-term, and beneficial initiatives of your Administration.

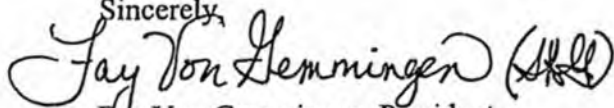
A balanced long-range fiscal plan together with a workable state spending limit is our top legislative priority. Alaska's municipal leaders share your goals of fostering strong communities and a vibrant economy. If the state and municipalities communicated directly in a formal setting, together we can achieve a workable long-range fiscal plan and promote strong local economies. Municipalities provide half of all public services in Alaska—we can help each other and Alaska.

Right now, **many communities are at a critical economic crossroads.** Alaska's communities are facing severe economic hardships due to depressed resource economies at the local and regional levels and a downturn in the investment markets and economy at the national level. In reviewing your proposal that Alaska's cities and villages help balance the state budget with a 25% reduction in revenue sharing and other reductions totaling over \$40 million, **we are ready to work with you.** In heeding your call, we seek to avoid the possibility that the most vulnerable communities may suffer unintended economic and service delivery impacts. And as history suggests, these economic and service delivery impacts may not remain isolated, but may very well spread to Alaska's larger urban hub communities.

In this time of uncertainty, both state and local levels of government must coordinate revenue policies and public services to benefit state and local government "end users," who are families and businesses in communities. Local communities are truly the building blocks of our great state. In order to keep the State of Alaska strong, we must work closely together to keep communities strong and viable places to do business.

We look forward to discussing this important initiative with you.

Sincerely,



Jay Von Gemminger, President
Alaska Municipal League



Mayor George Wuerch, President
Alaska Conference of Mayors

Revenue Sharing Talking Points

(Alaskan municipal revenue sharing programs include: State Revenue Sharing/Municipal Assistance (Safe Communities); Municipal Capital Matching Grants; and a wide range of state programs from Community Jails; alcohol/mental health/social services grants; etc.)

- Revenue sharing is a critical function of State and Federal government. **Every state** shares revenue with its municipalities, as does the federal government with states, to equalize resources and maintain lower taxes. For example, **if Alaska were to end its municipal revenue sharing, it ethically should also refuse the over \$1.2 Billion of federal revenue sharing for operating state departments (not including capital.)**
- Since 1986, **State cuts to municipalities total nearly 100% of the cumulative amount of all property tax increases** in every municipality. Taxes go up because 93% of municipal spending is for critical or mandated services (i.e. schools, public safety, transportation, utilities, infrastructure.) The other 7% is for things like parks, libraries, human services, etc. that the public demands.
- When some Alaskans say "cut the State budget," they **do not mean that municipalities should be forced to raise local taxes or cut local fire, police, emergency medical services, schools, or road maintenance.** State statute requires revenue sharing and safe communities to be spent first on these services. In second-class boroughs, most revenue sharing supports schools.
- **Polls show voters oppose revenue sharing cuts.** Senator Drew Pearce's January 2000 Senate poll shows **72% of Alaskans with an opinion oppose cuts to revenue sharing.** A similar April 1999 Anchorage poll shows **71% of Anchorage residents oppose cuts to revenue sharing.**
- According to the federal ACIR research agency **all 50 states provide an average of one third (33.1% as of 1993) of all municipal revenues** (including state support for education) through revenue sharing programs. **Alaska is currently well below the national average (4.9% without schools/30.6% with schools, per DCED, FY 2001).**
- Municipal Revenue Sharing in Alaska was **established in 1969** when money was hard to come by. **Revenue sharing was a bigger percent of Alaska's budget in 1972 than it is now,** because it was considered a critical state function.
- Alaskan statehood was based upon natural resource revenues because it was judged that adequate public services (state and local) could not be affordable if supported by local taxes alone. **Without municipal revenue sharing programs, there will be "have" and "have not" areas of the state.**

Revenue Sharing makes up over a Quarter of the Operating budget for a Quarter of our Municipalities, and it Averages 16% of all Municipal Operating Budgets.

(DCED, Missions and Measures, 2003)

Revenue sharing is so large a percent of municipal budgets that large cuts will result in many small municipalities becoming dysfunctional and the state would have to directly provide services, if tribal governments cannot afford to take a more prominent role. Larger municipalities would suffer as well. Anchorage, for example, would be faced with an additional \$10.4 million shortfall.

Municipality	FY 03 Operating Budget	FY 03 SRS/SC Total	% of Operating Budget
City of Manokotak	\$35,200	\$33,175	94.25%
City of Bettles	\$41,533	\$30,239	72.81%
City of Atkasuk	\$64,267	\$40,565	63.12%
City of White Mountain	\$55,982	\$30,932	55.34%
City of Kupreanof	\$41,400	\$22,821	55.12%
City of Port Heiden	\$59,992	\$30,383	50.65%
City of Napakiak	\$78,751	\$32,804	41.66%
City of Napaskiak	\$80,585	\$32,941	40.88%
City of Chefornak	\$83,560	\$33,320	39.88%
City of Ekwok	\$75,061	\$28,229	37.61%
City of Kasaan	\$65,781	\$22,821	34.69%
City of Chuathbaluk	\$87,046	\$29,829	34.27%
City of Selawik	\$275,036	\$93,963	34.16%
City of Newhalen	\$85,800	\$28,741	33.50%
City of Kivalina	\$167,493	\$52,466	31.32%
City of Tenakee Springs	\$73,875	\$22,821	30.89%
City of Teller	\$103,731	\$31,813	30.67%
City of Anderson	\$126,633	\$38,394	30.32%
City of Aniak	\$147,680	\$43,541	29.48%
City of Koyukuk	\$99,201	\$29,115	29.35%
City of Grayling	\$108,770	\$31,537	28.99%
City of Buckland	\$132,102	\$37,864	28.66%
City of Hughes	\$101,945	\$29,174	28.62%
City of Point Hope	\$246,223	\$70,085	28.46%
City of Fort Yukon	\$151,500	\$42,954	28.35%
City of Eagle	\$89,900	\$25,461	28.32%
City of Akhiok	\$80,610	\$22,821	28.31%
City of Holy Cross	\$119,026	\$32,990	27.72%
City of Allakaket	\$109,319	\$30,211	27.64%
City of Upper Kalskag	\$132,756	\$36,332	27.37%

Municipality	FY 03 Operating Budget	FY 03 SRS/SC Total	% of Operating Budget
City of Quinhagak	\$136,511	\$37,349	27.36%
City of Noorvik	\$260,622	\$66,852	25.65%
City of Anaktuvuk Pass	\$124,342	\$31,704	25.50%
City of Huslia	\$137,665	\$34,730	25.23%
City of Russian Mission	\$130,893	\$31,539	24.10%
City of Mekoryuk	\$129,985	\$30,292	23.30%
City of Ambler	\$161,531	\$35,964	22.26%
City of Ruby	\$142,044	\$31,522	22.19%
City of Nunam Iqua	\$132,992	\$29,358	22.08%
City of Nunapitchuk	\$176,981	\$39,061	22.07%
City of Shageluk	\$132,948	\$29,063	21.86%
City of Goodnews Bay	\$136,643	\$29,806	21.81%
City of Nulato	\$160,648	\$34,776	21.65%
City of Nondalton	\$150,944	\$32,113	21.27%
City of Egegik	\$147,300	\$31,321	21.26%
City of McGrath	\$183,413	\$38,968	21.25%
City of Nightmute	\$141,685	\$29,396	20.75%
City of Anvik	\$144,065	\$29,879	20.74%
City of Houston	\$220,204	\$45,501	20.66%
City of Eek	\$155,049	\$31,378	20.24%
City of Larsen Bay	\$113,130	\$22,821	20.17%
City of New Stuyahok	\$168,340	\$33,545	19.93%
City of Deering	\$176,812	\$34,243	19.37%
City of Savoonga	\$204,700	\$39,297	19.20%
City of Akiak	\$172,171	\$31,593	18.35%
City of Kachemak	\$155,600	\$28,465	18.29%
City of Port Lions	\$142,686	\$25,701	18.01%
City of Scammon Bay	\$195,319	\$34,911	17.87%
City of Shishmaref	\$212,461	\$37,676	17.73%
City of Kobuk	\$173,422	\$30,635	17.67%
City of Ouzinkie	\$142,373	\$25,096	17.63%
City of Wales	\$172,768	\$29,748	17.22%
City of Shaktoolik	\$189,030	\$31,586	16.71%
City of Port Alexander	\$138,257	\$22,820	16.51%
City of Marshall	\$201,672	\$32,512	16.12%
City of Emmonak	\$390,459	\$62,861	16.10%
City of Tanana	\$234,975	\$37,237	15.85%
City of Kaltag	\$205,840	\$32,452	15.77%
City of Brevig Mission	\$205,303	\$32,251	15.71%
City of Koyuk	\$213,927	\$32,932	15.39%
City of Chignik	\$176,656	\$26,998	15.28%
City of Hydaburg	\$184,063	\$27,743	15.07%
City of Kwethluk	\$268,773	\$39,612	14.74%

Municipality	FY 03 Operating Budget	FY 03 SRS/SC Total	% of Operating Budget
City of Nikolai	\$198,000	\$29,129	14.71%
City of Kiana	\$254,221	\$37,340	14.69%
City of Alakanuk	\$288,850	\$42,151	14.59%
City of Pilot Point	\$198,692	\$28,350	14.27%
City of Shungnak	\$241,561	\$34,318	14.21%
City of Pilot Station	\$258,826	\$36,449	14.08%
City of Stebbins	\$270,782	\$37,803	13.96%
City of Chevak	\$295,728	\$40,330	13.64%
City of Diomedea	\$216,587	\$29,316	13.54%
City of Old Harbor	\$194,801	\$25,448	13.06%
City of Saint Michael	\$290,646	\$36,789	12.66%
City of Clark's Point	\$210,079	\$26,537	12.63%
City of Kake	\$286,395	\$35,223	12.30%
City of Toksook Bay	\$293,572	\$35,569	12.12%
City of Atka	\$239,696	\$28,508	11.89%
City of Aleknagik	\$246,099	\$28,943	11.76%
City of Wainwright	\$313,515	\$36,491	11.64%
City of Cold Bay	\$284,364	\$32,418	11.40%
City of Elim	\$301,668	\$34,334	11.38%
City of Lower Kalskag	\$42,892	\$4,791	11.17%
City of Kotlik	\$334,400	\$37,075	11.09%
City of Angoon	\$291,671	\$32,014	10.98%
City of Delta Junction	\$518,950	\$56,504	10.89%
City of Saxman	\$259,287	\$27,723	10.69%
City of Hooper Bay	\$515,643	\$54,426	10.55%
City of Gambell	\$415,930	\$40,262	9.68%
City of Mountain Village	\$444,758	\$41,835	9.41%
City of Nuiqsut	\$365,168	\$34,304	9.39%
City of False Pass	\$294,409	\$26,947	9.15%
City of Thorne Bay	\$368,940	\$32,716	8.87%
City of Unalakleet	\$499,200	\$44,044	8.82%
City of Seldovia	\$353,168	\$30,207	8.55%
City of Fairbanks	\$16,794,096	\$1,391,861	8.29%
City of Barrow	\$1,573,133	\$120,578	7.66%
City of Saint Mary's	\$564,779	\$42,651	7.55%
City of Nenana	\$596,850	\$44,188	7.40%
City of Hoonah	\$755,600	\$54,026	7.15%
City of Galena	\$670,600	\$44,829	6.68%
City of Pelican	\$431,776	\$25,523	5.91%
City of Kaktovik	\$557,400	\$32,456	5.82%
City of Togiak	\$800,289	\$42,206	5.27%
City of Golovin	\$614,394	\$31,650	5.15%
City of Bethel	\$5,900,000	\$302,836	5.13%

Municipality	FY 03 Operating Budget	FY 03 SRS/SC Total	% of Operating Budget
City of Kotzebue	\$4,187,861	\$199,688	4.77%
Lake and Peninsula Borough	\$2,271,084	\$106,854	4.70%
City of Akutan	\$821,979	\$38,226	4.65%
City of Klawock	\$814,390	\$35,871	4.40%
City of Haines	\$1,508,391	\$65,526	4.34%
City of Palmer	\$5,291,041	\$226,676	4.28%
Municipality of Anchorage	\$248,390,990	\$10,403,815	4.19%
City of Saint George	\$744,519	\$29,685	3.99%
City of King Cove	\$1,055,000	\$40,930	3.88%
City of Kenai	\$7,980,423	\$302,982	3.80%
City of Sand Point	\$1,271,670	\$47,658	3.75%
City of Adak	\$991,000	\$35,853	3.62%
City of Coffman Cove	\$850,991	\$30,283	3.56%
City of Platinum	\$29,675	\$1,012	3.41%
City of Soldotna	\$5,874,850	\$190,413	3.24%
City of Cordova	\$5,450,311	\$175,465	3.22%
City of Homer	\$5,287,239	\$168,493	3.19%
Kenai Peninsula Borough	\$50,258,850	\$1,598,729	3.18%
City of Nome	\$7,065,869	\$218,051	3.09%
City of Whittier	\$910,010	\$27,493	3.02%
Denali Borough	\$2,053,700	\$61,389	2.99%
Matanuska-Susitna Borough	\$57,181,644	\$1,690,792	2.96%
City of Wrangell	\$5,716,151	\$166,553	2.91%
Kodiak Island Borough	\$10,818,950	\$291,868	2.70%
City of Petersburg	\$7,194,963	\$187,235	2.60%
Fairbanks North Star Borough	\$78,318,560	\$1,970,270	2.52%
City and Borough of Yakutat	\$1,784,375	\$44,556	2.50%
City of North Pole	\$2,799,058	\$69,062	2.47%
City of Seward	\$6,848,620	\$159,193	2.32%
City and Borough of Sitka	\$18,470,340	\$424,845	2.30%
City of Kodiak	\$11,926,675	\$267,018	2.24%
City of Craig	\$2,470,908	\$53,286	2.16%
City of Dillingham	\$5,158,448	\$106,959	2.07%
City of Wasilla	\$9,689,941	\$192,226	1.98%
Northwest Arctic Borough	\$8,031,921	\$158,084	1.97%
City of Saint Paul	\$2,200,873	\$39,100	1.78%
City of Skagway	\$2,818,195	\$49,423	1.75%
City of Valdez	\$22,425,096	\$381,529	1.70%
City of Ketchikan	\$27,957,840	\$425,618	1.52%
Ketchikan Gateway Borough	\$14,867,222	\$202,908	1.36%
Bristol Bay Borough	\$4,504,954	\$58,003	1.29%
Haines Borough	\$3,191,250	\$39,679	1.24%
City of Unalaska	\$20,193,196	\$185,314	0.92%

Municipality	FY 03 Operating Budget	FY 03 SRS/SC Total	% of Operating Budget
Aleutians East Borough	\$4,161,070	\$35,301	0.85%
City and Borough of Juneau	\$188,848,100	\$1,482,129	0.78%
North Slope Borough	\$289,420,015	\$902,462	0.31%
Average Percent			15.80%
Highest Percent			94.25%
Lowest Percent			0.31%
# > 20%			51

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February 21, 2003

Municipal Presentation on the Impacts of State Budget Cuts on Communities, Families, and Businesses

Given that many communities are facing severe local economic downturns, **now is not the time for the State to add to the distress of local taxpayers** by further reducing state revenue sharing programs.

The State has a responsibility to determine impacts of budget cuts to families and businesses in its communities. Cuts in major municipal programs and new state unfunded state mandates will severely impact families, and are **counter to the Governor's budget goals to:**

- **Not increase taxes.**
- **Not impose state unfunded mandates**
- **Improve education and public safety**
- **Support economic development**

The AML/Mayors Platform supports "reasonable sustainable structural budget changes," **but not** state "cost shifts to local taxpayers", or cuts that "hurt economic development efforts" or "diminish key public services." AML and the Mayors support "negotiated State-Local cooperation to save money."

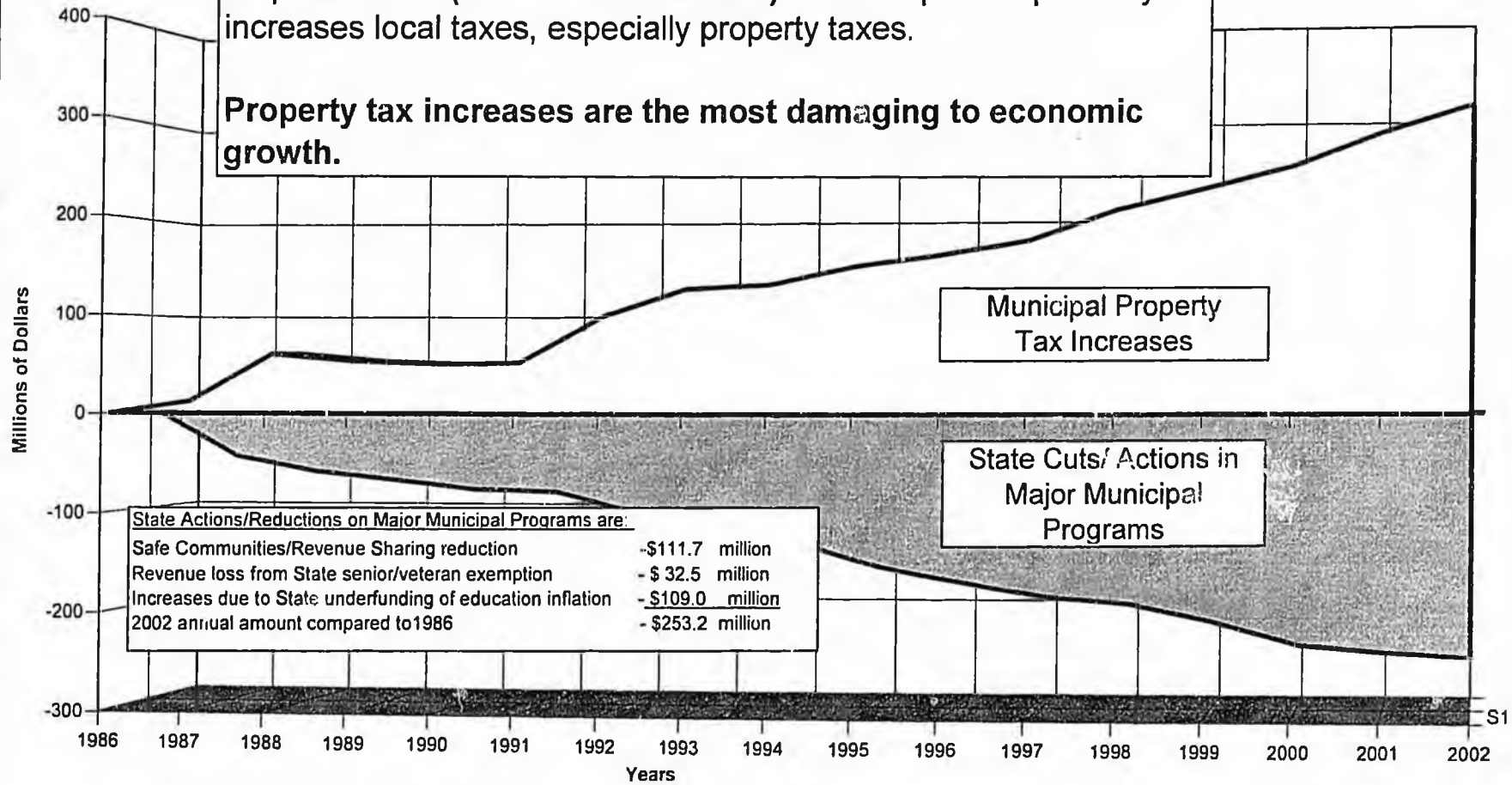
As shown in the following charts, it is important not to cut major municipal revenue sharing programs or shift state costs and service responsibilities to municipalities (i.e. unfunded mandates) because historically **these actions have been proven to force local tax increases, diminish key public services, and hurt economic development.**

Communities and local taxpayers have already been impacted by **far greater State cuts than any State program.**

Historically, State Actions are the Primary Factor in Local Property Tax Increases

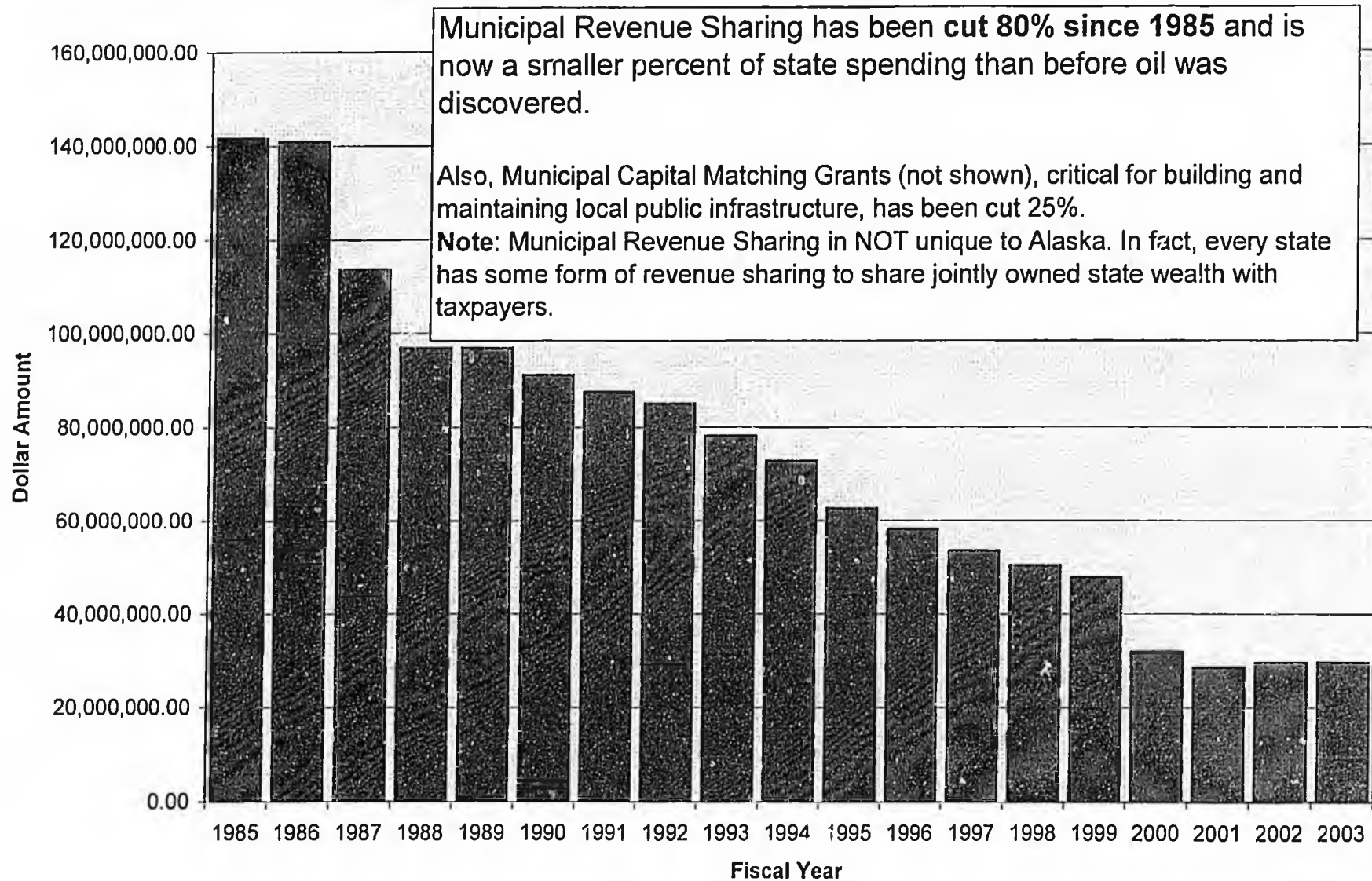
Cutting Municipal Revenue Sharing or shifting current State responsibilities (**unfunded mandates**) to municipalities primarily increases local taxes, especially property taxes.

Property tax increases are the most damaging to economic growth.



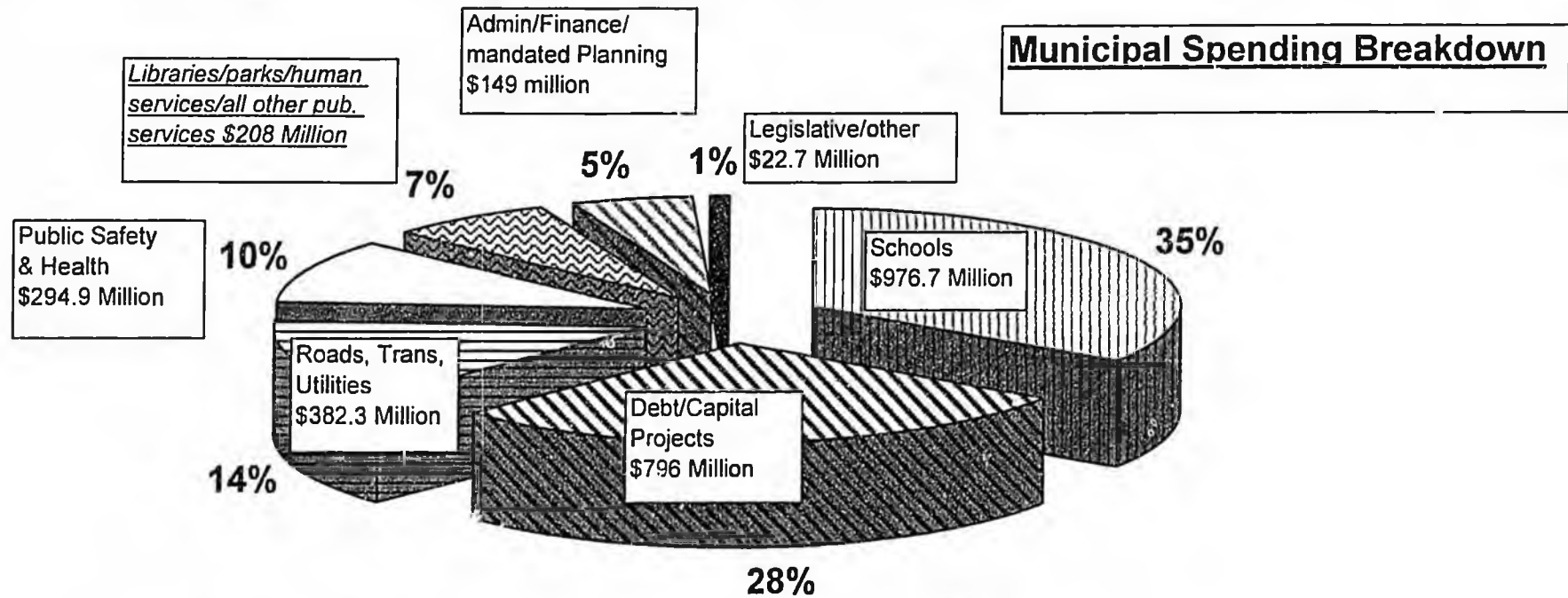
Source: "Alaska Taxable" 1986 to 2002, Dept. of Community & Economic Development

State Revenue Sharing and Municipal Assistance (Safe Communities) FY 1985-2003



Massive historic cuts to municipal revenue sharing, and current severe economic downturns have forced many communities to cut top priority public services like schools and public safety.

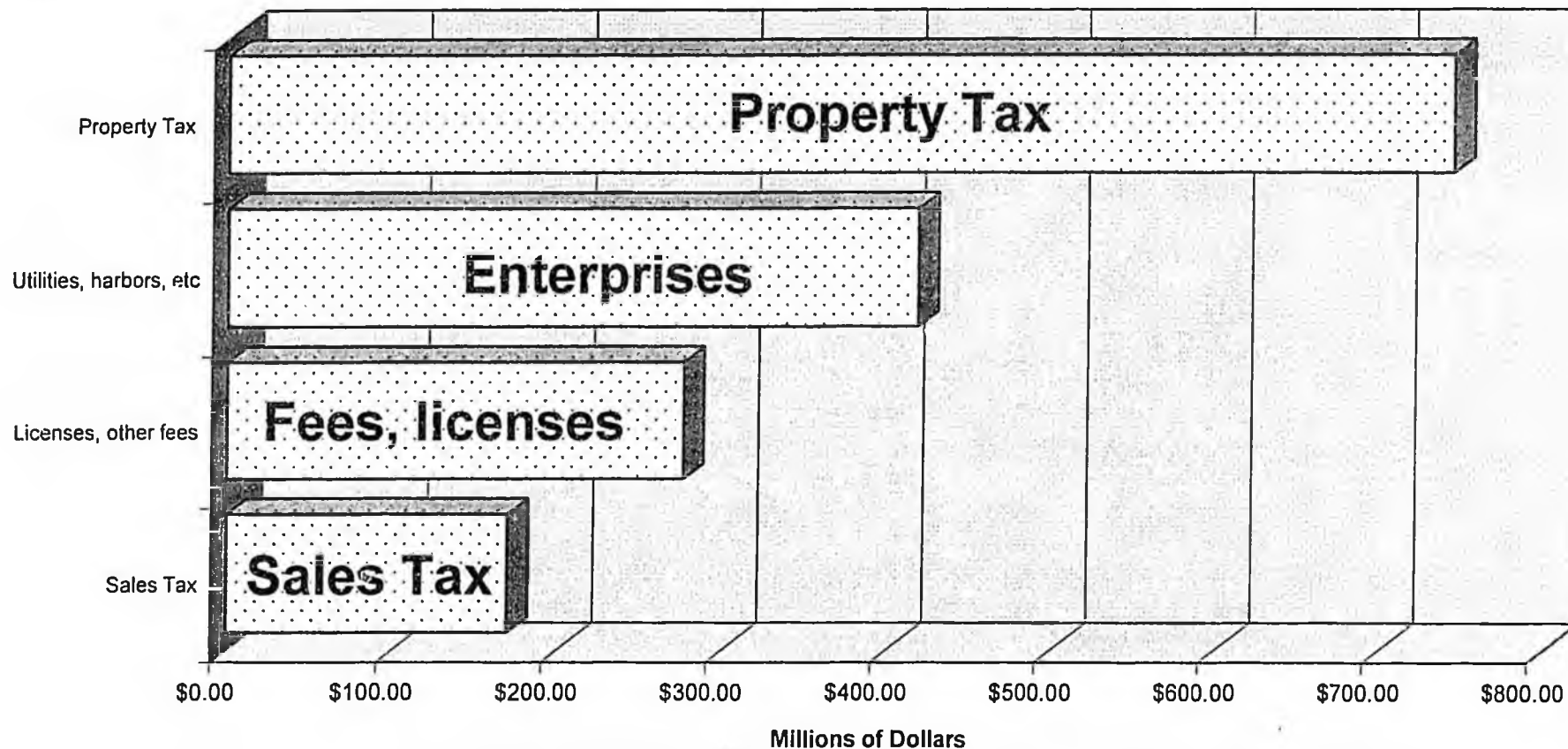
As shown below, at least **93% of municipal expenditures** are for mandated or basic public services and the Governor's top priorities of Schools, Public Safety, Public Infrastructure, and Transportation.



Source: DCED, Div of Business and Community Dev FY00 (the latest year compiled)

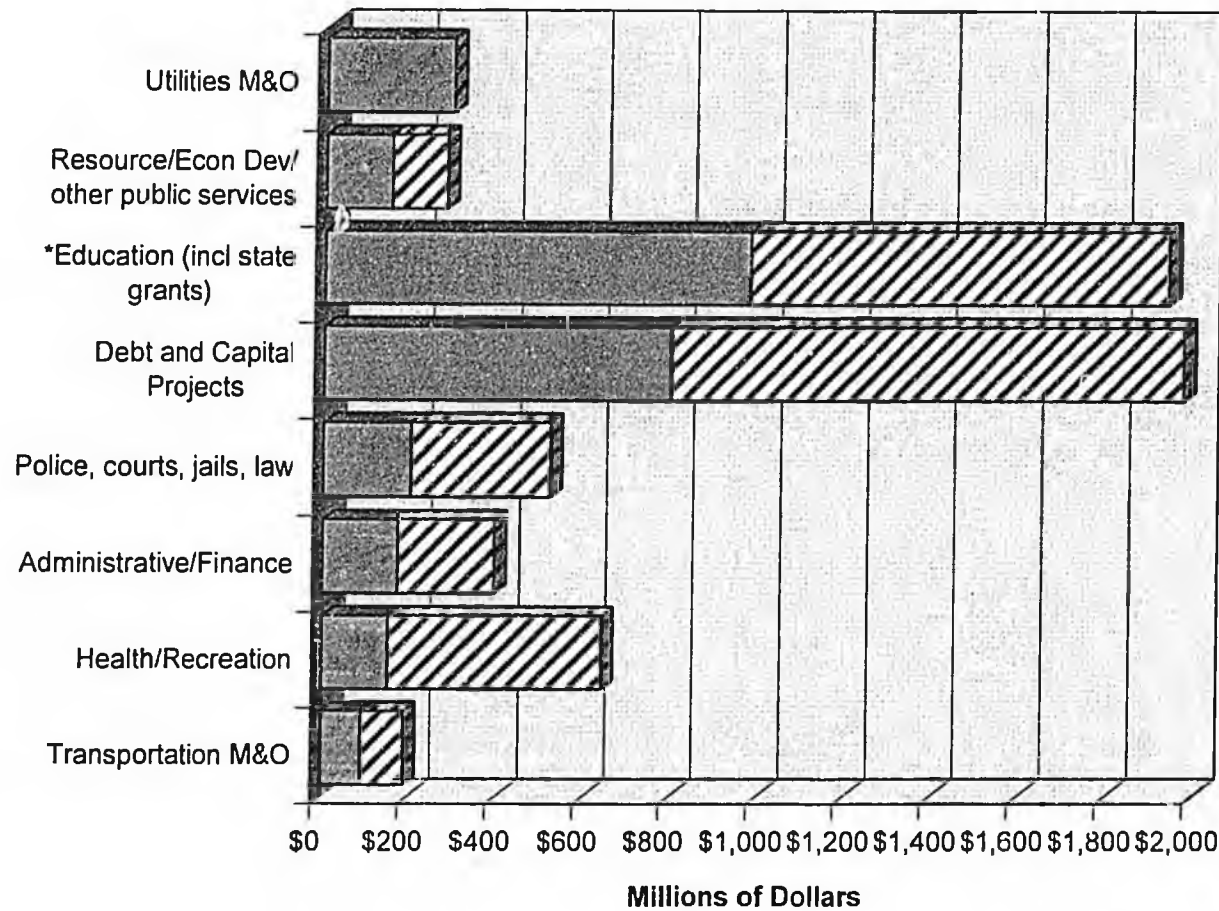
Over \$1.6 Billion in Municipal Taxes & Fees Paid by Families & Businesses in FY 2002

Local taxes are high. To support economic growth, it is crucial that the State not pass on additional costs to local taxpayers through state budget cuts and responsibility transfers.



Source: State DCED Municipal Financial Reports FY 2000 and Alaska Taxable 2002

State/Municipal Partner Public Service Expenditures



As shown here, **nearly every major public service delivered to Alaskans is a State and Municipal partnership.** An efficient state fiscal plan must include a plan for state and Municipal coordination of services

Municipal Expenditures FY 2000
 State General Fund Expenditures FY 2003

*Note: Education includes both state education grants and local funding.

Source: State DCED figures compiled from Municipal financial reports FY2000, and figures from the Division of Legislative Finance for FY2003.

AML/Alaska Conference of Mayors
2003 Municipal Fiscal Conditions Survey

(Survey faxed 2/25/03 - 58 cities and borough responses)

The double hit of State cuts to municipal revenue sharing and new unfunded state mandates, on top of severe local economic downturns would devastate many local economies and communities

Summary of Current Fiscal Conditions already facing municipalities:

- **Moderate to severe local job and population loss** that reduce local revenue generating capacity;
- **Fewer people to pay fixed operating costs** of schools, utilities, bonds, etc.
- **Steeply increasing operating costs** for oil and other commodities/services;
- **Severe increases** in general liability and property and health insurance, and State provided retirement plans;
- **Loss of investment earnings**, and
- State and federal **unfunded mandates**.

AML and Alaska Conference of Mayors
2003 Fiscal Conditions Survey

The survey was faxed 2/25/03 and responses have been received from 54 cities and boroughs as of 3/3/03. The responses indicate **that most cities and boroughs are currently experiencing a deepening economic crises and a growing need for stable state assistance to rebuild a sustainable economy. Clearly, deep state cuts to municipal programs and increased state unfunded mandates will accelerate the economic decline and hinder the recovery of many communities.**

<u>Municipality</u>	<u>Economy</u>	<u>Municipal Budget</u>
1. Haines Borough	drastic tourism, fishing, timber loss	families leaving, lost 30% of students, costs up
2. Denali Borough	tourism down, Usibelli Mine large layoffs	loss in accommodation tax
3. Lake & Pen. Bor	raw fish tax loss escalating, population loss	state revenue sharing cuts, staff cuts, some schools closed
4. Ketchikan Bor.	Loss of Ward Cove Packing, Ketchikan Pulp, EC Phillips, Gateway Forest Products, SE Construction	
5. Kodiak Isl Bor	over 400 jobs lost due to fishing downturn ,	lost 5 local processors. Borough & Schools down \$2.2 million next FY
6. Juneau Bor	revenue growth less than inflation	projecting significant shortfall this year, serious if revenue sharing cut
7. Sitka Bor	"economy is flat" population down	school shortfall due to loss of students
8. Mat-Su Borough	economy ok	\$1.3 million school budget shortfall and cuts to revenue sharing
9. Saxman	loss of community hall hurt revenues	"cut expenses to barebones & cut 2 positions... Please No more cuts"
10. Kenai	fishing downturn, loss of Kmart/other jobs	Kmart closure \$800K tax loss, tapping reserves too much
11. Seward	closure coal facility; less tourism, decline	shortfall due to insurance, fuel, declining economy, state cuts
12. Homer	loss of students in school distirct	55 teachers cut, loss of school programs
13. Kodiak	fishing downturn, over regulation	fishing tax is 60% of revenue, serious decline
14. Wasilla	loss of sales and sales tax	can't meet infrastructure needs of tremendous population growth
15. Selawik	"community has hit rock bottom"	"may have to go without police protection/other essential services."
16. Wrangell	so far, job loss 30%, population loss 22%	14% deficit in General Fund, already have highest sales tax in state.
17. Quinhagak	low fish prices	cuts in police, water, sewer
18. Cordova	fishing downturn	state revenue sharing cuts, low fish revenue, low earnings
19. Skagway	population loss	school funding loss due to declining enrollment
20. False Pass	fishing downturn & lost processor	Shortfall over \$60,000 this year.
21. Telier	construction projects	city "services at all time low"
22. Shageluk	economy ok	school shortfall
23. Nunapitchuk	fishing downturn, lack of jobs	school dist. \$4 million shortfall; minimum wage requires pay increases
24. Kotzebue	economy ok	community jail loss of \$328K, revenue sharing cuts
25. Port Lions	fishing & timber job loss, population loss	historic revenue sharing cuts, loss of "fire-police-clinics & roads"

26. Toksook Bay	fish disaster, so depend on revenue sharing	eliminate some employees and city services
27. Nuiqsut	downturn	lost 20 municipal jobs in last 3 years
28. Petersburg	local economic downturn	lower tax revenues
29. Alakanuk	fishing loss; unemployment at crises high"	"lower tax revenue, unpaid bills to city"
30. Savoonga	economy ok	
31. New Stuyahok	Bristol Bay fishery decline	budget shortfall
32. Houston	revenue sharing loss "serious impact"	budget shortfall if revenue sharing decreased
33. North Pole	need diversification	insurance and operating costs exceed revenue
34. Kasaan	Ward Cove and timber bankruptcy	population loss, loss of school
35. Kake	loss of timber and fishing jobs	federal funding loss, loss of students
36. Koyukuk	"state funding is a vital resource"	city staff paid by revenue sharing
37. Kaktovik	declining oil production	loss of school and municipal funding and jobs
38. Deering	economy ok	
39. Ouzinkie	fishing downturn	city and school cutbacks
40. Pilot Point	fishing downturn	lost fish tax revenue needed to fund budget
41. St. Mary's	dependent grants to complete budget	state reduces funding and services
42. Aleknagik	fishing downturn, 36 permit holders in city	"people unable to pay bills with the city"
43. Hoonah	fishing and timber downturn	loss of tax revenue, population – "maintenance and safety issues"
44. Angoon	fishing downturn	more state/federal unfunded mandates
45. Larson Bay	cannery closed, state asst. diminishing	budget shortfall due to lower fish tax, less PCE, higher fuel costs
46. Emmonak	fishery disaster "no one seems to listen"	cut employees, unpaid utility bills up, can't cut revenue sharing
47. Brevig Mission	"caribou ran off local reindeer herds"	shortfall because we are "shouldering more responsibility"
48. Delta Junction	economy ok	no shortfall
49. Ruby	losing population, costs up	revenue sharing critical, may "lose school and ...population"
50. Cold Bay	fishing downturn and higher oil prices	loss of fish taxes and state grants, need \$100K to replace water well
51. Atkasuk	"cuts jeopardize ...service and leadership"	school district budget cuts
52. Coffman Cove	timber downturn, high energy costs	50% of spending this year was reserves
53. Fort Yukon	economic downturn	teacher cuts, "rural communities cannot survive (big state) cuts"
54. Nome	"flat or nominal growth"	school district chronically underfunded
55. Unalakleet	oil costs "devastating impact," insurance up	66% this year, lower sales tax revenues
56. Huslia	costs of services keep going up	state cuts so "we the people suffer the consequences."
57. Port Alexander	"families here balance, no matter how precariously"	city operates on volunteerism, school shortfall.
58. Bethel	"at a cross-road that could go either way"	current shortfall \$467K, could go to \$700K next year w/no state cuts.

TO: HAINES

FROM: AK MUNICIPAL LEAGUE



217 Second Street, Suite 200 • Juneau, Alaska 99801
Tel (907) 586-1325 • Fax (907) 463-5480 • www.akml.org

To: **Mayor and Council/Assembly
& Manager/Finance Director/Clerk**
From: Kevin Ritchie, Executive Director
Date: February 24, 2003

Re: **2003 Municipal Fiscal Conditions Survey - Please return ASAP**

Municipal revenue sharing and other programs to support municipalities are "on the table" for cuts now in the Governor's budget. Cuts could rise to the level of elimination that would have serious financial impacts on every community in the state. Such cuts could be especially devastating to local governments and economies on top of the fiscal crises already facing many communities. Therefore, AML would like to present the Governor with information on the fiscal conditions of municipalities. Please take a few minutes to fill out this survey.

Name of Respondent Vince Hansen Title Interim Borough Manager

Name of Municipality Haines Borough

1. Is your community facing an economic downturn? No Yes If yes, please discuss the cause and extent. Drastically reduced tourism revenue due to lack of cruise ship visits this year. Reduced fisheries revenue. Downturn in resource development. Reduced to extent that jobs with family sustaining wages are no longer available and many families have left or are leaving the community.

2. Is your municipal government or school district anticipating a budget shortfall this coming year? No Yes If yes, please discuss the cause and extent. Reasons as listed above. 30% reduction in students over last two years with corresponding impact on schools. Municipal sales tax revenues are down, but costs are up (insurance, fuel, etc.). Also facing dramatic reduction in fish tax and port revenues.

Please FAX TO AML at 907-463-5480 ASAP
Thank You!



217 Second Street, Suite 200 • Juneau, Alaska 99801

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To: Mayor and Council/Assembly
& Manager/Finance Director/Clerk

From: Kevin Ritchie, Executive Director

Date: February 24, 2003

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Name of Respondent Dave Talerico Title Mayor

Name of Municipality Denali Borough

1. Is your community facing an economic downturn? No ___ Yes If yes, please discuss the cause and extent. Fall in tourism members - local employer, Usihalli Coal Mine, lost a contract and had a large layoff

2. Is your municipal government or school district anticipating a budget shortfall this coming year? No ___ Yes If yes, please discuss the cause and extent. Fall in tourism affects our overnight accommodation tax.

Please FAX TO AML at 907-463-5480 ASAP
Thank You!

FEB. 25. 2003 12:38PM ALASKA MUNI LEAGUE
TO: LAKE & PENINSULA BOR

NO. 4645 P. 1/1
FROM: AK MUNICIPAL LEAGUE



217 Second Street, Suite 200 • Juneau, Alaska 99801
Tel (907) 586-1325 • Fax (907) 463-5480 • www.akml.org

To: **Mayor and Council/Assembly
& Manager/Finance Director/Clerk**
From: Kevin Ritchie, Executive Director
Date: February 24, 2003

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Name of Respondent Lake and Peninsula Borough Title JOE CURRIER
P.O. Box 195 Borough Mgr.
Name of Municipality King Salmon, Alaska 99613

1. Is your community facing an economic downturn? No Yes If yes, please discuss the cause and extent. _____

DECLINE IN RAW FISH TAX REVENUES + RE: SOCKEYE SALMON
STATE FISHERIES TAXES
LOSS OF APPROX 1.5 million annually for past 5 yrs

2. Is your municipal government or school district anticipating a budget shortfall this coming year? No Yes If yes, please discuss the cause and extent. _____

Reduced STATE FUNDING, Reduced LOCAL FUNDING
STUDENT POPULATION DOWNS, STAFF CUTS + SOME
Schools closed due to STUDENT NUMBERS

Please FAX TO AML at 907-463-5480 ASAP
Thank You!



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Tel (907) 586-1325 • Fax (907) 463-5480 • www.akml.org

Mayor
Assembly
At Hall - FIN
Mjr
Clerk

To: Mayor and Council/Assembly

& Manager/Finance Director/Clerk

From: Kevin Ritchie, Executive Director

Date: February 24, 2003

Re: 2003 Municipal Fiscal Conditions Survey - Please return ASAP

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Name of Respondent Alvin E. Hall Title Finance Director

Name of Municipality Ketchikan Gateway Borough

1. Is your community facing an economic downturn? No Yes If yes, please discuss the cause and extent. Borough has lost several million in to large companies from Plant closings + Chapter II Filings. KPC, Ward Cove packing, E.C Phillips, Southeast Construction Gateway Forest Products, Inc.

2. Is your municipal government or school district anticipating a budget shortfall this coming year? No Yes If yes, please discuss the cause and extent. Borough is unable to fund the school district at the Capex at the requested levels from the school district. Cause major downturn in economic structure of community + less students

Please FAX TO AML at 907-463-5480 ASAP

Thank You!

Betty Svensson

From: Pat Carlson [pcarlson@kib.co.kodiak.ak.us]
Sent: Tuesday, February 25, 2003 1:36 PM
To: betty@akml.org
Subject: RE: Rev sharing alert

Hi Betty and Kevin, this is quick and dirty so let me know if you need more. Thanks Pat Carlson

To: Mayor and Council/Assembly
& Manager/Finance Director/Clerk
From: Kevin Ritchie, Executive Director
Date: February 24, 2003

Re: 2003 Municipal Fiscal Conditions Survey - Please return ASAP

Municipal revenue sharing and other programs to support municipalities are "on the table" for cuts now in the Governor's budget. Cuts could rise to the level of elimination that would have serious financial impacts on every community in the state. Such cuts could be especially devastating to local governments and economies on top of the fiscal crises already facing many communities. Therefore, AML would like to present the Governor with information on the fiscal conditions of municipalities. Please take a few minutes to fill out this survey.

Name of Respondent Pat Carlson Title Manager

Name of Municipality Kodiak Island Borough

1. Is your community facing an economic downturn? No Yes If yes, please discuss the cause and extent. _____

The area has lost over 400 jobs due to fishery declines, school enrollment is down
and 5 of our local processors have gone out of business just in the last two years.

For example only 60% of the salmon fleet fished this year, they

caught more fish than the prior year and yet they were paid 66% less.

2. Is your municipal government or school district anticipating a budget shortfall this coming year? No Yes If yes, please discuss the cause and extent. _____

Next years borough budget is short by .6 million at this time and the preliminary KIBSD
budget is

down in excess of 1.6 million.

Please FAX TO AML at 907-463-5480 ASAP
Thank You!



CITY/BOROUGH OF JUNEAU
ALASKA'S CAPITAL CITY

To: **Mayor and Council/Assembly
& Manager/Finance Director/Clerk**

From: Kevin Ritchie, Executive Director

Date: February 24, 2003

Re: **2003 Municipal Fiscal Conditions Survey – Please return ASAP**

Municipal revenue sharing and other programs to support municipalities are "on the table" for cuts now in the Governor's budget. Cuts could rise to the level of elimination that would have serious financial impacts on every community in the state. Such cuts could be especially devastating to local governments and economies on top of the fiscal crises already facing many communities. Therefore, AML would like to present the Governor with information on the fiscal conditions of municipalities. Please take a few minutes to fill out this survey.

Name of Respondent: John MacKinnon

Title: Interim City Manager

Name of Municipality: City and Borough of Juneau

1. Is your community facing an economic downturn? No Yes If yes, please discuss the cause and extent.

For the past 6 years our community has been on the edge of an economic down turn. Between 1997 and 1998 there has been a significant decline in the per capita income in our community. Between calendar 1993 and 1997 (4 years) our gross business activity expanded at nearly 8% per annum. Between calendar 1997 and 2001 (4 years) our gross business sales growth has averaged just over 1% per annum. This dramatic growth decline, to less than the inflation rate, has placed a significant economic burden on our community. The City and Borough of Juneau, working with the Juneau Economic Development Council and other local business groups, has worked diligently to try and find ways to stimulate economic development. While we have seen significant growth in some sectors such as tourism, the economic value added by this seasonal industry has not offset the economic losses in other year round areas.

It is extremely important for the continued well being our community that we not experience any additional negative economic impacts. Material reductions in year round jobs could spell the difference between economic stability and an economic recession.

2. Is your municipal government or school district anticipating a budget shortfall this coming year? No Yes If yes, please discuss the cause and extent.

This year we are projecting a fairly significant budgetary shortfall. This is due to no material growth in our property assessments and sales tax revenues combined with the increased cost of providing services. Flat economic growth combined with increases in delivering public service, have resulted in continuous pressure to reduce spending levels. This has made it difficult to maintain acceptable levels of critical public service. Each year the Assembly has been forced to make trade-off decisions between basic public service (Streets, Parks and Rec., Libraries, etc), public safety (Police and Fire) and/or educational.

This year the School District and Police Department are requesting significant increases in funding. While our departments have implemented operational efficiencies, they still need some funding increases just to maintain service levels. For example, the cost of heating fuel has risen more than 20% in just the past two months. Unless the Assembly chooses to increase the mill levy (noting we are within 1.6 mills of a 12-mill levy cap) it is likely we will need to reduce service levels. This reduction assumes that the State maintains the FY04 State Shared Revenue and Safe Communities Program at the FY03 funding levels and no cost of living increases are granted for our employees.

If the SSR and Safe Communities programs are eliminated we will be looking at very serious budgetary shortfall. Material reductions in state support will likely result in both service level declines and property tax increases. Service reductions significant enough to absorb the loss in State revenues would no doubt be considered unacceptable. To fully absorb a SSR and Safe Communities reduction it is likely we would need to take significant reductions in funding for both public safety and education.

Please FAX TO AML at 907-463-5480 ASAP
Thank You!

FEB. 25. 2003 12:42PM ALASKA MUNI LEAGUE
TO: MAT-SU BOR

NO. 4645 P. 1/1
FROM: AK MUNICIPAL LEAGUE



217 Second Street, Suite 200 • Juneau, Alaska 99801
Tel (907) 586-1325 • Fax (907) 463-5480 • www.akml.org

RECEIVED
FEB 25 2003
MATANUSKA SUSITNA BOROUGH
ADMINISTRATION/PERSONNEL

To: Mayor and Council/Assembly
& Manager/Finance Director/Clerk

From: Kevin Ritchie, Executive Director
Date: February 24, 2003

Re: 2003 Municipal Fiscal Conditions Survey - Please return ASAP

Municipal revenue sharing and other programs to support municipalities are "on the table" for cuts now in the Governor's budget. Cuts could rise to the level of elimination that would have serious financial impacts on every community in the state. Such cuts could be especially devastating to local governments and economies on top of the fiscal crises already facing many communities. Therefore, AML would like to present the Governor with information on the fiscal conditions of municipalities. Please take a few minutes to fill out this survey.

Name of Respondent John Duff Title Borough Manager

Name of Municipality Matanuska-Susitna Borough

1. Is your community facing an economic downturn? No Yes If yes, please discuss the cause and extent.

2. Is your municipal government or school district anticipating a budget shortfall this coming year? No Yes If yes, please discuss the cause and extent.

\$1.3M due to state's cost allocation formula for schools

\$? Proposed cuts to Revenue Sharing / State Communities

\$? Continual failure to adequately fund State Citizens and Veteran tax exemptions.

Please FAX TO AML at 907-463-5480 ASAP
Thank You!

TO: SITKA BOR

FROM: AK MUNICIPAL LEAGUE

217 Second Street, Suite 200 • Juneau, Alaska 99801

Tel (907) 586-1325 • Fax (907) 463-5480 • www.akml.org



To: **Mayor and Council/Assembly
& Manager/Finance Director/Clerk**
From: Kevin Ritchie, Executive Director
Date: February 24, 2003

Re: **2003 Municipal Fiscal Conditions Survey – Please return ASAP**

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Name of Respondent City & Borough of Sitka Title City Administrator

Name of Municipality SITKA

1. Is your community facing an economic downturn? No Yes If yes, please discuss the cause and extent. NOT EXACTLY - BUT OUR ECONOMY

IS CERTAINLY FLAT COMMERCIAL BUSI. USE IS
DOWN; SCHOOL POPULATION IS DOWN

2. Is your municipal government or school district anticipating a budget shortfall this coming year? No Yes If yes, please discuss the cause and extent. Reduction

in student population

Please FAX TO AML at 907-463-5480 ASAP
Thank You!

FROM :

FAX NO. :

Mar. 04 2003 03:53PM P1



FROM: MUNICIPAL LEAGUE

217 Second Street, Suite 200 • Juneau, Alaska 99801
 Tel (907) 586-1325 • Fax (907) 463-5480 • www.akml.org

To: **Mayor and Council/Assembly
 & Manager/Finance Director/Clerk**
 From: Kevin Ritchie, Executive Director
 Date: February 24, 2003

Re: **2003 Municipal Fiscal Conditions Survey – Please return ASAP**

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Name of Respondent NORA DeWitt Title City Clerk.

Name of Municipality City of Saxman

1 Is your community facing an economic downturn? No Yes If yes, please discuss the cause and extent. loss of our Saxman Community Hall

Has put a severe impact on our opportunity for revenue. The project was started and needs additional funds to be completed. The required matching funds has put a tremendous stain on

2. Is your municipal government or school district anticipating a budget shortfall this coming year? No Yes If yes, please discuss the cause and extent. our expenses.

As stated above. We have had to cut expenses to bare bones and eliminated 2 positions with the city.

PLEASE No more cuts.

Please FAX TO AML at 907-463-5480 ASAP
 Thank You!

Member of the National League of Cities and the National Association of Counties

C. Mayor Dan Williams



217 Second Street, Suite 200 • Juneau, Alaska 99801
Tel (907) 586-1325 • Fax (907) 463-5480 • www.akml.org

To: **Mayor and Council/Assembly
& Manager/Finance Director/Clerk**

From: Kevin Ritchie, Executive Director

Date: February 24, 2003

Re: **2003 Municipal Fiscal Conditions Survey - Please return ASAP**

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Name of Respondent LARRY SEAMEN Title Finance Dir.

Name of Municipality City of Kenai

1. Is your community facing an economic downturn? No Yes If yes, please discuss the cause and extent. Due primarily to Kmart

Closing. However sales were declining prior to this announcement. Agrum layoffs, generally poor commercial fishing, and overall uncertainty contribute.

2. Is your municipal government or school district anticipating a budget shortfall this coming year? No Yes If yes, please discuss the cause and extent. _____

All of the above will have negative impact on budget. Costs of services is increasing especially due to health care, PERS & general inflation. Revenue is declining - Interest rate is lowest in 40 years. Sales tax is crashing due to Kmart.

Please FAX TO AML at 907-463-5480 ASAP

Thank You!

TO: KENAI



217 Second Street, Suite 200 • Juneau, Alaska 99801

Tel (907) 586-1325 • Fax (907) 463-5480 • www.akml.org

To: **Mayer and Council/Assembly
& Manager/Finance Director/Clerk**

From: Kevin Ritchie, Executive Director

Date: February 24, 2003

Re: **2003 Municipal Fiscal Conditions Survey - Please return ASAP**

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Name of Respondent Linda L. Snow Title Manager

Name of Municipality Kenai

1. Is your community facing an economic downturn? No Yes If yes, please discuss the cause and extent. K-mart closure represents \$800K

sales tax loss to the General Fund of 40+ jobs out of the community; reductions of jobs in fishing and oil industries.

2. Is your municipal government or school district anticipating a budget shortfall this coming year? No Yes If yes, please discuss the cause and extent. see

above re: K-mart. In addition, we have seen huge reductions in interest earnings, and our Fund balance is topped more than desirable.

Please FAX TO AML at 907-463-5480 ASAP

Thank You!



FROM: AK MUNICIPAL LEAGUE

217 Second Street, Suite 200 • Juneau, Alaska 99801
Tel (907) 586-1325 • Fax (907) 463-5480 • www.akml.org

RECEIVED

FEB 25 2003

OFFICE OF THE
CITY CLERK

To: **Mayor and Council/Assembly
& Manager/Finance Director/Clerk**
From: Kevin Ritchie, Executive Director
Date: February 24, 2003

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Name of Respondent KRISTIN ERCHINGER Title ACTING CITY MANAGER

Name of Municipality CITY OF SEWARD

1. Is your community facing an economic downturn? No Yes If yes, please discuss the cause and extent. _____

please see attached

2. Is your municipal government or school district anticipating a budget shortfall this coming year? No Yes If yes, please discuss the cause and extent. _____

please see attached

Please FAX TO AML at 907-463-5480 ASAP
Thank You!

City of Seward - Municipal Fiscal Conditions Survey
Page Two

Is your community facing an economic downturn?

Seward has seen a decline in the economy over the past two years, especially during the winter months. A number of local businesses are closing during the winter season, which has had an adverse impact on local jobs and has resulted in reduced taxable sales and reduced sales tax revenues. The threatened closure of the coal export facility will have an impact on year-round jobs and a negative impact on the export of Alaska's natural resources. Rising fuel costs and the poor condition of portions of the Seward Highway are causing some cruise ships to consider moving their operations outside of Seward, which will have a serious impact on the summer economy of Seward, in terms of jobs, taxable sales, and spinoff business.

Is your municipal government anticipating a budget shortfall this coming year? If Yes, please discuss the cause and extent

The City of Seward has requested an increase in the local sales tax rate from 3% to 4% to address this year's budget shortfall of approximately \$1.5 million. The sales tax will generate approximately half of the \$1.5 million shortfall, with the remaining shortfall addressed through cost cutting measures. The 1% sales tax increase is being challenged by a referendum vote to be held on April 8. The budget shortfall is the result of a combination of substantial cuts to State funding, fixed cost increases which the City cannot avoid (such as fuel and insurance), and the overall condition of the economy which has resulted in a considerable decline in annual investment income, as well as a leveling off of revenue growth.

Since 1991, State reductions in revenue sharing and safe communities funding amount to a loss of 0.51% of a local sales tax, or 1.77 mills of property tax. Annual increases in insurance costs over the last 3 years alone, amount to 0.78% of a local sales tax, or 2.7 mills of property tax. The loss of interest earnings amounts to 0.27% of local sales tax or 1 mill of property tax.

To: **Mayor and Council/Assembly
& Manager/Finance Director/Clerk**

From: Kevin Ritchie, Executive Director

Date: February 24, 2003

Re: **2003 Municipal Fiscal Conditions Survey – Please return ASAP**

Municipal revenue sharing and other programs to support municipalities are "on the table" for cuts now in the Governor's budget. Cuts could rise to the level of elimination that would have serious financial impacts on every community in the state. Such cuts could be especially devastating to local governments and economies on top of the fiscal crises already facing many communities. Therefore, AML would like to present the Governor with information on the fiscal conditions of municipalities. Please take a few minutes to fill out this survey.

Name of Respondent Mary L. Calhoun Title City Clerk

Name of Municipality City of Homer

1. Is your community facing an economic downturn? No__ Yes__ If yes, please discuss the cause and extent. _____

2. Is your municipal government or school district anticipating a budget shortfall this coming year? No__ Yes^X If yes, please discuss the cause and extent. School district cut of 55 teachers, classroom activities, particularly spanish

Resolution 03-30 attached.

Please FAX TO AML at 907-463-5480 ASAP
Thank You!

**CITY OF HOMER
HOMER, ALASKA**

LADD

RESOLUTION 03-30

A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA, ENCOURAGING THE STATE OF ALASKA TO PROPERLY SUPPORT THE KENAI PENINSULA BOROUGH SCHOOL DISTRICT THROUGH CHANGING THE STATE FOUNDATION FORMULA TO MORE FAIRLY REFLECT THE PENINSULA'S UNIQUE GEOGRAPHY, CULTURAL NEEDS, AND RESULTING IN KENAI PENINSULA STUDENTS HAVING THE SAME OPPORTUNITY AS OTHER ALASKA STUDENTS TO MEET CONTENT AND PERFORMANCE STANDARDS.

WHEREAS, the State of Alaska has adopted content and performance standards that represent what Alaskans want students to know and be able to do as a result of their public schooling, and

WHEREAS, standards adopted in December, 1995 have shifted educational emphasis from what goes into our education system to what comes out of it, and

WHEREAS, the opportunity for a student to successfully achieve an Alaska educational standard is dependent upon his or her time and energy dedicated toward learning as well as support from family, educators, community, the Kenai Peninsula Borough, and the State of Alaska, and

WHEREAS, students within the Kenai Peninsula Borough School District, including all public students in the Homer area are placed at a distinct disadvantage due to an unfair State of Alaska foundation formula used to calculate the distribution of funds to schools throughout the Kenai Peninsula, and

WHEREAS, Peninsula schools are costly to operate, staff, and maintain due to the Kenai Peninsula Borough's unique geography encompassing remote locations and schools accessible only by water or air, and

WHEREAS, the cost differential within the State of Alaska educational foundation formula only slightly recognizes this difference from Anchorage at a ratio of 1.004, and

WHEREAS, projected revenue based upon the 1.004 ratio provides about 39.8 million from the State and limits the Borough's local share to about 31.1 million, and

Page Two
Resolution 03-30
City of Homer

WHEREAS, the Kenai Peninsula Borough School District has a FY 04 budget shortfall of 2.9 million after laying off 52 teachers across the district, raising the teacher/pupil ration by three in every grade over third grade, and staffing reductions will negatively impact curriculum offerings such as the reduction of Spanish at Homer High School, and

WHEREAS, the loss of the Spanish program at Homer High School is in direct conflict with the State of Alaska content standard stating that, "a student should be able to communicated in two or more languages, one of which is English," and

WHEREAS, "a student should possess the language skills and cultural knowledge necessary to participate successfully in multilingual communities and the international market place," and

NOW, THEREFORE, THE CITY OF HOMER RESOLVES THAT:

1. The City of Homer supports recent legislative fact finding in the American Institutes for Research report advancing the position that the educational foundation formula cost ratio for the Kenai Peninsula Borough School District be changed from 1.004 to 1.05, and
2. This resolution in support of a changed educational foundation formula as identified by the American Institutes for Research be adopted to provide relief to public education and approximately a 1.4 million dollar increase to the KPBSD's state portion and about a \$300,000 increase to the local effort portion, and
3. The City of Homer initiate dialog with Homer High School/ Kenai Peninsula Borough School District, UAA – Kachemak Bay Branch, Kachemak City. Anchor Point, and local nonprofit organizations to explore other alternatives to maintaining curriculum at Homer High School should this legislature not take the necessary and basic measures necessary to insure equal funding for education on the Kenai Peninsula, and
4. The City of Homer encourages other Kenai Peninsula Borough communities to enact similar resolutions of support of education and to submit approved resolutions to the Legislature for consideration.

PASSED AND ADOPTED BY THE HOMER CITY COUNCIL this 24th day of February, 2003.

CITY OF HOMER

Jack Cushing

Jack Cushing, Mayor

ATTEST:

Mary L. Calhoun

Mary L. Calhoun, City Clerk
Fiscal Impact: Not identified.



To: **Mayor and Council/Assembly
& Manager/Finance Director/Clerk**

From: Kevin Ritchie, Executive Director

Date: February 24, 2003

Re: **2003 Municipal Fiscal Conditions Survey - Please return ASAP**

Municipal revenue sharing and other programs to support municipalities are "on the table" for cuts now in the Governor's budget. Cuts could rise to the level of elimination that would have serious financial impacts on every community in the state. Such cuts could be especially devastating to local governments and economies on top of the fiscal crises already facing many communities. Therefore, AML would like to present the Governor with information on the fiscal conditions of municipalities. Please take a few minutes to fill out this survey.

Name of Respondent LINDA FRED Title CITY MANAGER

Name of Municipality CITY OF KODIAK

1. Is your community facing an economic downturn? No Yes If yes, please discuss the cause and extent. _____

THE CAUSE IS THE CRISIS IN THE FISHING INDUSTRY!
INCLUDING: LACK OF ACCESS TO THE RESOURCE (REGULATIONS,
ENVIRONMENTAL LIMITATIONS); LACK OF MARKETS & LOW
PRICES (PREDOMINANTLY SALMON); CHANGING NATURE
OF THE INDUSTRY.

2. Is your municipal government or school district anticipating a budget shortfall this coming year? No Yes If yes, please discuss the cause and extent. _____

DUE TO DIFFICULTIES IN THE FISHING INDUSTRY
OUR SALES TAX REVENUES ARE DOWN. THESE
REVENUES MAKE UP APPROX. 60% OF OUR GENERAL
FUND REVENUES.

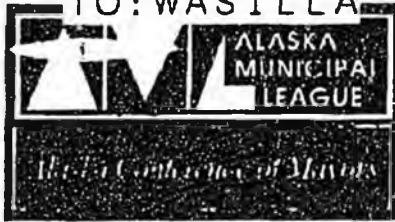
Please FAX TO AML at 907-463-5480 ASAP

Thank You!

Feb-28-03 08:25 CITY OF WASILLA
FEB. 25. 2003 3:59PM ALASKA MUNI LEAGUE
TO: WASILLA

P.01

NO. 4645
FROM: AK MUNICIPAL LEAGUE



217 Second Street, Suite 200 • Juneau, Alaska 99801
Tel (907) 586-1325 • Fax (907) 463-5480 • www.akml.org

To: **Mayor and Council/Assembly
& Manager/Finance Director/Clerk**
From: Kevin Ritchie, Executive Director
Date: February 24, 2003

Re: **2003 Municipal Fiscal Conditions Survey – Please return ASAP**

Municipal revenue sharing and other programs to support municipalities are “on the table” for cuts now in the Governor’s budget. Cuts could rise to the level of elimination that would have serious financial impacts on every community in the state. Such cuts could be especially devastating to local governments and economies on top of the fiscal crises already facing many communities. Therefore, AML would like to present the Governor with information on the fiscal conditions of municipalities. Please take a few minutes to fill out this survey.

Name of Respondent _____ Title _____

Name of Municipality Wasilla

1. Is your community facing an economic downturn? No ___ Yes If yes, please discuss the cause and extent. _____

(see attached)

2. Is your municipal government or school district anticipating a budget shortfall this coming year? No ___ Yes If yes, please discuss the cause and extent. _____

(see attached)

Please FAX TO AML at 907-463-5480 ASAP
Thank You!



CITY OF WASILLA

290 East Herning Avenue • Wasilla • Alaska • 99654-7091
• Telephone 907-373-9070 • Fax 907-373-9085

1. Is your community facing an economic downturn. YES
Explanation: The downturn in collections of sales tax in Fiscal Year 2003 indicates that economic downturn that is affecting the lower 48 and Alaska is affecting the City of Wasilla's economy.
2. Is your municipal government or School district anticipating a budget shortfall this coming year? YES
Explanations: The City of Wasilla has experience tremendous population growth over the past two years (15%). This growth has placed substantial demands on the City of Wasilla in the areas of public safety, utilities and infrastructure demands. The growth in sales tax has nearly flatten out this year so that the City of Wasilla's revenue will not allow the City of Wasilla to meet the demands placed on it by the population growth. The budget shortfall will great affect the ability of the City of Wasilla to invest in infrastructure needed (road, water and sewer) and its ability to meet the public safety concerns of its citizens.



217 Second Street, Suite 200 • Juneau, Alaska 99801
Tel (907) 586-1325 • Fax (907) 463-5480 • www.akml.org

To: **Mayor and Council/Assembly
& Manager/Finance Director/Clerk**
From: Kevin Ritchie, Executive Director
Date: February 24, 2003

Re: **2003 Municipal Fiscal Conditions Survey - Please return ASAP**

Municipal revenue sharing and other programs to support municipalities are "on the table" for cuts now in the Governor's budget. Cuts could rise to the level of elimination that would have serious financial impacts on every community in the state. Such cuts could be especially devastating to local governments and economies on top of the fiscal crises already facing many communities. Therefore, AML would like to present the Governor with information on the fiscal conditions of municipalities. Please take a few minutes to fill out this survey.

Name of Respondent Roger Clark Title Administrator

Name of Municipality City of Selawik

1. Is your community facing an economic downturn? No Yes If yes, please discuss the cause and extent. Our ^{City} community has hit rock bottom and there seems to be no relief in the horizon. The cuts that the Governor is proposing will have a critical impact on the very basic services we are meagerly providing. We may have to go without police protection, and other essential services.

2. Is your municipal government or school district anticipating a budget shortfall this coming year? No Yes If yes, please discuss the cause and extent. _____

Our municipal government & school district are expecting to receive cuts in funding and lower the effectiveness of the services we provide. The Governor's cuts will have a very negative impact in the lives of the people living in rural areas.

Please FAX TO AML at 907-463-5480 ASAP
Thank You!

To: **Mayor and Council/Assembly**
& Manager/Finance Director/Clerk
 From: Kevin Ritchie, Executive Director
 Date: February 24, 2003

Rc: 2003 Municipal Fiscal Conditions Survey - Please return ASAP

Municipal revenue sharing and other programs to support municipalities are "on the table" for cuts now in the Governor's budget. Cuts could rise to the level of elimination that would have serious financial impacts on every community in the state. Such cuts could be especially devastating to local governments and economies on top of the fiscal crises already facing many communities. Therefore, AML would like to present the Governor with information on the fiscal conditions of municipalities. Please take a few minutes to fill out this survey.

Name of Respondent Robert S. Prunella Title City Manager

Name of Municipality Wrangell

1. Is your community facing an economic downturn? No Yes If yes, please discuss the cause and extent. See Attached

2. Is your municipal government or school district anticipating a budget shortfall this coming year? No Yes If yes, please discuss the cause and extent. _____

See Attached

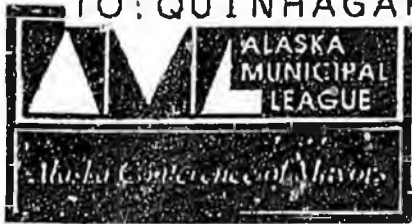
Please FAX TO AML at 907-463-5480 ASAP
Thank You!

2003 Municipal Fiscal Conditions Survey

1. Wrangell's economy has been in a downward spiral since 1994 when Alaska Pulp Corp. closed its doors. At that time, the community lost, not only its latest direct employer -- 250 jobs, but also all associated support service jobs. The communities' payroll earnings have dropped over 30% which translates to 10-12 million dollars. Our population, since 1995, has declined approximately 22%. The community is continuing to see business closures, lost revenues, and family departures. The loss of the timber industry, Silver Bays' bankruptcy, and the uncertainties of the seafood industry will have further negative implications for Wrangell.
2. A. FY04 School budget begins with a \$736,000 deficit and does not take into account these certified/tenured staff are being paid from grant funds (Title I, Title V, Quality Schools, Comprehensive School Reform). This deficit is due to a decline in student enrollment (below 425) resulting in decreasing from a 3-school to 2-school site and anticipated increased insurance costs.

To meet this deficit, the district will be reducing programs and staff by nine (9) certified teaching positions plus one middle school principal/teacher from the FY03 certified staff of 34. That is a reduction of 26.4% of the certified staff. There are also reductions in classified staff, travel, student supplies, and equipment.

B. In the City of Wrangell's draft 2003-2004 budget we show a deficit budget of \$548,000 in the General Fund, which represents 14% of the total General Fund Budget. This is equivalent to 5.65 mills. We have had big increases to costs for Insurance (110%), Group Health (14%), our PERS rate (71%), and fuel prices. At the same time our sawmill is filing a Chapter 11 bankruptcy owing the city over \$165,000 and may not open for some time. In addition, our second largest non-government employer, Wrangell Seafood's is trying to reorganize so they can continue to operate. Wrangell has a 10 mill property tax rate and the largest sales tax rate in the state at 7%. Any additional reductions in State funding will drastically add to the dilemma of maintaining existing services without tax increases. Our utilities (Water, Sewer, Sanitation, and Electricity) are also struggling. Wrangell recently has constructed both a Water Treatment Plant and a Wastewater Treatment Plant to comply with current regulations. Unfortunately, our population is declining because of lack of jobs and that fixed cost is now spread over fewer people, which drives up the cost per person. We also have the problem of people without jobs that can not pay their utility bills.



217 Second Street, Suite 200 • Juneau, Alaska 99801
Tel (907) 586-1326 • Fax (907) 463-5480 • www.akml.org

To: **Mayor and Council/Assembly**
& Manager/Finance Director/Clerk
From: Kevin Ritchie, Executive Director
Date: February 24, 2003

Re: **2003 Municipal Fiscal Conditions Survey – Please return ASAP**

Municipal revenue sharing and other programs to support municipalities are "on the table" for cuts now in the Governor's budget. Cuts could rise to the level of elimination that would have serious financial impacts on every community in the state. Such cuts could be especially devastating to local governments and economies on top of the fiscal crises already facing many communities. Therefore, AML would like to present the Governor with information on the fiscal conditions of municipalities. Please take a few minutes to fill out this survey.

Name of Respondent Grace L. Hill Title Mayor

Name of Municipality City of Quinhagak

1. Is your community facing an economic downturn? No Yes If yes, please discuss the cause and extent. Fish prices are low. Village

jobs are scarce especially in the winter.

2. Is your municipal government or school district anticipating a budget shortfall this coming year? No Yes If yes, please discuss the cause and extent. _____

Water and Sewer, and police are short of funds every year.

Please FAX TO AML at 907-463-5480 ASAP

Thank You!

we got this fax today

Feb 27, 2003

It was in my Box

FEB. 25. 2003 1:30PM ALASKA MUNI LEAGUE

TO: CORDOVA

NO. 4645 P. 1/1
FROM: AK MUNICIPAL LEAGUE



217 Second Street, Suite 200 • Juneau, Alaska 99801
Tel (907) 586-1325 • Fax (907) 463-5480 • www.akml.org

To: **Mayor and Council/Assembly
& Manager/Finance Director/Clerk**
From: Kevin Ritchie, Executive Director
Date: February 24, 2003

Re: **2003 Municipal Fiscal Conditions Survey - Please return ASAP**

Municipal revenue sharing and other programs to support municipalities are "on the table" for cuts now in the Governor's budget. Cuts could rise to the level of elimination that would have serious financial impacts on every community in the state. Such cuts could be especially devastating to local governments and economies on top of the fiscal crises already facing many communities. Therefore, AML would like to present the Governor with information on the fiscal conditions of municipalities. Please take a few minutes to fill out this survey.

Name of Respondent Scott A. Hahn Title City Manager

Name of Municipality City of Cordova

1. Is your community facing an economic downturn? No Yes If yes, please discuss the cause and extent. Justing downturn, state revenue sharing, lower interest payments on revenues

2. Is your municipal government or school district anticipating a budget shortfall this coming year? No Yes If yes, please discuss the cause and extent. See above! Estimate maybe 3% shortfall

Please FAX TO AML at 907-463-5480 ASAP
Thank You!

FEB. 25. 2003 4:55PM ALASKA MUNI LEAGUE
TO: SKAGWAY

NO. 4645 P. 1/1
FROM: AK MUNICIPAL LEAGUE



217 Second Street, Suite 200 • Juneau, Alaska 99801
Tel (907) 586-1325 • Fax (907) 463-5480 • www.akml.org

To: **Mayor and Council/Assembly
& Manager/Finance Director/Clerk**
From: Kevin Ritchie, Executive Director
Date: February 24, 2003

Re: **2003 Municipal Fiscal Conditions Survey - Please return ASAP**

Municipal revenue sharing and other programs to support municipalities are "on the table" for cuts now in the Governor's budget. Cuts could rise to the level of elimination that would have serious financial impacts on every community in the state. Such cuts could be especially devastating to local governments and economies on top of the fiscal crises already facing many communities. Therefore, AML would like to present the Governor with information on the fiscal conditions of municipalities. Please take a few minutes to fill out this survey.

Name of Respondent BOB WARD Title CITY MANAGER

Name of Municipality SKAGWAY

1. Is your community facing an economic downturn? No Yes If yes, please discuss the cause and extent. OUR COMMUNITY IS BECOMING INCREASINGLY

SEASONAL. YEAR ROUND EMPLOYMENT AND POPULATION
ARE DECREASING

2. Is your municipal government or school district anticipating a budget shortfall this coming year? No Yes If yes, please discuss the cause and extent. THE SCHOOL

IS FACING DECLINING ENROLLMENT. THE RESULTING DECREASE
IN STATE FUNDING RESULTS IN A BUDGET GAP THAT MUST
BE MET THROUGH MUNICIPAL FUNDING SOURCES. ADDITIONALLY,
THIS NEW COST DIFFERENTIAL STUDY MAY IMPACT STATE FUNDING AS WELL.

Please FAX TO AML at 907-463-5480 ASAP
Thank You!

FEB. 25. 2003 1:46PM ALASKA MUNI LEAGUE

NO. 4645 P. 1/1

TO: FALSE PASS

FROM: AK MUNICIPAL LEAGUE



217 Second Street, Suite 200 • Juneau, Alaska 99801

Tel (907) 586-1925 • Fax (907) 463-5480 • www.akml.org

To: **Mayor and Council/Assembly**

& Manager/Finance Director/Clerk

From: Kevin Ritchie, Executive Director

Date: February 24, 2003

Re: **2003 Municipal Fiscal Conditions Survey - Please return ASAP**

Municipal revenue sharing and other programs to support municipalities are "on the table" for cuts now in the Governor's budget. Cuts could rise to the level of elimination that would have serious financial impacts on every community in the state. Such cuts could be especially devastating to local governments and economies on top of the fiscal crises already facing many communities. Therefore, AML would like to present the Governor with information on the fiscal conditions of municipalities. Please take a few minutes to fill out this survey.

Name of Respondent John Nickels Title Mayor/City AdministratorName of Municipality City of False Pass1. Is your community facing an economic downturn? No Yes If yes, please discuss the cause and extent. Our community historically relied ~~on~~ on

the salmon industry for jobs + community tax base. Since the value of salmon has dropped, people are having a hard time earning a living, and the City has far less revenue to operate.

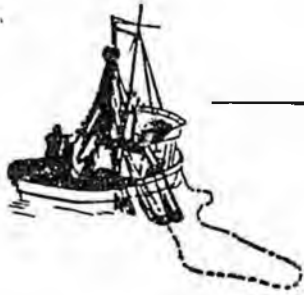
2. Is your municipal government or school district anticipating a budget shortfall this coming year? No Yes If yes, please discuss the cause and extent. As the value

of Salmon declined, a small processor started up that helped generate revenue to the City. They have closed, so those revenues are gone now as well. Impact in 2003 is more than \$103,000 lost revenue. Budget shortfall expected to exceed \$60,000 at end of Fiscal year.

Please FAX TO AML at 907-463-5480 ASAP

Thank You!

See attached 2 pg. memo



City of False Pass

P.O. Box 50 • False Pass, Alaska 99583-0050
Telephone (907) 548-2319 • Fax (907) 548-2214

Date: February 12, 2003

To: Bering Pacific Seafood Board of Directors

From: John Nickels, Mayor

Subject: Impacts of BPS closure to False Pass

The closure of Bering Pacific Seafood has had a very significant impact on the community of False Pass, particularly in revenues received by the City. The following figures represent annual losses of revenue that until recently have come to the City from BPS activities. To put this loss of revenue into perspective, the City expects to finish this fiscal year with expenditures totaling approximately \$519,500 and income totaling \$456,400, resulting in a \$63,000 deficit, which will be covered with reserves. This is after significant cuts have already been made to our budget, and next fiscal year will probably require reduction in the services and benefits provided, and perhaps an increase in some rates to avoid a similar deficit.

Electric Utility. Sales of electric power have averaged \$5,218 per month, or approximately \$62,000 per year. Approximately \$23,000 of this revenue would pay for fuel, leaving a \$39,000 loss of revenue to the City.	\$39,000
Water Utility. The commercial rate for water is \$400 per month, or \$4,800 per year. This is adjusted using the residential rate now being paid by BPS	4,632
Landfill. The commercial rate for use of the landfill is \$400 per month while operating, and \$100 per month when temporarily closed. Eight months operating and four months closed would total \$3,900. This is adjusted using the residential rate now being paid.	3,840
Wharfage. Revenue from BPS freight and product crossing the City dock over the last year.	20,047
Moorage. Assuming the Dipper is in False Pass only four months in 2003, eight months of the 2003 fee will not be realized.	8,517
Fish Tax (local). For the last four quarters, BPS paid \$18,760 collected from fishermen selling raw fish to the processor.	18,760

State Fish Tax. Estimated using above sales volume. Does not include State Shared Fisheries Tax that would result from these fish sales.	7,035
Sales Tax. Based on the estimated reduction in local store sales and fuel purchased by BPS.	1,680
Total	\$103,511

There are numerous other impacts to our community resulting from the closure of BPS. The Tribal Council will no longer receive rent from their warehouse, and will have to find other uses, or renters for the building. At least two individuals will have to find other renters for their houses. One has been shut down and winterized for lack of a tenant, and the other is rented, but at a reduced rate. One local family that depended on BPS for employment has left the community because of the closure. The nearest market for cod fishermen is now King Cove. The availability of marine freight and air transportation service that increased because of BPS has returned to former levels. The expertise of BPS engineering staff to help residents troubleshoot problems with boat engines, generators, refrigeration and other equipment will no longer be available.

It is understandable that as BPS reconfigures to a shore based operation that the business will be far different than what it has been. Revenues received by the City from a "new" BPS may well not look like the above list, but clearly there will be economic benefit that our community desperately needs. The point I would like to impress on BPS board members is that the City of False Pass has lost a large portion of its normal operating revenues as the value of wild salmon has declined. Bering Pacific Seafood has been filling that gap, but no longer is. It is imperative that economic development takes place soon to avoid problems maintaining the viability of our community. While it is important to plan future BPS development carefully, for our community time is critical.

FEB. 25, 2003 3:44PM

ALASKA MUNI LEAGUE

NO. 4615 P. 1/1
FROM: AK MUNICIPAL LEAGUE

TO: TELLER



217 Second Street, Suite 200 • Juneau, Alaska 99801
Tel (907) 586-1325 • Fax (907) 483-5480 • www.akml.org

To: Mayor and Council/Assembly
& Manager/Finance Director/Clerk

From: Kevin Ritchie, Executive Director

Date: February 24, 2003

Re: 2003 Municipal Fiscal Conditions Survey - Please return ASAP

Municipal revenue sharing and other programs to support municipalities are "on the table" for cuts now in the Governor's budget. Cuts could rise to the level of elimination that would have serious financial impacts on every community in the state. Such cuts could be especially devastating to local governments and economies on top of the fiscal crises already facing many communities. Therefore, AML would like to present the Governor with information on the fiscal conditions of municipalities. Please take a few minutes to fill out this survey.

Name of Respondent Ken Hughes Title Mayor

Name of Municipality Teller

1. Is your community facing an economic downturn? No Yes If yes, please discuss the cause and extent.

We have a new school, clinic, and head start to build this summer.

2. Is your municipal government or school district anticipating a budget shortfall this coming year? No Yes If yes, please discuss the cause and extent.

Unlike some others, we plan to spend only what we have. Services provided by the city however are at an all time low.

Please FAX TO AML at 907-463-5480 ASAP

Thank You!

TO: SHAGELUK



217 Second Street, Suite 200 • Juneau, Alaska 99801
Tel (907) 586-1325 • Fax (907) 463-5480 • www.akml.org

To: **Mayor and Council/Assembly
& Manager/Finance Director/Clerk**
From: Kevin Ritchie, Executive Director
Date: February 24, 2003

Re: **2003 Municipal Fiscal Conditions Survey - Please return ASAP**

Municipal revenue sharing and other programs to support municipalities are "on the table" for cuts now in the Governor's budget. Cuts could rise to the level of elimination that would have serious financial impacts on every community in the state. Such cuts could be especially devastating to local governments and economies on top of the fiscal crises already facing many communities. Therefore, AML would like to present the Governor with information on the fiscal conditions of municipalities. Please take a few minutes to fill out this survey.

Name of Respondent Maranda Burkett Title City Clerk

Name of Municipality Shageluk

1. Is your community facing an economic downturn? No Yes If yes, please discuss the cause and extent. _____

2. Is your municipal government or school district anticipating a budget shortfall this coming year? No Yes If yes, please discuss the cause and extent. School

District - Iditarod Area School District.

They spend too much money where they

don't need to. Don't know specifics -

call 524-3599.

Please FAX TO AML at 907-463-5480 ASAP
Thank You!

12/16/2001 08:04 19075275127

ROBERTNICK

PAGE 01

FEB. 25. 2003 2:56PM

ALASKA MUNI LEAGUE

NO. 4645 P. 1/1

TO: NUNAPITCHUK

FROM: AK MUNICIPAL LEAGUE



217 Second Street, Suite 200 • Juneau, Alaska 99801

Tel (907) 586-1325 • Fax (907) 463-5480 • www.akmnl.org

To: Mayor and Council/Assembly

& Manager/Finance Director/Clerk

From: Kevin Ritchie, Executive Director

Date: February 24, 2003

Re: 2003 Municipal Fiscal Conditions Survey - Please return ASAP

Municipal revenue sharing and other programs to support municipalities are "on the table" for cuts now in the Governor's budget. Cuts could rise to the level of elimination that would have serious financial impacts on every community in the state. Such cuts could be especially devastating to local governments and economies on top of the fiscal crises already facing many communities. Therefore, AML would like to present the Governor with information on the fiscal conditions of municipalities. Please take a few minutes to fill out this survey.

Name of Respondent: Robert Nick Title Mayor

Name of Municipality Nunapitchuk

1. Is your community facing an economic downturn? No Yes If yes, please discuss the cause and extent. 1) lack of commercial fisheries, - lack of disaster assistance for fuel and electricity and sanitation.
2) rising cost of goods and services, 3) reduction in revenue sharing and municipal assistance, 4) no tax base
5) lack of jobs, except for school, stores + local projects,
6) locally 2 major projects nearing completion.
2. Is your municipal government or school district anticipating a budget shortfall this coming year? No Yes If yes, please discuss the cause and extent. Municipal, -
1) maintenance and upgrade needs of city equipment + facilities,
2) need to raise salaries due to increase in minimum wages,
3) cost-sharing with tribal government - tribal funds will see major reduction in coming FY.

School district -> about a 4 million deficit will be shared by local schools. Potential reduction in Para-professional staff due to new Education Laws
Please FAX TO AML at 907-463-5480 ASAP
Thank You!

FEB. 25. 2003 2:23PM ALASKA MUNI LEAGUE

NO. 4645 P. 1/1

FROM: AK MUNICIPAL LEAGUE

TO: KOTZEBUE



217 Second Street, Suite 200 • Juneau, Alaska 99801

Tel (907) 586-1325 • Fax (907) 463-5480 • www.akml.org

To: **Mayor and Council/Assembly
& Manager/Finance Director/Clerk**

From: Kevin Ritchie, Executive Director

Date: February 24, 2003

Re: **2003 Municipal Fiscal Conditions Survey - Please return ASAP**

Municipal revenue sharing and other programs to support municipalities are "on the table" for cuts now in the Governor's budget. Cuts could rise to the level of elimination that would have serious financial impacts on every community in the state. Such cuts could be especially devastating to local governments and economies on top of the fiscal crises already facing many communities. Therefore, AML would like to present the Governor with information on the fiscal conditions of municipalities. Please take a few minutes to fill out this survey.

Name of Respondent Herman T. Reich, Sr. Title City Manager

Name of Municipality City of Kotzebue

1. Is your community facing an economic downturn? No X Yes If yes, please discuss the cause and extent. _____

2. Is your municipal government or school district anticipating a budget shortfall this coming year? No Yes ✓ If yes, please discuss the cause and extent. Our Regional Jail is actually a facility supported by the residents of Kotzebue with our contract with the State Corrections of \$589,506.00 per year and expenses projected at \$918,169.00 will have a loss of (\$328,663.00). With the talk of eliminating the revenue sharing and the non-support of the Borough, the impact falls on the tax paying residents of Kotzebue.

Please FAX TO AML at 907-463-5480 ASAP
Thank You!

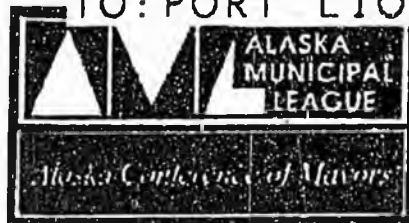
FEB. 25. 2003 3:12PM

ALASKA MUNI LEAGUE

NO. 4645 P. 1/1

TO: PORT LIONS

FROM: AK MUNICIPAL LEAGUE



217 Second Street, Suite 200 • Juneau, Alaska 99801

Tel (907) 586-1326 • Fax (907) 463-5480 • www.akml.org

To: **Mayor and Council/Assembly**
& Manager/Finance Director/Clerk
 From: Kevin Ritchie, Executive Director
 Date: February 24, 2003

Re: **2003 Municipal Fiscal Conditions Survey - Please return ASAP**

Municipal revenue sharing and other programs to support municipalities are "on the table" for cuts now in the Governor's budget. Cuts could rise to the level of elimination that would have serious financial impacts on every community in the state. Such cuts could be especially devastating to local governments and economies on top of the fiscal crises already facing many communities. Therefore, AML would like to present the Governor with information on the fiscal conditions of municipalities. Please take a few minutes to fill out this survey.

Name of Respondent Evelyn Mullan Title Mayor

Name of Municipality City of Port Lions

1. Is your community facing an economic downturn? No Yes If yes, please discuss the cause and extent. The majority of our citizens worked

as fishermen and for the timber industry on Afognak Island.

Both fishing and timber are on the down side, therefore

our economic base is low; people have been moving out of the community to find work in the larger municipalities.

2. Is your municipal government or school district anticipating a budget shortfall this coming year? No Yes If yes, please discuss the cause and extent. Our Budget

will be cut this year due to fewer land sales; they were

helping to make up the shortfall of our past cuts

in Revenue Sharing and Safe Communities Funding.

Without State assistance our Fire - Police - Clinic & Parks Departments
will suffer tremendously.

Please FAX TO AML at 907-463-5480 ASAP

Thank You!

02/28/03 WED 12:01 FAX 19074277811
ALASKA MUNI LEAGUE

Canon

NO. 4645 P. 1/1

FROM: AK MUNICIPAL LEAGUE

TO: TOKSOOK BAY



217 Second Street, Suite 200 • Juneau, Alaska 99801
Tel (907) 586-1325 • Fax (907) 463-5480 • www.akml.org

To: Mayor and Council/Assembly
& Manager/Finance Director/Clerk
From: Kevin Ritchie, Executive Director
Date: February 24, 2003

Re: 2003 Municipal Fiscal Conditions Survey - Please return ASAP

Municipal revenue sharing and other programs to support municipalities are "on the table" for cuts now in the Governor's budget. Cuts could rise to the level of elimination that would have serious financial impacts on every community in the state. Such cuts could be especially devastating to local governments and economies on top of the fiscal crises already facing many communities. Therefore, AML would like to present the Governor with information on the fiscal conditions of municipalities. Please take a few minutes to fill out this survey.

Name of Respondent Feta Lincoln Title Mayor

Name of Municipality City of Toksook Bay

1. Is your community facing an economic downturn? No Yes ✓ If yes, please discuss the cause and extent. When commercial fishing turned disaster

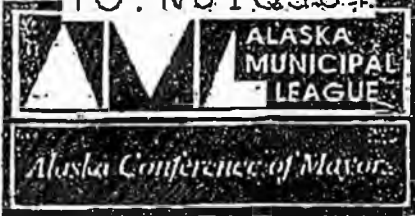
our municipality has to depend on revenue sharing and other programs to support our city services such as water & sewer, animal control, landfill, refuse collectors and etc... if there are cuts or elimination on state programs it will cripple our community.

2. Is your municipal government or school district anticipating a budget shortfall this coming year? No Yes ✓ If yes, please discuss the cause and extent. _____

We are seriously considering about eliminating some employees and reducing or eliminating some city services.

Please FAX TO AML at 907-463-5480 ASAP
Thank You!

TO: NUIQSUT



217 Second Street, Suite 200 • Juneau, Alaska 99801
Tel (907) 586-1325 • Fax (907) 463-5480 • www.akml.org

To: **Mayor and Council/Assembly**
& **Manager/Finance Director/Clerk**
From: Kevin Ritchie, Executive Director
Date: February 24, 2003

Re: 2003 Municipal Fiscal Conditions Survey – Please return ASAP

Municipal revenue sharing and other programs to support municipalities are "on the table" for cuts now in the Governor's budget. Cuts could rise to the level of elimination that would have serious financial impacts on every community in the state. Such cuts could be especially devastating to local governments and economies on top of the fiscal crises already facing many communities. Therefore, AML would like to present the Governor with information on the fiscal conditions of municipalities. Please take a few minutes to fill out this survey.

Name of Respondent Rosemary Ahtuunganwah Title Mayor

Name of Municipality City of Nuiqsut

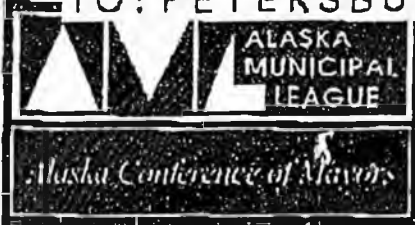
1. Is your community facing an economic downturn? No Yes If yes, please discuss the cause and extent. The community has municipal jobs as the mainstay of employment. We have lost 20 jobs in the last 2-3 yrs. This downturn is related to the decreased funding through oil dev. and the loss of revenues

2. Is your municipal government or school district anticipating a budget shortfall this coming year? No Yes If yes, please discuss the cause and extent. The ISB has cuts of \$2-3 million more this yr which equates to loss of jobs for the village. The village has essentially no other economic revenue so it the corp. which is in its infancy to oil dev on corp lands & the huge task that involves.

Please FAX TO AML at 907-463-5480 ASAP

Thank You!

TO: PETERSBURG



217 Second Street, Suite 200 • Juneau, Alaska 99801
Tel (907) 586-1325 • Fax (907) 463-5480 • www.akml.org

To: **Mayor and Council/Assembly
& Manager/Finance Director/Clerk**
From: Kevin Ritchie, Executive Director
Date: February 24, 2003

Re: **2003 Municipal Fiscal Conditions Survey - Please return ASAP**

Municipal revenue sharing and other programs to support municipalities are "on the table" for cuts now in the Governor's budget. Cuts could rise to the level of elimination that would have serious financial impacts on every community in the state. Such cuts could be especially devastating to local governments and economies on top of the fiscal crises already facing many communities. Therefore, AML would like to present the Governor with information on the fiscal conditions of municipalities. Please take a few minutes to fill out this survey.

Name of Respondent JEAN MACK Title FINANCE DIRECTOR

Name of Municipality CITY OF PETERSBURG

1. Is your community facing an economic downturn? No Yes If yes, please discuss the cause and extent. At the present we are experience a slight decrease in sales tax collections, transient room tax, and property tax.

This will effect the revenue projects for the coming year

2. Is your municipal government or school district anticipating a budget shortfall this coming year? No Yes If yes, please discuss the cause and extent. _____

As a result of the above there will be a decrease in the funds available for budgeting.

Please FAX TO AML at 907-463-5480 ASAP
Thank You!



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To: **Mayor and Council/Assembly
& Manager/Finance Director/Clerk**

From: Kevin Ritchie, Executive Director

Date: February 24, 2003

Re: **2003 Municipal Fiscal Conditions Survey – Please return ASAP**

Municipal revenue sharing and other programs to support municipalities are "on the table" for cuts now in the Governor's budget. Cuts could rise to the level of elimination that would have serious financial impacts on every community in the state. Such cuts could be especially devastating to local governments and economies on top of the fiscal crises already facing many communities. Therefore, AML would like to present the Governor with information on the fiscal conditions of municipalities. Please take a few minutes to fill out this survey.

Name of Respondent Gwen Emel Title City Administrator

Name of Municipality City of Alakanuk

1. Is your community facing an economic downturn? No Yes If yes, please discuss the cause and extent. Lack of commercial fishing has been devastating for our community. The City government relies on taxes, water/sewer income and building and equipment rentals. With no income coming into the community everyone suffers.

2. Is your municipal government or school district anticipating a budget shortfall this coming year? No Yes If yes, please discuss the cause and extent. With unemployment at a crises high residents cannot afford to buy locally, therefore lower tax revenues, & unpaid bills to the city government.

Please FAX TO AML at 907-463-5480 ASAP
Thank You!

Member of the National League of Cities and the National Association of Counties

TO: SAVOONGA



217 Second Street, Suite 200 • Juneau, Alaska 99801
Tel (907) 586-1325 • Fax (907) 463-5480 • www.akml.org

To: **Mayor and Council/Assembly**

& Manager/Finance Director/Clerk

From: Kevin Ritchie, Executive Director

Date: February 24, 2003

Re: **2003 Municipal Fiscal Conditions Survey – Please return ASAP**

Municipal revenue sharing and other programs to support municipalities are "on the table" for cuts now in the Governor's budget. Cuts could rise to the level of elimination that would have serious financial impacts on every community in the state. Such cuts could be especially devastating to local governments and economies on top of the fiscal crises already facing many communities. Therefore, AML would like to present the Governor with information on the fiscal conditions of municipalities. Please take a few minutes to fill out this survey.

Name of Respondent Lana Kaula Title Clerk

Name of Municipality City of Savoonga

1. Is your community facing an economic downturn? No Yes If yes, please discuss the cause and extent. _____

2. Is your municipal government or school district anticipating a budget shortfall this coming year? No Yes If yes, please discuss the cause and extent. _____

Please FAX TO AML at 907-463-5480 ASAP
Thank You!

FEB. 25. 2003 4:46PM ALASKA MUNI LEAGUE
TO: NEW STUYAHOK

NO. 4645 P. 1/1
FROM: AK MUNICIPAL LEAGUE



217 Second Street, Suite 200 • Juneau, Alaska 99801
Tel (907) 586-1325 • Fax (907) 463-5480 • www.akml.org

To: **Mayor and Council/Assembly
& Manager/Finance Director/Clerk**
From: Kevin Ritchie, Executive Director
Date: February 24, 2003

Re: **2003 Municipal Fiscal Conditions Survey – Please return ASAP**

Municipal revenue sharing and other programs to support municipalities are "on the table" for cuts now in the Governor's budget. Cuts could rise to the level of elimination that would have serious financial impacts on every community in the state. Such cuts could be especially devastating to local governments and economies on top of the fiscal crises already facing many communities. Therefore, AML would like to present the Governor with information on the fiscal conditions of municipalities. Please take a few minutes to fill out this survey.

Name of Respondent Chuck Peterson Title Mayor

Name of Municipality City of New Stuyahok

1. Is your community facing an economic downturn? No Yes If yes, please discuss the cause and extent. Do to the Bristol Bay Fisheries

Declining, local economy is needed here in New Stuyahok to create jobs for local fishermen + residents

2. Is your municipal government or school district anticipating a budget shortfall this coming year? No Yes If yes, please discuss the cause and extent. The City of

New Stuyahok is in need of heavy equipment to maintain road ways. Funding to keep up with doing repairson heavy equipment ~~parts~~ - equipment to old.

Please FAX TO AML at 907-463-5480 ASAP
Thank You!

FEB 25 2003 2:01PM

ALASKA MUNI LEAGUE

NO. 4645 P. 01

ALASKA MUNICIPAL LEAGUE



217 Second Street, Suite 200 • Juneau, Alaska 99801
Tel (907) 586-1325 • Fax (907) 463-5480 • www.akml.org

To: **Mayor and Council/Assembly**
& **Manager/Finance Director/Clerk**
From: Kevin Ritchie, Executive Director
Date: February 24, 2003

Re: 2003 Municipal Fiscal Conditions Survey - Please return ASAP

Municipal revenue sharing and other programs to support municipalities are "on the table" for cuts now in the Governor's budget. Cuts could rise to the level of elimination that would have serious financial impacts on every community in the state. Such cuts could be especially devastating to local governments and economies on top of the fiscal crises already facing many communities. Therefore, AML would like to present the Governor with information on the fiscal conditions of municipalities. Please take a few minutes to fill out this survey.

Name of Respondent DALE ADAMS Title MAYOR

Name of Municipality CITY OF HOUSTON

1. Is your community facing an economic downturn? No__ Yes__ If yes, please discuss the cause and extent. _____

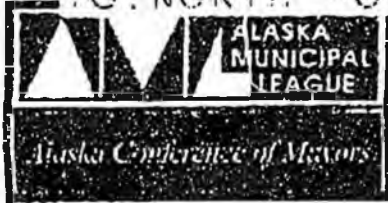
We are a very small city with limited revenue. If the state were to decrease or eliminate our revenue sharing it would have a serious financial impact on our city as we just barely make it with what we receive.

2. Is your municipal government or school district anticipating a budget shortfall this coming year? No__ Yes__ If yes, please discuss the cause and extent. _____

Yes, if our portion of revenue sharing is decreased or eliminated.

Please FAX TO AML at 907-463-5480 ASAP
Thank You!

TO: NORTH POLE



217 Second Street, Suite 200 • Juneau, Alaska 99801

Tel (907) 586-1325 • Fax (907) 463-5480 • www.akmnl.org

To: Mayor and Council/Assembly
& Manager/Finance Director/Clerk

From: Kevin Ritchie, Executive Director

Date: February 24, 2003

Re: 2003 Municipal Fiscal Conditions Survey - Please return ASAP

Municipal revenue sharing and other programs to support municipalities are "on the table" for cuts now in the Governor's budget. Cuts could rise to the level of elimination that would have serious financial impacts on every community in the state. Such cuts could be especially devastating to local governments and economies on top of the fiscal crises already facing many communities. Therefore, AML would like to present the Governor with information on the fiscal conditions of municipalities. Please take a few minutes to fill out this survey.

Name of Respondent Jeff Jacobson Title Mayor

Name of Municipality City of North Pole

1. Is your community facing an economic downturn? No Yes if yes, please discuss the cause and extent _____

Possibly - Economy tax base needs to be diversified.

2. Is your municipal government or school district anticipating a budget shortfall this coming year? No Yes If yes, please discuss the cause and extent _____

Insurance costs and operational expenses are exceeding projected revenues. Employees may have to be laid off & services curtailed if revenues are not increased somehow. Property taxes were raised 2 years ago to close fiscal gap.

Please FAX TO AML at 907-463-5480 ASAP

Thank You!



217 Second Street, Suite 200 • Juneau, Alaska 99801
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& Manager/Finance Director/Clerk**

From: Kevin Ritchie, Executive Director

Date: February 24, 2003

Re: **2003 Municipal Fiscal Conditions Survey - Please return ASAP**

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Name of Respondent Michael S. Queen Title Administrator

Name of Municipality City of Kasaaan

1. Is your community facing an economic downturn? No Yes If yes, please discuss the cause and extent. WORLD WIDE HAS SHUT DOWN AND THE LARGEST

TIMBER CONCERN ON THE ISLAND HAS FILED FOR BANKRUPTCY. OUTMIGRATION

DUUE TO JOBS LOSS CATASTROPHICALLY AFFECTS OUR COMMUNITY AND

ALL OF PEOPLE OF WALES ISLAND.

2. Is your municipal government or school district anticipating a budget shortfall this coming year? No Yes If yes, please discuss the cause and extent. _____

DUUE TO OUTMIGRATION, THE KASAAN SCHOOL FALLS BELOW THE

MINIMUM PUPIL CENSUS REQUIREMENTS and our schoolchildren

will have to be bussed 25 miles one way daily over a one lane

improved logging road to school in Thorne Bay.

Please FAX TO AML at 907-463-5480 ASAP

Thank You!



FROM: AK MUNICIPAL LEAGUE

217 Second Street, Suite 200 - Juneau, Alaska 99801
Tel (907) 588-1325 • Fax (907) 463-5480 • www.akml.org

To: **Mayor and Council/Assembly
& Manager/Finance Director/Clerk**

From: Kevin Ritchie, Executive Director

Date: February 24, 2003

Re: **2003 Municipal Fiscal Conditions Survey - Please return ASAP**

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Name of Respondent DELBERT KADAKE Title CITY ADMINISTRATOR

Name of Municipality CITY OF KAKE

1. Is your community facing an economic downturn? No Yes If yes, please discuss the cause and extent. DUE TO LIMITED LOGGING, BAD PRICING OF FISH, LIMITED AMOUNT OF GRANTS FOR STATE AND FEDERAL FUNDING TO PROVIDE JOBS, HIGH COST OF LIVING EXPENSES.

2. Is your municipal government or school district anticipating a budget shortfall this coming year? No Yes If yes, please discuss the cause and extent. _____

Fewest Receipts are expected to be approximately \$20,000 less than FY'03 due to a drop in enrollment. At this time, we have heard rumors of a further enrollment drop in FY'04, but we won't know until

Please FAX TO AML at 907-463-5480 ASAP

Thank You!

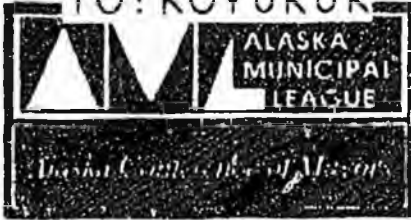
October 2003.

FEB. 25. 2003 2:26PM

ALASKA MUNI LEAGUE

NO. 4645 P. 1/1
FROM: AK MUNICIPAL LEAGUE

TO: KOYUKUK



217 Second Street, Suite 200 • Juneau, Alaska 99801
Tel (907) 586-1325 • Fax (907) 463-5480 • www.akml.org

To: **Mayor and Council/Assembly
& Manager/Finance Director/Clerk**
From: Kevin Ritchie, Executive Director
Date: February 24, 2003

Re: **2003 Municipal Fiscal Conditions Survey - Please return ASAP**

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Name of Respondent Vera C. Hestenkof Title City Administrator

Name of Municipality City of Koyukuk

1. Is your community facing an economic downturn? No Yes If yes, please discuss the cause and extent. State funding is a

vital resource for the City of Koyukuk.
It provides funding for Employer wages, grants
and the PCE program.

2. Is your municipal government or school district anticipating a budget shortfall this coming year? No Yes If yes, please discuss the cause and extent. IF the

State makes cuts for Revenue Sharing program,
the City Staff wages are covered by
the State Revenue Sharing program. Please do
not jeopardize our jobs.

Please FAX TO AML at 907-463-5480 ASAP
Thank You!

FEB. 25, 2003 2:08PM ALASKA MUNI LEAGUE

NO. 4645 P. 1/1
FROM: AK MUNICIPAL LEAGUE

TO: KAKTOVIK



217 Second Street, Suite 200 • Juneau, Alaska 99801
Tel (907) 586-1325 • Fax (907) 463-5480 • www.akml.org

To: Mayor and Council/Assembly
& Manager/Finance Director/Clerk

From: Kevin Ritchie, Executive Director

Date: February 24, 2003

Re: 2003 Municipal Fiscal Conditions Survey - Please return ASAP

Municipal revenue sharing and other programs to support municipalities are "on the table" for cuts now in the Governor's budget. Cuts could rise to the level of elimination that would have serious financial impacts on every community in the state. Such cuts could be especially devastating to local governments and economies on top of the fiscal crises already facing many communities. Therefore, AML would like to present the Governor with information on the fiscal conditions of municipalities. Please take a few minutes to fill out this survey.

Name of Respondent Lon Sansalla Title Mayor

Name of Municipality CITY OF KAKTOVIK

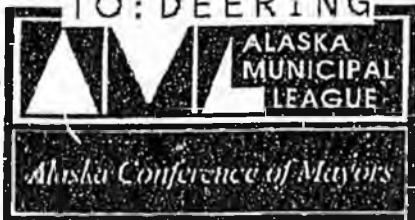
1. Is your community facing an economic downturn? No Yes If yes, please discuss the cause and extent.

Tax Dollars from Prudhoe are declining and the North Slope Borough's budget is in decline which affects all North Slope communities.

2. Is your municipal government or school district anticipating a budget shortfall this coming year? No Yes If yes, please discuss the cause and extent.

The North Slope Borough has been and will continue to cut 5 to 6 million from its budget for the next 5 to 6 years. The school district is cutting approximately 1 million per year during that time.

Please FAX TO AML at 907-463-5480 ASAP
Thank You!



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To: **Mayor and Council/Assembly
& Manager/Finance Director/Clerk**

From: Kevin Ritchie, Executive Director

Date: February 24, 2003

Re: **2003 Municipal Fiscal Conditions Survey – Please return ASAP**

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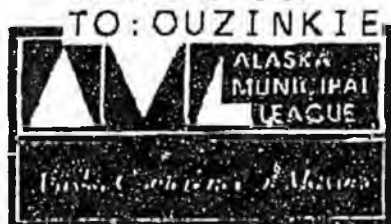
Name of Respondent Benimoto Title Clerk

Name of Municipality City of Deering

1. Is your community facing an economic down turn? No Yes If yes, please discuss the cause and extent. _____

2. Is your municipal government or school district anticipating a budget shortfall this coming year? No Yes If yes, please discuss the cause and extent. _____

Please FAX TO AML at 907-463-5480 ASAP
Thank You!



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To: **Mayor and Council/Assembly**
& **Manager/Finance Director/Clerk:**

From: Kevin Ritchie, Executive Director

Date: February 24, 2003

Re: **2003 Municipal Fiscal Conditions Survey - Please return ASAP**

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Name of Respondent Dave Campfield Title Vice-Mayor

Name of Municipality City of Ouzinkie

1. Is your community facing an economic downturn? No Yes If yes, please discuss the cause and extent. _____

The Major Cause for a Downturn
is the fishing industry problems.
Ouzinkie is a fishing village.

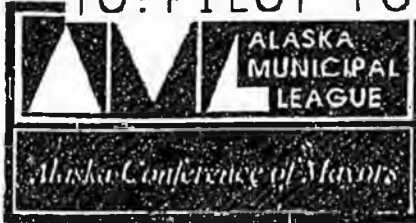
2. Is your municipal government or school district anticipating a budget shortfall this coming year? No Yes If yes, please discuss the cause and extent. _____

Both the city and the School are
facing cut backs. Each year the City has
to use reserves.

Please FAX TO AML at 907-463-5480 ASAP

Thank You!

TO: PILOT POINT



217 Second Street, Suite 200 • Juneau, Alaska 99801
Tel (907) 586-1325 • Fax (907) 463-5480 • www.akml.org

To: **Mayor and Council/Assembly
& Manager/Finance Director/Clerk**
From: Kevin Ritchie, Executive Director
Date: February 24, 2003

Re: **2003 Municipal Fiscal Conditions Survey – Please return ASAP**

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Name of Respondent City of Pilot Point / Dennis Griechen Title Mayor

Name of Municipality City of Pilot Point

1. Is your community facing an economic downturn? No Yes If yes, please discuss the cause and extent. Do to the decline in the commercial fishing

pricing as well as the returning stocks, the city has seen a steady decline in revenue

2. Is your municipal government or school district anticipating a budget shortfall this coming year? No Yes If yes, please discuss the cause and extent. As mentioned

above, the city's budget was comprised of
of a 3% sales tax off of the fish catch in our bay.
Without the fish tax monies, we need other revenues
to help complete our budgets.

Please FAX TO AML at 907-463-5480 ASAP
Thank You!

TO: SAINI MARY S

FROM: AK MUNICIPAL LEAGUE



217 Second Street, Suite 200 • Juneau, Alaska 99801

Tel (907) 586-1325 • Fax (907) 463-5480 • www.akml.org

To: Mayor and Council/Assembly
& Manager/Finance Director/Clerk
From: Kevin Ritchie, Executive Director
Date: February 24, 2003

Re: 2003 Municipal Fiscal Conditions Survey - Please return ASAP

Municipal revenue sharing and other programs to support municipalities are "on the table" for cuts now in the Governor's budget. Cuts could rise to the level of elimination that would have serious financial impacts on every community in the state. Such cuts could be especially devastating to local governments and economies on top of the fiscal crises already facing many communities. Therefore, AML would like to present the Governor with information on the fiscal conditions of municipalities. Please take a few minutes to fill out this survey.

Name of Respondent WATSON Smith Title CITY MANAGER
Name of Municipality ST. MARY'S

1. Is your community facing an economic downturn? No Yes If yes, please discuss the cause and extent. We are dependent upon grant funding - both directly to us as well as for neighboring villages who buy gravel from us. I must supplement our general fund activities with \$350,000 per year to maintain minimal services.

2. Is your municipal government or school district anticipating a budget shortfall this coming year? No Yes If yes, please discuss the cause and extent. I am always facing a shortfall. As the state reduces funding and services I have to provide more services locally with less money.

Please FAX TO AML at 907-463-5480 ASAP
Thank You!

TO: ALEKNAGIK

FROM: AK MUNICIPAL LEAGUE



217 Second Street, Suite 200 - Juneau, Alaska 99801
Tel (907) 586-1325 • Fax (907) 463-5480 • www.akml.org

To: **Mayor and Council/Assembly
& Manager/Finance Director/Clerk**

From: Kevin Ritchie, Executive Director

Date: February 24, 2003

Re: **2003 Municipal Fiscal Conditions Survey - Please return ASAP**

Municipal revenue sharing and other programs to support municipalities are "on the table" for cuts now in the Governor's budget. Cuts could rise to the level of elimination that would have serious financial impacts on every community in the state. Such cuts could be especially devastating to local governments and economies on top of the fiscal crises already facing many communities. Therefore, AML would like to present the Governor with information on the fiscal conditions of municipalities. Please take a few minutes to fill out this survey.

Name of Respondent Patricia Heyano Title City Administrator

Name of Municipality City of Aleknagik

1. Is your community facing an economic downturn? No Yes If yes, please discuss the cause and extent. _____

The commercial fishing industry has been hit hard by poor salmon returns and reduced demand for salmon due to farmed fish. Bristol Bay has had 5 disaster years out of the past 6. Approximately 36 permit holders in Aleknagik.

2. Is your municipal government or school district anticipating a budget shortfall this coming year? No Yes If yes, please discuss the cause and extent. _____

The City offers services, such as heavy equipment services, boat hauling, barge service, septic pumping services, and snow removal. People are unable to pay their bills with the City. Approximately \$36,000 outstanding in Accounts Receivable at the City.

Please FAX TO AML at 907-463-5480 ASAP

Thank You!



217 Second Street, Suite 200 • Juneau, Alaska 99801
Tel (907) 586-1325 • Fax (907) 463-5480 • www.akml.org

To: **Mayor and Council/Assembly
& Manager/Finance Director/Clerk**
From: Kevin Ritchie, Executive Director
Date: February 24, 2003

Re: **2003 Municipal Fiscal Conditions Survey – Please return ASAP**

Municipal revenue sharing and other programs to support municipalities are "on the table" for cuts now in the Governor's budget. Cuts could rise to the level of elimination that would have serious financial impacts on every community in the state. Such cuts could be especially devastating to local governments and economies on top of the fiscal crises already facing many communities. Therefore, AML would like to present the Governor with information on the fiscal conditions of municipalities. Please take a few minutes to fill out this survey.

Name of Respondent Alf R. (Windy) Skaflestad Title Mayor

Name of Municipality City of Hoonah, Alaska

1. Is your community facing an economic downturn? No Yes If yes, please discuss the cause and extent. _____

SEE ATTACHMENT

2. Is your municipal government or school district anticipating a budget shortfall this coming year? No Yes If yes, please discuss the cause and extent. _____

SEE ATTACHMENT

Please FAX TO AML at 907-463-5480 ASAP
Thank You!


1. Hoonah is small Tlingit Village which has primarily relied on the seasonal industries of timber and fishing. As you are aware, both of these industries have taken a severe downturn. We are struggling to obtain what benefits are available from them, plus searching for other economic possibilities. Commercial businesses are required to pay approximately 37 cent per kilowatt hour, a big detriment to encourage more and new business to broaden our economic base.

2. With the closure of Glacier Bay, the reduction in timber and fishing the City has experienced losses in both fish tax and sales tax. The decrease of timber and fishing also causes a drop in student enrollment which lowers funds. Additional, what funds the City has managed to set aside to assist us through this difficult period has been severely effected, by a low return on those investments, particularly after the September 11th crisis. During all this the cost of living continues to increase, affecting the City's expense budget as we continue with operation maintenance and safety issues.

CITY OF ANGOON

PO. BOX 189 • ANGOON, ALASKA 99820 • (907) 788-3653 • FAX (907) 788-3821

To: Kevin Ritchie, Executive Director

From: Walter Jack, Mayor 
City of Angoon

Date: February 25, 2003

Re: 2003 Municipal Fiscal Conditions Survey

Name of Respondent: Walter Jack

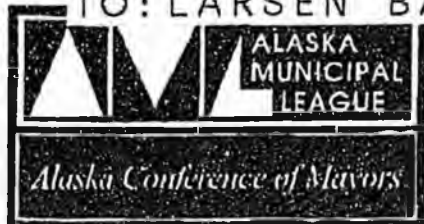
Title: Mayor

1. Is your community facing an economic downturn? No Yes If yes, please discuss the cause and extent. Angoon lacks an economic base, therefore, cannot offer any job opportunities to community members. Although fishing has been the historic economic base for years, that area is experiencing a decline due to the low prices and lack of market. A domestic market could be a part of the solution, with community-based sales in all local stores through-out Alaska.

2. Is your municipal government or school district anticipating a budget shortfall this coming year? No Yes If yes, please discuss the cause and extent. We seem to be getting more unfunded mandates on facilities owned and operated by municipalities, ie., water and sewer plants with a more stringent regulation, which means more monitoring. Homeland security, more hours for departments with-out the necessary funding. Whether a police department or VPSO program, I recommended to establish an endowment fund.

TO: LARSEN BAY

FROM: AK MUNICIPAL LEAGUE



217 Second Street, Suite 200 • Juneau, Alaska 99801
 Tel (907) 586-325 • Fax (907) 463-5480 • www.akml.org

To: **Mayor and Council/Assembly**

& Manager/Finance Director/Clerk

From: Kevin Ritchie, Executive Director

Date: February 24, 2003

Re: **2003 Municipal Fiscal Conditions Survey – Please return ASAP**

Municipal revenue sharing and other programs to support municipalities are "on the table" for cuts now in the Governor's budget. Cuts could rise to the level of elimination that would have serious financial impacts on every community in the state. Such cuts could be especially devastating to local governments and economies on top of the fiscal crises already facing many communities. Therefore, AML would like to present the Governor with information on the fiscal conditions of municipalities. Please take a few minutes to fill out this survey.

Name of Respondent Allen Panamaroff Sr. Title Mayor

Name of Municipality City of Larsen Bay

1. Is your community facing an economic downturn? No Yes If yes, please discuss the cause and extent. Municipal funds from state diminishing, Cannery not operating, Higher price for fuel and groceries. All these play a major role in how the municipality conducts services to the community.

2. Is your municipal government or school district anticipating a budget shortfall this coming year? No Yes If yes, please discuss the cause and extent. Lack of Raw Fish Tax to the community, Cut down on PGE, Higher price on fuel and other commodities

Please FAX TO AML at 907-463-5480 ASAP
Thank You!



217 Second Street, Suite 200 • Juneau, Alaska 99801
Tel (907) 586-1325 • Fax (907) 463-5480 • www.akml.org

To: Mayor and Council/Assembly
& Manager/Finance Director/Clerk
From: Kevin Ritchie, Executive Director
Date: February 24, 2003

Date 2-28-2003

Re: 2003 Municipal Fiscal Conditions Survey - Please return ASAP

Municipal revenue sharing and other programs to support municipalities are "on the table" for cuts now in the Governor's budget. Cuts could rise to the level of elimination that would have serious financial impacts on every community in the state. Such cuts could be especially devastating to local governments and economies on top of the fiscal crises already facing many communities. Therefore, AML would like to present the Governor with information on the fiscal conditions of municipalities. Please take a few minutes to fill out this survey.

Name of Respondent MARTIN B MOORE Title MANAGER
Name of Municipality City of Emmonak

1. Is your community facing an economic downturn? No Yes If yes, please discuss the cause and extent.

If I explain Fishery disaster to one in the State Govt seems to Listen - I know Community municipalities are impacted Lacking commercial fishing

Disasters 1999-2000-2001 and 2002 9 million Less dollars For each year For individuals. Plus the unaccounted fish processor losses in millions of \$\$\$.

2. Is your municipal government or school district anticipating a budget shortfall this coming year? No Yes If yes, please discuss the cause and extent.

The City is revisiting it's budget and Plans of Employment Reduction is at hand. Community Rejected Sale Tax increase 3 to 5% unpaid w/s bills \$65,000 Cable TV \$21,000

Please FAX TO AML at 907-463-5480 ASAP - It is not feasible Thank You! For the State to Eliminate revenue sharing it will cost The State more at the end.

Member of the National League of Cities and the National Association of Counties

Martin B Moore
In-behalf the Community Council Members -

TO: BREVIG MISSION



217 Second Street, Suite 200 • Juneau, Alaska 99801
Tel (907) 586-1325 • Fax (907) 463-5480 • www.akml.org

To: **Mayor and Council/Assembly
& Manager/Finance Director/Clerk**
From: Kevin Ritchie, Executive Director
Date: February 24, 2003

Re: **2003 Municipal Fiscal Conditions Survey - Please return ASAP**

Municipal revenue sharing and other programs to support municipalities are "on the table" for cuts now in the Governor's budget. Cuts could rise to the level of elimination that would have serious financial impacts on every community in the state. Such cuts could be especially devastating to local governments and economies on top of the fiscal crises already facing many communities. Therefore, AML would like to present the Governor with information on the fiscal conditions of municipalities. Please take a few minutes to fill out this survey.

Name of Respondent Brian Crowlitt Title Mayor - City of Brevig Mission
Name of Municipality City of Brevig Mission

1. Is your community facing an economic downturn? No Yes If yes, please discuss the cause and extent. The caribou have run out with

major portions of the local reindeer herds.
The water & sewer project is almost done.
We are already taxing at a 3% sales tax rate.

2. Is your municipal government or school district anticipating a budget shortfall this coming year? No Yes If yes, please discuss the cause and extent. We are

expecting a short fall because we are
shouldering more responsibilities, and we also
are trying to compete with local entities
for qualified personnel.

Please FAX TO AML at 907-463-5480 ASAP
Thank You!

TO: DELTA JUNCTION



217 Second Street, Suite 200 • Juneau, Alaska 99801
Tel (907) 586-1325 • Fax (907) 463-5480 • www.akml.org

To: **Mayor and Council/Assembly
& Manager/Finance Director/Clerk**
From: Kevin Ritchie, Executive Director
Date: February 24, 2003

Re: **2003 Municipal Fiscal Conditions Survey - Please return ASAP**

Municipal revenue sharing and other programs to support municipalities are "on the table" for cuts now in the Governor's budget. Cuts could rise to the level of elimination that would have serious financial impacts on every community in the state. Such cuts could be especially devastating to local governments and economies on top of the fiscal crises already facing many communities. Therefore, AML would like to present the Governor with information on the fiscal conditions of municipalities. Please take a few minutes to fill out this survey.

Name of Respondent Patricia White Title City Clerk

Name of Municipality City of Delta Junction

1. Is your community facing an economic downturn? No Yes If yes, please discuss the cause and extent. _____

2. Is your municipal government/ ~~community~~ anticipating a budget shortfall this coming year? No Yes If yes, please discuss the cause and extent. _____

Please FAX TO AML at 907-463-5480 ASAP
Thank You!



217 Second Street, Suite 200 • Juneau, Alaska 99801

Tel (907) 586-1325 • Fax (907) 463-5480 • www.akml.org

To: **Mayor and Council/Assembly
& Manager/Finance Director/Clerk**
From: Kevin Ritchie, Executive Director
Date: February 24, 2003

Re: **2003 Municipal Fiscal Conditions Survey - Please return ASAP**

Municipal revenue sharing and other programs to support municipalities are "on the table" for cuts now in the Governor's budget. Cuts could rise to the level of elimination that would have serious financial impacts on every community in the state. Such cuts could be especially devastating to local governments and economies on top of the fiscal crises already facing many communities. Therefore, AML would like to present the Governor with information on the fiscal conditions of municipalities. Please take a few minutes to fill out this survey.

Name of Respondent Lucy Williamson Title City Clerk/Treas

Name of Municipality City of Ruby

1. Is your community facing an economic downturn? No__ Yes X If yes, please discuss the cause and extent. There is no revenue generation that would support a city. State assistance is critical to providing basic municipal services at a minimal level.

School losing population, all basic services are increasing in costs (insurance, fuel, etc).

See below.

2. Is your municipal government or school district anticipating a budget shortfall this coming year? No__ Yes X If yes, please discuss the cause and extent. Increases

in basic insurance for the City, increased fuel costs,

increased transportation costs, etc all lend to larger expenditures,

less revenue. School (YKSD) has serious financial challenges, and

as student population decreases (students going to charter school, etc) Ruby faces the possibility of losing its school and ultimately its population.

Please FAX TO AML at 907-463-5480 ASAP
Thank You!

FROM : CITY OF COLD BAY ALASKA

FAX NO. : 9075322671

Mar. 02 2003 01:16PM P1

FEB. 25 2003 1:29PM

ALASKA MUNI LEAGUE

NO. 4645 P. 1/1

FROM: AK MUNICIPAL LEAGUE

TO: COLD BAY,



217 Second Street, Suite 200 • Juneau, Alaska 99801

Tel (907) 586-1325 • Fax (907) 463-5480 • www.akmnl.org

To: Mayor and Council/Assembly
& Manager/Finance Director/Clerk
From: Kevin Ritchie, Executive Director
Date: February 24, 2003

Re: 2003 Municipal Fiscal Conditions Survey - Please return ASAP

Municipal revenue sharing and other programs to support municipalities are "on the table" for cuts now in the Governor's budget. Cuts could rise to the level of elimination that would have serious financial impacts on every community in the state. Such cuts could be especially devastating to local governments and economies on top of the fiscal crises already facing many communities. Therefore, AML would like to present the Governor with information on the fiscal conditions of municipalities. Please take a few minutes to fill out this survey.

Name of Respondent John T. Maxwell Title MAYOR

Name of Municipality Cold Bay

1. Is your community facing an economic downturn? No Yes If yes, please discuss the cause and extent. FUEL PRICES KEEP INCREASING,

this RAISES THE CITY'S UTILITIES, CURRENTLY \$80,000⁰⁰

A YEAR. Reduction is Fish taxes and state grants puts

higher cost on our residents, WATER + SEWER IS OUR
MAIN local income.

2. Is your municipal government or school district anticipating a budget shortfall this coming year? No Yes If yes, please discuss the cause and extent. Potential

\$ 100,000⁰⁰ REPLACEMENT WATER WELL.

Please FAX TO AML at 907-463-5480 ASAP
Thank You!

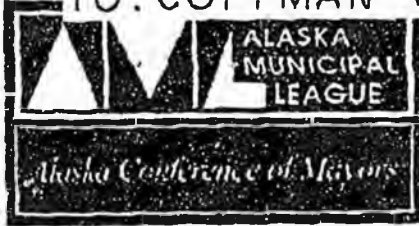
FROM : RIGGIN SHACK

FEB. 25. 2003 1:28PM

ALASKA MUNI LEAGUE PHONE NO. : 907 329 2260

Mar. 03 2003 04:06PM P1
FROM: AK MUNICIPAL LEAGUE

TO: COFFMAN COVE



217 Second Street, Suite 200 • Juneau, Alaska 99801

Tel (907) 586-1325 • Fax (907) 463-5480 • www.akml.org

To: **Mayor and Council/Assembly
& Manager/Finance Director/Clerk**

From: Kevin Ritchie, Executive Director

Date: February 24, 2003

Re: **2003 Municipal Fiscal Conditions Survey - Please return ASAP**

Municipal revenue sharing and other programs to support municipalities are "on the table" for cuts now in the Governor's budget. Cuts could rise to the level of elimination that would have serious financial impacts on every community in the state. Such cuts could be especially devastating to local governments and economies on top of the fiscal crises already facing many communities. Therefore, AML would like to present the Governor with information on the fiscal conditions of municipalities. Please take a few minutes to fill out this survey.

Name of Respondent John Willis Title Treasurer

Name of Municipality Coffman Cove

1. Is your community facing an economic downturn? No Yes If yes, please discuss the cause and extent. Lack of year round / decent wage jobs due

to timber industry (challenges). Difficult to attract new industry /
business' to area due to high cost of development & operating
cost - ie. electricity / internet / freight

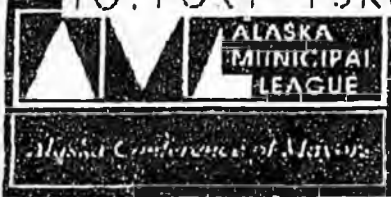
2. Is your municipal government or school district anticipating a budget shortfall this coming year? No Yes If yes, please discuss the cause and extent. INCREASES IN

operating expenses - insurance, utilities, employee related
cost. Difficult to keep projects moving forward & within
budget due to slow, cumbersome & over regulated permitting
process - / Extent - we've been tapping our land

Sales Reserve Acct to meet operating expenses
Please FAX TO AML at 907-463-5480 ASAP earlier each year -

Thank You!

Last FY was March -
this FY was late Jan.



217 Second Street, Suite 200 • Juneau, Alaska 99801
Tel (907) 586-1325 • Fax (907) 463-5480 • www.akml.org

To: Mayor and Council/Assembly
& Manager/Finance Director/Clerk

From: Kevin Ritchie, Executive Director

Date: February 24, 2003

Re: 2003 Municipal Fiscal Conditions Survey - Please return ASAP

Municipal revenue sharing and other programs to support municipalities are "on the table" for cuts now in the Governor's budget. Cuts could rise to the level of elimination that would have serious financial impacts on every community in the state. Such cuts could be especially devastating to local governments and economies on top of the fiscal crises already facing many communities. Therefore, AML would like to present the Governor with information on the fiscal conditions of municipalities. Please take a few minutes to fill out this survey.

Name of Respondent Fannie Carroll Title City Manager

Name of Municipality Fort Yukon, City of

1. Is your community facing an economic downturn? No Yes If yes, please discuss the cause and extent.

Our community is rural, we are in the later phases of a water/sewer system... this must not be cut at this stage as we would not be able to complete this program without assistance. Also, for further building concerning transportation here is detrimental to our cost of living.

2. Is your municipal government or school district anticipating a budget shortfall this coming year? No Yes If yes, please discuss the cause and extent.

It appears that our local, + Regional - Yukon Flats School District is facing cuts of 543,469., which means 3 teachers will not be returning, classes are going to have to be combined with multiple levels. Our cost of fuel is x2 of urban areas, to keep up high standards, rural communities can not

Please FAX TO AML at 907-463-5480 ASAP

Thank You!

survive with such cuts.

To: **Mayor and Council/Assembly
& Manager/Finance Director/Clerk**

From: Kevin Ritchie, Executive Director

Date: February 24, 2003

Re: **2003 Municipal Fiscal Conditions Survey – Please return ASAP**

Municipal revenue sharing and other programs to support municipalities are "on the table" for cuts now in the Governor's budget. Cuts could rise to the level of elimination that would have serious financial impacts on every community in the state. Such cuts could be especially devastating to local governments and economies on top of the fiscal crises already facing many communities. Therefore, AML would like to present the Governor with information on the fiscal conditions of municipalities. Please take a few minutes to fill out this survey.

Name of Respondent ~~RL~~ RL ROMENESKO Title CITY MGR.

Name of Municipality CITY OF NOME

1. Is your community facing an economic downturn? No Yes -If yes, please discuss the cause and extent. NOME has experienced flat or

nominal growth over past 5 yrs. We expect
this zero growth to continue.

2. Is your municipal government or school district anticipating a budget shortfall this coming year? No Yes If yes, please discuss the cause and extent. _____

School District is chronically underfunded & will
be seriously impacted (negatively) if "District
Cost Factor Study" implemented.

Please FAX TO AML at 907-463-5480 ASAP

Thank You!



CITY OF UNALAKLEET

BOX 28
UNALAKLEET, ALASKA
99834
(907) 624-3531
FAX (907) 624-3130

March 4, 2003

The Honorable Donald C. Olson
Alaska State Senate
State Capitol
Room 510
Juneau, Alaska 99801-1182

RE: Revenue Sharing/Safe Communities Funding

Dear Senator Olson,

As the time nears for Governor Murkowski to unveil his proposed FY04 operating budget, stories of reduced funding to municipalities have begun to circulate naturally causing concern to the communities within the State and in your region including Unalakleet.

With the spot market of oil prices just out of sight, our community and all who are so dependent upon bulk fuel shipments, this item alone will have a devastating impact upon our FY04 Budget. In fact, Yukon Fuel is hesitant in providing the City of Unalakleet with a quote so we can submit our annual bulk fuel revolving loan fund application. Just this single item will have a major impact upon the City from reduced heating consumption which in turn results in lower sales tax revenues which in turn results in less operating revenue for police, streets, library and building maintenance.

Last year our insurance costs went up 66% and premiums are scheduled for another 10% to 20% increase again this year. The cost of providing insurance other than Workers Compensation is making communities think twice of carrying any coverage at all. In fact, the philosophy is that if the water plant or electric plant is destroyed by fire, an emergency exists and the State will build a new one for us. The same holds true in differing maintenance until it is inoperable and an emergency exists.

We struggle to provide our citizens with the basics within the limited resources available. The continued erosion of State Shared Revenues has caused the City Council to reflect upon hard choices of what is important in maintaining the quality of life in our community within a limited income. We have been diligent in collecting utility payments with over 60% paying in full every month. Collection of sales tax, alcohol tax and bed tax is current with all the vendors. Yet we live hand to mouth.

With the large increase in operating costs looming in our FY04 Budget, we can ill afford any reduction in State Shared revenues. Current State mandated requirements such as having two (2) certified water plant operators for wages and fringe benefits alone results in nearly 10% of the total operating budget. Without the operators, we are in non-compliance.

When the issue of reducing or eliminating State Shared Revenues is discussed or even voted upon, consideration of the long-term impact upon the local communities should be paramount in the deliberations. Municipalities have taken more than their fair share of reduced revenues in the past ten to fifteen years and we continue to be the "fall guy" when it comes to reducing State spending.

The City of Unalakleet asks that you seriously look upon the impact of reduced State Shared revenues to the communities within your election district, but the entire State as well.

Should you have any questions please feel free to contact me.

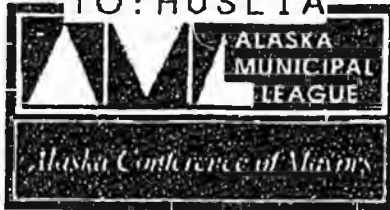
Yours truly,



Henry Ivanoff, Sr.
Mayor

TO: HUSLIA

FROM: AK MUNICIPAL LEAGUE



217 Second Street, Suite 200 • Juneau, Alaska 99801

Tel (907) 586-1325 • Fax (907) 463-5480 • www.akml.org

To: **Mayor and Council/Assembly
& Manager/Finance Director/Clerk**
From: Kevin Ritchie, Executive Director
Date: February 24, 2003

Re: **2003 Municipal Fiscal Conditions Survey – Please return ASAP**

Municipal revenue sharing and other programs to support municipalities are "on the table" for cuts now in the Governor's budget. Cuts could rise to the level of elimination that would have serious financial impacts on every community in the state. Such cuts could be especially devastating to local governments and economies on top of the fiscal crises already facing many communities. Therefore, AML would like to present the Governor with information on the fiscal conditions of municipalities. Please take a few minutes to fill out this survey.

Name of Respondent Elsie Vent Title City Administrator

Name of Municipality Huslia

1. Is your community facing an economic downturn? No Yes If yes, please discuss the cause and extent.

with costs of services going up it is tough to keep up with the state cutting back on revenues.

2. Is your municipal government or school district anticipating a budget shortfall this coming year? No Yes If yes, please discuss the cause and extent.

Every year there is a cut back from the state ^{in revenues} so we the people suffer the consequences.

**Please FAX TO AML at 907-463-5480 ASAP
Thank You!**

TO: PORT ALEXANDER



217 Second Street, Suite 200 • Juneau, Alaska 99801
Tel (907) 586-1325 • Fax (907) 463-5480 • www.akml.org

To: **Mayor and Council/Assembly
& Manager/Finance Director/Clerk**
From: Kevin Ritchie, Executive Director
Date: February 24, 2003

Re: **2003 Municipal Fiscal Conditions Survey - Please return ASAP**

Municipal revenue sharing and other programs to support municipalities are "on the table" for cuts now in the Governor's budget. Cuts could rise to the level of elimination that would have serious financial impacts on every community in the state. Such cuts could be especially devastating to local governments and economies on top of the fiscal crises already facing many communities. Therefore, AML would like to present the Governor with information on the fiscal conditions of municipalities. Please take a few minutes to fill out this survey.

Name of Respondent DAVID WALLER Title MAYOR

Name of Municipality PORT ALEXANDER

1. Is your community facing an economic downturn? No Yes If yes, please discuss the cause and extent. _____

FAIRLY NORMAL - NOT A LOT OF SURPLUS
BUT FAMILIES HERE BALANCE / NO
MATTER HOW PRECARIOUSLY.

2. Is your municipal government or school district anticipating a budget shortfall this coming year? No Yes If yes, please discuss the cause and extent. _____

THE MUNICIPALITY WILL BE OK NO MATTER
HOW TIGHT THE BELT. WE OPERATE ON A LOT
OF VOLUNTEERISM. THE SCHOOL WILL PROBABLY
BE SHORT BUT THERE ARE ALWAYS BAKE SALES.

Please FAX TO AML at 907-463-5480 ASAP
Thank You!



CITY OF BETHEL

P.O. Box 388 Bethel, Alaska 99559
907-543-2297
FAX # 543-4171

Alaska Municipal League
Kevin Ritchie
217 Second Street, Suite 200
Juneau, AK. 99801

Dear Mr. Ritchie,

In response to your 2003 Municipal Fiscal Condition Survey, please see below. Our community fiscal picture is moving from gray to black due to the unknowns (war with Iraq, state/federal funding, oil prices, etc.). It will be a wild ride and until the community gets around some corners, we will not know the direction Bethel's community is heading. However, a silver lining (jobs) is coming over the horizon which will help develop the community within eighteen months to two years with the building of the Yuut Elitnaurviat-People's Learning Center, Inc. The City of Bethel has already been hammered with deficit spending (need City water/sewer rate increases, developing new City revenue streams, etc.).

1. Bethel's community is at a cross-road that could go either way. On one hand, the community will incur growth and development due to the recently approved City Ordinance #02-33 authorizing the disposal of a donated 10.3 acre parcel to build the Yuut Elitnaurviat-People's Learning Center, Inc. Some major businesses have donated money and time as well. This will create jobs within eighteen months to two years. On the other hand, if war with Iraq comes about, this could hurt our community. Approximately fifty percent of jobs are state and federal funded. Possible cut backs from the state and federal government could have a major impact with people losing their jobs.
2. City budget shortfall of \$467,000 has already happened as of February 2003 (fiscal year end is June 2003). This trend could increase up to ~\$700,000. The City requires additional revenue for the Water, Sewer and Sanitation fund. Over the past five years revenue has slowly declined. The latest rate increase was in April 2001 for an adjustment of 20 percent. The rate increase had no effect in slowing the losses. An additional rate analysis will be reviewed this year. Also, the City is reviewing additional revenue streams, such as, a City owned liquor store, increase in sales tax or establishment of a property tax.

Sincerely yours,

A handwritten signature in black ink, appearing to read "R. Strahan", with a long horizontal stroke extending to the right.

Robert B. Strahan

FEB. 25. 2003 1:16PM

ALASKA MUNI LEAGUE

NO. 4545 P. 1/1

FROM: AK MUNICIPAL LEAGUE

TO: BETHEL



217 Second Street, Suite 200 • Juneau, Alaska 99801

Tel (907) 586-1325 • Fax (907) 463-5480 • www.akml.org

To: Mayor and Council/Assembly
& Manager/Finance Director/Clerk

From: Kevin Ritchie, Executive Director

Date: February 24, 2003

Re: 2003 Municipal Fiscal Conditions Survey - Please return ASAP

Municipal revenue sharing and other programs to support municipalities are "on the table" for cuts now in the Governor's budget. Cuts could rise to the level of elimination that would have serious financial impacts on every community in the state. Such cuts could be especially devastating to local governments and economies on top of the fiscal crises already facing many communities. Therefore, AML would like to present the Governor with information on the fiscal conditions of municipalities. Please take a few minutes to fill out this survey.

Name of Respondent Robert B. Strahan Title Finance Director

Name of Municipality City of Bethel

1. Is your community facing an economic downturn? No Yes If yes, please discuss the cause and extent. _____

See letter

2. Is your municipal government or school district anticipating a budget shortfall this coming year? No Yes If yes, please discuss the cause and extent. _____

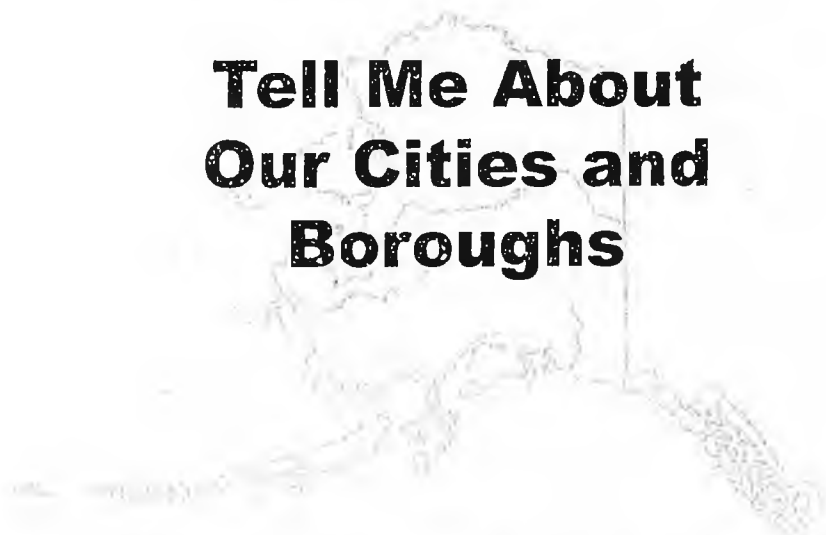
See letter

Please FAX TO AML at 907-463-5480 ASAP

Thank You!



Muni Notes



**Tell Me About
Our Cities and
Boroughs**

*“What Every Citizen Needs to
Know About Alaska’s
Communities and Local Taxes”*





Question: How many cities and boroughs are in Alaska?

Answer: Article X of the Alaska Constitution authorizes:

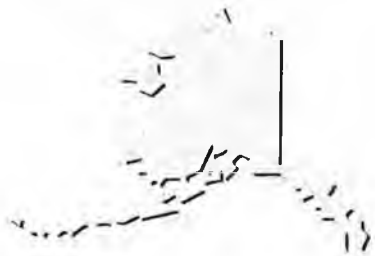
- Cities, and
 - Organized boroughs (self-governing) and
 - Unorganized boroughs (legislature acts as the Assembly).
- ◇ Alaska has 162 municipalities:
- **16 organized boroughs**, and
 - **146 cities**
 - "Municipality" is any organized borough, city, or consolidated city/borough.
- ◇ There is one **"Unorganized Borough"** that encompasses all the areas that are not organized boroughs, and **for which the Legislature acts as the Assembly** (required by the Constitution).
- ◇ Of Alaska's 146 cities,
- **49** are within the boundaries of organized boroughs
 - **97** are within the "Unorganized Borough"
- ◇ Of the 97 cities within the "Unorganized borough"
- **18 cities are required by law to charge taxes and operate school districts the same as boroughs.**
 - The 18 borough-type, first class or home rule municipalities are: **Nome, Valdez, Wrangell, Petersburg, Skagway, Unalaska, Cordova, Dillingham, Craig, Galena, Hoonah, Hydaburg, Kake, Klawock, St.Mary's, Tanana, Pelican, Nenana.**
 - A large percentage of people in the "Unorganized Borough" live in these "borough-type" municipalities and **pay taxes for schools, just like borough residents.**



Question: What state has the best constitution?

Answer: Alaska.

- ◆ The framers of Alaska's Constitution studied other state constitutions in order to **avoid the mistakes other states had made**. A key innovation in Alaska's Constitution is the creation of strong communities.
- ◆ The Constitution was written to give Alaska's citizens the strongest local control and "home rule"* powers of any state. Article X states,
 - "The purpose of this article is to provide for **maximum local self-government...**"
 - "A liberal construction shall be given to the powers of local government units."
- ◆ **"Home Rule"** means that municipalities have the power to do anything not prohibited by state law, rather than being constrained to a specific set of powers in state statute.
- ◆ Our Constitution also specifically **avoided multiple overlapping taxing jurisdictions** common in the "lower 48" (such as separate school, utility, port, and other special districts that levy taxes separately), so the **public knows who to hold accountable**. Article X states, "The State may delegate taxing powers to organized boroughs and cities only."





Question: How do the state and municipalities work together?

Answer: The Alaska Constitution creates cities and boroughs as “political subdivisions,” or “local offices” of State government that are closest to the people.

- ◇ **Nearly every major public service in Alaska is a joint state and local responsibility.** For example,
 - Schools and libraries (joint funding)
 - Road maintenance, harbors, airports (connected systems)
 - Capital construction (joint funding)
 - Public safety (police/troopers)
 - Health and human services (joint funding and jurisdiction)
 - Parks and recreation (state and local parks)
 - Utilities, land management, environmental protection (joint state and local jurisdiction)
 - Economic development (joint jurisdiction)

- ◇ **Cities are the heart of Alaska.** Communities existed in Alaska hundreds of years before statehood.
 - The Alaska Conference of Mayors has helped guide Alaska history as a group **since approximately 1900.**
 - The Alaska Municipal League was **created in 1950**, nearly a decade prior to statehood.

- ◇ **The State might be able to operate more efficiently** if it negotiated and coordinated more with municipalities in all of the areas listed above.





Question: Why are local taxes so important in Alaska?

Answer: Sales and property taxes are critical local taxes.

Local sales tax is especially important, since many small communities do not have significant private property to tax.

- ◇ Most municipalities, **urban and rural**, have a sales or property tax, or both.
- ◇ In 2001, Alaskan **municipalities collected \$1.7 billion** in local taxes, fees, and other revenues to pay for schools, roads, utilities, police, fire, EMS, and other local services:
 - \$878 million in sales and property taxes, and
 - Approximately \$795 million in permits, fees, service charges for utilities and other enterprises, and miscellaneous revenue.

(source: Department of Community and Economic Development)

- ◇ **Definition of property tax “mill rate”**
 - 1 mill = one thousandth
 - An easy way to remember this is **10 mills = 1% of the value of a piece of property.**
 - For example, a tax rate of 10 mills on a \$100,000 house would be a 1% of the value, or a tax of \$1,000 per year.





Question: Why is sales tax so critical to cities and boroughs?

Answer: Since statehood, the Legislature has reserved the sales tax for communities because:

- More than half do not have a property tax base and have no other major revenue options.
 - Local control of property and sales tax is the heart of local community control now and in the future.
- ◆ If the State implemented a **3% state sales tax**:
- **107 cities and boroughs** have either a general or special sales tax (e.g. on hotels, fish, car rentals, etc.), or both.
 - **63 communities** would face **total sales tax rates between 6% and 10%**, or be forced to repeal part of the local sales tax and go to the state for help.
 - Would cost communities and local taxpayers over **\$60 million/year** in lost local revenue (**PLUS probable loss of sales and business to lower 48** due to excessive local sales tax rates.)
 - Many urban municipalities would **not** be unable to offset sales tax losses with higher property taxes due to local tax caps, while many rural municipalities do not have enough private property to levy a property tax.



Question: Why is State Revenue Sharing important to cities and boroughs?

Answer: Every state in the U.S. shares revenues with its communities to fairly allocate statewide assets and wealth and avoid "have-not" areas.

- ◇ Alaska's program helps **keep local taxes lower** in some municipalities, but is the **key revenue source for minimal public services in many rural communities**. Loss of State revenue sharing would force some rural municipalities to dissolve and devolve local responsibility back to the state.
- ◇ The State of Alaska has reduced revenue sharing to municipalities from \$141 million per year in 1986 to \$29.6 million in 2003, a **79% cut, not considering the impact of inflation**. Since 1986 there has been an offsetting increase in local sales and property taxes.
- ◇ Revenue Sharing's current percent of the State General Fund budget is **less than it was before oil was discovered**.





ALASKA MUNICIPAL LEAGUE

The Alaska Municipal League (AML) is a voluntary, nonprofit, nonpartisan, statewide organization of 142 cities, boroughs, and unified municipalities, representing over 98 percent of Alaska's residents. Originally organized in 1950, the League of Alaska Cities became the Alaska Municipal League in 1962 when boroughs joined the League.

The mission of the Alaska Municipal League is to:

1. *Represent the unified voice of Alaska's municipalities to successfully influence favorable federal and state legislation, programs and policies;*
2. *Build consensus and partnerships with organizations and the public to solve Alaska's challenges, and*
3. *Provide training and joint services to strengthen Alaska local governments.*

ALASKA CONFERENCE OF MAYORS

ACoM is the parent organization of the Alaska Municipal League. The ACoM and AML work together to form a municipal consensus on statewide and federal issues facing Alaskan local governments.

"The purpose of the Alaska Conference of Mayors (ACoM) is to offer an opportunity for the mayors to discuss issues of common concern, to work together for the betterment of their municipalities, and to improve the understanding of and information about municipalities in Alaska."



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