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2004
Survey of Municipal Fiscal Conditions
 Based on 76 responses from municipalities between 2/22/04 and 3/13/04

Alaska Municipal League

March, 2004

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Trends and Conclusions

2004 Survey of Municipal Fiscal Conditions

Based on 76 responses from municipalities by AML between 2/22/04 and 3/13/04

The current State budget approach of relying on "local government tax authority" and local taxpayers as a major strategy to balance the state budget is failing most communities and local economies in both rural and urban Alaska:

- Nearly half of the rural municipalities surveyed responded that they do not have "the financial resources necessary to provide minimum public services/continue as a city or borough." Many of Alaska's long established rural municipalities are failing because they simply do not have sufficient local property or sales tax bases to replace state budget cuts impacting their community. There is a steady decline of the most basic services like public safety, road maintenance, building and other infrastructure maintenance, buying insurance to protect public facilities, and having a trained city clerk to perform basic municipal duties.
- Accelerating state budget cuts are overburdening both urban and rural local tax structures. This year municipalities and local taxpayers are feeling the deep impacts of the elimination of municipal revenue sharing (in place since 1969), new local matching requirements for roads, diminishment of state funded local services to citizens, and severe state mandated increases in municipal employee retirement programs. In most cases, these impacts are magnified by local economic crises.
- State cuts on top of serious local economic downturns in 75% of the municipalities surveyed have a severe dampening effect on local economic recovery. All local taxes, especially sales taxes, are linked to the local economy. Therefore, state cuts that pressure local tax increases, or reduce key local services like public safety, further hinder already struggling local economies.
- Rural problems hurt urban economies: According to a recent economic study (See appendix), up to one third of Alaska's urban economies are fueled by commerce with rural Alaska (transportation, goods, services). As rural populations decline, rural residents move to seek improved living conditions, while jobs in urban areas that previously served rural Alaska decline.

Recommendation:

This year the State of Alaska must develop its own long-term revenue sources, which do not conflict with key local revenues like the local sales tax. State adoption of a long-range fiscal plan is necessary to stabilize local economies and ensure a high quality of life in Alaskan communities. A state long-range fiscal plan must include provisions for the adequate funding for education and restoration of revenue sharing programs, or a "municipal dividend". These programs have been key factors in the health of Alaska's communities.

Summary of Responses Municipal Fiscal Conditions Survey

Based on 76 responses from municipalities between 2/22/04 and 3/13/04

1. Is your community facing an economic downturn that is hurting local government revenues? No 23% - Yes 77%
2. Is your municipality anticipating a revenue shortfall this coming year? No 18% - Yes 82%
3. Do you anticipate a need to cut public services? No 36% - Yes 64%
4. Do you anticipate a need to raise fees or taxes? No 28% - Yes 72%
5. For small municipalities, without revenue sharing, etc. does your municipality have the financial resources necessary to provide minimum public services/continue as a city or borough? No 48% - Yes 52%.

Note: The most impacted small communities are the least likely to have had the administrative capacity to fill out and return the survey.

- Nearly half (48%) of municipalities said they will not have the financial resources necessary to provide minimum public services, even with tax or fee increases. Several went so far as to question whether they could even continue as a city without state revenue sharing. However, municipalities that are already in crisis are the least likely to have responded to the survey. Therefore the situation may be considerably worse than reported on the whole.
- More than 3 out of 4 municipalities (77%) report facing an economic downturn, often from reduced fishing and tourism revenues — and made all the more difficult by the elimination of state revenue sharing payments. Several said their sales tax and/or property tax revenues are dropping because of falling economies and job losses.
- 5 out of 6 municipalities (82%) said they anticipate a significant revenue shortfall in the coming year, with many reporting double-digit percentage shortages in meeting their minimum budgetary needs.
- 2 out of 3 (64%) municipalities anticipate making cuts in public services for their residents, and many communities face the prospect of finding additional cuts on top of service reductions already imposed in the past year.
 - *Almost half report they already have laid off workers or reduced employee hours, or will need to do both in the coming year to close their budget gap.*
- More than 2 out of 3 (72%) municipalities report the need to raise taxes and/or fees in the coming year, with sales tax and bed tax the most frequently mentioned tax increases. Utility and harbor rates top the list of expected fee increases.
 - *Municipalities report raising fees for everything from water and sewer rates to landfills to harbor services to community washeterias.*
 - *More than 1 in 5 communities have raised their sales tax rate or are looking to raise the rate this year — or are considering implementing a new sales tax to help fill the budget gap.*

Local Government Tax Effort in Alaska

Alaska's municipalities are confronting fiscal problems that could overwhelm their ability to pay the bills. It's not as if the communities aren't trying to meet their needs. Almost 100 of Alaska's cities and boroughs collect a sales tax, and all charge fees for the services they provide, ranging from large-scale water and sewer systems to even the smallest washeteria. The issue isn't a willingness to pay what they can afford, but the reality that there are limits to what they can raise locally. The truth is the communities in our state simply do not have the same revenue-raising capabilities as those held by the state.

Setting aside for a moment the budget problems in Alaska's larger cities, we see serious examples of smaller communities taxing themselves as much as their economy can bear:

- Aniak, Cordova, Gambell, Diomedes, Napakiak, Noorvik, White Mountain, Marshall, Houston, False Pass, Nome and the Denali Borough have all either raised their sales tax rate, imposed a new sales tax or are considering a new or increased sales tax.
- The Bristol Bay Borough is looking at a possible property tax rate increase, despite the painful reality that property tax values have fallen 35% in the past seven years.
- Property tax and sales tax receipts are dropping in Craig.
- Tourism is down in the Denali Borough.
- Sales tax receipts have fallen steadily in Hoonah since 2000, and sales tax revenues in Petersburg are down for the second year in a row.
- Bed tax receipts are dropping in the Lake & Peninsula Borough.

And it's not just about revenue shortages. Communities are cutting whenever they can, even if it jeopardizes public safety.

- More than a dozen communities cut back last year or plan to do so this year on their law enforcement staff. Also, many communities have cut law enforcement previously or have already lost their immediate access to state troopers.
- Dillingham has eliminated or reduced the hours for nine staff positions.
- Almost two-thirds of those communities responding to a recent Alaska Municipal League survey reported cutting public services to help close their budget gap.

The best way for ensuring that all Alaska communities have the minimum financial resources they need to provide public services is for the state to adopt a long-term fiscal plan that relies on the state's broad taxing authority and some earnings of the Permanent Fund for a stable flow of money for state and municipal public services.

February-March 2004 Survey of Municipal Fiscal Conditions
Responses from 76 municipalities collected between 2/22 and 3/13/04
Alaska Municipal League

Municipality / Population	Budgetary effects
Aleknagik, 221	36% decrease in sales tax plus state cuts. Frozen wages, reduced hours, deferred maintenance, reduced senior transportation, etc.
Allakaket, 97	The city has no office workers, and other employees are working reduced hours.
Ambler, 295	The poor economy is hitting city water and sewer fee collections, but still the city may need to raise the fees for those services to cover budget shortages.
Anaktuvuk Pass, 302	The city is having trouble making payroll, and reports its unpaid bills are stacking up. To deal with the problem, the city may cut back its employees to four-hour workdays.
Anchorage, 269,070	The municipality reports an \$11 million shortfall from the loss of state revenue sharing payments. Service fees were raised for 2004.
Aniak, 539	The city is looking at raising its 2% sales tax rate and charging landfill fees to cover a gap estimated at 31% of its general fund.
Atka, 102	The FY2005 shortfall is estimated at \$60,000, or 20% of the budget. The city is trying to get a new health clinic built but is having trouble coming up with a local cash match.
Brevig Mission, 307	Next year's anticipated \$40,000 budget shortage could force the city to cancel insurance coverage.
Bristol Bay Borough, 1,159	Property values have fallen 35% in the past seven years, and next year's municipal budget shortfall is estimated at \$1.3 million (30% of the general fund budget). The borough is looking at a possible property tax mill rate increase, and higher sewer and landfill fees.
Cold Bay, 116	The community reports no serious budget problems.
Cordova, 2,434	Its revenue shortage equals 15% of its general fund budget. The city's response is to raise all of its fees; the property tax rate will increase 1 mill; and it may need to increase its existing 6% sales

	tax rate.
Craig, 1,227	Property tax receipts are dropping, as are sales tax revenues. Craig's general fund budget shortfall will reach about 15%. It is raising solid waste disposal fees and charges for its other enterprise funds.
Deering, 129	The city already has cut its school gym coordinator, a part-time municipal clerk and a washeteria attendant that leaves the facility without an attendant two days a week. The city is looking at raising residential water rates by 50% and business rates by 67%.
Delta, 856	The community reports no serious budget problems.
Denali Borough, 1,886	Usibelli coal sales are down the past two years; tourism is down the past three years. The FY2005 general fund budget shortfall is estimated at \$200,000, or 10%. The city is looking at a possible bed tax increase and may even need to consider a general sales tax. Possible spending cuts include borough aid to fire department/EMS departments and schools.
Dillingham, 2,475	To deal with a projected \$500,000 budget shortfall (10%), the city eliminated or reduced the hours for nine positions, cut library hours and senior center activities and reduced EMT activities.
Eagle, 150	The community reports no serious budget problems.
Elim, 339	The city expects to come up short by 30% for bulk fuel purchases and 25% short for workers compensation and property insurance payments. The city was unsuccessful in its efforts to raise taxes to restore its village public safety officer position.
City of Fairbanks, 29,670	The combined loss of state revenue sharing and jump in employer contributions to PERS will cost the city about \$2 million, or 10% of its operating budget. And the city's revenue cap, which did not include state revenue sharing in the calculation, prevents raising local fees or taxes to cover much of the gap.
False Pass, 79	The downturn in the commercial fishing industry has caused the town's only grocery, hardware and fuel store to announce its closure, which will cut into municipal tax revenues. The city already has frozen employee salaries and reduced benefits and may also need to cut a part-time librarian position. The city has instituted a bed tax and will try again this year to win voter approval to raise the sales tax from 2% to 3%.

Gambell, 639	The budget shortfall is estimated at \$156,000, or 20%. The city may need to lay off two workers, and is considering a boost in the local sales tax from 3% to 5%, and possibly a 10% bed tax.
Golovin, 148	The budget gap is estimated at 40% of general fund spending, and the city anticipates cutting funding for ice roads, trail staking, the health clinic and village public safety officer.
Grayling, 192	The community turned over its water and sewer services to a program in Bethel when it ran short of funds to run the system.
Hoonah, 868	The city's major employer, Whi.estone Logging, has left town, and sales tax revenues have declined steadily since 2000. That, combined with the loss of state revenue sharing, leaves the city with a \$70,000 budget shortfall for FY2005. Anticipated layoffs could cut two public works employees and one police officer. The city raised water, sewer and garbage rates in October. The water and sewer fund has carried a deficit balance for three years.
Hooper Bay, 1,075	The collapse of the commercial herring and halibut fisheries has left the city unable to meet all of its obligations. The city expects cutting a police officer from the budget.
Houston, 1,279	A 2% sales tax was put into place Jan. 1, 2004, to help make up for lost revenue from the state, but it will not be enough and the city expects to reduce road and fire department services and cut hours of operations for other services to cover the gap.
Hughes, 69	The loss of state funding means major cutbacks and layoffs in funding for search and rescue, road maintenance and solid waste services. Water and sewer and solid waste fees will increase.
Huslia, 285	The city clerk has been laid off, services cut at the health clinic and roads, and the city has reduced property insurance coverage.
City & Borough of Juneau, 30,981	Street maintenance likely will be reduced, as will library hours and police and fire services to help cover a \$2 million budget gap. Fees likely will increase for bus fares, library passes, ambulance services and "care-a-van" services for the disabled and elderly.
Kachemak, 419	The budget gap equaling 30% of operating costs presents the city with two options: cutting road maintenance and grants to nonprofits or boosting property taxes.
Kaktovik, 306	The community's 20% budget gap threatens services for elders

	and recreation programs.
City of Kenai, 7,166	An estimated \$600,000 budget shortfall threatens building maintenance and training budgets.
Kenai Peninsula Borough, 51,187	The borough reports no serious budget problems this year.
King Cove, 794	The city hopes to save money through attrition by combining its public safety and harbor functions.
City of Kodiak, 6,544	The city is looking at raising harbor fees and general service fees, with a study of water and sewer fees in FY2005. Its general fund shortfall is about 10% to 15% of its operating budget.
Kotlik, 633	The community is unable to pay its expenses and has cut police services in half to help close a 50% gap in its operating budget.
Kotzebue, 3,107	Among the budget problems facing Kotzebue is the continued cost of operating the city jail.
Kwethluk, 730	City staff has been reduced by more than half. The 5% sales tax is the maximum allowed by law.
Lake & Peninsula Borough, 1,641	Bed tax receipts are falling as tourism drops, and the city may propose a tax increase to voters this fall.
Larson Bay 115	Specifically revenue sharing cuts causing city to raise fees for services which can cause hardship
Diomedes, 128	The community lacks funds to deal with shoreline erosion that threatens fuel tanks and lines and the seawall. Maintenance for the public walkway will be cut in half, as will an administrative clerk's funding. Public safety funding also will be cut, as will money for heating fuel for the community hall, city offices and washeteria. The city may boost the sales tax rate from 3% to 4%.
Marshall, 364	Police and water and sewer operator hours will be cut in half, and the community is considering raising utility fees and boosting the sales tax rate from 4% to 5% to help with its budget problems
McGrath, 401	Loss of jobs – fewer teachers and classes offered – skeleton crew exists: city clerk; PT office asst.; water plan operator; and public works foreman - must tap reserves to pay for insurance and fuel purchases- cannot provide minimum services

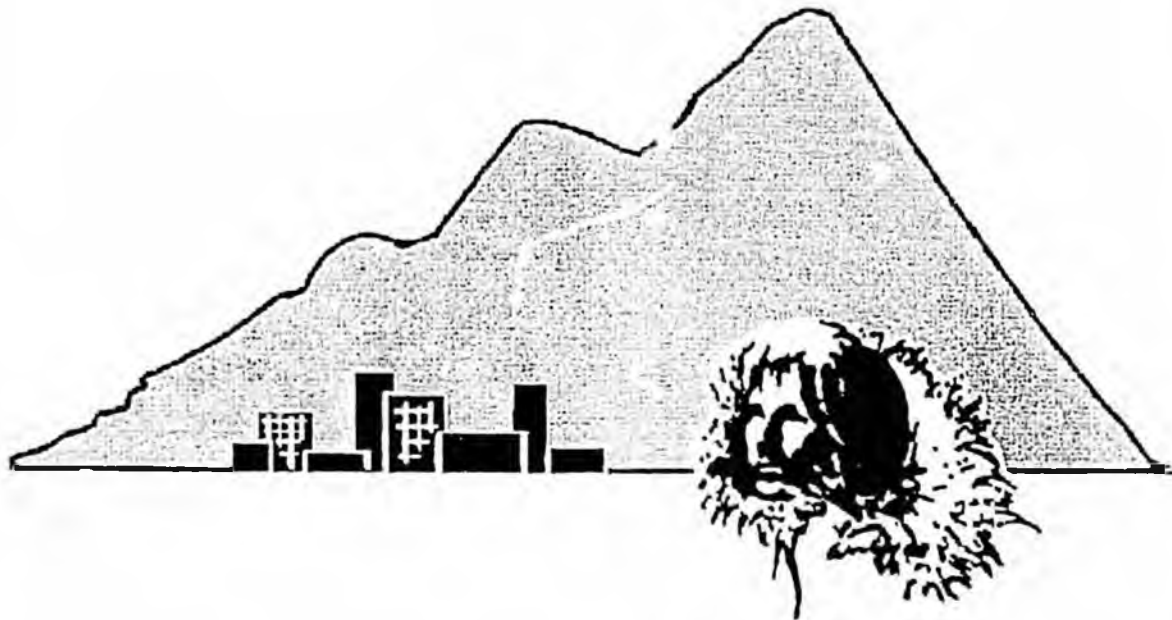
Mountain Village, 757	The community is looking at laying off four or five workers, including at the police department, and also is considering reductions in its insurance coverage.
Napakiak, 351	Sales tax, water and sewer and washeteria revenues are all down. The city already has eliminated two village public safety officers, and is considering raising its sales tax, water and sewer and washeteria rates to help cover costs.
Nenana, 519	The loss of state revenue sharing funds and lower sales tax revenues have forced the elimination of a full-time police officer and a part-time fire chief position.
Nome, 3,493	The city increased its sales tax rate from 4% to 5% in October 2003. Its budget shortfall for next year is estimated at \$300,000.
Nondalton, 207	Without state revenue sharing or other new revenues, the city will cut its two-person water and sewer staff to just one position and reduce its secondary operator to an on-call position. A bed tax is being considered, as is an increase in water and sewer rates.
Noorvik, 677	All employees could see their workdays reduced to six hours. The city already has laid off two permanent and two part-time workers. A sales tax increase from 3% to 4% or more is possible.
North Pole, 1,683	The city eliminated two police officer positions in FY2004 and beginning in June the North Pole dispatch center will close, eliminating three more positions. The city will contract out the services. User fees went up in FY2004 and a tax increase is possible in FY2005.
Old Harbor, 229	A limited tax base will make it hard for the small community to cope with a \$20,000 general fund budget shortfall.
Ouzinkie, 189	In addition to a general fund shortfall of about 25%, declines in logging and fishing has caused an increase in electric and utility accounts receivables.
Palmer, 5,159	The city reports no serious budget problems this year.
Petersburg, 3,146	Sales tax receipts are down for the second year in a row,
Port Alexander, 72	Deferred maintenance is a looming problem.
Port Lions, 251	Loss of state revenue sharing and reduced fisheries tax receipts

	leaves the city with a 50% hole in its budget. Road maintenance may be reduced, and the city may need to lay off one or two employees in addition to raising utility and harbor fees.
Ruby, 195	State funding cuts have forced the community to operate with a volunteer city clerk and no suicide prevention program. Additional possible cuts include reduced hours for the city administrator, laundromat and electric utility. Fee increases are also possible for utilities, the laundromat and phones.
Russian Mission, 328	The recreation center is closed.
Saint Mary's, 549	Trash pickups have been reduced and part-time city workers cut back. Water and sewer and garbage fees may rise.
Savoonga, 686	The village public safety officer has been cut back to one hour per day, and the community has eliminated its animal control efforts. Sales tax revenues from the local store and receipts from the city lodge are not enough to pay the bills without state revenue sharing.
Selawik, 778	Staff time has been cut in half and utility rates increased to cover a 20% general fund budget shortfall.
Seward, 2,830	Lower visitor numbers resulting in lower local tax, harbor and utility fees, etc. Increased sales tax by 1%, eliminated capital repair budget. Future PERS increases will likely mean cuts to specific services and layoffs.
City & Borough of Sitka, 8,894	Lower cruise ship traffic has affected city revenues, in addition to the loss of state funding. The city has eliminated one police office position, cut back half of its temporary employees, and more staff reductions are likely. Harbor and utility rates are going up, as is the amount of purchases subject to sales tax.
Skagway, 841	A small increase in property taxes is expected.
Soldotna, 3,944	Even with no wage increases, utility rates will need to go up to cover higher health and workers compensation insurance and retirement system costs.
Tanana, 278	The city anticipates eliminating one of its two police officer positions.
Togiak, 804	The loss of state revenues and reduced fisheries tax receipts add

	up to a \$300,000 (33%) budget shortfall. The community has reduced the city administrator to three days a week and the city clerk to four days a week. The public safety department has eliminated one officer and a jail guard, and road maintenance services have been reduced. User fees are going up.
Unalakleet, 532	Decline in fishing. Converting fulltime employees to part-time and eliminating one position.
Valdez, 4,171	The city is looking at raising water and sewer fees and instituting a fee to cover 911 dispatch services.
White Mountain, 210	The city has raised its sales tax from 1% to 3%, and has taken out a bingo and pull-tab permit to help raise money. Services are being reduced.
Whittier, 170	Utility and harbor fees may go up, and layoffs are possible.
Wrangell, 2308	Economic crisis plus state cuts – Even a 7% sales tax and 12 mill property tax rate are not sufficient – Loss of 24 hour Police service, cut fire equipment replacement, cut hours of library and recreation facilities, cut all other departments and hospital, senior center.
City & Borough of Yakutat, 724	The elimination of state funding and a drop in fisheries tax receipts has created a \$150,000 gap in the budget. Services will be reduced.

Alaska Taxable

2003



Municipal Taxation - Rates and Policies
Full Value Determination
Population and G.O. Bonded Debt



Volume XLIII
January, 2004



State of Alaska
Frank Murkowski, Governor

Department of Community and Economic Development
Edgar Blatchford, Commissioner

TABLE 3A
2003 Per Capita Tax Revenues

This table lists only those municipalities which levy a sales, severance, property or other type of local tax

Municipality	Property Tax (Inc. Oil & Gas)	Sales Tax	Other Taxes	Total Taxes Reported	Population	Per Capita Revenue	**Per Capita Revenue Boro & City
North Slope Borough	\$ 199,653,165	\$ -	\$ -	\$ 199,653,165	9,402	\$ 21,235	
Valdez	\$ 20,260,164	\$ -	\$ 256,803	\$ 20,516,967	4,171	\$ 4,919	
Skagway	\$ 1,146,146	\$ 2,531,977	\$ 91,782	\$ 3,771,906	841	\$ 4,485	
Egegik	\$ -	\$ -	\$ 313,063	\$ 313,063	88	\$ 3,558	
Unalaska	\$ 3,921,031	\$ 5,906,859	\$ 3,786,437	\$ 13,616,326	4,051	\$ 3,361	
Whittier	\$ 170,723	\$ 117,418	\$ 67,296	\$ 375,437	170	\$ 2,208	
Juneau, City & Borough of	\$ 26,957,171	\$ 29,739,796	\$ 1,866,589	\$ 60,563,556	30,981	\$ 1,955	
Bristol Bay Borough	\$ 1,994,187	\$ -	\$ 186,355	\$ 2,182,542	1,159	\$ 1,883	
Saint Paul	\$ -	\$ 294,629	\$ 621,291	\$ 915,920	533	\$ 1,718	
Haines Borough	\$ 1,816,643	\$ 1,899,249	\$ 292,875	\$ 4,010,767	2,360	\$ 1,699	
Cordova	\$ 1,419,491	\$ 2,124,800	\$ 67,337	\$ 3,611,628	2,434	\$ 1,484	
Pilot Point	\$ -	\$ -	\$ 112,500	\$ 112,500	76	\$ 1,480	
Soldotna*	\$ 494,183	\$ 5,232,283	\$ -	\$ 5,726,466	3,944	\$ 1,452	\$ 2,547
Craig	\$ 454,964	\$ 1,231,647	\$ 67,439	\$ 1,774,070	1,227	\$ 1,446	
Nome	\$ 2,298,761	\$ 2,621,576	\$ 88,988	\$ 5,009,325	3,493	\$ 1,434	
Ketchikan, City*	\$ 3,566,122	\$ 7,364,065	\$ 273,338	\$ 11,203,525	7,845	\$ 1,428	\$ 2,296
Dillingham	\$ 1,339,392	\$ 1,838,724	\$ 289,320	\$ 3,467,436	2,475	\$ 1,401	
Yakutat, City & Borough of	\$ 329,893	\$ 588,561	\$ 92,073	\$ 1,010,527	724	\$ 1,396	
Petersburg	\$ 1,847,911	\$ 2,312,188	\$ 33,077	\$ 4,193,176	3,146	\$ 1,333	
Sitka, City & Borough of	\$ 4,035,950	\$ 7,119,114	\$ 331,818	\$ 11,486,882	8,894	\$ 1,292	
Wrangell	\$ 973,256	\$ 1,761,568	\$ 22,686	\$ 2,757,510	2,144	\$ 1,286	
Anchorage	\$ 315,674,931	\$ -	\$ 21,241,605	\$ 337,116,536	259,070	\$ 1,253	
North Pole*	\$ 755,335	\$ 1,336,630	\$ -	\$ 2,091,965	1,683	\$ 1,243	\$ 2,061
King Cove	\$ -	\$ 926,188	\$ 45,000	\$ 971,188	794	\$ 1,223	
Kodiak, City*	\$ 635,692	\$ 7,003,452	\$ 101,795	\$ 7,740,939	6,544	\$ 1,183	\$ 1,809
Homer*	\$ 1,543,120	\$ 3,978,578	\$ -	\$ 5,521,698	4,721	\$ 1,170	\$ 2,265
Chignik	\$ -	\$ -	\$ 86,460	\$ 86,460	77	\$ 1,123	
Seward*	\$ 712,175	\$ 2,165,586	\$ 217,482	\$ 3,095,243	2,794	\$ 1,108	\$ 2,203
Kenai Peninsula Borough	\$ 41,693,443	\$ 14,370,582	\$ -	\$ 56,064,025	51,187	\$ 1,095	
Wasilla*	\$ 404,632	\$ 6,497,070	\$ -	\$ 6,901,702	6,343	\$ 1,088	\$ 1,893
False Pass	\$ -	\$ 82,598	\$ -	\$ 82,598	79	\$ 1,046	
Akutan	\$ -	\$ -	\$ 734,653	\$ 734,653	748	\$ 982	
Aleutians East Borough	\$ -	\$ -	\$ 2,493,342	\$ 2,493,342	2,729	\$ 914	
Bethel	\$ -	\$ 4,603,797	\$ 612,948	\$ 5,216,745	5,736	\$ 909	
Pelican	\$ 51,551	\$ 46,570	\$ 3,672	\$ 101,992	115	\$ 887	
Seldovia*	\$ 152,418	\$ 116,133	\$ -	\$ 268,551	308	\$ 872	\$ 1,967
Ketchikan Gateway Borough	\$ 6,996,515	\$ 4,832,064	\$ 32,771	\$ 11,861,370	13,670	\$ 868	
Sand Point	\$ -	\$ 358,881	\$ 423,165	\$ 782,046	919	\$ 829	
Fairbanks North Star Borough	\$ 68,013,670	\$ -	\$ 1,305,822	\$ 69,319,692	84,791	\$ 818	
Matanuska-Susitna Borough	\$ 51,829,354	\$ -	\$ 676,760	\$ 52,506,134	65,241	\$ 805	
Kotzebue	\$ -	\$ 2,405,615	\$ 73,862	\$ 2,479,477	3,107	\$ 798	
Kenai, City*	\$ 1,410,204	\$ 3,953,561	\$ -	\$ 5,363,765	7,166	\$ 749	\$ 1,644
Palmer*	\$ 625,633	\$ 2,914,417	\$ -	\$ 3,540,050	5,159	\$ 686	\$ 1,491
Denali Borough	\$ -	\$ -	\$ 1,288,022	\$ 1,288,022	1,886	\$ 683	
Kodiak Island Borough	\$ 7,944,894	\$ -	\$ 732,477	\$ 8,677,371	13,852	\$ 626	
Klawock	\$ -	\$ 457,237	\$ 29,196	\$ 486,433	848	\$ 574	
Nenana	\$ 147,196	\$ 127,480	\$ -	\$ 274,676	519	\$ 529	
Aleknagik	\$ -	\$ 106,606	\$ -	\$ 106,606	213	\$ 500	
Hoonah	\$ -	\$ 374,101	\$ -	\$ 374,101	868	\$ 431	
Fairbanks, City*	\$ 8,076,192	\$ -	\$ 3,679,726	\$ 11,955,918	29,670	\$ 403	\$ 1,221
Cold Bay	\$ -	\$ -	\$ 45,678	\$ 45,678	116	\$ 394	
Lake & Peninsula Borough	\$ -	\$ -	\$ 627,176	\$ 627,176	1,641	\$ 382	
Unalakleet	\$ 253,117	\$ -	\$ 10,339	\$ 264,056	725	\$ 364	
Atka	\$ -	\$ -	\$ 29,546	\$ 29,546	102	\$ 294	
Saxman	\$ -	\$ 92,811	\$ -	\$ 92,811	394	\$ 236	
St. Michael	\$ -	\$ 85,092	\$ -	\$ 85,092	390	\$ 218	
Fort Alexander	\$ -	\$ 13,475	\$ 1,688	\$ 15,163	72	\$ 211	
Galena	\$ -	\$ 150,000	\$ -	\$ 150,000	713	\$ 210	
Kake	\$ -	\$ 142,142	\$ -	\$ 142,142	700	\$ 203	
St. Mary's	\$ -	\$ 106,347	\$ -	\$ 106,347	549	\$ 194	
Angoon	\$ -	\$ 100,471	\$ -	\$ 100,471	542	\$ 185	
Fort Yukon	\$ -	\$ 99,279	\$ -	\$ 99,279	581	\$ 171	

TABLE 3A- continued
2003 Per Capita Tax Revenues

This table lists only those municipalities which levy a sales, severance, property or other type of local tax

Municipality	Property Tax (Inc. Oil & Gas)	Sales Tax	Other Taxes	Total Taxes Reported	Population	Per Capita Revenue	**Per Capita Revenue Boro & City
Emmonak		\$ 122,902	\$ -	\$ 122,902	745	\$ 165	
Thorne Bay		\$ 79,252	\$ -	\$ 79,252	503	\$ 156	
Noorvik		\$ 106,979	\$ -	\$ 106,979	677	\$ 156	
Hooper Bay		\$ 160,299	\$ -	\$ 160,299	1,075	\$ 149	
Marshall		\$ 52,845	\$ -	\$ 52,845	364	\$ 145	
Shaktoolik		\$ 30,000	\$ -	\$ 30,000	218	\$ 136	
Chefornak		\$ 55,840	\$ 343	\$ 56,183	419	\$ 134	
Togiak		\$ 58,000	\$ 45,000	\$ 103,000	804	\$ 128	
Kotlik		\$ 80,658	\$ -	\$ 80,658	633	\$ 127	
Kwethluk		\$ 91,607	\$ -	\$ 91,607	730	\$ 125	
Quinhagak		\$ 70,150	\$ -	\$ 70,150	572	\$ 123	
Houston*	\$ 155,637	\$ -	\$ -	\$ 155,837	1,279	\$ 122	\$ 927
Mountain Village		\$ 82,776	\$ -	\$ 82,776	757	\$ 109	
Elim		\$ 37,073	\$ -	\$ 37,073	339	\$ 109	
Pilot Station		\$ 58,166	\$ -	\$ 58,166	546	\$ 107	
Gambell		\$ 65,989	\$ -	\$ 65,989	639	\$ 103	
Diomedea		\$ 13,198	\$ -	\$ 13,198	128	\$ 103	
Chevak		\$ 83,738	\$ -	\$ 83,738	854	\$ 98	
Selawik		\$ 74,991	\$ -	\$ 74,991	778	\$ 96	
Slebbins		\$ 55,504	\$ -	\$ 55,504	586	\$ 95	
Brevig Mission		\$ 29,146	\$ -	\$ 29,146	307	\$ 95	
Aniak		\$ 48,847	\$ 1,254	\$ 50,101	539	\$ 93	
Bettles		\$ -	\$ 3,299	\$ 3,299	36	\$ 92	
Clarks Point		\$ 5,895	\$ -	\$ 5,895	65	\$ 91	
Tenakee Springs		\$ 6,612	\$ 1,981	\$ 8,593	96	\$ 88	
Koyuk		\$ 28,948	\$ -	\$ 28,948	329	\$ 88	
Deering		\$ 10,128	\$ -	\$ 10,128	129	\$ 79	
Napakiak		\$ 26,779	\$ -	\$ 26,779	351	\$ 76	
Teller		\$ 18,523	\$ -	\$ 18,523	247	\$ 75	
Nunapitchook		\$ 38,238	\$ -	\$ 38,238	512	\$ 75	
Eek		\$ 21,400	\$ -	\$ 21,400	291	\$ 74	
Tanana		\$ 19,628	\$ -	\$ 19,628	278	\$ 71	
Ambler		\$ 20,600	\$ -	\$ 20,600	295	\$ 70	
Shungnak		\$ 16,910	\$ -	\$ 16,910	249	\$ 68	
Kachemak*	\$ 28,408	\$ -	\$ -	\$ 28,408	419	\$ 68	\$ 1,163
Anderson		\$ -	\$ 36,503	\$ 36,503	592	\$ 65	
Kiana		\$ 24,937	\$ -	\$ 24,937	399	\$ 62	
Manokotak		\$ 24,807	\$ -	\$ 24,807	404	\$ 61	
Larsen Bay		\$ 6,317	\$ -	\$ 6,317	107	\$ 59	
Buckland		\$ 24,231	\$ -	\$ 24,231	426	\$ 57	
Scammon Bay		\$ 26,700	\$ -	\$ 26,700	491	\$ 54	
Savoonga		\$ 34,789	\$ -	\$ 34,789	686	\$ 51	
Kivalina		\$ 19,184	\$ -	\$ 19,184	383	\$ 50	
Ouzinkie*		\$ 8,134	\$ -	\$ 8,134	189	\$ 43	\$ 1,136
Nightmute		\$ 9,687	\$ -	\$ 9,687	224	\$ 43	
Toksook Bay		\$ 22,365	\$ -	\$ 22,365	549	\$ 41	
Mekoryuk		\$ 7,616	\$ -	\$ 7,616	204	\$ 37	
White Mountain		\$ 7,390	\$ -	\$ 7,390	210	\$ 35	
Hydaburg		\$ 11,273	\$ -	\$ 11,273	364	\$ 31	
Sheldon Point (Nunam Iqua)		\$ 4,185	\$ -	\$ 4,185	204	\$ 21	
Nonalton		\$ 692	\$ -	\$ 692	207	\$ 3	
Average statewide per capita revenue (Excludes North Slope)						\$ 1,195	
Average statewide per capita revenue (Including North Slope)						\$ 1,488	

* indicates that city is located within a borough that also levies taxes. The revenue numbers listed only represent the revenues collected by the borough or the city.

**This column reflects a per capita revenue encompassing both city & borough taxes

ALASKA'S ECONOMIC LINKS

A Multi-Regional Analysis

Commissioned by

THE NORTH SLOPE BOROUGH

Prepared by

Gross & Associates

with

Chase Economics
Northwest Strategies
Glenn Pascall

EXECUTIVE SUMMARY

Purpose of the Study

Among American cities that are the largest metro areas in their respective states, Anchorage has perhaps the closest economic links to outlying areas of its home state. To an unusual degree it serves as the headquarters for industries that make a dominant contribution to the state economy yet are located elsewhere in Alaska. Because these industries are resource-based, Anchorage derives a crucial portion of its economic health from natural resource activities statewide.

Over half the trade receipts and two-thirds of the services receipts in the State of Alaska flow through Anchorage-based businesses. Most banks, and many transportation and construction companies, are headquartered in Anchorage. Many Alaska native regional corporations have offices and staff in Anchorage. For the city's hospitality and retailing industries, a major source of business is travel by Alaska residents to Anchorage.

This study seeks to document the linkages and interdependencies of Alaska's economic components. It clarifies the effect that resource industries, based in the rural areas of Alaska, have on the vitality of the urban core of Anchorage.

Highlights of Major Findings

- The economy of Anchorage receives enormous stimulus from the rest of Alaska. Anchorage, the State's economic core, exports one-third of its output of goods and services, and over 60 percent of these exports are destined for other regions of Alaska.
- Of the \$16.9 billion in total 1996 output from the Anchorage/Mat-Su core region, \$3.4 billion - over 20 percent - were goods and services purchased by rural and other peripheral areas of Alaska.
- In 1996, over 25,000 jobs in the Anchorage/Mat-Su core region were due directly or indirectly to trade with the rest of Alaska. This exceeded the region's combined number of federal civilian and military jobs, and was also more than the total number of state and local government jobs.
- The ratio of Anchorage/Mat-Su jobs created by 1996 trade with the rest of Alaska was greater than one in seven. The \$833 million paid to these workers exceeded the earnings of all retail trade employees in the region and was almost as large as the total for service sector employment.

- 100 percent of Anchorage/Mat-Su construction exports, 90% of health services exports; 88% of wholesale trade exports; 86% of finance, insurance, and real estate exports; and 69% of business services exports were purchased by the rest of Alaska.
- Anchorage/Mat-Su construction companies made almost 50% of their total sales to buyers located elsewhere in Alaska. For firms in engineering, legal services, and wholesale trade the comparable figure was over one-third. The periphery accounted for over 67 percent of total exports and one-eighth of total sales in retail trade.
- Trade between Anchorage/Mat-Su and the rest of Alaska strongly favors the core region. Its \$3.4 billion in exports to the periphery is more than three times the reverse flow of \$989 million. The periphery exports over half its total output, an unusually high proportion. But only 4 percent is destined for Anchorage/Mat-Su, while 28 percent of the periphery's imports come from the core region.
- Alaska's economy is heavily natural resource based. In 1996, resource industries contributed \$15.5 billion share to the state's \$25.85 billion total output, a 60 percent share. Activity in oil and gas, minerals, fisheries and seafood processing accounted for nearly 90 percent of the resource total and is based almost 100 percent outside Anchorage/Mat-Su.
- A major benefit statewide is the Alaska Permanent Fund. Supported by oil revenues, it creates an estimated 8.5 full-time jobs for each \$1 million paid to Alaskans. The 1996 dividend of \$643 million equated to 5,383 jobs. A significant portion of these jobs are in Anchorage as the center of medical, educational, in-state hospitality, and retail industries on which a significant share of dividend dollars are spent.
- The benefit to Anchorage's economy from resource based industries in the periphery is likely to be enhanced in the future by a number of probable-to-potential events. These include:
 - ⇒ Enhanced petroleum recovery, with a total value of about \$3.4 billion supporting 5,690 jobs and generating over \$250 million in annual labor income for Anchorage/Mat-Su.
 - ⇒ The Trans-Alaska Gas System (TAPS), a natural gas pipeline with a total value of about \$3.9 billion, supporting 9,000 direct jobs and 9,000 other jobs for Anchorage/Mat-Su residents during construction, and generating over \$700 million in annual labor income.
 - ⇒ ANWR petroleum exploration and development, worth \$16 billion in total output over a 20-year period and generating 7,368 Anchorage/Mat-Su jobs with an annual payroll of nearly \$300 million.

- ⇒ The Alaska Seafood Center in Anchorage, worth \$137 million in economic activity and 1,646 jobs in the core region during the construction phase, with 1,109 long-term jobs and \$34 million in annual labor income.
- Alaska's peripheral regions show wide variation in economic mix:
 - ⇒ The Gulf Coast is strongly diversified in tourism, fishing, timber and lumber, oil and gas production, refining and transport, and government.
 - ⇒ The Fairbanks region contains Alaska's second-largest city, whose diversified economy reflects its role as the center for interior Alaska.
 - ⇒ The Northern regional economy is dominated by the development of vast oil reserves that have driven Alaska's statewide economy for the last two decades.
 - ⇒ The Northwest/Interior is by far the largest and most sparsely populated region, where subsistence, mining and fisheries are the primary sources of jobs.
 - ⇒ The Southwest is the center of the world's richest fisheries. Commercial fishing and fish processing are primary sources of employment.
 - ⇒ The Southeast, home to the state capital, is dominated by government but also has strong sectors in tourism, timber, and fisheries.
 - Alaska's peripheral regions also show wide variation in socio-economic mix compared to Anchorage/Mat-Su:
 - ⇒ Most other parts of the state, except for the Gulf Coast and Southeast, have a combination of lower per capita income and higher cost of living. This results in per capita purchasing power that is much below Anchorage. Factors of remoteness and climatic extremes also tend to drive the cost of public service delivery higher in outlying areas.
 - Anchorage/Mat-Su residents derive 8 percent of their total labor income from working in the periphery region, while residents of the periphery earn only 1 percent of their total labor income from working in the core. More than \$400 million in net labor income flows annually from the periphery to Anchorage/Mat-Su, paid to people who reside in the core and work elsewhere in Alaska.

Feb 2004 Municipal Fiscal Conditions Survey - Please return ASAP

Loss of revenue sharing, capital matching grants, STIP roads match, plus state PERS/other cost increases are hurting municipalities/local taxpayers. AML needs information to present a case to the Governor, Legislature, and public. Please take a few minutes to fill out this survey.

Name of Respondent Julia Simon Title Mayor Municipality City of Allakaket

1. Is your community facing an economic downturn that is hurting local government revenues?

No Yes If yes, please specify cause and impacts. Residents are hurting

in rural areas - Lack of jobs because of cuts -
lack of services

2. Is your municipality anticipating a revenue shortfall this coming year? No Yes If yes, how much, and what % of your total General Fund budget? Please give specifics.

The revenue will not meet our needs at all -

3. Do you anticipate a need to cut public services? No Yes If yes, which ones and how much? (If possible, please also estimate total probable employee layoffs.)

We already cut some public services -
As for now, we don't have office workers - Our
employees are working ~~with~~ short hours.

4. Do you anticipate a need to raise fees or taxes? No Yes If yes, which ones and how much?

At this time, we don't know yet

5. For small municipalities, without revenue sharing, etc. does your municipality have the financial resources necessary to provide minimum public services/continue as a city or borough? No Yes If No, please explain.

Good question

Please **FAX TO AML** at 907-463-5480 ASAP Thank You!
(Feel free to attach additional sheets. Call Kevin 1-877-636-1325 with questions.)

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Name of Respondent: Patricia Henzane Title: Admin Municipality: City of Aiken

1. Is your community facing an economic downturn that is hurting local government revenues? No Yes If yes, please specify cause and impacts. State Budget Cuts

and Sales Tax Revenues. The City has had to make budget cuts

2. Is your municipality anticipating a revenue shortfall this coming year? No Yes If yes, how much, and what % of your total General Fund budget? Please give specifics.

The City balanced the budget by making cuts. Froze wages, reduced hours freeze hiring, deferred maintenance, reduced Senior Transportation Program, reduced travel & Training, etc.

3. Do you anticipate a need to cut public services? No Yes If yes, which ones and how much? (If possible, please also estimate total probable employee layoffs.)

Senior Transportation Program cut from 3 day a week to 2 days.

4. Do you anticipate a need to raise fees or taxes? No Yes If yes, which ones and how much?

Boat Storage fees were reinstated.

5. For small municipalities, without revenue sharing, etc. does your municipality have the financial resources necessary to provide minimum public services/continue as a city or borough? No Yes . If No, please explain.

We have a 5% Sibs Tax and we get some revenue from tourism activities. The lodges always fight the tax and we have had to reduce the budget for attorneys fees to collect. We expect a 36% reduction in sales tax revenue.

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Name of Respondent Harry Douglas Title City Admin Municipality City of Ambler

1. Is your community facing an economic downturn that is hurting local government revenues?
No Yes If yes, please specify cause and impacts. Collections of W/S + Cable

Services.

2. Is your municipality anticipating a revenue shortfall this coming year? No Yes If yes, how much, and what % of your total General Fund budget? Please give specifics.

3. Do you anticipate a need to cut public services? No Yes If yes, which ones and how much? (If possible, please also estimate total probable employee layoffs.)

4. Do you anticipate a need to raise fees or taxes? No Yes If yes, which ones and how much?

W/S Services - to be discussed later.

5. For small municipalities, without revenue sharing, etc. does your municipality have the financial resources necessary to provide minimum public services/continue as a city or borough? No Yes If No, please explain.

Please FAX TO AML at 907-463-5480 ASAP Thank You!
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From: Municipality of Anchorage

Feb 2004 Municipal Fiscal Conditions Survey - Please return ASAP

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Name of Respondent Nancy Perry Title AMB Municipality Anchorage

1. Is your community facing an economic downturn that is hurting local government revenues?
No Yes If yes, please specify cause and impacts. _____

2. Is your municipality anticipating a revenue shortfall this coming year? No Yes If yes, how much, and what % of your total General Fund budget? Please give specifics.

\$ 11 million shortfall from 03 to 04 in State Revenue Sharing
11/303 = 3.6%

3. Do you anticipate a need to cut public services? No Yes If yes, which ones and how much? (If possible, please also estimate total probable employee layoffs.)

The Municipality may require cuts in services
Would be required via reductions, if necessary
through attrition

4. Do you anticipate a need to raise fees or taxes? No Yes If yes, which ones and how much?

Fees raised in 2003 in 2004 fiscal year. Property taxes
will be lower to the tax cap limitation

5. For small municipalities, without revenue sharing, etc. does your municipality have the financial resources necessary to provide minimum public services/continue as a city or borough? No Yes If No, please explain.

Please FAX TO AML at 907-463-5480 ASAP Thank You!
(Feel free to attach additional sheets. Call Kevin 1-877-636-1325 with questions.)

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Name of Respondent Travis Pate Title Manager Municipality Aniak

1. Is your community facing an economic downturn that is hurting local government revenues?
No Yes If yes, please specify cause and impacts. Cause is unknown, but we are expecting a 10% shortfall in local revenue.

2. Is your municipality anticipating a revenue shortfall this coming year? No Yes If yes, how much, and what % of your total General Fund budget? Please give specifics.
Expecting a \$19,000 shortfall of local revenues (10% of Local Fund). Losing \$68,541 of State support (Revenue sharing - Sub Com - for Capital Match). This total is 31% of our total budget.

3. Do you anticipate a need to cut public services? No Yes If yes, which ones and how much? If possible, please also estimate total probable employee layoffs.
Not yet.

4. Do you anticipate a need to raise fees or taxes? No Yes If yes, which ones and how much?
Possibly raise sales tax, start charging fuel, start charging fees for landfill use.

5. For small municipalities, without revenue sharing, etc. does your municipality have the financial resources necessary to provide minimum public services/continue as a city or borough? No Yes If No, please explain.
Not at present. We were at minimum levels before the cuts.

Please **FAX TO AML** at 907-463-5480 ASAP Thank You!
(Fee free to attach additional sheets. Call Kevin 1-877-636-1325 with questions.)

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Name of Respondent ^{Nancy Hugs} AKP City Title Mayor Municipality Amherst Pass

1. Is your community facing an economic downturn that is hurting local government revenues? No Yes If yes, please specify cause and impacts. We may not survive until the next fiscal year. Barely making payroll and bills piling up

2. Is your municipality anticipating a revenue shortfall this coming year? No Yes If yes, how much, and what % of your total General Fund budget? Please give specifics. I believe the General Fund budget is gone

3. Do you anticipate a need to cut public services? No Yes If yes, which ones and how much? (If possible, please also estimate total probable employee layoffs.) We may need to cut payroll. We are anticipating 10 employee lay-off

4. Do you anticipate a need to raise fees or taxes? No Yes If yes, which ones and how much? We do not collect taxes

5. For small municipalities, without revenue sharing, etc. does your municipality have the financial resources necessary to provide minimum public services/continue as a city or borough? No Yes If No, please explain. Without any source of revenue. We may cut back to (4) hrs per day of employee work

Please FAX TO AML at 907-463-5480 ASAP Thank You!
(Feel free to attach additional sheets. Call Kevin 1-877-636-1325 with questions.)

Feb 2004 Municipal Fiscal Conditions Survey - Please return ASAP

Loss of revenue sharing, capital matching grants, STUP roads match, plus state PERS/other cost increases are hurting municipalities/local taxpayers; AML needs information to present case to the Governor, Legislature, and public. Please take a few minutes to fill out this survey

Name of Respondent Julie Niskyville Administrator
Municipality Atoka

1. Is your community facing an economic downturn that is hurting local government revenues? No Yes If yes, please specify cause and impacts: As first state income tax less to now less state income tax less
taxes will be lower

2. Is your municipality anticipating a revenue shortfall this coming year? No Yes If yes, how much, and what % of your total General Fund Budget? Please give specifics.
\$ 60,000 - 20% - lost revenue
sharing of first taxes.

3. Do you anticipate a need to cut public services? No Yes If yes, which ones and how much? (If possible, please also estimate total probable employee layoffs.)
Essentials services being minimized
by city because contracts don't pay
enough such as post office, airport
ground services. Maintenance could be

4. Do you anticipate a need to raise fees or taxes? No Yes If yes, which ones and how much?
Utility - Water - 33,000 - depends
on city council approval if there
is a source. There is no real tax

5. For small municipalities, without revenue sharing, etc. does your municipality have the financial resources necessary to provide minimum public services/continue as a city or borough? No Yes If No, please explain.
Yes for two possibly 3 years ago -
then it will become difficult
to meet expenses at current levels.

Please FAX TO AML at 907-463-5480 ASAP. Thank You!
(Feel free to attach additional sheets. Call Kevin at 1-877-636-1325 with questions.)

Additionally, Atoka is trying to get a
new clinic & everyone wants the
community to put in a cash match.
Ideally some of the city resources could
have been used towards this matter.

Feb 2004 Municipal Fiscal Conditions Survey - Please return ASAP

Loss of revenue sharing, capital matching grants, STIP roads match, plus state PERS/other cost increases are hurting municipalities/local taxpayers. AML needs information to present a case to the Governor, Legislature, and public. Please take a few minutes to fill out this survey.

Name of Respondent Lucy Okie Title ^{City} Administrator Municipality Brevig Mission

1. Is your community facing an economic downturn that is hurting local government revenues?
No Yes If yes, please specify cause and impacts. _____

2. Is your municipality anticipating a revenue shortfall this coming year? No Yes If yes, how much, and what % of your total General Fund budget? Please give specifics.

40,000.00. We will have to cancel our insurance coverage.
This will leave the City vulnerable and unsustainable

3. Do you anticipate a need to cut public services? No Yes If yes, which ones and how much? (If possible, please also estimate total probable employee layoffs.)

4. Do you anticipate a need to raise fees or taxes? No Yes If yes, which ones and how much?

5. For small municipalities, without revenue sharing, etc. does your municipality have the financial resources necessary to provide minimum public services/continue as a city or borough? No Yes If No, please explain.

Please FAX TO AML at 907-463-5480 ASAP Thank You!
(Feel free to attach additional sheets. Call Kevin 1-577-636-1325 with questions.)

Feb 2004 Municipal Fiscal Conditions Survey - Please return ASAP

Loss of revenue sharing, capital matching grants, STIP road match, plus state PERS/other cost increases are hurting municipalities/local taxpayers. AML needs information to present a case to the Governor, Legislature, and public. Please take a few minutes to fill out this survey.

Name of Respondent Ellen Skiles Title Finance Director Municipality Bristol Bay Borough

1. Is your community facing an economic downturn that is hurting local government revenues? No Yes If yes, please specify cause and impacts. Disastrous fishing

Seasons - revenue down 20% - property values
have fallen 25% last seven years.

2. Is your municipality anticipating a revenue shortfall this coming year? No Yes If yes, how much, and what % of your total General Fund budget? Please give specifics.

Revenue shortfall \$1.3 Million - 30% of
general fund budget

3. Do you anticipate a need to cut public services? No Yes If yes, which ones and how much? (If possible, please also estimate total probable employee layoffs.)

4. Do you anticipate a need to raise fees or taxes? No Yes If yes, which ones and how much?

Property tax - a possible mill increase
landfill & sewer fees - possible increase

5. For small municipalities, without revenue sharing, etc. does your municipality have the financial resources necessary to provide minimum public services/continue as a city or borough? No Yes If No, please explain.

Please **FAX TO AML** at 907-463-5480 ASAP Thank You!
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Feb 2004 Municipal Fiscal Conditions Survey - Please return ASAP

Due to revenue sharing, capital matching grants, STIF reach north plus state FERS/other cost increases are hurting municipalities/local taxpayers. AML needs information to present a case to the Governor, Legislature, and public. Please take a few minutes to fill out this survey.

Name of Respondent John Maxwell Title Mayor Municipality City of Col Bay

1. Is your community facing an economic downturn that is hurting local government revenues? No Yes If yes, please specify cause and impacts.

2. Is your municipality anticipating a revenue shortfall this coming year? No Yes If yes, how much, and what % of your total General Fund budget? Please give specifics.

3. Do you anticipate a need to cut public services? No Yes If yes, which ones and how much? (If possible, please also estimate total probable employee layoffs.)

4. Do you anticipate a need to raise fees or taxes? No Yes If yes, which ones and how much?

5. For small municipalities, without revenue sharing, etc. Does your municipality have the financial resources necessary to provide minimum public services/continue as a city or borough? No Yes If No, please explain.

Please FAX TO AML at 907-463-5480 ASAP Thank You!
(Feel free to attach additional sheets. Call Kevin 1-877-636-1323 with questions.)

Feb 2004 Municipal Fiscal Conditions Survey - Please return ASAP

Loss of revenue sharing, capital matching grants, STIP needs match plus other FEES/other cost increases are hurting municipalities/local taxpayers. AML needs information to present a case to the Governor, Legislature, and public. Please take a few minutes to fill out this survey.

Name of Respondent Bill A. Hahn Title City Manager Municipality Cardova

1. Is your community facing an economic downturn that is hurting local government revenues? No Yes If yes, please specify cause and impacts. Fishing Industry downturn,

off shore processing, ~~the~~ lack of borough, increased insurance & retirement, increased power & fuel cost, hospital in dire financial problem

2. Is your municipality anticipating a revenue shortfall this coming year? No Yes If yes, how much, and what % of your total General Fund budget? Please give specifics.

1.5% - \$600,000 plus

3. Do you anticipate a need to cut public services? No Yes If yes which ones and how much? (If possible, please also estimate total probable employee layoffs.)

Currently cuts are being avoided by use of fund balance.

Would need 25% across the board employee cuts.

4. Do you anticipate a need to raise fees or taxes? No Yes If yes, which ones and how much?

All are being raised a small amount. Property tax 1 mill.

May increase sales tax.

5. For small municipalities, without revenue sharing, etc. does your municipality have the financial resources necessary to provide minimum public services/continue as a city or borough? No Yes If No, please explain.

Not for long.

Please **FAX TO AML at 907-463-5480 ASAP** Thank You!
(Feel free to attach additional sheets. Call Kevin 1-877-636-1325 with questions.)

5

Feb 2004 Municipal Fiscal Conditions Survey - Please return ASAP

Loss of revenue sharing, capital matching grants, STIP roads match, plus state PERS/other cost increases are hurting municipalities/local taxpayers. AML needs information to present a case to the Governor, Legislature, and public. Please take a few minutes to fill out this survey.

Name of Respondent Jon Bolling Title Admin. Municipality City of Craig

1. Is your community facing an economic downturn that is hurting local government revenues?

No Yes If yes, please specify cause and impacts. Decreasing property tax receipts

due to declines in property values; stagnant and declining sales tax revenues due to high unemployment

2. Is your municipality anticipating a revenue shortfall this coming year? No Yes If yes, how much, and what % of your total General Fund budget? Please give specifics.

Our shortfall will be about 15% of general fund budget. Large increases in insurance costs + PERS, primarily.

3. Do you anticipate a need to cut public services? No Yes If yes, which ones and how much? (If possible, please also estimate total probable employee layoffs.)

More likely. we will have to raise rates to make up the difference, or look to our savings

4. Do you anticipate a need to raise fees or taxes? No Yes If yes, which ones and how much?

Solid waste and other enterprise fund fees.

5. For small municipalities, without revenue sharing, etc. does your municipality have the financial resources necessary to provide minimum public services/continue as a city or borough? No Yes If No, please explain.

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(Feel free to attach additional sheets. Call Kevin 1-877-636-1325 with questions.)

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Name of Respondent: Ronald Moto Title: Mayor Municipality: City of Deering

1. Is your community facing an economic downturn that is hurting local government revenues? Yes

Cause and Impacts. Our Water/Sewer started in 1993 and after many delays due to lack of funding and archaeology findings we are getting close to completing our system, several funding requests through Village Safe Water, Capital Improvement Plan we have been denied funding for the last several years with no explanation even though we work directly with our engineer to document our needs, we desperately need improvements to the water supply line from a river and many other needs to make our system safe and to supply clean water to our community.

2. Is your municipality anticipating a revenue shortfall this coming year? Yes

How much, and what % of your total General Fund Budget?

\$39,498.00 and 35% of our General Fund budget, due to increased expenses with our water and sewer improvements.

3. Do you anticipate a need to cut public services? Yes, which ones and how much, if possible, please also estimate total probable employee layoffs.

The Public services we've cut out this year are: Gym Coordinator @ School \$7,200.00, Council donations @ Holidays \$1,000.00, Scholarships for college students \$2,500.00, total probable employee layoffs: part-time clerk estimated \$12,480.00 which means more work for the Clerk, alternate Washeteria Attendant \$6,240.00 which means no attendant 2days/week.

4. Do you anticipate a need to raise fees or taxes? Yes

Water by the gallon for residents: from .10/cents to .15/cents gallon and for business from: .15/cents to .25/cents, washer token sales: up on \$1.00.

5. For small municipalities, without revenue sharing, etc, does your municipality have the financial resources necessary to provide minimum public services/continue as a city or borough? No

Without revenue sharing, \$39,498.00 expense short-fall, again due to our Water/sewer upgrade and Community Facilities and Cable upgrades, and raise more rates @ Washeteria/Cable to meet the 35% revenue short-fall due to the high expenses of upgrading our facilities.

Feb 2004 Municipal Fiscal Conditions Survey - Please return ASAP

Loss of revenue sharing, capital matching grants, STIF road match, plus state PERS/other cost increases are hurting municipalities/local taxpayers. AML needs information to present a case to the Governor, Legislature, and public. Please take a few minutes to fill out this survey.

Name of Respondent PETE HALLGREN Title Admin Municipality CITY OF DELTA

1. Is your community facing an economic downturn that is hurting local government revenues?
No Yes If yes, please specify cause and impacts. _____

2. Is your municipality anticipating a revenue shortfall this coming year? No Yes If yes, how much, and what % of your total General Fund budget? Please give specifics.

3. Do you anticipate a need to cut public services? No Yes If yes, which ones and how much? (If possible, please also estimate total probable employee layoffs.)

4. Do you anticipate a need to raise fees or taxes? No Yes If yes, which ones and how much?

5. For small municipalities, without revenue sharing, etc. does your municipality have the financial resources necessary to provide minimum public services/continue as a city or borough? No Yes If No, please explain.

Please FAX TO AML at 907-463-5480 ASAP Thank You!
(Feel free to attach additional sheets. Call Kevin 1-877-636-1325 with questions.)

Feb 2004 Municipal Fiscal Conditions Survey - Please return ASAP

Loss of revenue sharing, capital matching grants, STIP 100% match, plus state FERS/other cost increases are hurting municipalities/local taxpayers. AML needs information to present a case to the Governor, Legislature, and public. Please take a few minutes to fill out this survey.

Name of Respondent: Dave Valerico Title Mayor Municipality: Denali Borough

1. Is your community facing an economic downturn that is hurting local government revenues?
No Yes If yes, please specify cause and impacts. No Capital Matching Grants equates to fewer projects and less local employment.

2. Is your municipality anticipating a revenue shortfall this coming year? No Yes If yes, how much, and what % of your total General Fund budget? Please give specifics.

Less coal sales from Usibelli Coal Mine previous 2 yrs.
Tourism down last 3 yrs = approx. \$200,000 or 10% of G.F.

3. Do you anticipate a need to cut public services? No Yes If yes, which ones and how much? (If possible, please also estimate total probable employee layoffs.)

Attempting to streamline all services. We have already reduced our small staff by 1 full time position.

4. Do you anticipate a need to raise fees or taxes? No Yes If yes, which ones and how much?

Possible bed tax increase from 1% to 3%.
May have to create an acceptable sales tax for more revenue.

5. For small municipalities, without revenue sharing, etc. does your municipality have the financial resources necessary to provide minimum public services/continue as a city or borough? No Yes If No, please explain.

We will have to reduce our assistance to 4 Fire/EMS Dept's, Denali Par. School District, etc.

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Name of Respondent KATY BAGIERE Title FIN. DIR. Municipality DILLINGHAM

1. Is your community facing an economic downturn that is hurting local government revenues? No Yes If yes, please specify cause and impacts. _____

FISH PRICES TOO LOW. DECLINE IN
VALUE OF BOATS. LOSS OF STATE CONTRIBUTIONS

2. Is your municipality anticipating a revenue shortfall this coming year? No Yes If yes, how much, and what % of your total General Fund budget? Please give specifics.

IF CUT POSITIONS WERE FUNDED OUR SHORTFALL WOULD BE
APPROXIMATELY \$500,000. 9 POSITIONS WERE REDUCED OR CUT,
10% OF GEN. F.D.

3. Do you anticipate a need to cut public services? No Yes If yes, which ones and how much? (If possible, please also estimate total probable employee layoffs.)

REDUCED LIBRARY HOURS. REDUCED SENIOR CENTER
ACTIVITIES. PLANNING IS LIMITED. COLLECTIONS REDUCED
LESS BUILD. & GROUNDS ACTIVITY, REDUCED EMTS ACTIVITY, ETC.

4. Do you anticipate a need to raise fees or taxes? No Yes If yes, which ones and how much?

POSSIBLY - PROPERTY TAX MIGHT BE INCREASED

5. For small municipalities, without revenue sharing, etc. does your municipality have the financial resources necessary to provide minimum public services/continue as a city or borough? No Yes If No, please explain.

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Name of Respondent Jerry P. Nelson Title Mayor Municipality Eagle City

1. Is your community facing an economic downturn that is hurting local government revenues? No Yes If yes, please specify cause and impacts. _____

2. Is your municipality anticipating a revenue shortfall this coming year? No Yes If yes, how much, and what % of your total General Fund budget? Please give specifics.

3. Do you anticipate a need to cut public services? No Yes If yes, which ones and how much? (If possible, please also estimate total probable employee layoffs.)

4. Do you anticipate a need to raise fees or taxes? No Yes If yes, which ones and how much?

5. For small municipalities, without revenue sharing, etc. does your municipality have the financial resources necessary to provide minimum public services/continue as a city or borough? No Yes If No, please explain.

Please **FAX TO AML** at 907-463-5480 ASAP Thank You!
(Feel free to attach additional sheets. Call Kevin 1-877-636-1325 with questions.)



CITY OF ELIM
ELIM CITY COUNCIL
P.O. BOX 39009
ELIM, ALASKA 99739

PH: (907)890-3441
FAX: (907)890-3811

To: Kevin Ritchie, Executive Director
Alaska Municipal League

March 4, 2004
Fax: 9070463-5480
2 pages -

From: Luther Nagaruk, City Clerk

Re: 2004 Municipal Fiscal Conditions Survey

The Revenue Sharing and Municipal Capital Matching Grants have kept our City operating. We understand that some of the Municipal Governments will desolve without Funding... The Cities in Rural Alaska are the only entities that represent everyone in the community. Some members in our communities will no longer be represented or have a voice. If the City Governments were desolved there would only be certain entities represented involved in the IRA Tribal Councils and the State incorporated Native Corporations. The loss of equal representation would close the doors to some members in the community. Its important that the wealth of Alaska received from the oil fields be shared with the Municipal Governments... this I think should be the responsibility of our State Legislatures and our Governor as the Number One Priority.

The Bering Straits Region does not have a good Tax Base nor are there any Progressive Economic Development Programs.

Enclosed is the 2004 Municipal Fiscal Conditions Survey.

Feb 2004 Municipal Fiscal Conditions Survey - Please return ASAP

Loss of revenue sharing, capital matching grants, STIP roads match, plus state PERS/other cost increases are hurting municipalities/local taxpayers. AML needs information to present a case to the Governor, Legislature, and public. Please take a few minutes to fill out this survey.

Name of Respondent LUTHER NAGAWATILE CITY CLARK Municipality City of ELIUM

1. Is your community facing an economic downturn that is hurting local government revenues?
No Yes If yes, please specify cause and impacts. Lack of Funding - Local

Street & Roads - With More Snow This Winter We
Will have to take Funding from Other Important
City Services.

2. Is your municipality anticipating a revenue shortfall this coming year? No Yes If yes, how much, and what % of your total General Fund budget? Please give specifics.

① Fuel Purchase - We may come up short - 30%
② Warranien. Comp Insurance, & Property - 25%

3. Do you anticipate a need to cut public services? No Yes If yes, which ones and how much? (If possible, please also estimate total probable employee layoffs.)

WE DO NOT EXPECT ANY LAYOFFS - We may reduce
Expected work time - It's a little too early
to predict.

4. Do you anticipate a need to raise fees or taxes? No Yes If yes, which ones and how much?

WE HAVE TRIED TO RAISE TAXES - TO REINSTATE
Our Village Police Officer - We were NOT Success
ful in raising our taxes by an additional 2%

5. For small municipalities, without revenue sharing, etc. does your municipality have the financial resources necessary to provide minimum public services/continue as a city or borough? No Yes If No, please explain.

Revenue sharing has been a good part of our
Operating Cost. - We will try to make ends meet
using Rental Services. - This will also depend on
Summer Projects.

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

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Name of Respondent John Nickels Title Mayor Municipality Falsch Park

1. Is your community facing an economic downturn that is hurting local government revenues? No Yes If yes, please specify cause and impacts. Downturn in fisheries has resulted

in far less tax revenue. This has also caused closure of only grocery hardware & fuel store & numerous closures which will mean even less tax revenue; and next F.Y. we won't have revenue sharing either.

2. Is your municipality anticipating a revenue shortfall this coming year? No Yes If yes, how much, and what % of your total General Fund budget? Please give specifics.

We may fall short this F.Y. by 10% which we can cover with savings; next FY I expect more short fall, but not sure yet how much.

3. Do you anticipate a need to cut public services? No Yes If yes, which ones and how much? (If possible, please also estimate total probable employee layoffs.)

Probably - we have already frozen employee salaries and pay raises and reduced some benefits, but may need to cut a part time librarian position & operate with volunteers.

4. Do you anticipate a need to raise fees or taxes? No Yes If yes, which ones and how much?

We just started a bed tax, but it isn't expected to raise much - We need to raise sales tax from 2% to 3% but it was defeated in the public election. We are going to try again this year.

5. For small municipalities, without revenue sharing, etc. does your municipality have the financial resources necessary to provide minimum public services/continue as a city or borough? No Yes If No, please explain.

Not sure, - without revenue sharing, and with less tax revenue it is becoming very difficult to provide services and pay our expenses.

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

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Name of Respondent Ron Wolf Title CFO Municipality City of Fairbanks

1. Is your community facing an economic downturn that is hurting local government revenues? No Yes If yes, please specify cause and impacts. State revenue sharing cut and
Per increases.

2. Is your municipality anticipating a revenue shortfall this coming year? No Yes If yes, how much, and what % of your total General Fund budget? Please give specifics.

Between the per increases and loss of state support
we are looking about \$2M or roughly 10% of operations

3. Do you anticipate a need to cut public services? No Yes If yes, which ones and how much? (If possible, please also estimate total probable employee layoffs.)

No, but we are ~~at~~ at odds w/all bargaining
unions because of this.

4. Do you anticipate a need to raise fees or taxes? No Yes If yes, which ones and how much?

There is a need but we are limited to
a revenue cap that did not include revenue sharing.
There is need, but we can not do it.

5. For small municipalities, without revenue sharing, etc. does your municipality have the financial resources necessary to provide minimum public services/continue as a city or borough? No Yes If No, please explain.

N/A

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(Feel free to attach additional sheets. Call Kevin 1-877-636-1325 with questions.)

Feb 2004 Municipal Fiscal Conditions Survey – Please return ASAP

Loss of revenue sharing, capital matching grants, STP roads match, plus state PERS/other cost increases are hurting municipalities/local taxpayers. AML needs information to present a case to the Governor, Legislature, and public. Please take a few minutes to fill out this survey.

Name of Respondent APANGALOOK, P. Title ADMINSTRATOR Municipality GAMBELL

1. Is your community facing an economic downturn that is hurting local government revenues? No Yes If yes, please specify cause and impacts. heavy equipment repairs, 966, backhoe, tractor, building repairs, streets & roads.

2. Is your municipality anticipating a revenue shortfall this coming year? No Yes If yes, how much, and what % of your total General Fund budget? Please give specifics.

Estimated at \$156,00.00 which is about 20% of our locally generated revenues that is used to repair our, facilities, heavy equipment for the winter as our heavy equipment also provides revenues on rental.

3. Do you anticipate a need to cut public services? No Yes If yes, which ones and how much? (If possible, please also estimate total probable employee layoffs.)

At this time there is a good possibility of laying off 1 or 2 employees.

4. Do you anticipate a need to raise fees or taxes? No Yes If yes, which ones and how much?

local sales tax to 5% from 3% and bed tax of about 10%

5. For small municipalities, without revenue sharing, etc. does your municipality have the financial resources necessary to provide minimum public services/continue as a city or borough? No Yes, If No, please explain.

REVENUE SHARING, CAPITOL MATCHING GRANT'S PLAYS A MAJOR ROLE IN OUR BUDGET FOR WINTER PREPARATION, INSURANCE PAYMENTS. THE DENALI COMMISSION RECOGNIZES THIS COMMUNITY AS A FINANCIALLY DISTRESSED COMMUNITY.

Please **FAX TO AML at 907-463-5480 ASAP** Thank You!
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Feb 2004 Municipal Fiscal Conditions Survey - Please return ASAP

Loss of revenue sharing, capital matching, grants, STIF needs match, plus state PER. Another cost increases are hurting municipalities/local taxpayers. AML needs information to present a case to the Governor, Legislature, and public. Please take a few minutes to fill out this survey.

Name of Respondent Charlotte West Title City Clerk Municipality Grayling

1. Is your community facing an economic downturn that is hurting local government activities? No Yes If yes, please specify cause and impacts. Almost all our money to run the city comes from the revenue sharing. Without that we wonder what will happen in the next few months

2. Is your municipality anticipating a revenue shortfall this coming year? No Yes If yes, how much and what % of your total General Fund budget? Please give specifics.

At least 80% more

3. Do you anticipate a need to cut public services? No Yes If yes, which ones and how much? (If possible, please also estimate total probable employee layoffs.)

We had to turn our water/sewer services over to RUC a program out of Bethel. We don't have the money to run it properly

4. Do you anticipate a need to raise fees or taxes? No Yes If yes, which ones and how much?

5. For small municipalities, without revenue sharing, etc. does your municipality have the financial resources necessary to provide minimum public services/continue as a city or borough? No Yes If No, please explain.

Yes But for how long

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

(Feel free to attach additional sheets. Call Kevin 1-877-636-1324 with questions.)

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Name of Respondent Jerry Medina Title City Administrator Municipality City of Hoonah

1. Is your community facing an economic downturn that is hurting local government revenues?

No Yes If yes, please specify cause and impacts. Major Employer Whitestone

Logging shutdown and moved to Afognak. Sales tax revenues have declined steadily since the year 2000

2. Is your municipality anticipating a revenue shortfall this coming year? No Yes If yes, how much, and what % of your total General Fund budget? Please give specifics.

\$70,000 or 32% of our General Fund. Shared revenues have decreased by 5% since the year 2000.

3. Do you anticipate a need to cut public services? No Yes If yes, which ones and how much? (If possible, please also estimate total probable employee layoffs.)

unless we come up with new revenue sources, we may have to lay off two public works employees and one police officer.

4. Do you anticipate a need to raise fees or taxes? No Yes If yes, which ones and how much?

We just raised our utility rates in October to \$68.69 a month for water, sewer and garbage.

5. For small municipalities, without revenue sharing, etc. does your municipality have the financial resources necessary to provide minimum public services/continue as a city or borough? No Yes. If No, please explain.

The City of Hoonah has been in a deficit position since 1998 with a negative fund balance over \$297,000. The water & sewer fund have been in a deficit balance for the past 3 years \$156,116.

Please **FAX TO AML** at 907-463-5480 ASAP Thank You!
(Fee) free to attach additional sheets Call Kevin 1-877-636-1325 with questions.)

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Name of Respondent R S Murren Title City Admin Municipality City of Homer, AK

1. Is your community facing an economic downturn that is hurting local government revenues?

No Yes If yes, please specify cause and impacts. collapse of commercial

herring fishing, failure of halibut fishing, City is
hurting financially & is unable to meet some payroll obligations.

2. Is your municipality anticipating a revenue shortfall this coming year? No Yes If yes, how much, and what % of your total General Fund budget? Please give specifics.

\$40,000 RS, \$25,000 aids to municipalities, COPS grant
(Federal)
3.9%, 2.1%

3. Do you anticipate a need to cut public services? No Yes If yes, which ones and how much? (If possible, please also estimate total probable employee layoffs.)

1 cop \$24,000 annual
1 dispatcher 19,000 annual

4. Do you anticipate a need to raise fees or taxes? No Yes If yes, which ones and how much?

5. For small municipalities, without revenue sharing, etc. does your municipality have the financial resources necessary to provide minimum public services/continue as a city or borough? No Yes If No, please explain.

Please FAX TO AML at 907-463-5480 ASAP Thank You!
(Feel free to attach additional sheets. Call Kevin 1-877-636-1375 with questions.)

Feb 2004 Municipal Fiscal Conditions Survey - Please return ASAP

Loss of revenue sharing, capital matching grants, STIP roads match, plus state PERS/member cost increases are hurting municipalities/local taxpayers. AML needs information to present a case to the Governor, Legislature, and public. Please take a few minutes to fill out this survey.

Name of Respondent DALE ADAMS Title MAYOR Municipality HOUSTON

1. Is your community facing an economic downturn that is hurting local government revenues? No Yes If yes, please specify cause and impacts. A 2% SALES TAX implemented

Jan. 1, 2004 to make up for lost revenue from the state.

IF THE TAX DOES NOT MAKE UP FOR LOST STATE FUNDING, ROAD SERVICES WILL BE REDUCED, THE FIRE DEPT. WILL BE AFFECTED, AND WE WILL HAVE TO REDUCE WORKFORCE, AND HOURS OF OPERATION

2. Is your municipality anticipating a revenue shortfall this coming year? No Yes If yes, how much, and what % of your total General Fund budget? Please give specifics.

We are not sure at this time, the revenue from our sales tax will have to make up our lost revenue from the state plus the CMP GRANT we use for road improvement just to maintain our current financial status.

3. Do you anticipate a need to cut public services? No Yes If yes, which ones and how much? (If possible, please also estimate total probable employee layoffs.)

If we do not make up the lost revenue road services, animal control, and office staff will be cut. We will also have to reduce hours of operation.

4. Do you anticipate a need to raise fees or taxes? No Yes If yes, which ones and how much?

A 2% sales tax was voter approved in October 2003 and started on Jan. 1, 2004. We have a very small base from which we can collect taxes from. We are hoping it will be enough to make up the lost state revenue.

5. For small municipalities, without revenue sharing, etc. does your municipality have the financial resources necessary to provide minimum public services/continue as a city or borough? No Yes If No, please explain.

It will depend on the amount of sales tax revenue we take in.

Please FAX TO AML at 907-463-5480 ASAP Thank You!
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Loss of revenue sharing, capital matching prob, STP roads match, plus rate PERS/other cost increases are hurting municipalities/local taxpayers. AML needs information to present a case to the Governor, Legislature, and public. Please take a few minutes to fill out this survey.

Name of Respondent J. Nicholas Title City Administrator Municipality Hughes

1. Is your community facing an economic downturn that is hurting local government revenues? No Yes If yes, please specify cause and impacts. This is a devastating impact

On our community, we are forced to cut critical public services: road maintenance, solid waste services, Search + Rescue, water + sewer.

2. Is your municipality anticipating a revenue shortfall this coming year? No Yes If yes, how much, and what % of your total General Fund budget? Please give specifics.

27,000 General Fund budget
25,000 capital matching funds for critical health + safety needs

3. Do you anticipate a need to cut public services? No Yes If yes, which ones and how much? (If possible, please also estimate total probable employee layoffs.)

Search + Rescue No work for all these
Rd Maintenance service, major layoffs
Solid Waste Services going to happen.

4. Do you anticipate a need to raise fees or taxes? No Yes If yes, which ones and how much?

Water/Sewer fees
Solid waste fees

5. For small municipalities, without revenue sharing, etc. does your municipality have the financial resources necessary to provide minimum public services/continue as a city or borough? No Yes If No, please explain.

We do not have other revenues to continue minimum public services. We need municipal assistance!

Please FAX TO AML at 907-463-5480 ASAP Thank You!
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Name of Respondent Elsie Veit Title City Administrator Municipality Lushton

1. Is your community facing an economic downturn that is hurting local government revenues?
No Yes If yes, please specify cause and impacts. with the revenue sharing

cutbacks we have on other funds to fill this
funds, lay offs and closure of ^{city} office may
be necessary

2. Is your municipality anticipating a revenue shortfall this coming year? No Yes If yes, how much, and what % of your total General Fund budget? Please give specifics.

25% = the revenue sharing funds
public service buildings, clinic, roads, etc

3. Do you anticipate a need to cut public services? No Yes If yes, which ones and how much? (If possible, please also estimate total probable employee layoffs.)

already - laid off city clerk, cut
backs on services to the clinic,
roads, public building insurance

4. Do you anticipate a need to raise fees or taxes? No Yes If yes, which ones and how much?

Have no taxes

5. For small municipalities, without revenue sharing, etc. does your municipality have the financial resources necessary to provide minimum public services/continue as a city or borough? No Yes If No, please explain.

Please **FAX TO AML** at 907-463-5480 ASAP Thank You!
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Name of Respondent Rod Swope Title MGR Municipality CBT

1. Is your community facing an economic downturn that is hurting local government revenues?

No Yes If yes, please specify cause and impacts. PERS, TERS, Less of Revenue

Slowing, Possible loss of public tax revenues, number of businesses
increased, economic downturn resulting in lower sales tax revenue

2. Is your municipality anticipating a revenue shortfall this coming year? No Yes If yes, how much, and what % of your total General Fund budget? Please give specifics.

\$2 million which is 5% of our GF revenue.

3. Do you anticipate a need to cut public services? No Yes If yes, which ones and how much? (If possible, please also estimate total probable employee layoffs.)

We will be likely see a reduction in all areas
of public services - street maintenance (summer + winter),
police, fire, reduction in bus services, less landscape +
park maintenance, reduced computer capabilities, reduced

4. Do you anticipate a need to raise fees or taxes? No Yes If yes, which ones and how much? library hours

bus fares, library classes, one-a-van services,
ambulance services

5. For small municipalities, without revenue sharing, etc. does your municipality have the financial resources necessary to provide minimum public services/continue as a city or borough? No Yes If No, please explain.

Please FAX TO AML at 907-463-5480 ASAP Thank You!
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Name of Respondent Philemon D. Moore Title Mayor Municipality Kachemak City

1. Is your community facing an economic downturn that is hurting local government revenues? No Yes If yes, please specify cause and impacts. _____

2. Is your municipality anticipating a revenue shortfall this coming year? No Yes If yes, how much, and what % of your total General Fund budget? Please give specifics.

\$25,000 30% of our annual budgeted income.

3. Do you anticipate a need to cut public services? No Yes If yes, which ones and how much? (If possible, please also estimate total probable employee layoffs.)

option 1

No layoffs will be required. Cutbacks or elimination of grant programs to non-profits + road improvement assistance to residents are being discussed.

4. Do you anticipate a need to raise fees or taxes? No Yes If yes, which ones and how much?

option 2

We may have to increase real property taxes. Possibly from existing 1 mill to 2 mill.

5. For small municipalities, without revenue sharing, etc. does your municipality have the financial resources necessary to provide minimum public services/continue as a city or borough? No Yes If No, please explain.

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Name of Respondent Len Jonsalla Title MAYOR Municipality City of Kaktovik

1. Is your community facing an economic downturn that is hurting local government revenues? No Yes If yes, please specify cause and impacts.

Along with the State cutting Revenue Sharing, the North Slope Borough is in a budget crunch.

2. Is your municipality anticipating a revenue shortfall this coming year? No Yes If yes, how much, and what % of your total General Fund budget? Please give specifics.

The shortfall will be the Revenue Sharing which represents about 20% of our budget.

3. Do you anticipate a need to cut public services? No Yes If yes, which ones and how much? (If possible, please also estimate total probable employee layoffs.)

The City provides assistance to elders, recreation programs & College scholarship. These will all be threatened.

4. Do you anticipate a need to raise fees or taxes? No Yes If yes, which ones and how much?

Unfortunately, we do not have a local tax base in Kaktovik.

5. For small municipalities, without revenue sharing, etc. does your municipality have the financial resources necessary to provide minimum public services/continue as a city or borough? No Yes If No, please explain.

We will have to cut services, but we should be able to maintain minimum public services.

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

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Name of Respondent Linda Snow Title City Mayor Municipality Kenai

1. Is your community facing an economic downturn that is hurting local government revenues? No Yes If yes, please specify cause and impacts. uncertainty w/ gas & oil industries; fewer jobs available due to business closures.

2. Is your municipality anticipating a revenue shortfall this coming year? No Yes If yes, how much, and what % of your total General Fund budget? Please give specifics. estimating \$ 600K

3. Do you anticipate a need to cut public services? No Yes If yes, which ones and how much? (If possible, please also estimate total probable employee layoffs.) will probably cut street lighting maintenance and travel & training budgets. no new positions

4. Do you anticipate a need to raise fees or taxes? No Yes If yes, which ones and how much?

5. For small municipalities, without revenue sharing, etc. does your municipality have the financial resources necessary to provide minimum public services/continue as a city or borough? No Yes If No, please explain.

Please FAX TO AML at 907-463-5480 ASAP Thank You!
(Feel free to attach additional sheets. Call Kevin 1-877-636-1325 with questions.)

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Name of Respondent Ed Oberts Title Assistant Municipality Kenai Peninsula Borough
to MAYOR

1. Is your community facing an economic downturn that is hurting local government revenues?
No Yes If yes, please specify cause and impacts. TAXABLE SALES CONTINUE TO INCREASE AT 2.5% to 5% per year.

2. Is your municipality anticipating a revenue shortfall this coming year? No Yes If yes, how much, and what % of your total General Fund budget? Please give specifics.

Real Property Values are projected to increase by 3 1/2% to 4%

3. Do you anticipate a need to cut public services? No Yes If yes, which ones and how much? (If possible, please also estimate total probable employee layoffs.)

Road Service Area is expected to increase service level due to prior mill rate increases and growing fund balance.

4. Do you anticipate a need to raise fees or taxes? No Yes If yes, which ones and how much?

The only anticipated mill rate increase is for the Central Peninsula General Hospital Service Area that the voters have approved a 50 million dollar expansion along with an anticipated additional 1/2 mill.

5. For small municipalities, without revenue sharing, etc. does your municipality have the financial resources necessary to provide minimum public services/continue as a city or borough? No Yes If No, please explain.

All of the borough service areas were able to make their tax budget work last year as the borough general fund retained all of the one time distribution from the state.

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

(Feel free to attach additional sheets. Call Kevin 1-877-636-1325 with questions.)

Feb 2004 Municipal Fiscal Conditions Survey - Please return ASAP

Loss of revenue sharing, capital matching grants, STIF roads match, plus rate PERS/other cost increases are hurting municipalities/local taxpayers. AML needs information to present a case to the Governor, Legislature, and public. Please take a few minutes to fill out this survey.

Name of Respondent Acar Larson Title Mayor Municipality Karetvik

1. Is your community facing an economic downturn that is hurting local government revenues? No Yes If yes, please specify cause and impacts.

Main Kuskoquim River is going to be further reduced. Commercial fishing in the
Subsistence fishing is being compromised.

2. Is your municipality anticipating a revenue shortfall this coming year? No Yes If yes, how much, and what % of your total General Fund budget? Please give specifics.

5.6% of total G.F. - State of Alaska Shared Revenue + Federal Operating Revenue

3. Do you anticipate a need to cut public services? No Yes If yes, which ones and how much? (If possible, please also estimate total probable employee layoffs.)

down to 3 staff
The city staff has been cut at least
summer and from 12 employees.

4. Do you anticipate a need to raise fees or taxes? No Yes If yes, which ones and how much?

at 5% local tax is the ~~max~~ the
maximum allowed by law?

5. For small municipalities, without revenue sharing, etc. does your municipality have the financial resources necessary to provide minimum public services/continue as a city or borough? No, please explain.

Base minimum staff can only be
provided for services w/ 3 staff.

Please FAX TO AML at 907-463-5480 ASAP Thank You!
(Feel free to attach additional sheets. Call Kevin 1-877-636-1325 with questions.)

Feb 2004 Municipal Fiscal Conditions Survey - Please return ASAP

Loss of revenue sharing, capital matching grants, STIP roads match, plus state FERS/other cost increases are hurting municipalities/local taxpayers. AML needs information to present a case to the Governor, Legislature, and public. Please take a few minutes to fill out this survey.

Name of Respondent CLARK CORBRIDGE Title CITY MANAGER Municipality KING COVA

1. Is your community facing an economic downturn that is hurting local government revenues? No Yes If yes, please specify cause and impacts. DECLINE IN FISHING HAS

DECREASED REVENUE FOR CITIZENS AND CITY GOVERNMENT.

2. Is your municipality anticipating a revenue shortfall this coming year? No Yes If yes, how much, and what % of your total General Fund budget? Please give specifics.

3. Do you anticipate a need to cut public services? No Yes If yes, which ones and how much? (If possible, please also estimate total probable employee layoffs.)

CONTINUING PUBLIC SAFETY AND HARBOR FUNCTIONS WILL
(W/ HOPE) ALLOW US TO CONTRACT THROUGH ATTRITION,
EARLIER THAN LAYOFFS.

4. Do you anticipate a need to raise fees or taxes? No Yes If yes, which ones and how much?

TO BE DETERMINED BY THE CITY COUNCIL.

5. For small municipalities, without revenue sharing, etc. does your municipality have the financial resources necessary to provide minimum public services/continue as a city or borough? No Yes If No, please explain

Please FAX TO AML at 907-463-5480 ASAP Thank You!
(Feel free to attach additional sheets. Call Kevin 1-877-636-1325 with questions.)

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Name of Respondent LINDA FUEE Title MANAGER Municipality CITY OF KODAK

1. Is your community facing an economic downturn that is hurting local government revenues? No Yes If yes, please specify cause and impacts. _____

IMPACTS OF LEGISLATIVE + JUDICIAL ON THE
FISHERY INDUSTRY, WHICH IS THE BACKBONE OF OUR COMMUNITY

2. Is your municipality anticipating a revenue shortfall this coming year? No Yes If yes, how much, and what % of your total General Fund budget? Please give specifics.

APPROX. 10 - 15% OF G.F. BUDGET. PRIMARILY DUE TO
RISING HEALTH CARE COST, RISING PERS CONTRIBUTIONS, RISING
WORKERS COMPENSATION + RISING CONSTRUCTION COSTS +
DECREASED (ELIMINATED) FUNDING FROM THE STATE

3. Do you anticipate a need to cut public services? No Yes If yes, which ones and how much? (If possible, please also estimate total probable employee layoffs.)

WE HAVE RESERVES THAT WILL ALLOW US TO CONTINUE
SERVICES THROUGH FY05 WITHOUT CUTTING SERVICES OR
REDUCING EMPLOYEES

4. Do you anticipate a need to raise fees or taxes? No Yes If yes, which ones and how much?

(1) HARBOR FEES! (HAVE NOT BEEN RAISED IN 15 YEARS)
(2) SOME LOCAL SERVICE FEES
(3) WILL CONDUCT A SEWER-WATER FEE STUDY IN FY05

5. For small municipalities, without revenue sharing, etc. does your municipality have the financial resources necessary to provide minimum public services/continue as a city or borough? No Yes If No, please explain.

N/A

Please FAX TO AML at 907-463-5480 ASAP Thank You!
(Feel free to attach additional sheets. Call Kevin 1-877-636-1325 with questions.)

Feb 2004 Municipal Fiscal Conditions Survey -- Please return ASAP

1 out of revenue sharing, capital matching grants, STIP funds match, plus state PERC/other cost increases are hurting municipalities as local taxpayers. AML needs information to present a case to the Governor, Legislature, and public. Please take a few minutes to fill out this survey.

Name of Respondent Jane Sinka Title Mayor Municipality Kotlik

1. Is your municipality facing an economic downturn that is hurting local government revenues? No ___ Yes If yes, please specify cause and impacts.

Very Low Budget - unable to pay monthly expenses

2. Is your municipality anticipating a revenue shortfall this coming year? No ___ Yes If yes, how much, and what % of your total General Fund budget? Please give specifics.

\$110,000.00 revenue shortfall - 50% of our General Fund Budget.

3. Do you anticipate a need to cut public services? No ___ Yes If yes, which ones and how much? (If possible, please also estimate total probable employee layoffs.)

For our Police, cut down two weeks on - two off (weeks) \$3,500.00 a month total

4. Do you anticipate a need to raise fees or taxes? No ___ Yes If yes, which ones and how much?

5. For small municipalities, without revenue sharing, etc., does your municipality have the financial resources necessary to provide minimum public services/continue as a city or borough? No ___ Yes If No, please explain.

Please FAX TO AML at 907-463-5480 ASAP Thank You!
(Feel free to attach additional sheets. Call Kevin 1-877-636-1325 with questions.)

Feb 2004 Municipal Fiscal Conditions Survey - Please return ASAP

Loss of revenue sharing, capital matching grants, STIP roads match, plus state PERS/other cost increases are hurting municipalities/local taxpayers. AML needs information to present a case to the Governor, Legislature, and public. Please take a few minutes to fill out this survey.

Name of Respondent Kevin Kelly Title City Manager Municipality City of Kutztown

1. Is your community facing an economic downturn that is hurting local government revenues? No Yes If yes, please specify cause and impacts. _____

2. Is your municipality anticipating a revenue shortfall this coming year? No Yes If yes, how much, and what % of your total General Fund budget? Please give specifics.

Loss of revenue sharing & continuation
of running JA. / is the cost of the city.

3. Do you anticipate a need to cut public services? No Yes If yes, which ones and how much? (If possible, please also estimate total probable employee layoffs.)

4. Do you anticipate a need to raise fees or taxes? No Yes If yes, which ones and how much?

5. For small municipalities, without revenue sharing, etc. does your municipality have the financial resources necessary to provide minimum public services/continue as a city or borough? No Yes If No, please explain.

Please **FAX TO AML** at 907-463-5480 ASAP Thank You!
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Name of Respondent JEFF CARRIER Title MANAGER Municipality LAKE + PENINSULA BOROUGH

1. Is your community facing an economic downturn that is hurting local government revenues?
No Yes If yes, please specify cause and impacts. LOSS OF STATE REVENUES, Reduced
LEVELS OF FISH TAX REVENUES, LOSS OF "BED TAXES" DUE TO REDUCED TOURISM

2. Is your municipality anticipating a revenue ^{LOSS} ~~shortfall~~ this coming year? No Yes If yes, how much, and what % of your total General Fund budget? Please give specifics.

THE BOROUGH HAS REDUCED ITS REVENUE EXPECTATIONS AND ITS EXPENDITURES, SO FAR
WE'VE "MADE" BUDGET EXPECTATIONS BUT W/ GREATLY REDUCED NUMBERS. WE PROJECT
ABOUT 8% LESS REVENUE ^{FOR FY05} ~~FOR FY05~~ WHEN COMPARED TO FY03.

3. Do you anticipate a need to cut public services? No Yes If yes, which ones and how much? (If possible, please also estimate total probable employee layoffs.)

NOT DIRECTLY BUT FEWER "GAS THEM" CALLERS TO OUR VILLAGES MAY
CAUSE FURTHER CUTS AT THEIR LEVEL BEYOND THE "ROCK BOTTOM" STATE LEVELS
THEY ALREADY ARE TRYING TO GET BY WITH.

4. Do you anticipate a need to raise fees or taxes? No Yes If yes, which ones and how much?

AN INCREASE IN THE "BED TAX" WILL BE DISCUSSED AND PROBABLY TAKEN TO
THE VOTERS IN OCTOBER

5. For small municipalities, without revenue sharing, etc. does your municipality have the financial resources necessary to provide minimum public services/continue as a city or borough? No Yes If No, please explain.

THE BOROUGH WILL GET BY BUT SOME OF OUR 12 VILLAGES THAT ARE
INCORPORATED MAY NOT. THE LOSS OF FISH TAX + REV. SHARING HAS CAUSED
DIRE FINANCIAL CIRCUMSTANCES FOR ALL

Please FAX TO AML at 907-463-5480 ASAP Thank You!
(Feel free to attach additional sheets. Call Kevin 1-877-636-1325 with questions.)

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Name of Respondent Allen P. Namavoff Title Mayor Municipality City of Laverne Pa

1. Is your community facing an economic downturn that is hurting local government revenues?
No Yes If yes, please specify cause and impacts. Specifically revenue sharing causing the City to consider raising fees for services which can cause hardship for community members

2. Is your municipality anticipating a revenue shortfall this coming year? No X Yes If yes, how much, and what % of your total General Fund budget? Please give specifics.

3. Do you anticipate a need to cut public services? No X Yes If yes, which ones and how much? (If possible, please also estimate total probable employee layoffs.)

4. Do you anticipate a need to raise fees or taxes? No Yes X If yes, which ones and how much?

Water and Sewer, Garbage all other services are at break even point. w/s 100% Garbage 100%

5. For small municipalities, without revenue sharing, etc. does your municipality have the financial resources necessary to provide minimum public services/continue as a city or borough? No X Yes . If No, please explain.

Revenue sharing have helped id the costs of services provided thereby lower cost to the customers

Please FAX TO AML at 907-463-5480 ASAP Thank You!
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Loss of revenue sharing, capital matching grant, STIP road match, plus state PERS/other cost increases are hurting municipalities/local taxpayers. AML needs information to present a case to the Governor, Legislature, and public. Please take a few minutes to fill out this survey.

Name of Respondent Frances Dzanna Title City Administrator Municipality Lt. Diomedea

1. Is your community facing an economic downturn that is hurting local government revenues?
No Yes If yes, please specify cause and impacts. Financial Impact on our

Administrative Services, Public Works and match funds

for grants. We are obligated 20% of our revenue sharing for maintain Public Walkway, which mainly leveling Snow Trail because the village is on a slope. it cost US \$8,000⁰⁰ annually.

2. Is your municipality anticipating a revenue shortfall this coming year? No Yes If yes, how much, and what % of your total General Fund budget? Please give specifics.

This summer, the city need \$30,000.00 to control shoreline erosion, which the state has not declared Disaster funds so far we spent \$5,000.00 for the past two years on controlling erosion that has posed a threat to Tank farm, fuel lines and seawall.

3. Do you anticipate a need to cut public services? No Yes If yes, which ones and how much? (If possible, please also estimate total probable employee layoffs.)
(50%) Streets + Roads Budget maintaining Public walkway will cut by half and may affect the safety for all member living here. The biggest concerns are patient on a gurney that needs to be transported maybe very dangerous. VPO Budget 100% which is normally budgets \$8,675.00 This is for weekends work and on call for emergencies. A cut with Administrative Clerk 100% by \$12,000⁰⁰ which is 50% of wages.

4. Do you anticipate a need to raise fees or taxes? No Yes If yes, which ones and how much?

Sales Taxes from 3% to 4% if community support by votes currently generates \$15,603.00, which increase by \$7,000.00. Curfew fines + Alcohol fine increase by 50%. Generates \$1000⁰⁰ and increase to 1,500.00 or more.

5. For small municipalities, without revenue sharing, etc. does your municipality have the financial resources necessary to provide minimum public services/continue as a city or borough? No Yes If No, please explain.

No funding to control erosion. NO funding to keep well maintain walkway, cut on fuel order that heats the Community Hall, City office + Washeteria.

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

(Feel free to attach additional sheets. Call Kevin 1-877-636-1325 with questions.)

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Name of Respondent Raymond Alstrom Title Mayor Municipality Marshall

1. Is your community facing an economic downturn that is hurting local government revenues?
No Yes If yes, please specify cause and impacts.

Not at this time of the year. Economic trends are seasonal

2. Is your municipality anticipating a revenue shortfall this coming year? No Yes If yes, how much, and what % of your total General Fund budget? Please give specifics.

Gradually we will be using money from our reserve account. % unknown at this time.

3. Do you anticipate a need to cut public services? No Yes If yes, which ones and how much? (If possible, please also estimate total probable employee layoffs.)

Police Dept. 50% cut; w/s operator hours 50% cut; looking at reducing admin hours

4. Do you anticipate a need to raise fees or taxes? No Yes If yes, which ones and how much?

Considering raising w/s user fee (10%); implementing a garbage user fee; considering raising sales tax to 5% (currently 4%)

5. For small municipalities, without revenue sharing, etc. does your municipality have the financial resources necessary to provide minimum public services/continue as a city or borough? No Yes If No, please explain.

We have minimum financial resources, in time this will gradually disappear

Please **FAX TO AML** at 907-463-5480 ASAP Thank You!
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Name of Respondent Joyce A. Brown-Rivers Title Mayor & Interim City Manager Municipality City of Mtn. Village

1. Is your community facing an ~~economic downturn~~ that is hurting local government revenues?
No Yes If yes, please specify cause and impacts. We are going to only have the money making department work & cut off the rest of the departments that are not supplying incoming revenue.

2. Is your municipality anticipating a revenue shortfall this coming year? No Yes If yes, how much, and what % of your total General Fund budget? Please give specifics.
From 7 departments currently working to 3 1/2 departments.

3. Do you anticipate a need to cut public services? No Yes If yes, which ones and how much? (If possible, please also estimate total probable employee layoffs.)
Main important possible cut back is police depart. possible lay-off 4-5 people at cost of 150,000.00 that is including insurance, office supplies & equip

4. Do you anticipate a need to raise fees or taxes? No Yes If yes, which ones and how much?
We haven't decided which one yet but it will have to be one of them.

5. For small municipalities, without revenue sharing, etc. does your municipality have the financial resources necessary to provide minimum public services/continue as a city or borough? No Yes If No, please explain.
W/out revenue sharing municipal assistance there is no other resource to make up the difference.

Please **FAX TO AML** at 907-463-5480 ASAP Thank You!
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Name of Respondent Natalie Braungartner, Title Clerk/Admin Municipality Mc Grath

1. Is your community facing an economic downturn that is hurting local government revenues? No Yes If yes, please specify cause and impacts. Loss of students in school =

less teachers + classes offered. Cause: dissatisfaction w/ local school + parents moving due to lack of employment.

2. Is your municipality anticipating a revenue shortfall this coming year? No Yes If yes, how much, and what % of your total General Fund budget? Please give specifics.

Not sure yet, but without Revenue Sharing or Sale Comm. money we'll have to resort to tapping reserves to pay insurance & fuel purchases - & expect increases in both areas.

3. Do you anticipate a need to cut public services? No Yes If yes, which ones and how much? (If possible, please also estimate total probable employee layoffs.)

No employee layoffs anticipated - skeleton crew exists. City Clerk (Admin work too), Office assistant - Part Time, Water Plant Operator & Public Works Foreman.

4. Do you anticipate a need to raise fees or taxes? No Yes If yes, which ones and how much?

Bed Tax has not yet been implemented, other taxes & fees are being researched.

5. For small municipalities, without revenue sharing, etc. does your municipality have the financial resources necessary to provide minimum public services/continue as a city or borough? No Yes If No, please explain.

We must utilize reserves set aside for other uses (i.e. land development), & get a bank fuel loan.

Please **FAX TO AML** at 907-463-5480 ASAP Thank You!
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Name of Respondent Deanna Paul Title ^{City} Administrator Municipality City of Napavine

1. Is your community facing an economic downturn that is hurting local government revenues? No Yes If yes, please specify cause and impacts. It has a big impact on our village, with limited jobs available and very little revenues coming in and we have been facing a downturn since fishing declined.

2. Is your municipality anticipating a revenue shortfall this coming year? No Yes If yes, how much, and what % of your total General Fund budget? Please give specifics. We will have a shortfall on revenues with sales tax, water & sewer, wastewater revenues alone, would be enough to cover all expenses and employee payroll.

3. Do you anticipate a need to cut public services? No Yes If yes, which ones and how much? (If possible, please also estimate total probable employee layoffs.) We have already cut services as far as we can. We cut out two JPO's so far.

4. Do you anticipate a need to raise fees or taxes? No Yes If yes, which ones and how much? with the loss of revenue sharing, matching grants, etc. we will have to raise water & sewer service rates, sales tax and even wastewater rates.

5. For small municipalities, without revenue sharing, etc. does your municipality have the financial resources necessary to provide minimum public services/continue as a city or borough? No Yes If No, please explain. We rely on revenue sharing and without it we won't be able to manage properly on funds or revenues we have.

Please FAX TO AML at 907-463-5480 ASAP Thank You!
(Feel free to attach additional sheets. Call Kevin 1-877-636-1325 with questions.)

Feb 2004 Municipal Fiscal Conditions Survey - Please return ASAP

Loss of revenue sharing, capital matching grants, STIP road match, plus state PERS/other cost increases are hurting municipalities/local taxpayers. AML needs information to present a case to the Governor, Legislature, and public. Please take a few minutes to fill out this survey.

Name of Respondent JASON P. MAYRANO Title MAYOR Municipality NENANA

1. Is your community facing an economic downturn that is hurting local government revenues?
No Yes If yes, please specify cause and impacts. CUTS IN FIRE & POLICE
FOR FY 05 DUE TO ELIMINATION OF SAFE COMMUNITIES
& REVENUE SHARING

2. Is your municipality anticipating a revenue shortfall this coming year? No Yes If yes, how much, and what % of your total General Fund budget? Please give specifics.
\$68,000 OR 10% - ABOVE + LOWERED SALES TAX
RETURNS.

3. Do you anticipate a need to cut public services? No Yes If yes, which ones and how much? (If possible, please also estimate total probable employee layoffs.)
1 FULLTIME POLICE OFFICER
1 PART TIME FIRE CHIEF

4. Do you anticipate a need to raise fees or taxes? No Yes If yes, which ones and how much?
WE ARE RE-STRUCTURING ALL OF OUR SUB-LEASES
AND FEE SCHEDULES - NO NEW TAXES YET

5. For small municipalities, without revenue sharing, etc. does your municipality have the financial resources necessary to provide minimum public services/continue as a city or borough? No Yes If No, please explain.
WITHOUT REVENUE SHARING MINIMUM SERVICES
WILL BE INADEQUATE

Please **FAX TO AML at 907-463-5480 ASAP** Thank You!
(Feel free to attach additional sheets. Call Kevin 1-877-636-1325 with questions.)

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Name of Respondent R. Rommesko Title City MGR Municipality Nome

1. Is your community facing an economic downturn that is hurting local government revenues?
No Yes If yes, please specify cause and impacts.

Very flat economy. Very concerned w/ possible loss of state bond reimbursement programs.

2. Is your municipality anticipating a revenue shortfall this coming year? No Yes If yes, how much, and what % of your total General Fund budget? Please give specifics.

~ \$300K.

3. Do you anticipate a need to cut public services? No Yes If yes, which ones and how much? (If possible, please also estimate total probable employee layoffs.)

If State does not eliminate add'l programs (debt reimbursement; jobs; jails; etc.) we will hold our own.

4. Do you anticipate a need to raise fees or taxes? No Yes If yes, which ones and how much?

Increase sales tax from 4% to 5% in Oct 2003.

5. For small municipalities, without revenue sharing, etc. does your municipality have the financial resources necessary to provide minimum public services/continue as a city or borough? No Yes If No, please explain.

Please **FAX TO AML** at 907-463-5480 ASAP Thank You!
(Feel free to attach additional sheets. Call Ken at 907-636-1325 with questions.)

Feb 2004 Municipal Fiscal Conditions Survey - Please return ASAP

Loss of revenue sharing, capital matching grants, STIF roads match, plus state PERS/other cost increases are hurting municipalities/local employers. AML needs information to present a case to the Governor, Legislature, and public. Please take a few minutes to fill out this survey.

Name of Respondent Deborah Cavatoni Title City Administrator Municipality City of Alameda

1. Is your community facing an economic downturn that is hurting local government revenues?
No Yes If yes, please specify cause and impacts. _____

See Attachment

2. Is your municipality anticipating a revenue shortfall this coming year? No Yes If yes, how much, and what % of your total General Fund budget? Please give specifics.

3. Do you anticipate a need to cut public services? No Yes If yes, which ones and how much? (If possible, please also estimate total probable employee layoffs.)

4. Do you anticipate a need to raise fees or taxes? No Yes If yes, which ones and how much?

5. For small municipalities, without revenue sharing, etc. does your municipality have the financial resources necessary to provide minimum public services/continue as a city or borough? No Yes If No, please explain.

Please **FAX TO AML** at 907-463-5480 ASAP Thank You!
(Fee) free to attach additional sheets. Call Kevin 1-877-636-1325 with questions.)

February 2004 Municipal Conditions Survey

1. Is your community facing an economic downturn that is hurting local government revenues? YES

Although there is a Municipal Dividend Program proposal out there, the City of Nondalton Administration costs solely rely on state revenue sharing; there are no expected capitol match project funds from the state. The City of Nondalton has to subsidize revenues brought in from other departments to sustain operation. The cost of operation is so high due to having such an old system.

The Nondalton City Council is under a New and improved council. The City of Nondalton has to pay off debt ranging from IRS to Bounced Checks that carried over from the previous organization. Without the \$40,000.00 Fiscal Relief Fund that the City of Nondalton received it would not been able to operate through the 2003-2004 Fiscal year.

2. Is your Municipality anticipating a revenue shortfall this coming year? YES

There is no expected state revenue sharing for next fiscal year. The City of Nondalton administration costs relies on this revenue. How will the municipals sustain operation without revenue sharing or other sources of revenue?

3. Do you anticipate a need to cut public services? YES

The City of Nondalton will have to cut Water & Sewer full time employees from two to one employee and reduce secondary operator to an on call basis. Since there is no expected revenue sharing, administration will have to cut back on operating hours to order to work with what revenues that we have.

4. Do you anticipate a need to raise fees or taxes? YES

Although there is a high unemployment rate in the village, we may have to reevaluate Nondalton Water & Sewer Bill to meet current operating costs. There may be other taxes that the City could look in to. Maybe a bed tax is necessary.

5. For small municipalities, without revenue sharing, etc. Does your municipality have the financial resources necessary to provide minimum public services/ continue as a city? NO

For Nondalton, revenue sharing is main source of revenue for municipal operations. Now there are no expected capitol match funds for capitol projects. What are we supposed to do? How are we supposed to improve the status of the City when most of our revenues are eliminated?

Darbyne Constantine

Feb 2004 Municipal Fiscal Conditions Survey - Please return ASAP

Loss of revenue sharing, capital matching grants, STIP roads match, plus state PERS/other cost increases are hurting municipalities/local taxpayers. AML needs information to present a case to the Governor, Legislature, and public. Please take a few minutes to fill out this survey.

Name of Respondent GLENN D. SKIN Title CITY ADMIN. Municipality NOORVIK

1. Is your community facing an economic downturn that is hurting local government revenues? No Yes If yes, please specify cause and impacts. DUE TO LOSS OF CONSTRUCTION

JOBS. OUR LOCAL ECONOMY HAS SUFFERED. ELDERLY ARE ALSO FEELING THE PINCH OF REDUCED ^{OR LOSS OF} LONGEVITY PENSIONS CHECKS.

2. Is your municipality anticipating a revenue shortfall this coming year? No Yes If yes, how much, and what % of your total General Fund budget? Please give specifics.

45,000.00 . 8-10% OF ANTICIPATED BUDGET

3. Do you anticipate a need to cut public services? No Yes If yes, which ones and how much? (If possible, please also estimate total probable employee layoffs.)

ALL DEPT. PERMANENT EMPLOYEES MAY HAVE TO WORK 6 HRS ^{OR LES} AS OPPOSED TO 7 HRS AT SOME POINT. WE'VE ALREADY LAID OFF 2 PERMANENT AND 2 PART TIME EMPLOYEES.

4. Do you anticipate a need to raise fees or taxes? No Yes If yes, which ones and how much?

SALES TAX - 3% TO 4 OR 5% .
WATER/SEWER $\frac{1}{2}$ CABLE RATES - 5.00 TO 10.00 PER HOUSEHOLD

5. For small municipalities, without revenue sharing, etc. does your municipality have the financial resources necessary to provide minimum public services/continue as a city or borough? No Yes If No, please explain.

SOME SERVICES MAY NOT HAVE FULL TIME EMPLOYEES SUCH AS POLICE, WATER/SEWER & ADMIN. WE DEPEND ON REVENUE SHARING FUNDS FOR OUR WINTER FUEL SUPPLY AND PAYING FOR INSURANCE AS WELL AS FOR SERVICE

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

(Feel free to attach additional sheets. Call Kevin 1-877-636-1325 with questions.)

Feb 2004 Municipal Fiscal Conditions Survey - Please return ASAP.

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Name of Respondent Jeff Jacobson Title Mayor Municipality City of North Pole

1. Is your community facing an economic downturn that is hurting local government revenues? No Yes If yes, please specify cause and impacts. _____

2. Is your municipality anticipating a revenue shortfall this coming year? No Yes If yes, how much, and what % of your total General Fund budget? Please give specifics.

1-2% \$26,000 - \$50,000⁺

3. Do you anticipate a need to cut public services? No Yes If yes, which ones and how much? (If possible, please also estimate total probable employee layoffs.)

FY 2004 2 police officer positions eliminated
FY 2004 beginning June. NP Dispatch Center will
close, eliminating 3 budgeted positions. Services will
be contracted out.

4. Do you anticipate a need to raise fees or taxes? No Yes If yes, which ones and how much?

Not for FY 2004 FY 2004 we raised fees
FY 2005 we may need to raise taxes

5. For small municipalities, without revenue sharing, etc. does your municipality have the financial resources necessary to provide minimum public services/continue as a city or borough? No Yes If No, please explain.

Please FAX TO AML at 907-463-5480 ASAP Thank You!
(Feel free to attach additional sheets. Call Kevin 1-877-636-1325 with questions.)

Feb 2004 Municipal Fiscal Conditions Survey - Please return ASAP

Loss of revenue sharing, capital matching grants, STIP roads match, plus state PERS/other cost increases are hurting municipalities/local taxpayers. AML needs information to present a case to the Governor, Legislature, and public. Please take a few minutes to fill out this survey.

Name of Respondent James A Nestle Title Mayor Municipality City of Old Harbor

1. Is your community facing an economic downturn that is hurting local government revenues? No Yes If yes, please specify cause and impacts. Revenue sharing

Being abolished along with Capital matching Grant

2. Is your municipality anticipating a revenue shortfall this coming year? No Yes If yes, how much, and what % of your total General Fund budget? Please give specifics.

Shortfall ~~Some~~ \$20,000

3. Do you anticipate a need to cut public services? No Yes If yes, which ones and how much? (If possible, please also estimate total probable employee layoffs.)

Some

4. Do you anticipate a need to raise fees or taxes? No Yes If yes, which ones and how much?

We ~~have~~ don't have
Touch of a Tax Base

5. For small municipalities, without revenue sharing, etc. does your municipality have the financial resources necessary to provide minimum public services/continue as a city or borough? No Yes If No, please explain.

We have no Tax Base
We might have to close up everything.

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

(Fee free to attach additional sheets. Call Kevin 1-877-636-1325 with questions.)

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Name of Respondent Tom Quick Title Utility Manager Municipality City of Ouzinkie

1. Is your community facing an economic downturn that is hurting local government revenues? No Yes If yes, please specify cause and impacts.

Fishing and logging have both experienced price declines that affect employment. Sole remaining employment opportunities are public service or infrastructure projects which have lower pay scales.

2. Is your municipality anticipating a revenue shortfall this coming year? No Yes If yes, how much, and what % of your total General Fund budget? Please give specifics.

Approximately 25% to 30% of the General Fund. In addition lower employment opportunities are causing increased accounts receivable, problems for electricity and utility service revenues.

3. Do you anticipate a need to cut public services? No Yes If yes, which ones and how much? If possible, please also estimate total probable employee layoffs.

It is hard to say where as we are already down to mandated services that affect public health and welfare, such as water treatment, power supply, snow removal and fire fighting services.

4. Do you anticipate a need to raise fees or taxes? No Yes If yes, which ones and how much?

As most of the village is HUD housing there is no tax base in the first place. The borough already taxes private property and uses those funds for borough services such as education.

5. For small municipalities, without revenue sharing, etc. does your municipality have the financial resources necessary to provide minimum public services as a city or borough? No Yes

We are getting by with reduced services and budget cuts that are proving to be difficult to enforce in practice as the reality of expenses still remains. The future will display the reality of trying to live with a budget that is based on wishful thinking or hope.

Please FAX to AML at 907-463-5480 ASAP Thank You!
Feel free to attach additional sheets. Call Kevin 1-877-636-1325

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Name of Respondent TOM HEALY Title MANAGER Municipality PALMER

1. Is your community facing an economic downturn that is hurting local government revenues?
No Yes If yes, please specify cause and impacts. _____

2. Is your municipality anticipating a revenue shortfall this coming year? No Yes If yes, how much, and what % of your total General Fund budget? Please give specifics.

3. Do you anticipate a need to cut public services? No Yes If yes, which ones and how much? (If possible, please also estimate total probable employee layoffs.)

4. Do you anticipate a need to raise fees or taxes? No Yes If yes, which ones and how much?
ONLY AIRPORT LEASE FEES

5. For small municipalities, without revenue sharing, etc. does your municipality have the financial resources necessary to provide minimum public services/continue as a city or borough? No Yes If No, please explain.

Please **FAX TO AML** at **907-463-5480** ASAP Thank You!
(Feel free to attach additional sheets. Call Kevin 1-877-636-1325 with questions.)

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Name of Respondent KOREAN Title Clerk Municipality Petersburg

1. Is your community facing an economic downturn that is hurting local government revenues?
No Yes If yes, please specify cause and impacts. Sales tax income

down for 2nd year in a row.

2. Is your municipality anticipating a revenue shortfall this coming year? No Yes If yes, how much, and what % of your total General Fund budget? Please give specifics.

3. Do you anticipate a need to cut public services? No Yes If yes, which ones and how much? (If possible, please also estimate total probable employee layoffs.)

Not this year.

4. Do you anticipate a need to raise fees or taxes? No Yes If yes, which ones and how much?

Not this year - have reserves.

5. For small municipalities, without revenue sharing, etc. does your municipality have the financial resources necessary to provide minimum public services/continue as a city or borough? No Yes If No, please explain.

Only for a short time.

Please **FAX TO AML** at 907-463-5480 ASAP Thank You!
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Loss of revenue sharing, capital matching grants, STIP roads match, plus state PERS/other cost increases are hurting municipalities' local taxpayers. AML needs information to present a case to the Governor, Legislature, and public. Please take a few minutes to fill out this survey.

Name of Respondent DAVID WALLER Title MAYOR Municipality PORT ALEXANDER

1. Is your community facing an economic downturn that is hurting local government revenues?
No Yes If yes, please specify cause and impacts. NOT THIS NEXT YEAR, BUT

PROBLEMS WILL ARISE AS DEFERRED MAINTAINANCE BECOMES DUE. WE RIDE ON THE GRACES OF RECENT CONSTRUCTION (EXCEPT FOR OUR DOCKS)

2. Is your municipality anticipating a revenue shortfall this coming year? No Yes If yes, how much, and what % of your total General Fund budget? Please give specifics.

RECENT FUNDS FROM STATE AND NO. 1 ABOVE WILL TIDE US OVER TILL ?

3. Do you anticipate a need to cut public services? No Yes If yes, which ones and how much? (If possible, please also estimate total probable employee layoffs.)

THERE IS NOT MUCH TO CUT EXCEPT MAINTAINANCE THIS TOWN IS NOT EXTRAVAGANT. WATER IS AN OBLIGATION.

4. Do you anticipate a need to raise fees or taxes? No Yes If yes, which ones and how much?

PROBABLY DOWN THE ROAD

5. For small municipalities, without revenue sharing, etc. does your municipality have the financial resources necessary to provide minimum public services/continue as a city or borough? No Yes If No, please explain.

REVENUE SHARING FUNDS HAVE BEEN SPENT SO

OBVIOUSLY NOT.

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

(Feel free to attach additional sheets. Call Kevin 1-877-636-1325 with questions.)

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Name of Respondent Kathryn R. ... Title Dep. Clerk Municipality City of Porters

1. Is your community facing an economic downturn that is hurting local government revenues?
No Yes If yes, please specify cause and impacts.
Lack of State Funding, No Sales Tax, Lack of tax base

2. Is your municipality anticipating a revenue shortfall this coming year? No Yes If yes, how much, and what % of your total General Fund budget? Please give specifics.
50% - State Revenue Sharing
Safe Communities, Fisheries Tax

3. Do you anticipate a need to cut public services? No Yes If yes, which ones and how much? (If possible, please also estimate total probable employee layoffs.)
Sts. & Rds - Maintenance of City Roads
Possibility of limiting hours for Fulltime
Employer - Possibility of 1-2 possible Emp. layoffs

4. Do you anticipate a need to raise fees or taxes? No Yes If yes, which ones and how much?
W/S/B Fees, harbor fees, Equip Rent,

5. For small municipalities, without revenue sharing, etc. does your municipality have the financial resources necessary to provide minimum public services/continue as a city or borough? No Yes If No, please explain.
Minimum Services in the future

Please **FAX TO AML at 907-463-5480 ASAP** Thank You!
(Feel free to attach additional sheets. Call Kevin 1-877-636-1325 with questions.)

CITY OF RUBY
Box: 90
Ruby, Ak 99768

(907) 468-4401
Fax (907) 468-4443

TO: Kevin Ritchie

FROM: Karen Honea

DATE: 2/26/04

PAGES: 2 w/cover sheet

Sorry it took so long to get this back to you. I am only a volunteer employee, and I try to get the most important issues done first. Thank you for your patience.

Karen

Feb 2004 Municipal Fiscal Conditions Survey - Please return ASAP

Loss of revenue sharing, capital matching grants, STP roads match, plus state PERS/other cost increases are hurting municipalities/local taxpayers. AML needs information to present a case to the Governor, Legislature, and public. Please take a few minutes to fill out this survey.

Name of Respondent Karen Honea Title Acting City Clerk Municipality Ruby, AK

1. Is your community facing an economic downturn that is hurting local government revenues?
No Yes If yes, please specify cause and impacts. With an many revenue cuts, we have a volunteer City Clerk for the past 3 months & no Suicide Prevention Program.

2. Is your municipality anticipating a revenue shortfall this coming year? No Yes If yes, how much, and what % of your total General Fund budget? Please give specifics.
With the \$40,000.⁰⁰ fr. State Rev. Sharing, PILT + Safe Comm. ^{15,000.⁰⁰}
We will be suffering a revenue shortfall.

3. Do you anticipate a need to cut public services? No Yes If yes, which ones and how much? (If possible, please also estimate total probable employee layoffs.)
Possible cuts would affect employee hours & wages meaning less hrs of Lauricromst, Ruby Elec. and City Administrator + part time employees

4. Do you anticipate a need to raise fees or taxes? No Yes If yes, which ones and how much?
rentals, Elec., washer + dryer usage, land sales, Heavy Equipment Rentals, fax + phone charges.

5. For small municipalities, without revenue sharing, etc. does your municipality have the financial resources necessary to provide minimum public services/continue as a city or borough? No Yes If No, please explain.

Please **FAX TO AML at 907-463-5480 ASAP** Thank You!
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Name of Respondent Sophie Title CLERK Municipality Easton, N.J.

1. Is your community facing an economic downturn that is hurting local government revenues? No Yes If yes, please specify cause and impacts. _____

The City of Easton had to cut down employees

2. Is your municipality anticipating a revenue shortfall this coming year? No Yes If yes, how much, and what % of your total General Fund budget? Please give specifics. _____

3. Do you anticipate a need to cut public services? No Yes If yes, which ones and how much? (If possible, please also estimate total probable employee layoffs.) _____

The City of Easton did closed down the rec center.

4. Do you anticipate a need to raise fees or taxes? No Yes If yes, which ones and how much? _____

5. For small municipalities, without revenue sharing, etc. does your municipality have the financial resources necessary to provide minimum public services/continue as a city or borough? No Yes If No, please explain. _____

Please **FAX TO AML** at 907-463-5480 ASAP Thank You!
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Name of Respondent JESSE GOLDBERGEN Title MAYOR Municipality SANDONGA

1. Is your community facing an economic downturn that is hurting local government revenues? No Yes If yes, please specify cause and impacts. FEWER JOBS AVAILABLE WHICH

MEANS LESS SPENDING. CUTS TO ATAP & SUCH = LESS SALES TAX

FOR OUR CITY.

2. Is your municipality anticipating a revenue shortfall this coming year? No Yes If yes, how much, and what % of your total General Fund budget? Please give specifics.

NOT SURE OF WHAT % BUT MAY HAVE TO BE CUT IN

HALF

3. Do you anticipate a need to cut public services? No Yes If yes, which ones and how much? (If possible, please also estimate total probable employee layoffs.)

WE HAVE ALREADY PHASED OUT ANIMAL CONTROL, CUT OUR

VPO HOURS TO ONE HOUR PER DAY WHICH IS RIDICULOUS

BUT NEED TO BECAUSE WE CAN'T AFFORD TO KEEP THEIR REGULAR HOURS.

4. Do you anticipate a need to raise fees or taxes? No Yes If yes, which ones and how much?

BUT WOULD LIKE TO RAISE THE SALES TAX FEES TO

COLLECT MORE MONEY

5. For small municipalities, without revenue sharing, etc. does your municipality have the financial resources necessary to provide minimum public services/continue as a city or borough? No Yes If No, please explain.

CURRENTLY, WE ONLY COLLECT SALES TAX FROM THE LOCAL STORE &

HEAVY EQUIPMENT RENTALS DURING SUMMER & A CITY LODGE THAT IS

MOSTLY EMPTY. WITH THESE ALONE, WE WOULD NOT BE ABLE TO CONTINUE AS A MUNICIPALITY

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

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Name of Respondent Roger Clark Title Administrator Municipality Selawik

1. Is your community facing an economic downturn that is hurting local government revenues? No Yes If yes, please specify cause and impacts. State budget cuts - No state/MA
No public safety officers, cuts in other basic services, increased fees to provide services.

2. Is your municipality anticipating a revenue shortfall this coming year? No Yes If yes, how much, and what % of your total General Fund budget? Please give specifics.
75K 20% of budget

3. Do you anticipate a need to cut public services? No Yes If yes, which ones and how much? (If possible, please also estimate total probable employee layoffs.)
Staff. time ÷ by 2

4. Do you anticipate a need to raise fees or taxes? No Yes If yes, which ones and how much?
Water & Sewer + Cable TV \$10 = 0 mill

5. For small municipalities, without revenue sharing, etc. does your municipality have the financial resources necessary to provide minimum public services/continue as a city or borough? No Yes If No, please explain.

Even with other resources - we still need about 250K to provide the very basic services.

Please FAX TO AML at 907-463-5480 ASAP Thank You!
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Name of Respondent Kristin Erchinger Title Finance Director Municipality City of Seward

1. Is your community facing an economic downturn that is hurting local government revenues? No Yes If yes, please specify cause and impacts. Lower visitor numbers have adversely impacted sales tax revenues, bed tax revenues and hospital revenues. An economic slowdown results in lower than projected revenues for our major enterprise operations including harbor, electric, water and sewer. The economic downturn in the financial markets has significantly reduced interest earnings on investments.

2. Is your municipality anticipating a revenue shortfall this coming year? No Yes If yes, how much, and what % of your total General Fund budget? Please give specifics.

Prior to implementing an additional 1% sales tax, our anticipated budget shortfall was approximately 1.3 million dollars, representing more than 16% of the General Fund budget. This is due to higher PERS rates increases in health, workers' comp. and property insurance, loss of state funding, lower investment earnings.

3. Do you anticipate a need to cut public services? No Yes If yes, which ones and how much? (If possible, please also estimate total probable employee layoffs.)

We have eliminated capital budget, deferred maintenance and repairs. Future PERS rate increases will likely mean cuts to specific services and employee layoffs.

4. Do you anticipate a need to raise fees or taxes? No Yes If yes, which ones and how much?

Effective July 1, 2003 we raised sales tax by 1%. May be necessary to issue bonds to address significant project needs such as road repairs, water main repairs, replacement of health facilities in serious disrepair.

5. For small municipalities, without revenue sharing, etc. does your municipality have the financial resources necessary to provide minimum public services/continue as a city or borough? No Yes If No, please explain.

Please **FAX TO AML** at 907-463-5480 ASAP Thank You!
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Name of Respondent Hugh Cowan Title Administrator Municipality Siths

1. Is your community facing an economic downturn that is hurting local government revenues?

No Yes If yes, please specify cause and impacts. Low bid prices, low
cruise ship traffic, low state revenues - impacts - 10%
budget cuts, city jobs eliminated, services reduced

2. Is your municipality anticipating a revenue shortfall this coming year? No Yes If yes, how much, and what % of your total General Fund budget? Please give specifics.

Revenue growth is estimated at 3.95% which is down from
+ 4.67% last year.

3. Do you anticipate a need to cut public services? No Yes If yes, which ones and how much? (If possible, please also estimate total probable employee layoffs.)

One police officer position cut, 5% of temp employees
cut, more position cuts likely

4. Do you anticipate a need to raise fees or taxes? No Yes If yes, which ones and how much?

Sales tax cap increase from \$1,000 to \$1,500. Harbor moorage
rate increase 20.25/ft to fund deteriorated state owned harbor.
Water & electric rates going up as well.

5. For small municipalities, without revenue sharing, etc. does your municipality have the financial resources necessary to provide minimum public services/continue as a city or borough? No Yes If No, please explain.

Nobody has revenue sharing
any more.

Please FAX TO AML at 907-463-5480 ASAP Thank You!
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Name of Respondent BIR WARD Title MANAGER Municipality SKOGWAY

1. Is your community facing an economic downturn that is hurting local government revenues?
No Yes If yes, please specify cause and impacts. _____

PERS

2. Is your municipality anticipating a revenue shortfall this coming year? No Yes If yes, how much, and what % of your total General Fund budget? Please give specifics.

\$20,500 IN STATE REVENUES. ABOUT 19% OF FY04 BUDGET

3. Do you anticipate a need to cut public services? No Yes If yes, which ones and how much? (If possible, please also estimate total probable employee layoffs.)

4. Do you anticipate a need to raise fees or taxes? No Yes If yes, which ones and how much?

PROPERTY TAXES WILL HAVE TO GO UP SLIGHTLY

5. For small municipalities, without revenue sharing, etc. does your municipality have the financial resources necessary to provide minimum public services/continue as a city or borough? No Yes If No, please explain.

Please FAX TO AML at 907-463-5480 ASAP Thank You!
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Name of Respondent MARTI WILKINSON Title FIN. OFFICER Municipality SOLDOTRA

1. Is your community facing an economic downturn that is hurting local government revenues?
No Yes If yes, please specify cause and impacts. _____

NOT YET.

2. Is your municipality anticipating a revenue shortfall this coming year? No Yes If yes, how much, and what % of your total General Fund budget? Please give specifics.

WON'T HAVE BUDGET PICKED UP YET, BUT LOSS OF SHARED REVENUES WILL IMPACT GENERAL FUND. WE WILL PROBABLY BE USING FUND BALANCE TO BALANCE GENERAL FUND BUDGET.

3. Do you anticipate a need to cut public services? No Yes If yes, which ones and how much? (If possible, please also estimate [wage] probable employee layoffs.)

NOT YET-IF THE STATE DOESN'T DO ANY MORE DAMAGE THAN WHAT IT HAS ALREADY DONE, I.E. - MUNISHARING GONE, PERS VERY BADLY MANAGED AT THE LEAST, ALL THE NEW DREAMS & SCHEMES FOR PERMITS, FEES, ETC.

4. Do you anticipate a need to raise fees or taxes? No Yes If yes, which ones and how much?

UTILITY RATES WILL NEED TO RAISED. WITH NO WAGE INCREASE, WE STILL NEED TO RAISE RATES TO FUND PERS, HEALTH INSURANCE & OTHER INSURANCE INCREASES.

5. For small municipalities, without revenue sharing, etc. does your municipality have the financial resources necessary to provide minimum public services/continue as a city or borough? No Yes If No, please explain.

YES, AT THE PRESENT. BUT WITH THE PERS CATASTROPHE, THE FUTURE LOOKS GRIM, ESPECIALLY COMPOUNDED WITH DOUBLE DIGIT HEALTH/WORKMEN'S COMP/GENERAL INSURANCE INCREASES.

Please FAX TO AML at 907-463-5480 ASAP Thank You!
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Name of Respondent WALTON Sr. Title CITYMAN Municipality St. Marys

1. Is your community facing an economic downturn that is hurting local government revenues? No Yes If yes, please specify cause and impacts. FUTURE IS UNCERTAIN

Unless I generate other local revenues, I will have to make dramatic cuts

2. Is your municipality anticipating a revenue shortfall this coming year? No Yes If yes, how much, and what % of your total General Fund budget? Please give specifics.

Could be as much as 1/2 - depends on my generating other revenues

3. Do you anticipate a need to cut public services? No Yes If yes, which ones and how much? (If possible, please also estimate total probable employee layoffs.)

(1) TRASH & LANDFILL - reduce # of pickups

(2) Reduce part time workers

4. Do you anticipate a need to raise fees or taxes? No Yes If yes, which ones and how much?

Water/sewer/trash fees - politically can only raise another \$ to 7.00

5. For small municipalities, without revenue sharing, etc. does your municipality have the financial resources necessary to provide minimum public services/continue as a city or borough? No Yes If No, please explain.

Only if I generate revenues through gravel sales & equipment Rent.

Please FAX TO AML at 907-463-5480 ASAP Thank You!
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Name of Respondent Peter L. Platt Title City Manager Municipality City of Fairfax

1. Is your community facing an economic downturn that is hurting local government revenues?
No Yes If yes, please specify cause and impacts. _____

2. Is your municipality anticipating a revenue shortfall this coming year? No Yes If yes, how much, and what % of your total General Fund budget? Please give specifics.
about 12% (\$10,000)

3. Do you anticipate a need to cut public services? No Yes If yes, which ones and how much? (If possible, please also estimate total probable employee layoffs.)
two of two police positions

4. Do you anticipate a need to raise fees or taxes? No Yes If yes, which ones and how much?
like most of them, but there is not a price.

5. For small municipalities, without revenue sharing, etc. does your municipality have the financial resources necessary to provide minimum public services/continue as a city or borough? No Yes . If No, please explain.
there may be enough in the general fund to continue services for a year or so after that.

Please **FAX TO AML at 907-463-5480 ASAP** Thank You!
(Feel free to attach additional sheets. Call Kevin 1-877-636-1325 with questions.)

Feb 2004 Municipal Fiscal Conditions Survey - Please return ASAP

Loss of revenue sharing, capital matching grants, STIP row 7: match, plus state PERS/other cost increases are hurting municipalities/local taxpayers. AML needs information to present a case to the Governor, Legislature, and public. Please take a few minutes to fill out this survey.

Name of Respondent Marie Paul Title City Adm Municipality Togiak

1. Is your community facing an economic downturn that is hurting local government revenues? No Yes If yes, please specify cause and impacts. No revenues from the state. 2) Fishing was already low & continues to decline every year.

2. Is your municipality anticipating a revenue shortfall this coming year? No Yes If yes, how much, and what % of your total General Fund budget? Please give specifics. \$300,000, which is approximately 33% of our total budget.

3. Do you anticipate a need to cut public services? No Yes If yes, which ones and how much? (If possible, please also estimate total probable employee layoffs.) * See attached

4. Do you anticipate a need to raise fees or taxes? No Yes If yes, which ones and how much? * See attached.

5. For small municipalities, without revenue sharing, etc. does your municipality have the financial resources necessary to provide minimum public services/continue as a city or borough? No Yes If No, please explain.

Eventually, we will have to eliminate a larger portion of all departments.

Please **FAX TO AML** at 907-463-5480 ASAP Thank You!
(Feel free to attach additional sheets. Call Kevin 1-877-636-1325 with questions.)

FY'05 Budget Changes:

Council

- ❖ Eliminated Mayor's hours at the City Office.
- ❖ Adjusted Council Meeting stipends to include 1 monthly meeting and 1 quarterly joint meeting.
- ❖ No travel.
- ❖ No donations.

Administration

- ❖ Reduced City Administrator's work to 3 days/week.
- ❖ Reduced City Clerk's work to 4 days/week.
- ❖ Eliminated Deputy Clerk position.
- ❖ Reduced supplies, equipment & building maintenance categories
- ❖ Placed all insurance costs under Administration except for Police Liability Insurance.
- ❖ No travel.

Public Safety

- ❖ Combined Police & Fire Departments'.
- ❖ Eliminated 1 officer.
- ❖ Eliminated jail guard.
- ❖ Reduced supplies & equipment.
- ❖ Reduced all positions to 4 days/week (80 hr/wk).

Shop & Road Maintenance

- ❖ Reduced Road Maintenance & Equipment Operator to ½ year positions.
- ❖ Eliminated Mechanic position.
- ❖ Reduced gas, supplies & equipment categories.
- ❖ No travel.

Garbage & Landfill

- ❖ Reduced work days to 3 days per week.
- ❖ Increased rate by \$1 to match the shop/road & w & s rates.
- ❖ Reduced Community Clean-Up.

AVEC

- ❖ No changes at this time except to increase street lights.

Arts & Crafts Center

- ❖ Reduced work to 4 day/weeks.
- ❖ No travel.
- ❖ Reduced telephone/fax. (May disconnect 1 or 2 lines).

SSSS:

1. \$10 fee for use of Nangucuilnguq (with no use of kitchen).
2. \$25 fee for use of Nangucuilnguq including kitchen.
3. Donation requested from carvers or daily/weekly rate for use of shop?
4. Increase boat launch to \$80/boat including Elders.
5. \$25 per driveway (snow removal).

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Name of Respondent David Socolow Title Mayor Municipality Chambersburg

1. Is your community facing an economic downturn that is hurting local government revenues?

No Yes If yes, please specify cause and impacts. DECREASE IN RESIDENTS

LOSS OF EMPLOYMENT OPPORTUNITIES

2. Is your municipality anticipating a revenue shortfall this coming year? No Yes If yes, how much, and what % of your total General Fund budget? Please give specifics.

15%

3. Do you anticipate a need to cut public services? No Yes If yes, which ones and how much? (If possible, please also estimate total probable employee layoffs.)

REDUCING THE EMPLOYEES PER TIME

ELIMINATING ONE POSITION

4. Do you anticipate a need to raise fees or taxes? No Yes If yes, which ones and how much?

WATER AND SEWER 5%

5. For small municipalities, without revenue sharing, etc. does your municipality have the financial resources necessary to provide minimum public services/continue as a city or borough? No Yes If No, please explain.

Please FAX TO AML at 907-463-5480 ASAP Thank You!
(Feel free to attach additional sheets. Call Kevin 1-877-636-1325 with questions.)

Feb 2004 Municipal Fiscal Conditions Survey - Please return ASAP

Loss of revenue sharing, capital matching grants, STIP roads match, plus state PERS/other cost increases are hurting municipalities/local taxpayers. AML needs information to present a case to the Governor, Legislature, and public. Please take a few minutes to fill out this survey.

Name of Respondent Dave Dengel Title City Man^{agr} Municipality Valde

1. Is your community facing an economic downturn that is hurting local government revenues?
No Yes If yes, please specify cause and impacts. Possible with re configuration
of Alaska,

2. Is your municipality anticipating a revenue shortfall this coming year? No Yes If yes, how much, and what % of your total General Fund budget? Please give specifics.

Depends on the value of TAPS, State will set the value
later this year (late fall)

3. Do you anticipate a need to cut public services? No Yes If yes, which ones and how much? (If possible, please also estimate total probable employee layoffs.)

Not yet!

4. Do you anticipate a need to raise fees or taxes? No Yes If yes, which ones and how much?

Council is looking at an E911 fee
sewer + water fees

5. For small municipalities, without revenue sharing, etc. does your municipality have the financial resources necessary to provide minimum public services/continue as a city or borough? No Yes If No, please explain.



Please FAX TO AML at 907-463-5480 ASAP Thank You!
(Feel free to attach additional sheets. Call Kevin 1-877-636-1325 with questions.)

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Name of Respondent Dorothy Barr Title City Clerk Municipality White Mountain

1. Is your community facing an economic downturn that is hurting local government revenues?

No Yes If yes, please specify cause and impacts. Next fiscal year, the
City Clerk's hours may be cut due to lack of
revenues.

2. Is your municipality anticipating a revenue shortfall this coming year? No Yes If yes, how much, and what % of your total General Fund budget? Please give specifics.

3. Do you anticipate a need to cut public services? No Yes If yes, which ones and how much? (If possible, please also estimate total probable employee layoffs.)

Holding cell: telephone, power, + fuel: \$3,000.00
The janitor's hours will be lowered to come
& work only 2x 2 week.

4. Do you anticipate a need to raise fees or taxes? No Yes If yes, which ones and how much?

Sales tax to 3%. We already started a
pull tab Bingo tax this year.

5. For small municipalities, without revenue sharing, etc. does your municipality have the financial resources necessary to provide minimum public services/continue as a city or borough? No Yes If No, please explain.

Without the revenue sharing, etc. our
municipality will not have enough funds to
carry out the day-to-day services for our community.

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

(Feel free to attach additional sheets. Call Kevin 1-877-636-1325 with questions.)

Feb 2004 Municipal Fiscal Conditions Survey - Please return ASAP

Loss of revenue sharing, capital matching grants, STIP roads match, plus state PERS/other cost increases are hurting municipalities/local taxpayers. AML needs information to present a case to the Governor, Legislature, and public. Please take a few minutes to fill out this survey.

Name of Respondent Rich A. Heubaker Title City Manager Municipality Wahkiakum

1. Is your community facing an economic downturn that is hurting local government revenues?
No Yes If yes, please specify cause and impacts. _____

2. Is your municipality anticipating a revenue shortfall this coming year? No Yes If yes, how much, and what % of your total General Fund budget? Please give specifics.

calendar year budget general fund started in
the real year for 2004

3. Do you anticipate a need to cut public services? No Yes If yes, which ones and how much? (If possible, please also estimate total probable employee layoffs.)

If city says no to take over harbor from
state ownership I will be laying off 7 employees
which is 30% of my work force.

4. Do you anticipate a need to raise fees or taxes? No Yes If yes, which ones and how much?

water, sewer, harbor
Need to create fees to maintain streets

5. For small municipalities, without revenue sharing, etc. does your municipality have the financial resources necessary to provide minimum public services/continue as a city or borough? No Yes If No, please explain.

No. for near future due to lack of notice
regarding elimination of state revenue sharing.

Please FAX TO AML at 907-463-5480 ASAP Thank You!
(Feel free to attach additional sheets. Call Kevin 1-877-636-1325 with questions.)

Feb 2004 Municipal Fiscal Conditions Survey - Please return ASAP

Less of revenue sharing, capital matching grants, STIP roads match, plus late PERS/other cost increases are hurting municipalities/local taxpayers. AML needs information to present a case to the Governor, Legislature, and public. Please take a few minutes to fill out this survey.

Name of respondent Robert Puzell Title City Mgr Municipality Wrenskill

1. Is your community facing an economic downturn that is hurting local government revenues?
No Yes If yes, please specify cause and impacts. _____

2. Is your municipality anticipating a revenue shortfall this coming year? No Yes If yes, how much, and what % of your total General Fund budget? Please give specifics.

3. Do you anticipate a need to cut public services? No Yes If yes, which ones and how much? (If possible, please also estimate total probable employee layoffs.)

4. Do you anticipate a need to raise fees or taxes? No Yes If yes, which ones and how much?

5. For small municipalities, without revenue sharing, etc. does your municipality have the financial resources necessary to provide minimum public services/continue as a city or borough? No Yes If No, please explain.

N/A

Please FAX TO AML at 907-463-5480 ASAP Thank You!
(Feel free to attach additional sheets. Call Kevin 1-877-636-1325 with questions.)

WRANGELL

1. Is your community facing an economic downturn that is hurting local government revenues. Yes. The City of Wrangell is in the Fiscal Year 2005 budget process and several things become apparent. Revenues are down and expenses are up. Sales taxes have become stagnant, where in the past it would increase each year at least by inflation.
2. Revenue Shortfall: The problem is twofold. Revenues such as State Programs have been going down in a steady spiral over the last 12 to 15 years until we have reached bottom with the elimination of both Safe Communities and Revenue Sharing. In addition, Timber jobs have been eliminated in the community which has resulted in a declining school population. This reduces both the state formula funding and timber receipts revenues to the school. They in turn are putting more and more pressure on the City to fund long time programs. At the same time the employers share of our employees retirement plan with the state is increasing by 74%, Worker's Compensation Insurance is increasing by 20%, and our other insurance is to increase by 10%. The combination of both is killing the city.
3. Cut Public Services: At this preliminary state of the budget, it looks like we may have possible cuts, including personnel at the Library (and reduced days and hours), City Hall (and reduced hours opened), Police Department (no 24 hours service and other reduced services), Pool/Recreation (possibly also close facility for several months each year), and Parks/Cemetery. These are the departments that would include personnel cuts. There will be other cuts that do not include direct city personnel such as our contribution to the Senior Center, Hospital Contribution, Public Radio Station, and capital equipment that would be used to upgrade a fire department pumper.
4. Raise fees and taxes? Yes. Some fees and taxes. We are now at a 7% Sales Tax rate, the highest in the state and a 12 mil property tax rate. Probably are not going to be able to raise these. We have include charter boats in the Sales Tax Code which will provide some revenues we have not had in the past.
5. Small Municipalities. Doesn't apply.

Feb 2004 Municipal Fiscal Conditions Survey – Please return ASAP

Loss of revenue sharing, capital matching grants, STIP roads match, plus state PERS/other cost increases are hurting municipalities/local taxpayers. AML needs information to present a case to the Governor, Legislature, and public. Please take a few minutes to fill out this survey.

Name of Respondent S. RYMAN Title PLANNER Municipality CITY: BOROUGH OF YAKONET

1. Is your community facing an economic downturn that is hurting local government revenues? No Yes If yes, please specify cause and impacts. SEAFOOD PROCESSING VOLUME

AND PRICE IS DEPRESSED REMAINING 4 MILE FROM THE LOCAL ECONOMY AND \$180,000⁰⁰ FROM THE BOROUGH'S ANNUAL BUDGET.

2. Is your municipality anticipating a revenue shortfall this coming year? No Yes If yes, how much, and what % of your total General Fund budget? Please give specifics.

\$150,000⁰⁰ OR 9% OF BUDGET. PROJECTED LAND SALES ARE NOT MEETING EXPECTATIONS

3. Do you anticipate a need to cut public services? No Yes If yes, which ones and how much? (If possible, please also estimate total probable employee layoffs.)

CONTRACT SERVICES AND PROJECTS WILL BE CUT FIRST

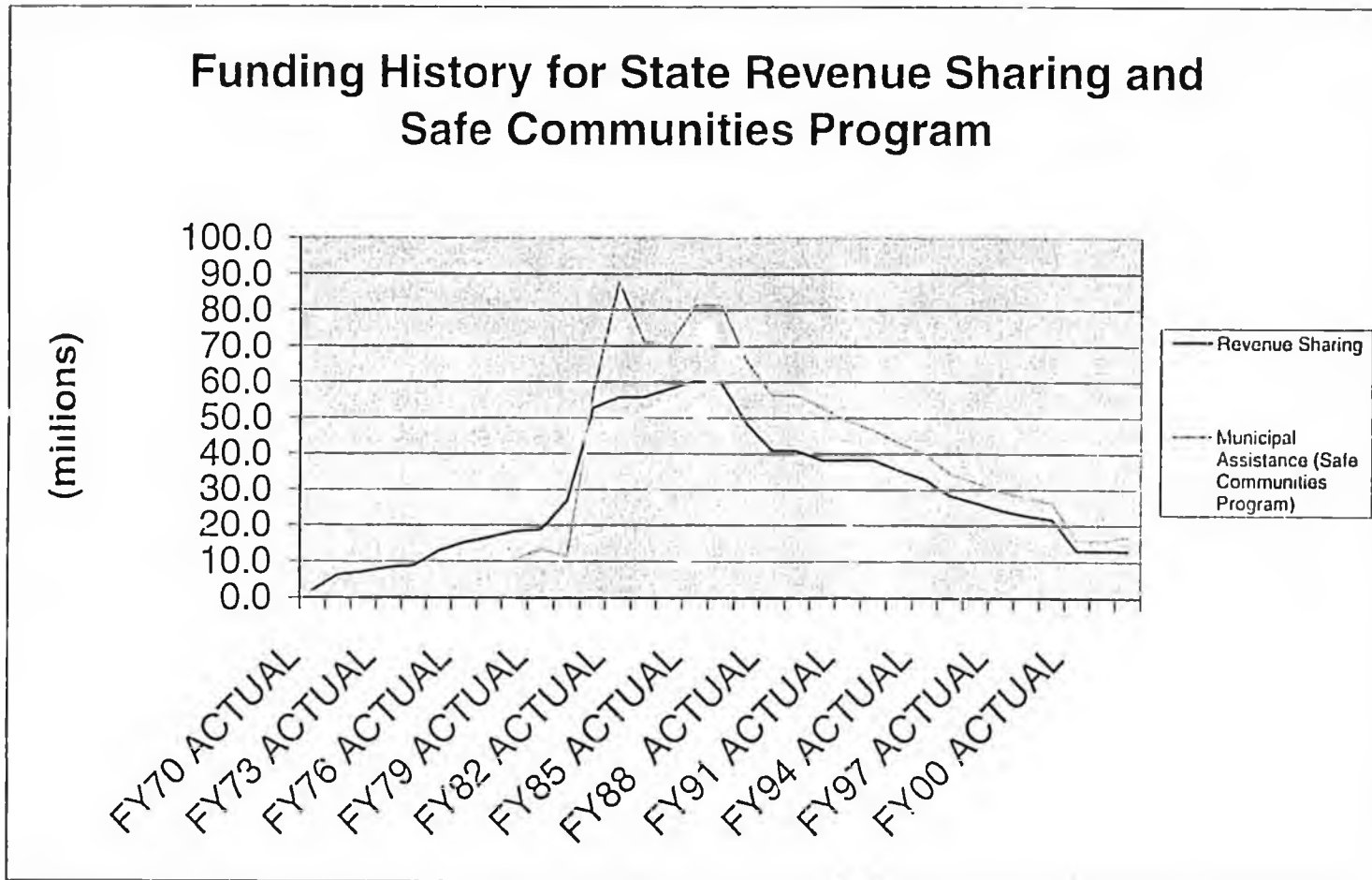
4. Do you anticipate a need to raise fees or taxes? No Yes If yes, which ones and how much?

WE ARE UNABLE TO RAISE TAXES UNTIL WE SEE WHAT THE STATE IS GOING TO DO AND WHAT IMPACT THEIR ACTIONS WILL HAVE ON BOROUGH SALES. ACCOMMODATION TAXES

5. For small municipalities, without revenue sharing, etc. does your municipality have the financial resources necessary to provide minimum public services/continue as a city or borough? No Yes If No, please explain.

Please **FAX TO AML at 907-463-5480 ASAP** Thank You!
(Feel free to attach additional sheets. Call Kevin 1-877-636-1325 with questions.)

Funding History for State Revenue Sharing and Safe Communities Program



**REVENUE SHARING/MUNICIPAL ASSISTANCE
FUNDING HISTORY (Millions)**

	Revenue Sharing	Municipal Assistance (Safe Communities Program)	Total
FY70 ACTUAL	2.0		2.0
FY71 ACTUAL	6.3		6.3
FY72 ACTUAL	7.1		7.1
FY73 ACTUAL	8.3		8.3
FY74 ACTUAL	8.8		8.8
FY75 ACTUAL	12.9		12.9
FY76 ACTUAL	15.2		15.2
FY77 ACTUAL	16.6		16.6
FY78 ACTUAL	18.2	10.6	28.8
FY79 ACTUAL	18.8	13.3	32.1
FY80 ACTUAL	26.9	11.4	38.3
FY81 ACTUAL	52.6	56.5	109.1
FY82 ACTUAL	55.6	87.9	143.5
FY83 ACTUAL	55.7	71.3	127.0
FY84 ACTUAL	57.9	70.5	128.4
FY85 ACTUAL	60.3	81.3	141.6
FY86 ACTUAL	59.6	81.3	140.9
FY87 ACTUAL	48.3	65.8	114.1
FY88 ACTUAL	40.8	56.1	96.9
FY89 ACTUAL	40.8	56.1	96.9
FY90 ACTUAL	38.2	52.7	90.9
FY91 ACTUAL	38.3	49.1	87.4
FY92 ACTUAL	38.3	46.6	84.9
FY93 ACTUAL	35.3	42.9	78.2
FY94 ACTUAL	32.8	39.9	72.7
FY95 ACTUAL	28.2	34.4	62.6
FY96 ACTUAL	26.3	32.0	58.3
FY97 ACTUAL	24.2	29.4	53.6
FY98 ACTUAL	22.7	27.6	50.3
FY99 ACTUAL	21.6	26.3	47.9
FY00 ACTUAL	12.9	15.6	28.5
FY01 ACTUAL	12.9	15.6	28.5
FY02 ACTUAL	12.9	16.8	29.7
FY03 AUTHORIZED	12.9	16.8	29.7
FY04 ENACTED	0.0	0.0	0.0
TOTAL THRU FY04	970.2	1,107.8	2,078.0

Notes: Municipal Assistance was funded in the Dept. of Revenue prior to FY86. It was transferred into the Department of Community and Regional Affairs in FY86. The program was established to replace the Gross Business Receipts Program, which was repealed on January 1, 1979. State Revenue Sharing was established on July 1, 1969 with the passage of Chapter 95, SLA69. Ch. 58 SLA 99 moved these programs to the Department of Community and Economic Development.

**Revenue Sharing and Safe Communities (Municipal Assistance)
Funding from FY 1992 thru FY 2001**

(in thousands)

Fiscal Year Enacted	Statewide Totals		
	Revenue Sharing	Safe Communities	Total
1992	38,347.0	46,648.0	84,995.0
1993	35,279.2	42,916.2	78,195.4
1994	32,809.7	39,912.1	72,721.8
1995	28,249.2	34,364.4	62,613.6
1996	26,271.7	31,959.0	58,230.7
1997	24,170.0	29,402.3	53,572.3
1998	22,719.8	27,638.2	50,358.0
1999	21,583.8	26,256.3	47,840.1
2000	14,389.2	17,504.2	31,893.4
2001	12,855.2	15,638.2	28,493.4
2002	12,855.2	16,775.5	29,630.7
Totals	256,674.8	312,238.9	568,913.7

Revenue Sharing makes up over a 25% of the operating budget for a Quarter of our Municipalities, it Averages 16% of all Municipal Operating Budgets.

(Data from 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 will have to directly provide services, if tribal governments cannot afford to take a more prominent role. Legislative constituents/taxpayers in larger municipalities suffer as well.

Anchorage local taxpayers, for example, face an additional \$10.4 million shortfall on top of the loss of capital matching grants, a huge new PER3/TRS debt, new DOT highway

Municipality	FY 03 Budget	FY 03 Revenue	
		Sharing Total	% of Oper 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	\$30,982	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 Chefnak	\$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 Budget	Sharing Total	% of Oper 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 Diomede	\$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 Budget	Sharing Total	% of Oper Budget
Aleutians East Borough	\$4,161,070	\$35,301	0.85%
City/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

HB 431 Municipal Dividend Estimates

Distribution Formula: Municipal Population X \$250 With a Minimum Entitlement of \$40,000

Borough Populations: Borough Areawide Population Less City Populations in Borough

Municipalities	2002 Population	Population X \$250	Minimum Entitlement Add-On	Municipal Dividend Payment
Adak	149	\$37,250	\$2,750	\$40,000
Akhiok	48	\$12,000	\$28,000	\$40,000
Akiak	346	\$86,500	\$0	\$86,500
Akutan	748	\$187,000	\$0	\$187,000
Alakanuk	659	\$164,750	\$0	\$164,750
Aleknagik	213	\$53,250	\$0	\$53,250
Aleutians East Borough	73	\$18,250	\$21,750	\$40,000
Allakaket	97	\$24,250	\$15,750	\$40,000
Ambler	295	\$73,750	\$0	\$73,750
Anaktuvuk Pass	302	\$75,500	\$0	\$75,500
Anchorage	269,070	\$67,267,500	\$0	\$67,267,500
Anderson	592	\$148,000	\$0	\$148,000
Angoon	542	\$135,500	\$0	\$135,500
Aniak	539	\$134,750	\$0	\$134,750
Anvik	109	\$27,250	\$12,750	\$40,000
Atka	102	\$25,500	\$14,500	\$40,000
Atkasuk	231	\$57,750	\$0	\$57,750
Barrow	4,434	\$1,108,500	\$0	\$1,108,500
Bethel	5,736	\$1,434,000	\$0	\$1,434,000
Bettles	36	\$9,000	\$31,000	\$40,000
Brevig Mission	307	\$76,750	\$0	\$76,750
Bristol Bay Borough	1,159	\$289,750	\$0	\$289,750
Buckland	426	\$106,500	\$0	\$106,500
Chefornak	419	\$104,750	\$0	\$104,750
Chevak	854	\$213,500	\$0	\$213,500
Chignik	77	\$19,250	\$20,750	\$40,000
Chuathbaluk	98	\$24,500	\$15,500	\$40,000
Clark's Point	65	\$16,250	\$23,750	\$40,000
Coffman Cove	161	\$40,250	\$0	\$40,250
Cold Bay	116	\$29,000	\$11,000	\$40,000
Cordova	2,434	\$608,500	\$0	\$608,500
Craig	1,227	\$306,750	\$0	\$306,750
Deering	129	\$32,250	\$7,750	\$40,000
Delta Junction	856	\$214,000	\$0	\$214,000
Denali Borough	1,294	\$323,500	\$0	\$323,500
Dillingham	2,475	\$618,750	\$0	\$618,750
Diomedes	128	\$32,000	\$8,000	\$40,000
Eagle	150	\$37,500	\$2,500	\$40,000
Eek	291	\$72,750	\$0	\$72,750
Egegik	88	\$22,000	\$18,000	\$40,000

HB 431 Municipal Dividend Estimates

Distribution Formula: Municipal Population X \$250 With a Minimum Entitlement of \$40,000

Borough Populations: Borough Areawide Population Less City Populations in Borough

Municipalities	2002 Population	Population X \$250	Minimum Entitlement Add-On	Municipal Dividend Payment
Ekwook	114	\$28,500	\$11,500	\$40,000
Elim	339	\$84,750	\$0	\$84,750
Emmonak	745	\$186,250	\$0	\$186,250
Fairbanks	29,670	\$7,417,500	\$0	\$7,417,500
Fairbanks North Star Borough	53,438	\$13,359,500	\$0	\$13,359,500
False Pass	79	\$19,750	\$20,250	\$40,000
Fort Yukon	581	\$145,250	\$0	\$145,250
Galena	713	\$178,250	\$0	\$178,250
Gambell	639	\$159,750	\$0	\$159,750
Golovin	148	\$37,000	\$3,000	\$40,000
Goodnews Bay	234	\$58,500	\$0	\$58,500
Grayling	192	\$48,000	\$0	\$48,000
Haines Borough	2,360	\$590,000	\$0	\$590,000
Holy Cross	232	\$58,000	\$0	\$58,000
Homer	4,721	\$1,180,250	\$0	\$1,180,250
Hoonah	868	\$217,000	\$0	\$217,000
Hooper Bay	1,075	\$268,750	\$0	\$268,750
Houston	1,279	\$319,750	\$0	\$319,750
Hughes	69	\$17,250	\$22,750	\$40,000
Huslia	285	\$71,250	\$0	\$71,250
Hydaburg	364	\$91,000	\$0	\$91,000
Juneau	30,981	\$7,745,250	\$0	\$7,745,250
Kachemak	419	\$104,750	\$0	\$104,750
Kake	700	\$175,000	\$0	\$175,000
Kaktovik	306	\$76,500	\$0	\$76,500
Kaltag	223	\$55,750	\$0	\$55,750
Kasaan	5	\$13,750	\$26,250	\$40,000
Kenai	7,166	\$1,791,500	\$0	\$1,791,500
Kenai Peninsula Borough	31,835	\$7,958,750	\$0	\$7,958,750
Ketchikan	7,845	\$1,961,250	\$0	\$1,961,250
Ketchikan Gateway Borough	5,431	\$1,357,750	\$0	\$1,357,750
Kiana	399	\$99,750	\$0	\$99,750
King Cove	794	\$198,500	\$0	\$198,500
Kivalina	383	\$95,750	\$0	\$95,750
Klawock	848	\$212,000	\$0	\$212,000
Kobuk	106	\$26,500	\$13,500	\$40,000
Kodiak	6,544	\$1,636,000	\$0	\$1,636,000
Kodiak Island Borough	6,484	\$1,621,000	\$0	\$1,621,000
Kotlik	633	\$158,250	\$0	\$158,250
Kotzebue	3,107	\$776,750	\$0	\$776,750

HB 431 Municipal Dividend Estimates

Distribution Formula: Municipal Population X \$250 With a Minimum Entitlement of \$40,000

Borough Populations: Borough Areawide Population Less City Populations in Borough

Municipalities	2002 Population	Population X \$250	Minimum Entitlement Add-On	Municipal Dividend Payment
Koyuk	329	\$82,250	\$0	\$82,250
Koyukuk	101	\$25,250	\$14,750	\$40,000
Kupreanof	23	\$5,750	\$34,250	\$40,000
Kwethluk	730	\$182,500	\$0	\$182,500
Lake & Peninsula Borough	929	\$232,250	\$0	\$232,250
Larsen Bay	107	\$26,750	\$13,250	\$40,000
Lower Kalskag	260	\$65,000	\$0	\$65,000
Manokotak	404	\$101,000	\$0	\$101,000
Marshall	364	\$91,000	\$0	\$91,000
Matanuska-Susitna Borough	52,460	\$13,115,000	\$0	\$13,115,000
McGrath	407	\$101,750	\$0	\$101,750
Mekoryuk	204	\$51,000	\$0	\$51,000
Mountain Village	757	\$189,250	\$0	\$189,250
Napakiak	351	\$87,750	\$0	\$87,750
Napaskiak	408	\$102,000	\$0	\$102,000
Nenana	519	\$129,750	\$0	\$129,750
New Stuyahok	479	\$119,750	\$0	\$119,750
Newhalen	156	\$39,000	\$1,000	\$40,000
Nightmute	224	\$56,000	\$0	\$56,000
Nikolai	120	\$30,000	\$10,000	\$40,000
Nome	3,493	\$873,250	\$0	\$873,250
Nondalton	207	\$51,750	\$0	\$51,750
Noorvik	677	\$169,250	\$0	\$169,250
North Pole	1,683	\$420,750	\$0	\$420,750
North Slope Borough	2,434	\$608,500	\$0	\$608,500
Northwest Arctic Borough	717	\$179,250	\$0	\$179,250
Nuiqsut	443	\$110,750	\$0	\$110,750
Nulato	345	\$86,250	\$0	\$86,250
Nunam Iqua	204	\$51,000	\$0	\$51,000
Nunapitchuk	512	\$128,000	\$0	\$128,000
Old Harbor	229	\$57,250	\$0	\$57,250
Ouzinkie	189	\$47,250	\$0	\$47,250
Palmer	5,159	\$1,289,750	\$0	\$1,289,750
Pelican	115	\$28,750	\$11,250	\$40,000
Petersburg	3,146	\$786,500	\$0	\$786,500
Pilot Point	76	\$19,000	\$21,000	\$40,000
Pilot Station	546	\$136,500	\$0	\$136,500
Platinum	37	\$9,250	\$30,750	\$40,000
Point Hope	709	\$177,250	\$0	\$177,250
Port Alexander	72	\$18,000	\$22,000	\$40,000

HB 431 Municipal Dividend Estimates

Distribution Formula: Municipal Population X \$250 With a Minimum Entitlement of \$40,000

Borough Populations: Borough Areawide Population Less City Populations in Borough

Municipalities	2002 Population	Population X \$250	Minimum Entitlement Add-On	Municipal Dividend Payment
Port Heiden	108	\$27,000	\$13,000	\$40,000
Port Lions	251	\$62,750	\$0	\$62,750
Quinhagak	572	\$143,000	\$0	\$143,000
Ruby	195	\$48,750	\$0	\$48,750
Russian Mission	328	\$82,000	\$0	\$82,000
Saint George	147	\$36,750	\$3,250	\$40,000
Saint Mary's	549	\$137,250	\$0	\$137,250
Saint Michael	390	\$97,500	\$0	\$97,500
Saint Paul	533	\$133,250	\$0	\$133,250
Sand Point	919	\$229,750	\$0	\$229,750
Savoonga	686	\$171,500	\$0	\$171,500
Saxman	394	\$98,500	\$0	\$98,500
Scammon Bay	491	\$122,750	\$0	\$122,750
Selawik	778	\$194,500	\$0	\$194,500
Seldovia	308	\$77,000	\$0	\$77,000
Seward	2,794	\$698,500	\$0	\$698,500
Shageluk	145	\$36,250	\$3,750	\$40,000
Shaktoolik	218	\$54,500	\$0	\$54,500
Shishmaref	589	\$147,250	\$0	\$147,250
Shungnak	249	\$62,250	\$0	\$62,250
Sitka	8,894	\$2,223,500	\$0	\$2,223,500
Skagway	841	\$210,250	\$0	\$210,250
Soldotna	3,944	\$986,000	\$0	\$986,000
Stebbins	586	\$146,500	\$0	\$146,500
Tanana	278	\$69,500	\$0	\$69,500
Teller	247	\$61,750	\$0	\$61,750
Tenakee Springs	98	\$24,500	\$15,500	\$40,000
Thorne Bay	503	\$125,750	\$0	\$125,750
Togiak	804	\$201,000	\$0	\$201,000
Toksook Bay	549	\$137,250	\$0	\$137,250
Unalakleet	725	\$181,250	\$0	\$181,250
Unalaska	4,051	\$1,012,750	\$0	\$1,012,750
Upper Kalskag	248	\$62,000	\$0	\$62,000
Valdez	4,171	\$1,042,750	\$0	\$1,042,750
Wainwright	543	\$135,750	\$0	\$135,750
Wales	159	\$39,750	\$250	\$40,000
Wasilla	6,343	\$1,585,750	\$0	\$1,585,750
White Mountain	210	\$52,500	\$0	\$52,500
Whittier	170	\$42,500	\$0	\$42,500
Wrangell	2,144	\$536,000	\$0	\$536,000

HB 431 Municipal Dividend Estimates

Distribution Formula: Municipal Population X \$250 With a Minimum Entitlement of \$40,000

Borough Populations: Borough Areawide Population Less City Populations in Borough

Municipalities	2002 Population	Population X \$250	Minimum Entitlement Add-On	Municipal Dividend Payment
Yakutat	724	\$181,000	\$0	\$181,000
Totals	626,680	\$156,670,000	\$525,000	\$157,195,000

Municipality	FY 03 Operating Budget	FY 03 SRS/SC Total	% of Operating Budget
City of Adak	\$991,000	\$35,853	3.62%
City of Akhiok	\$80,610	\$22,821	28.31%
City of Akiak	\$172,171	\$31,593	18.35%
City of Akutan	\$821,979	\$38,226	4.65%
City of Alakanuk	\$288,850	\$42,151	14.59%
City of Aleknagik	\$246,099	\$28,943	11.76%
Aleutians East Borough	\$4,161,070	\$35,301	0.85%
City of Allakaket	\$109,319	\$30,211	27.64%
City of Ambler	\$161,531	\$35,964	22.26%
City of Anaktuvuk Pass	\$124,342	\$31,704	25.50%
Municipality of Anchorage	\$248,390,990	\$10,403,815	4.19%
City of Anderson	\$126,633	\$38,394	30.32%
City of Angoon	\$291,671	\$32,014	10.98%
City of Aniak	\$147,680	\$43,541	29.48%
City of Anvik	\$144,065	\$29,879	20.74%
City of Atka	\$239,696	\$28,508	11.89%
City of Atkasuk	\$64,267	\$40,565	63.12%
City of Barrow	\$1,573,133	\$120,578	7.66%
City of Bethel	\$5,900,000	\$302,836	5.13%
City of Bettles	\$41,533	\$30,239	72.81%
City of Brevig Mission	\$205,303	\$32,251	15.71%
Bristol Bay Borough	\$4,504,954	\$58,003	1.29%
City of Buckland	\$132,102	\$37,864	28.66%
City of Cheformak	\$83,560	\$33,320	39.88%
City of Chevak	\$295,728	\$40,330	13.64%
City of Chignik	\$176,656	\$26,998	15.28%
City of Chuathbaluk	\$87,046	\$29,829	34.27%
City of Clark's Point	\$210,079	\$26,537	12.63%
City of Coffman Cove	\$850,991	\$30,283	3.56%
City of Cold Bay	\$284,364	\$32,418	11.40%
City of Cordova	\$5,450,311	\$175,465	3.22%
City of Craig	\$2,470,908	\$53,286	2.16%
City of Deering	\$176,812	\$34,243	19.37%
City of Delta Junction	\$518,950	\$56,504	10.89%
Denali Borough	\$2,053,700	\$61,389	2.99%
City of Dillingham	\$5,158,448	\$106,959	2.07%
City of Diomedes	\$216,587	\$29,316	13.54%
City of Eagle	\$89,900	\$25,461	28.32%
City of Eek	\$155,049	\$31,378	20.24%
City of Egegik	\$147,300	\$31,321	21.26%
City of Ekwok	\$75,061	\$28,229	37.61%
City of Elim	\$301,668	\$34,334	11.38%
City of Emmonak	\$390,459	\$62,861	16.10%

Municipality	FY 03 Operating Budget	FY 03 SRS/SC Total	% of Operating Budget
City of Fairbanks	\$16,794,096	\$1,391,861	8.29%
Fairbanks North Star Borough	\$78,318,560	\$1,970,270	2.52%
City of False Pass	\$294,409	\$26,947	9.15%
City of Fort Yukon	\$151,500	\$42,954	28.35%
City of Galena	\$670,600	\$44,829	6.68%
City of Gambell	\$415,930	\$40,262	9.68%
City of Golovin	\$614,394	\$31,650	5.15%
City of Goodnews Bay	\$136,643	\$29,806	21.81%
City of Grayling	\$108,770	\$31,537	28.99%
City of Haines	\$1,508,391	\$65,526	4.34%
Haines Borough	\$3,191,250	\$39,679	1.24%
City of Holy Cross	\$119,026	\$32,990	27.72%
City of Homer	\$5,287,239	\$168,493	3.19%
City of Hoonah	\$755,600	\$54,026	7.15%
City of Hooper Bay	\$515,643	\$54,426	10.55%
City of Houston	\$220,204	\$45,501	20.66%
City of Hughes	\$101,945	\$29,174	28.62%
City of Huslia	\$137,665	\$34,730	25.23%
City of Hydaburg	\$184,063	\$27,743	15.07%
City and Borough of Juneau	\$188,848,100	\$1,482,129	0.78%
City of Kachemak	\$155,600	\$28,465	18.29%
City of Kake	\$286,395	\$35,223	12.30%
City of Kaktovik	\$557,400	\$32,456	5.82%
City of Kaltag	\$205,840	\$32,452	15.77%
City of Kasaan	\$65,781	\$22,821	34.69%
City of Kenai	\$7,980,423	\$302,982	3.80%
Kenai Peninsula Borough	\$50,258,850	\$1,598,729	3.18%
City of Ketchikan	\$27,957,840	\$425,618	1.52%
Ketchikan Gateway Borough	\$14,867,222	\$202,908	1.36%
City of Kiana	\$254,221	\$37,340	14.69%
City of King Cove	\$1,055,000	\$40,930	3.88%
City of Kivalina	\$167,493	\$52,466	31.32%
City of Klawock	\$814,390	\$35,871	4.40%
City of Kobuk	\$173,422	\$30,635	17.67%
City of Kodiak	\$11,926,675	\$267,018	2.24%
Kodiak Island Borough	\$10,818,950	\$291,868	2.70%
City of Kotlik	\$334,400	\$37,075	11.09%
City of Kotzebue	\$4,187,861	\$199,688	4.77%
City of Koyuk	\$213,927	\$32,932	15.39%
City of Koyukuk	\$99,201	\$29,115	29.35%
City of Kupreanof	\$41,400	\$22,821	55.12%
City of Kwethluk	\$268,773	\$39,612	14.74%
Kake and Peninsula Borough	\$2,271,084	\$106,854	4.70%

Municipality	FY 03 Operating Budget	FY 03 SRS/SC Total	% of Operating Budget
City of Larsen Bay	\$113,130	\$22,821	20.17%
City of Lower Kalskag	\$42,892	\$4,791	11.17%
City of Manokotak	\$35,200	\$33,175	94.25%
City of Marshall	\$201,672	\$32,512	16.12%
Matanuska-Susitna Borough	\$57,181,644	\$1,690,792	2.96%
City of McGrath	\$183,413	\$38,968	21.25%
City of Mekoryuk	\$129,985	\$30,292	23.30%
City of Mountain Village	\$444,758	\$41,835	9.41%
City of Napakiak	\$78,751	\$32,804	41.66%
City of Napaskiak	\$80,585	\$32,941	40.88%
City of Nenana	\$596,850	\$44,188	7.40%
City of New Stuyahok	\$168,340	\$33,545	19.93%
City of Newhalen	\$85,800	\$28,741	33.50%
City of Nightmute	\$141,685	\$29,396	20.75%
City of Nikolai	\$198,000	\$29,120	14.71%
City of Nome	\$7,065,869	\$218,051	3.09%
City of Nondalton	\$150,944	\$32,113	21.27%
City of Noorvik	\$260,622	\$66,852	25.65%
City of North Pole	\$2,799,058	\$69,062	2.47%
North Slope Borough	\$289,420,015	\$902,462	0.31%
Northwest Arctic Borough	\$8,031,921	\$158,084	1.97%
City of Nuiqsut	\$365,168	\$34,304	9.39%
City of Nulato	\$160,648	\$34,776	21.65%
City of Nunam Iqaa	\$132,992	\$29,358	22.08%
City of Nunapitchuk	\$176,981	\$39,061	22.07%
City of Old Harbor	\$194,801	\$25,448	13.06%
City of Ouzinkie	\$142,373	\$25,096	17.63%
City of Palmer	\$5,291,041	\$226,676	4.28%
City of Pelican	\$431,776	\$25,523	5.91%
City of Petersburg	\$7,194,963	\$187,235	2.60%
City of Pilot Point	\$198,692	\$28,350	14.27%
City of Pilot Station	\$258,826	\$36,449	14.08%
City of Platinum	\$29,675	\$1,012	3.41%
City of Point Hope	\$246,223	\$70,085	28.46%
City of Port Alexander	\$138,257	\$22,820	16.51%
City of Port Heiden	\$59,992	\$30,383	50.65%
City of Port Lions	\$142,686	\$25,701	18.01%
City of Quinhagak	\$136,511	\$37,349	27.36%
City of Ruby	\$142,044	\$31,522	22.19%
City of Russian Mission	\$130,893	\$31,539	24.10%
City of Saint George	\$744,519	\$29,685	3.99%
City of Saint Mary's	\$564,779	\$42,651	7.55%
City of Saint Michael	\$290,646	\$36,789	12.66%

Municipality	FY 03 Operating Budget	FY 03 SRS/SC Total	% of Operating Budget
City of Saint Paul	\$2,200,873	\$39,100	1.78%
City of Sand Point	\$1,271,670	\$47,658	3.75%
City of Savoonga	\$204,700	\$39,297	19.20%
City of Saxman	\$259,287	\$27,723	10.69%
City of Scammon Bay	\$195,319	\$34,911	17.87%
City of Selawik	\$275,036	\$93,963	34.16%
City of Seldovia	\$353,168	\$30,207	8.55%
City of Seward	\$6,848,620	\$159,193	2.32%
City of Shageluk	\$132,948	\$29,063	21.86%
City of Shaktoolik	\$189,030	\$31,586	16.71%
City of Shishmaref	\$212,461	\$37,676	17.73%
City of Shungnak	\$241,561	\$34,318	14.21%
City and Borough of Sitka	\$18,470,340	\$424,845	2.30%
City of Skagway	\$2,818,195	\$49,423	1.75%
City of Soldotna	\$5,874,850	\$190,413	3.24%
City of Stebbins	\$270,782	\$37,803	13.96%
City of Tanana	\$234,975	\$37,237	15.85%
City of Teller	\$103,731	\$31,813	30.67%
City of Tenakee Springs	\$75,875	\$22,821	30.89%
City of Thorne Bay	\$368,940	\$32,716	8.87%
City of Togiak	\$800,289	\$42,206	5.27%
City of Toksook Bay	\$293,572	\$35,569	12.12%
City of Unalakleet	\$499,200	\$44,044	8.82%
City of Unalaska	\$20,193,196	\$185,314	0.92%
City of Upper Kalskag	\$132,756	\$36,332	27.37%
City of Valdez	\$22,425,096	\$381,529	1.70%
City of Wainwright	\$313,515	\$36,491	11.64%
City of Wales	\$172,768	\$29,748	17.22%
City of Wasilla	\$9,689,941	\$192,226	1.98%
City of White Mountain	\$55,982	\$30,982	55.34%
City of Whittier	\$910,010	\$27,493	3.02%
City of Wrangell	\$5,716,151	\$166,553	2.91%
City and Borough of Yakutat	\$1,784,375	\$44,556	2.50%
Average Percent			15.89%
Highest Percent			94.25%
Lowest Percent			0.31%
# > 20%			51



Analysis of current statutory payout versus HB 431
Alaska Permanent Fund Corporation

Based on December 2003 financial projections (\$ in millions, except per person dividend)

	<u>FY04</u>	<u>FY05</u>	<u>FY06</u>	<u>FY07</u>	<u>FY08</u>	<u>FY09</u>	<u>FY10</u>	<u>FY11</u>	<u>FY12</u>	<u>FY13</u>	<u>FY14</u>	<u>FY15</u>	Totals FY04 - FY15
Payout per HB 431	709	647	707	885	1,068	1,166	1,249	1,355	1,420	1,484	1,586	1,643	13,920
Municipal Dividend (\$250 per PFD application)	148	149	150	150	151	152	153	154	154	155	156	157	1,829
Distribution for PFD Fund	561	498	558	735	917	1,014	1,096	1,202	1,266	1,329	1,430	1,487	12,091
Payout - Current Dividend formula only	561	499	560	739	925	1,027	1,113	1,226	1,297	1,367	1,477	1,542	12,331
Difference in annual lump sum payout (HB 431 - Current statutes)	148	148	148	146	144	140	135	129	124	117	109	102	1,589
Retain for Inflation - HB 431	0	613	635	657	680	703	727	751	776	801	828	855	8,026
Retain for Inflation - Status Quo	0	613	635	657	680	703	727	751	776	801	828	855	8,025
AK Permanent Fund end of year value in 2015 - HB 431												45,644	45,644
Reserved assets (Principal + Unrealized appreciation)												39,988	39,988
Realized earnings reserve												5,656	5,656
AK Permanent Fund end of year value in 2015 - Current statutory formulas												48,165	48,165
Reserved assets (Principal + Unrealized appreciation)												40,223	40,223
Realized earnings reserve												7,942	7,942
Per Person Dividend HB 431	\$ 890	\$ 780	\$ 870	\$ 1,160	\$ 1,460	\$ 1,610	\$ 1,730	\$ 1,900	\$ 1,990	\$ 2,080	\$ 2,230	\$ 2,310	\$ 19,010
Per Person Dividend - current formulas	\$890	\$780	\$880	\$1,170	\$1,470	\$1,630	\$1,760	\$1,930	\$2,040	\$2,140	\$2,310	\$2,400	\$ 19,400

Assumptions:

1. Callan Associates 2003 Capital Market Assumptions, APFC 2003 asset allocation, Fall 2003 revenue forecast (including impact of HB11), financial statements
2. These projections represent only our best estimate of the median case rate of return; actual annual performance will vary with market volatility.
3. Distributions shown for the annual permanent fund dividend and the Municipal dividend program are calculated and booked as payables at
4. Slight differences due to rounding.

Introduced by:	Mayor LeDoux
Requested by:	Assembly
Drafted by:	Borough Clerk
Introduced:	03/04/2004
Adopted:	03/04/2004

**KODIAK ISLAND BOROUGH
RESOLUTION NO. 2004-10**

**A RESOLUTION OF THE ASSEMBLY OF THE KODIAK ISLAND BOROUGH
SUPPORTING HOUSE BILL 431 TO ESTABLISH A
MUNICIPAL DIVIDEND PROGRAM**

WHEREAS, full state funding for essential municipal services is going unmet due to severely reduced state municipal assistance and revenue sharing allocations; and

WHEREAS, increases in local property taxes are not the answer to declining allocations, especially in many communities where there is an insufficient tax base to draw upon; and

WHEREAS, HB 431 would establish a Municipal Dividend Program to aid municipalities with state appropriations allocated for unrestricted use by local governments; and

WHEREAS, HB 431 defines that the amount of a municipal dividend for a fiscal year would equal \$250 for each person residing in the municipality; and

WHEREAS, this plan would provide approximately \$1,621,000 to the Kodiak Island Borough in the next fiscal year;

NOW, THEREFORE, BE IT RESOLVED THAT THE ASSEMBLY OF THE KODIAK ISLAND BOROUGH supports House Bill 431 to establish a Municipal Dividend Program.

**ADOPTED BY THE ASSEMBLY OF THE KODIAK ISLAND BOROUGH
THIS FOURTH DAY OF MARCH, 2004**

KODIAK ISLAND BOROUGH

Gabrielle LeDoux

Gabrielle LeDoux, Borough Mayor

ATTEST;

Judith A. Nielsen

Judith A. Nielsen, CMC, Borough Clerk

CITY OF UNALASKA
UNALASKA, ALASKA

RESOLUTION NO. 2004-14

A RESOLUTION OF THE UNALASKA CITY COUNCIL SUPPORTING HB 431 SPONSORED BY REPRESENTATIVE CARL MOSES PROVIDING FOR THE ESTABLISHMENT OF A STATE MUNICIPAL DIVIDEND PROGRAM.

WHEREAS, since 1998, Representative Carl Moses has promoted the creation of a municipal dividend program to the State Legislature; and

WHEREAS, During this session of the Alaska State Legislature Representative Moses introduced HB 431, entitled An Act Relating to the Municipal Dividend Program and Providing for an Effective Date; and

WHEREAS, HB 431 allows for the creation of a municipal dividend through the transfer of money from the earnings reserve account of the Permanent Fund to a municipal dividend fund, which would account for only 0.6% of the Permanent Fund annually; and

WHEREAS, HB 431 will provide annual dividend payments to communities at the rate of \$250 for each person residing in the municipality with population determinations made based on the number of actual residents eligible to receive individual permanent fund payments or by using other reliable population data; and

WHEREAS, the municipal dividend program will provide an important source of State revenue sharing directly to municipalities to replace the loss of the State Revenue Sharing and Safe Communities programs which were eliminated in Fiscal Year 2004; and

WHEREAS, the elimination of the State Revenue Sharing and Safe Communities programs last year had a serious financial impact on local governments in Alaska; and

WHEREAS, HB 431 also establishes an annual minimum municipal dividend of \$40,000 for each municipality to help maintain basic government services, such as elections and road maintenance; and

WHEREAS, funding for the municipal dividend program will come from the earnings reserve of the Permanent Fund and will be paid only after the Permanent Fund has been inflation-proofed and individual permanent fund dividends have been paid; and

WHEREAS, the municipal dividend program will not replace or eliminate individual permanent fund dividends; and

WHEREAS, under HB 431, it is estimated that the City of Unalaska would receive enough in municipal dividend payments to compensate for the loss of past State revenue sharing programs.

NOW THEREFORE BE IT RESOLVED that the City of Unalaska fully supports HB 431 and urges the Alaska State legislature to pass this bill into law this session in order for it to take effect on June 30, 2004.

PASSED AND ADOPTED BY A DULY CONSTITUTED QUORUM OF THE UNALASKA CITY COUNCIL
THIS 9th DAY OF March 2004.

ATTEST:

Rouena Lasso
CITY CLERK - *acting*

[Signature]
MAYOR

CITY OF HOMER
HOMER, ALASKA

RESOLUTION 04-29

A RESOLUTION OF THE CITY COUNCIL
OF HOMER, ALASKA, ENDORSING
HOUSE BILL 431, A PROPOSED
MUNICIPAL DIVIDEND PROGRAM.

WHEREAS, House Bill 431 is proposed to provide State funds to Alaska municipalities for general government purposes, and

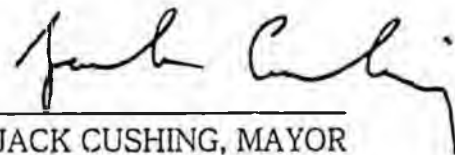
WHEREAS, State revenue sharing funds have been eliminated, which, along with increases in insurance and retirement costs, has greatly impacted local government in Alaska, leading some municipalities to consider dropping services to the public, and

WHEREAS, the proposed Municipal Dividend Program would be funded from Permanent Fund earnings only after provision for dividends and inflation proofing.

NOW, THEREFORE, BE IT RESOLVED that the Homer City Council endorses the concept of the Municipal Dividend Program as proposed in House Bill 431.


PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF HOMER, ALASKA, this 8th day of March, 2004.

CITY OF HOMER



JACK CUSHING, MAYOR

ATTEST:


MARY L. CALHOUN, CMC, CITY CLERK
Fiscal Note: Not Identified

CITY AND BOROUGH OF SITKA**RESOLUTION NO. 2004-11****A RESOLUTION OF THE CITY AND BOROUGH OF SITKA SUPPORTING HOUSE BILL 431 WHICH WOULD CREATE A MUNICIPAL DIVIDEND THAT WOULD BE PAID MUNICIPALITIES FROM THE EARNINGS OF THE PERMANENT FUND AFTER INFLATION PROOFING**

WHEREAS, the City and Borough of Sitka similar to other municipalities has been significantly impacted by the loss of funding provided for under Revenue Sharing and Safe Communities; and

WHEREAS, the City and Borough of Sitka is being forced to decrease services, programs, charitable contributions, and eliminate positions due this shortfall; and

WHEREAS, Representative Carl E. Moses has sponsored legislation that would create a Municipal Dividend Program; and

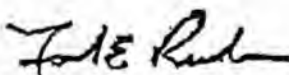
WHEREAS, the Municipal Dividend Program will assist municipalities in filling the gaps left in their budgets as a result of the elimination of funding for Revenue Sharing and Safe Communities; and

WHEREAS, the proposed Municipal Dividend Program would pay out \$250 for each person residing in Sitka. The population shall be determined annually by using the numbers of permanent fund dividend recipients or other reliable population data; and

WHEREAS, the Act would take effect June 20, 2004.


THEREFORE, BE IT RESOLVED, that the Assembly of the City and Borough of Sitka, Alaska by this resolution supports House Bill 431 providing for a municipal dividend program to assist municipalities with their budget shortfalls generated by the elimination of Revenue Sharing and Safe Communities funding.

PASSED, APPROVED AND ADOPTED by the Assembly of the City and Borough of Sitka, Alaska on this 24th day of February 2004.



Fred Reeder, Mayor

ATTEST:


Colleen Pellett, CMC
Municipal Clerk

DENALI BOROUGH

P. O. Box 480 • Healy, Alaska 99743
Phone (907) 683-1330 • Fax (907) 683-1340
dhgovl@mtaonline.net
www.denaliborough.gov/office.com



To: Representative Moses
Fnx: 907 465-3445
Date: February 25, 2004

David M. Talerico, Mayor

Re: Municipal Dividend Program, HB 431

Representative Moses:

Please allow this letter serve as my support for the Municipal Dividend Program, HB 431. Municipal Dividend Funds will greatly enhance our revenue sharing opportunities. Our communities benefit significantly from these funds which are distributed throughout the borough.

We appreciate the work you do for us in the Legislature. Please feel free to contact me for any information that I might be able to provide you.

Sincerely:


Mayor David Talerico



CITY OF SELDOVIA

P.O. DRAWER B * SELDOVIA, ALASKA 99663

Phone: (907) 234-7643 Fax: (907) 234-7430 Email:

February 25, 2004

Representative Carl Moses
State Capitol
Juneau, AK 99801-1182

RE: HB 431

Dear Representative Moses:

I wish to take this opportunity to inform you that the City of Seldovia strongly supports the passage of HB 431 to assist Cities to maintain the most basic of services. One of the prime reasons for revenue sharing was to assist Cities when elderly homeowners were given an exemption from property taxes on their homes.

In Seldovia, a City with approximately 300 year-round residents, the exemption has removed some nineteen homes from the tax rolls. These homes still need services and Seldovia, plagued by a lack of economic growth, has no internal capacity to make up the shortfall. Last years state injection of funds allowed us to at least maintain essential services. Without that \$40,000.00 proposed in HB 431, we will have to make budget cuts that could have the effect of causing us to cease to deliver even essential services in the areas of public safety and utility/road maintenance.

Right now, Seldovia supplies the only on-site police protection in this portion of the Kenai Borough. If we have to cut back, Seldovia and the surrounding area would have to depend on State Troopers being able to come across Kachemak Bay. During certain times of the year, this could leave us with no protection for days at a time.

Therefore, we consider it essential that some form of support such as HB 431 be in place.

Thank you and if you have any questions, please do not hesitate to ask.

Sincerely,

John Frohrip
City Manager

ALEUTIANS EAST BOROUGH

SERVING THE COMMUNITIES OF

■ KING COVE ■ SAND POINT ■ AKUTAN ■ COLD BAY ■ FALSE PASS ■ NELSON LAGOON

February 19, 2004

R. J. Carl E. Moses
House District 37
State Capitol Building
Juneau, Alaska 99811-1182

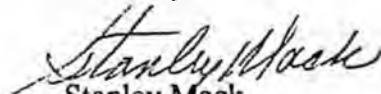
Re: Support of HB 431

Dear Rep. Moses,

The Aleutians East Borough supports HB 431. The Municipal Dividend Program would go a long way to restoring funding for municipalities to the levels of the early 1990s. I noted that under HB 431, the City of Sand Point would receive \$229,750. If my memory is correct, this is very close to the level of funding the City received under revenue sharing and municipal assistance when I was its Mayor in 1991! It is unfortunate that HB 431 does not take into consideration the inflation since then.

HB 431 is probably more important to the Cities of Cold Bay and False Pass. The minimum entitlement of \$40,000 would make life much more livable for these two cities in the Aleutians East Borough. These small cities were heavily impacted by the end of revenue sharing and safe community funding last year.

Sincerely,


Stanley Mack
Mayor

CLERK/PLANNER
P.O. BOX 349
SAND POINT, AK 99661
(907) 383-2699
(907) 383-3496 FAX
e-mail: AEBCLERK@aol.com

BOROUGH ADMINISTRATOR
3380 C STREET, SUITE 205
ANCHORAGE, AK 99503-3952
(907) 274-7555
(907) 276-7569 FAX
e-mail: aebanc@gcl.net

FINANCE DIRECTOR
P.O. BOX 49
KING COVE, AK 99612
(907) 497-2588
(907) 497-2386 FAX
e-mail: aebfinance@aol.com



CITY OF NORTH POLE

"Where the Spirit of Christmas Lives Year Round"

125 Snowman Lane • North Pole, Alaska 99705-7708
E-mail: mayor@northpolealaska.com Website: www.northpolealaska.com

City Hall
907-488-2281
Fax: 907-488-3002

Police
Department
907-488-6502

Fire
Department
907-488-2232

Utilities
907-488-6111

City Clerk
907-488-2281

City Engineer
907-488-2281

February 23, 2004

Honorable Representative Moses,

The City of North Pole supports HB 431 Establishing a Municipal Dividend Program. With the elimination of Municipal Assistance and Revenue Sharing a significant burden was shifted to local communities to fund services and programs at higher costs to local taxpayers or in some cases reduction or elimination of essential services.

A municipal dividend program would provide a stable revenue stream that municipalities could utilize to offset increasing operating expenses and decreasing revenues.

I thank you for your attention to this matter. Feel free to contact me if you have any questions.

Sincerely,

JEFFREY JAMES JACOBSON, Mayor



City of Point Hope
P.O. Box 169
Point Hope, Alaska 99766
(907)368-2537/2836
Fax: (907)368-2835
e-mail: akphogov@hotmail.com

TO: Carl Moses, Representative
Municipal Dividend Program

FROM: Martin Oktolik, Sr., Mayor *M.O.S.*
City of Point Hope
P. O. Box 169
Point Hope, Alaska 99766

DATE: February 24, 2004

SUBJ: Letter of Support

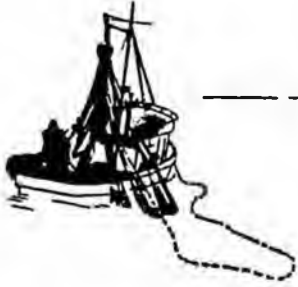
We are in support of the Municipal Dividend Program from the earnings reserve account of the Permanent Fund. Due to the Municipal hardships and low economy.

If you have any questions please do not hesitate to e-mail us at the above address or call directly at 1 (907) 368-2537.

Thank you for your time and consideration.

Cc: File
City Council

MSO/ms



City of False Pass

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

February 19, 2004

Representative Carl Moses
State Capitol Building
Juneau, Alaska 99801-1182

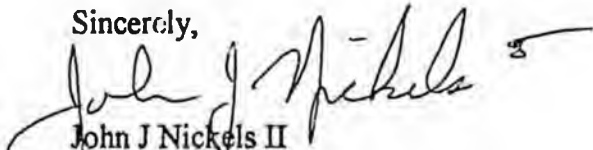
Dear Representative Moses:

I read with interest of your HB 431, which would establish a Municipal Dividend program. I understand that payouts from this program to municipalities and boroughs would be allocated for unrestricted use by local governments, and would have only a modest effect on personal dividends. This program would be helpful in light of the loss of the Revenue Sharing program last year, and I would like you to know that I support this bill. I will present a resolution to the City Council at our next meeting showing their support.

As you know the City of False Pass, like others in our region, is struggling to continue providing essential services to our residents with ever decreasing funds. In our case, we are now getting by with only about a third of the tax revenues we received a few years ago. The closure last year of a small processor in our community meant approximately 20% of the City's operating budget was gone due to the loss of sales tax, fish tax, and utilities sales. The other fish company in our community wants to sell or close down their retail sales of fuel, groceries, and hardware, which if closed will not only put our community in a difficult situation, but will also mean loss of even more sales tax. The loss of the Revenue Sharing program last year was also unfortunate.

Again, I support and appreciate your efforts on our behalf to secure this funding source for communities such as ours.

Sincerely,


John J Nickels II
Mayor

City of Sand Point



February 23, 2004

Representative Carl Moses
State Capitol, Room 500
Juneau, Alaska 99801-1182

Re: - HB 431

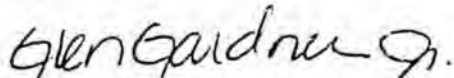
Dear Representative Moses:

The City of Sand Point fully supports your efforts to create a Municipal Dividend Program through HB 431. As you are well aware, Municipal Assistance and Revenue Sharing have been deleted from the state budget and this legislative action has been a tremendous financial blow to our community. We now struggle to maintain the minimal services that Sand Point residents deserve.

As we understand HB 431, a program would be created whereby a flat rate of \$250 per resident would be given to the City, paid from the earnings reserve account of the Permanent Fund after inflation-proofing and PFD's. This would potentially mean a \$200K infusion of state funds into our local economy to pay for local services, help match grants and loans and ease the financial burden that we now face.

We applaud your efforts and if there is anything we can do to help, please do not hesitate to ask. The future of Alaska's small, local governments depends on a fiscal plan that includes some type of financial assistance to each community in our great State.

Sincerely,


Glen Gardner, Jr.
Mayor

Sand Point City Council

City Office:
P.O. Box 249
Sand Point, Alaska 99661
(907) 383-2696
(907) 383-2698 FAX

Administrator:
3380 C Street, Suite 205
Anchorage, Alaska 99503
(907) 274-7561
(907) 274-3540 FAX
daypar72@gci.net

City of Mekoryuk
P.O. Box 29
Mekoryuk, AK 99630
Phone: (907) 827-8314 Fax: (907) 827-8626

February 23, 2004

Representative Carl Moses
State Capitol Building
Juneau, Alaska 99801-1182

Dear Representative Moses;

The City of Mekoryuk supports HB 431, which would establish a Municipal Dividend program. I also understood that payouts from this program to municipalities would be allocated for unrestricted use by local governments. This program would be helpful in light of the loss of the Revenue Sharing program last year. I will present a resolution to the City Council at our next meeting showing their support.

In our case, our city is small and sales taxes are out. Again I support and appreciate your efforts on our and many other small communities behalves to secure this funding source.

Thank you.

Sincerely,

for *David S. Olson - City Clerk*
Larson King
Mayor



Lake and Peninsula Borough

P.O. Box 495
King Salmon, Alaska 99613

Telephone: (907) 246-3421
Fax: (907) 246-6602



February 23, 2004

House Community and Regional Affairs Committee
State Capitol (MS 3100)
Juneau, AK 99801-1182

RE: HB 431, Municipal Dividend Program

To Whom It May Concern:

The Lake and Peninsula Borough is pleased to provide continued support for Representative Carl Moses' Municipal Dividend Program, HB 431. We appreciate his foresight and his diligent efforts to advance this critically important bill.

Our 17 villages are suffering economically. Residents of the southern half of the borough have been out-migrating necessitated by the dire need to find work to feed their families. During an "average" fishing season villagers have typically been able to financially sustain their lifestyles. However, "average" fishing seasons have been few and far between for about a decade now.

Loss of this local revenue source means precious little money remains available in most bush communities for governmental operations. The State of Alaska's eradication of Revenue Sharing essentially eliminated funds that remained for at least some basic services. A Municipal Dividend Program which we hope can be designed to be applicable for organized and unorganized villages alike would provide sufficient financial support for numerous villages within the State to remain financially solvent.

Without the Municipal Dividend Program it is almost a certainty many incorporated bush communities will be forced to dissolve their local municipal governments, probably in the near term. In addition, the continued absence of a funding vehicle like the Municipal Dividend Program will put off villages from ever seeking incorporation. Why would they take on the additional expense when there are fewer and fewer "returns"? The potential outcome of not passing HB 431 bodes a question that must be considered. Just how much will it cost the State of Alaska if several rural municipalities dissolve their incorporated status?

The Municipal Dividend Program is a sound proposal more pertinent now perhaps, than it was 9 years ago when first introduced by Rep. Moses. The Borough urges your support of HB 431.

Sincerely,

Glen Alsworth Sr.
Mayor

FISCAL NOTE

STATE OF ALASKA
2004 LEGISLATIVE SESSION

Fiscal Note Number: 1
 Bill Version: HB 431
 (H) Publish Date: 2/26/04

Revision Date/Time (Note if correction): _____ Dept. Affected: Revenue
 Title Municipal Dividend Program RDU AK Permanent Fund Corporation
 Component AK Permanent Fund Corporation
 Sponsor Representative Moses
 Requester Community and Regional Affairs Component No. 109

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2004) cost: 0.0
 Mark this box (X) if funding for this bill is included in the Governor's FY 2005 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

The proposed legislation does not increase the cost of operations for the Alaska Permanent Fund Corporation. See the attached schedule for the annual amount estimated to be available for the municipal dividend.

Prepared by: Robert D. Storer, Executive Director Phone 465-2047
 Division Alaska Permanent Fund Corporation Date/Time 2/26/04 1:34 AM
 Approved by: Steve Porter, Deputy Commissioner Date 2/6/2004
 Agency Department of Revenue

FISCAL NOTE

STATE OF ALASKA
2004 LEGISLATIVE SESSION

Fiscal Note Number: 2
 Bill Version: HB 431
 (H) Publish Date: 2/26/04

Revision Date/Time (Note if correction): _____ Dept. Affected: DCED
 Title Municipal Dividend Program RDU State Revenue Sharing (217)
 Component Municipal Dividend Program
 Sponsor Representative Moses
 Requester House Community & Regional Affairs Component No. N/A

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims	157,195.0	158,996.7	160,819.1	162,662.5	164,527.1	166,413.1
Miscellaneous						
TOTAL OPERATING	157,195.0	158,996.7	160,819.1	162,662.5	164,527.1	166,413.1

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Municipal Dividend Fund)	157,195.0	158,996.7	160,819.1	162,662.5	164,527.1	166,413.1
TOTAL	157,195.0	158,996.7	160,819.1	162,662.5	164,527.1	166,413.1

Estimate of any current year (FY2004) cost: 0.0
 Mark this box (X) if funding for this bill is included in the Governor's FY 2005 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This legislation establishes a new Municipal Dividend Fund within the Department funded from the earnings reserve account of the Permanent Fund. After transferring income from the earnings reserve account for Permanent Fund Dividends (AS 37.13.145(b)) and Inflation Proofing (AS 37.13.145(c)), the Permanent Fund Corporation shall transfer to the municipal dividend fund the amount needed to fully fund municipal dividends for the next fiscal year, or the balance of the earnings reserve account, whichever is less. The Department shall pay each municipality a dividend equal to \$250 for each person residing in the municipality, while providing for a minimum dividend of \$40,000. If the amount appropriated is not sufficient to fully fund the municipal dividends for a fiscal year, the dividends shall be reduced on a pro-rata basis. The Department estimates an annual municipal population growth of approximately 1.15%.

Prepared by: Gene Kane, Director Phone (907) 269-4578
 Division: Community Advocacy Date/Time 2/25/04 12:00 PM
 Approved by: Edgar Blatchford, Commissioner Date 2/25/2004
 Agency: Department of Community and Economic Development

Representative Carl E. Moses, House District 37
(907) 465-4451 – Adam Berg, Staff

SPONSOR STATEMENT / SECTIONAL ANALYSIS

CSHB431 (STA) – Municipal Dividend Program

The establishment of a Municipal Dividend program would aid municipalities with state appropriations allocated for unrestricted use by local governments in their greatest time of need. The sponsor intends to empower local officials by allowing them to decide how to best spend that money. Uncertain state funding has affected local governments ability to plan and budget properly, and more recently, to absorb the brunt of many state budget cuts.

This plan would provide approximately \$157 million annually to municipalities by accessing surplus earnings of the Permanent Fund. The distribution to municipalities would be made only after Permanent Fund Dividends and inflation proofing are provided for. Based on annual Permanent Fund earnings, if the amount appropriated were not sufficient to fully fund municipal dividends, the amount to each municipality would be reduced on a pro-rata basis.

Alaska's municipalities and local decision makers deliver the most direct and knowledgeable service, much of which is of a critical nature. Under CSHB 431 (STA), the amount going to each municipality would be determined by population and a per head allocation. Population criteria would be the number of local PFD recipients and the allocations would be \$250 per head, with a minimum to any municipality of \$40,000 annually.

The House State Affairs Committee changed the bill as follows: There were four language smoothing amendments adopted that do not change the effect of the bill in any way.

BILL SECTION 1: Establishes the Municipal Dividend Fund. The amount of a Municipal Dividend is set at \$250 per eligible PFD recipient in each municipality. Borough populations are determined by subtracting the population of all cities within a borough from the borough's total population, thereby allowing boroughs to apply funding to their unincorporated communities. It sets a minimum dividend payment of \$40,000 to a municipality. There is a formula specified in the event the amount appropriated to the fund is insufficient to fully fund Municipal Dividends.

BILL SECTION 2: Assures that the transfer of money from the earnings reserve account to the Municipal Dividend Fund happens only after Permanent Fund Dividends have been accounted for and inflation proofing has taken place. It also assures that the lesser amount of either the dollars needed to fully fund the program or the balance of the earnings reserve account be transferred.

BILL SECTION 3: Sets the effective date at June 30, 2004.