

ALASKA LEGISLATURE

2593

HOUSE and SENATE FINANCE COMMITTEE FILES, 2003-2004

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

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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!

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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 no 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.

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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.

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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.

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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.

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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. Service Area

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.

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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.

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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

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Name of Respondent LINDA FUEE Title MAYOR 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

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1 out of revenue sharing, capital matching grants, STIP funds match, plus state PEB/Switzer 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.

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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.

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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 "GRASS ROOTS" PRESSURE 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!
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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 180% 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

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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.

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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

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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.

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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!
(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 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, won't 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?

Daubyne Constantino

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 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.

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 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.)

Feb 2004 Municipal Fiscal Conditions Survey - Please return ASAP

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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

Feb 2004 Municipal Fiscal Conditions Survey - Please return ASAP

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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.)

Feb 2004 Municipal Fiscal Conditions Survey - Please return ASAP

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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 y . 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 y 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 y 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 y 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 y . If No, please explain.

Only for a short time.

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 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 X 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!
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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!
(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 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!

(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 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!
(Fee 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 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!
(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 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 to 0.25 per sq ft and solid waste increased state owned persons. 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 anymore.

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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.

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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 [total] probable employee [re]offs.)

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 Nanguuilnguq (with no use of kitchen).
2. \$25 fee for use of Nanguuilnguq 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.

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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.



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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!

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

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.1 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.

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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

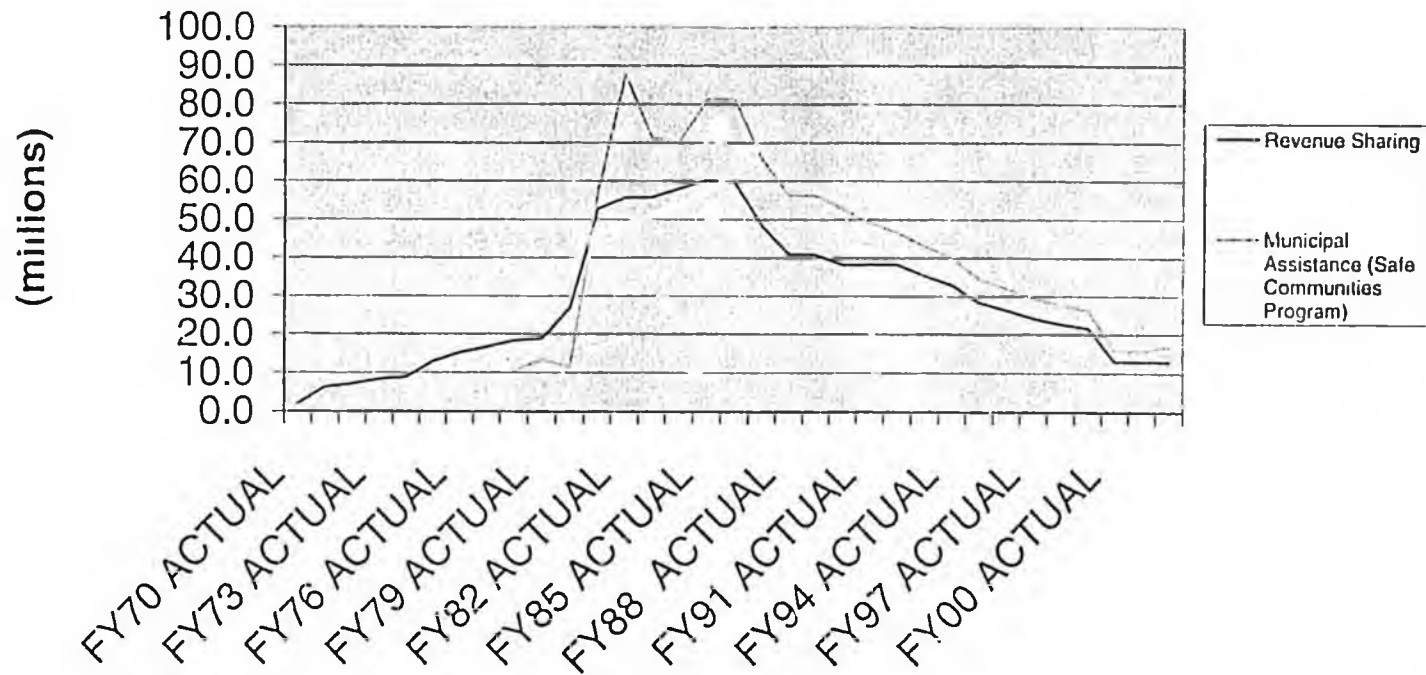
4. Do you anticipate a need to raise fees or taxes? No Yes If yes, which ones and how much?

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
Ekwok	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 Diomedea	\$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

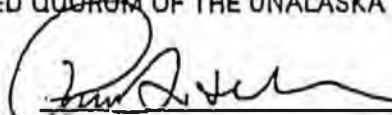
WHEREAS, funding for the municipal dividend program will come from the earnings reserve of the Permanent Fund and will be paid only after the Permanent Fund has been inflation-proofed and individual permanent fund dividends have been paid; and

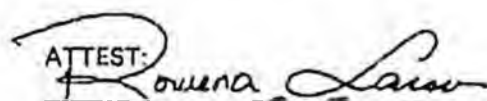
WHEREAS, the municipal dividend program will not replace or eliminate individual permanent fund dividends; and

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.


MAYOR

ATTEST:

CITY CLERK - acting

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

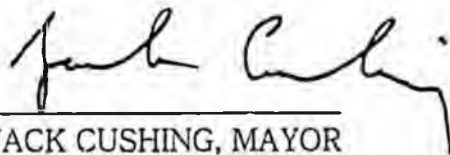
WHEREAS, State revenue sharing funds have been eliminated, which, along with increases in insurance and retirement costs, has greatly impacted local government in Alaska, leading some municipalities to consider dropping services to the public, and

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.

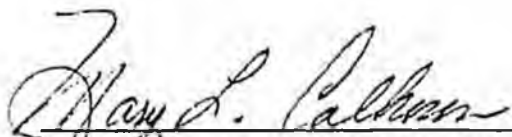
PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF HOMER, ALASKA, this 8th day of March, 2004.

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

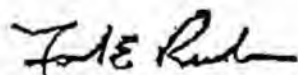
WHEREAS, the Municipal Dividend Program will assist municipalities in filling the gaps left in their budgets as a result of the elimination of funding for Revenue Sharing and Safe Communities; and

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.govoffice.com



David M. Talerico, Mayor

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

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

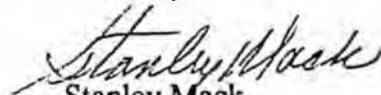
Re: Support of HB 431

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

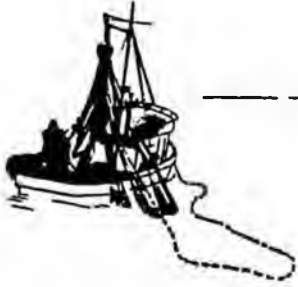
We are in support of the Municipal Dividend Program from the earnings reserve account of the Permanent Fund. Due to the Municipal hardships and low economy.

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

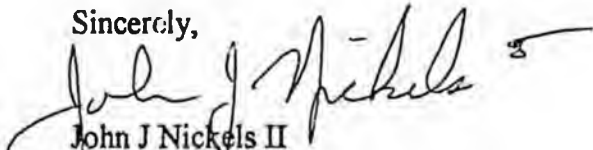
Dear Representative Moses:

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 -

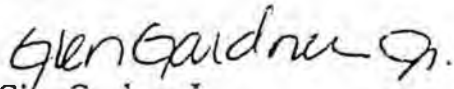
Dear Representative Moses:

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 *Shirley 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						
-----------------------------	--	--	--	--	--	--

CHANGE IN REVENUES ()						
-------------------------------	--	--	--	--	--	--

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 ()						
------------------------	--	--	--	--	--	--

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
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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.