

ALASKA LEGISLATURE SPECIAL COMMITTEE / SUBJECT FILES 86/2

390 SCOMM10: LOCAL GOVERNMENT STUDY 1979

and maybe even going into the requirements. Its very difficult for us to provide the information what the people want, need, and require without any way of opinion on information of forcing them into corparating and providing information like on Bonding information, or even the boundries of the cities, we don't even know what their boundrieare. Because they never tell us.

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That would be a way, it seems to me that thas the municipalities themselves really _____ the activities of _____.

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That goes back to this perogitive of the municipalities and it good, I didn't gurawl with Vic comments before, I think its good to have a city to be relatively _____ But it does cause certain problems in trying to work things that way.

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Waht happened with that sort of shared city Manager program.

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We're putting this back to gether right now, were ta king it to Kotzebue next week to test it out. We've developed it into a team approach both Sig & Bill are part of the program. And we're going to spend 3 days in Kotzebue in very intensive work _____.

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I _____ one of these days and this maybe, you may not, I'm sure you don't have the resources for it, But one of these days it may be appropriate to station a person or 2 people in Kotzebue to actually serv as somebody as you might say who shared administered staff or in hand so we worked in all of the _____.

BRYON MALLOTT:

Thats one of the things that hurts us very much, is you know, we have no _____ capability. We can just limit respect and _____ knee deep you know that State had the responsibility to do that , but they could do that through regional unorganized Boroughs forever however you want to call them, you know not wanting to hire those people rather them be _____.

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You know there are a lot of things that Local Affairs could do. If they had a little money for instance for the small communities one thing be to simple provide a model code of municiple ordinances, another thing would be to provide I guess there's quite a bit going on in Bookeeping now. But every small thing has a hell of a time handling bookeeping

There needs to be some central auditing or something of this nature some very definite help here or what, there's a lot of leadership here which can be done with an mimeograph machine in terms of helping communities a little manual how to run your city.

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Yeh, but the problem with that kind of stuff some of that's there, you either got it, it's a problem of giving it out. If you've got a staff of six people, how many communities you've got incorporated.

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121 isn't there now Bill, 121.

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You it's just almost impossible task, you've got councils changing every year, They are simply been on the Rural area during _____ sophisticated forms of government. We quote, we've talked to Bryon by himself providing some of that _____ so that our staffs, which do travel will work with the accounts _____.

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I think, I tend to view it this way, I'm over simple _____. I'm a local legislature can find out who in the hell was new mayor or something like that and I think mimeographs are a tremendous welcome. There easy to provide an awful lot of services to on a regular basis for a small community. I'm surprised _____ how does a city council function, what are the procedures, it would be awfully useful. When does a city clerk do?

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These are the kinds of things that a lot of people think are really simple things to do. But you know one of the largest problems that Agency Democracy faces with the kinds of small communities that we're dealing with this problem of communication you know, you can send them booklets up the ass and half of them are up in the waste basket because they don't understand them, they don't know how to use them. They may want to use them, but they look at them and say Jesus Christ we don't have the capability to do this. _____

However everytime you get a community that beginning to pull it self together you _____ he's going to go down there or she and quite often it is a she going to go down and say you sons a bitches you're not meeting regularly, where are our meetings where are our records and what are we doing. She got some tools, and I think that the most debilitating thing that we have is the lack of knowing how to begin to,

do something.

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I'm not saying that we shouldn't do it, because what I'm saying is that we have to develop the kinds of materials that they understand_____.

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_____ citizens have gotten over ability to get those, you see that's the only fault, you see Bryon could have_____ to every citizen and then again must arrive at _____ like that's going to go in the wastebasket you know so they gotta have the knowledge, knowing well I don't know what the Hell the city_____.

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How do you develop a _____ this a subject you're pretty well expert at .

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It takes Manpower, that's the basic thing, I think you know, June has some experience in this to, I think this _____ first class cities are getting to that point where they all want to know.

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I guess what I'd like to say is that we've been involved in a small way, but you need people on the ground that can deal with specific problems and an interpretive sense and she's harder for the Agency to deal with than then it is someone independent of the structural process and this uses _____ on small village that's been incorporated for 4 years and here a couple of weeks ago they were still dealing with our basic kind of problems and wanting to raise a pretty small office in stead of _____. I think this is where you need people that _____ independent and in addition for a _____ the government process is all wrong, But it takes people all _____ you can't do it at a bar instead of with a megaphone entirely.

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If you're dealing to a large extent in the State in Rural Areas with people who to out thinking _____. That's the biggest problem you know you can present it but then it's a problem having to translate to their way of thinking, you might win. And the---

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That isn't confined to the Rural Area have you ever worked the CPC. _____ Local State as well as the Rural.

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Yeh! I mentioned, ---

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That isn't confined to the Rural Area have you ever worked the CPC?

_____ Local State as well as the Rural.

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Yeh! I mentioned,

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Every God damn school should have a course in Local Government, which has meetings and spend some time at it, because to get a feed on it; of this which is fantastic.

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Good now that the State's going into _____ basic education, the hole basis can be Local Government.

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For Gods sakes, let somebody like Local Affairs Agency teach the teachers because I've seen what the teachers know about Local Government.

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Thats right!

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We've been picking things around with the Division of Vocational Education working with

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Those people with _____ the hopefully we'll be able to work out alot with Jim _____ and his program _____ we'll get some money. _____.

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Well when we start looking at problems it seems like we look at the problems and we say well this isn't really a problem there's something more basic and we keep on going back and then we finally find out that there not only not probably, we're dealing with the Local problems the way they could be but they don't even understand the concept of the city in the first place, they haven't appointed a clerk or treasurer of anything like this they don't have anyone really to deal with in some of the villiages it goes on back down and you talk to some of the people that are working in adult basic education; find out that their having their problems their just trying to get in there and ehlp the people become more aware of modern way of life in general adults teach them the basics as adults so its just not city problems their having trouble with, it goes back deeper then that even.

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Well Bryon I don't know, this discussion goes around & around and I don't know whether this is the place to do it or not but I think that what Don brought up is so mentioned here what are goals are, well we want to accomplish in the State, all the education in the Local Government but what direction does our Local Government want to take, I think of course, we've got several different bills here but in otherwards it can be the bill that says this community affairs or regional service area. What is the _____ goal of this, is this eventually going to run again into a Borough. Are we going abandon the, we can't very well abandon the Borough concept unless we change our Constitution. But what's the element goal I think some time during this group discussion, we should sort of kick it around a bit as to whether, for instance we have North Borough which is bigger the State of California _____ the Agency might or might not be going or maybe we could just move on that way,

TAPE NO. 2.
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Bryon? Now I only have one suggestion well we would like to help; The help of the Local Agency in publishing a State Aged Local Government. Now we'd be willing to do most of the research, But we'd like to do this. The name of the Program, Who in the State Government you contact, Money available, What regulations are per _____ . Who's eliagable and stuff like that.

But we would have to have the help of the Agency in printing it and distributing it. If we can ge together say some of your staff and Don and I when we get back you see I think it would be a tremendous help particularly some smaller areas who don't know that some of these State programs ar available to them.

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I'm sure there's no problem on money or something like that. _____

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But we have an actual written proposal I'll have Don give it to you before you go back and we can get together next week.

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O.K.

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Dick you mentioned something kind _____ .

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What we're talking about, about the practice problems of soliciting
_____ around the State it seemed to me that maybe one
thing Local Affairs could do which would compliment, well we all compliment,
at too would be to find: some idiot who would hold some hearings
around the State on specific issues and ask for input from various
communities, you may or may not get too much input but what you do is
create an atmosphere of discussion in the State which I think is very
important, and develop some thinking and it gives the Agency some
latitude to accomplish some ideas and through out some ideas without
taking opposition on me on any particular class of information to see
what the States thinking about. I think we tend to create a very good
atmosphere for some commencement of solution of Local Government problems.
??And it would be relatively inexpensive to do. Develop our own issues or
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Oh! I think it would be fairly easy to develop some starting issues
_____ solicit papers, and written statements
and what have you and we'll go through the BAB. and _____
media.

BRYON:

This does need house cleaning but I'd like to share with the people here,
is the relation between the Local Boundary Commission to my responsibilities
of the staff. And that whenever we get something that the Local Boundary
Commission has to respond to we're mandatory obligated to go it, no matter
how much it costs and when you get a heavy run on the Local Boundary
Commission who's budget is not broken out of the Agency Budget. For example
the North Slope _____ is just gonna chew the hell out of our
travel budget and so forth and its gonna really affect the capability of
the staff to get out and work with communities during the coming year. You
know the playful kinds of issues that arise through the functions of Local
Boundary Commission really have an implication and at times could really
restrict the function of the staff as it works also. And that's a relationship
that I'm pondering with and if anybody has any idea who's somehow you
know the relationship has to change. And I'm not talking about settling
it.

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You mean how do you divorce Agencies from Local Boundary Commission decisions
is to either annex or not annex that Anchorage would be deciding political
addition.

BRYON:

You know whether it was Local Boundary Commission that did it or not, I wouldn't dare show up in Anchorage. And thats something that really
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Bryon this is sort of built in pressure and heat coming right from the Constitution and its a burden _____.

Bryon:

I think that Administrative leave can do something to work it out. I just really crossed it out or something thats all I'm concerned about
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Well we're heading towards breaking this out separately along with some other functions including possibility the State Assets and endorse our Federal programs. And accounting. So that we're glad there broken out and the Legislature has given us money on the basis that we will use so much on a Boundary Commission and we'd certainly have a little better argument for an increase appropriation or a supplemental program.

Bryon:

Yeh! as far as the Budget's concerned you'll do that next year. Local Boundaries _____ Right now it always has been

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_____ power of Local Boundary Commissions to permissive power they don't have to charge off on every problem around the State. They don't have the money why this one way of leaving function is the Legislature decides to _____.

BRYON:

You mean like we could tell North Slope where to go to hell because we don't have any money to incorporate them.

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You'd have a heck of a time explaining it.

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Thats where it will eventually be decided anyhow.

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I never thought about that.

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You know its interesting as far as the Constitution goes, the Local Boundary commission is about the only area in the Constitution where the State actually requires something, with respect to Local Government. In order to avoid duplication of Government units, As I was pointing out here during the recess, it seems to me from reading the Constitution and minutes=

also observing the Executive & Legislative Branches reactions to the problems of Local Governments the, the policy of the State is not to require, it is to insure maximum Local Self Government really to be in the roll of assisting and encouraging reactions to the requests of the Local Communities for assistants and aides. It seems to me, this is a stepping in when necessary to resolve a dispute but only being, but only at the same time being very very careful about what wishes of the Local Communities are other states take different approaches, they actually require certain standards they perform audits for the budgets, they insist on uniform budgetary forms and matters that type. As I say, I don't think that that's intended here, and perhaps that's the wisest. That's the wisest approach. But with that kind of intent, it seems to me you're limited except the Local Boundary Commission to a very extensive & helpful program of providing model ordinances, model procedures, providing consultant services, aiding with Federal Aid applications, conducting training programs, in the various communities at their requests. Whether this will insure competent Local Government I don't know. We're arguing about that. I think it is certainly intent in the way the State Constitution has set things up. And the way all the governors and all the Legislatures have reacted to the questions of Local Government, They want maximum Local Self Government. The people locally will make their mistakes or their successes as they dictate.

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I don't know really, the tremendous reaction from what I saw of the Legislature (I've told them I don't want this power to have this power, I don't want this power). And really as a very ambiguous situation where we have a roll of idea, Yeh! But talked about individual matters we say God damned it no. No we don't want this no we don't want that. Strong _____ in the Legislature giving Local people the power to do those things that they will. I think we should have one class of city, one class of Borough and have it done with. Let the Local people have the entire set of tools and let them go to work.

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Well I'd say quite recently there have been a few voices in the Legislature which have wanted to take kind of a positive approach, but we're not going to react, we are going to act to modernize and in affect force efficiency and professionalization in Local Government. I'd say I seen more of that recently I think one of the voices who speaks in that direction, that's the majority attitude in the Legislature, really I didn't know.

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Really the thing that's lacking in the Legislature, it seems to me. A strong voice for Municipal Government to pulverize thinking in terms of what should be done, something to talk up about, speak of the Constitution regularly, about what Constitution says about Local Government. And I don't see anybody there who's making this or going to make this an issue. But one thing we should look at is, is somehow of trying to do this, because I think this is one most important matter before the Legislature, and one of the most important matters before the Administration.

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Here's where the conflict comes in again, the question I was raising it to how far the state really will insure Compitant Local Government whether its to go so far as requiring certain standards and methods of practicing. How much is the State going to interfere with Local Government so to speak. Don knows the Municipal Code better than I do in terms of the original attempt of being made to change the existing situation which have been set up say under the Borough act in 1961. The first Municipal Code proposed S.B.101 had quite a few invasions in Local Government Law. Some set way to much power into the Borough, We never got a municipal code because there was just too much resistance from the Local Government's to the State, telling them they're going to have to change the existing in which this the game is worked. The municipal code we're getting now is a very very much compromised type of document we just want to retain the status quo and use it as a foundation perhaps in the future with the consent of the communities and utilizing maximum Local Self Government to work out some improvements. But I think that there is this tension and fate of Local Affairs. Agency or department of Community Affairs is giving to hench somewhat on the resolution of the question, How much does the State get into the act to insure compitantly Local Government. Perhaps it can be done as Sig suggested through just a very good program of information and assistance.

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We wrote and rewrote the municipal Code on less than a compromised basis on modern theoretical basis like giving the power to the people _____ belong to our constitution. It would be shut down in the Legislature immediately, however if the municipalities were to consider these questions and endorse strongly point for this kind of code, I don't think this would be too much problem. Because the opposition we'd get in the Legislature at least on our sides has always been sometime served on a council somewhere. God damn, we can't do that, back in 1927 when I was _____ Get this group at home, saying this is what we need to do, and

prepared a base, while working with people showing that this is needed, and developing support for it. Why I don't think there would be a Legislature who would be too interested in opposing it.

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No I agree, I think that's the way to change the work, the kind of reaction to what the will is at the Local level and I see now how deciding about thoughts of getting Education down their grassroots and hearings and finding out what the needs are, and gradually clearing the air and supporting the issues, it seems to me this is the first thing that has to be done before we can bring this thing to a head.

Well of course Dick aren't you asking for quite a lot when you're asking for something that changes existing _____ structures and expressing unanimity and the people that are seen there own particular unit power structure of change.

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No question about it, that is why I raised questions earlier the other day about the municipality league and its relationship to modern Local Government and you know we've talked about the fact that cities don't have time to sit back and look at these kinds of problems, I think they should, I think that we can require that they do. In fact I think it is a requirement right now, we can't pass any really modern Municipality Legislation unless the cities have taken the time to talk with and to decide for themselves what they want and have talked to the people in the areas and build up the supporting. It has to be done. Unless you go through the thing that you've gone through in Juneau where you've really spent some time and you've got the whole community involved in the charter and you've fought the whole thing through, and you can provide yourself with some tools.

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You know, we've talked here, Let me, let me think out loud here, we talked about maximum Local Self Government and the argument to whether the State should act to insure Compitant Local Government or whether it should act in a lesser advisory roll. I figure it would be worth while to take a look at title 29 and title 7 and look through the entire titles and develop policy statements, for instance we can go into title 7 and take a look at the authority of the investment by the Legislation of State Local

Boundry Commission to alter the boundaries, alter the power of structure of the proposed organized Borough and things of this sort. _____

a portion of the Borough assemblies, I think that there's a lot of policy that's been enunciated already in the Alaska status, and one of the first things we have to do is to take a look at that policy to see if there's any coherency at all before we launch into further development policy.

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I'd really rather doubt there is any coherency, really the basic question seems to be the basic Local Government question is that participation of Local people and some communities in Alaska has a lot of participation I guess Juneau is a good example, When you say that Juneau has been a lot of participation, there is a lot of participation tight now, and in many other communities, there's been damn little participation, people don't turn out to elect representation they don't participate there not apt to participate their not considered to be worthy in participating and I think this is one of the questions we have to arrest our selfs, is to remodernization of the American thing. You've got to, we're not going to reach the scene, unless we have an all together different attitude to other cities. Participation like people, considering these are their problems and they can do something about them you know, so many of these questions we regard as the cities damn problems or the States damn problems or the Federal Governments damn problems there our problems and usually we don't regard them as our problems because every time we go to do something we get _____ by the institution.

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I firmly believe that 3/4 of the States problems of course relate to communities where people live and as far as the powers of these communities go there Legal powers, they can take care of many of the Physical and Economic and Social Problems that pleagues the State, they need a massive dose of assistance from the State to borrow money, but they also need what I call Compitant Local Government. I'm not suggesting by that, that our Alaska Local Government is not equally Compitant to most Local Governments in the United States. However most Local Government's in the United State's are failing to surmount the serious physical, socialnomic problems that confront them. So if we can somehow trigger a regitelized Compitant Local Government structure, modern, effiencient, and give a massive dosage

of State assistance. I think that you'll be on your way to solving a
Great many problems with the State, However I don't a large amount of State
money along is going to solve the problems.

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Oh! Hell no, really these are basically Local problems. It will take Local
people to solve these. We have the ability of State money to help solve,
but once they work out a solution, then if they need money, why then monies
available.

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Solving Local problems apart, to knowledgable governing bodies and also
professional personnell.

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Professional employees, again a question in my mind, is how far does the
State go in insuring this _____.

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I'd like to ask Vic a question. In your interim report on State and Local
Governmental Structure, how did you respond to this particular question?

Vic:

I wasn't listening to the discussion.

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Concerning the question should the State Act to insure Compitant Local
Government, is it supposed to merely allow for maximum Local Self Government
with the minimum of State Interference, how did your interim report?

Vic:

We were dealing with Boroughs and we felt that its, where we didn't nece-
ssarily explain, But we felt there's a difference between say a remote
villiage becoming a city and a Borough which is a Regional Unit Government.
Ready to perform some States services, being organized as a Borough, and
there we saw a certain, well we saw a State interest en effect to function-
ing, and organization and effective functioning of Boroughs. Properly
organized and properly administered and so on. With the State having a sort
of positive responsibility procede to all this took place.

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_____ positive a responsibility.

SIG:

Well, you know its like Education, take any function, you can assume the State has a responsdibility for Education. Well I guess I wanna state it more specifically, but say in a case of Welfare, Welfare calls it a Consti-tution. Says the State may provide for the public Welfare, O.K. the State has a responsdibility which it carries out. You know, how strong is this commitment. It's usually depended on the amount of money they have. It's like how strong it the State commitment for Rural Areas you know, we spend lots of money for Rural Communities a few thousand here and there. We didn't try to define it, I don't think it can be defined, But I think a damn good case should be made. Particularly if you don't have Boroughs, especially the kind that Bristal Bay established. The State has sort of substitute in Economics _____ they in the proper organizations function Boroughs.

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Sig the next thing is asking a slightly different question is to _____ what is being asked in responce to Nixons Revenue Sharing. And that is if the Governmental volume going to be a large Governmental body is going to give smaller Governmental body money. Should it say to that Governmental body that, we expect certain things of you, or you aren't going to get money anymore. Or should it say you know, you have a right to that money and if you wanna spend it on what ever what you want. Go ahead and spend it.

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I would say its a compbination I can see an audit function, some audit function being perpormed and assurance that if instance you require that there be planning and that regardless how the monies allocated, that cer-tain basic planning is accomplished in the community.

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That phrase maximum Local Self Government in the Constitution, you know the purpose, this says the purpose that says this, the purpose of this Local Government _____ provide for maximum Local Self Government with a minimum of duplication, and etc, I gorget the exact phrase.

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You were at the convention of course Bic, doesn't that phrase at least imply maximum Local Self Government means a kind minimum of State interference in directing the activities of Local Government? I don't know.

VIC:

If that yes, but not necessarily lack of supervision. I think that there is a difference between directing and performing an audit function as this is the same thing were talking in relation to the assembly and school board. That Local Government should be accountable and the State which does put money in has a right to look over the shoulder and that the money is properly and affectively spent. On a performance than a basis rather than in according to a bunch of specific hard rules then they'd be totally irrelevant to a given community.

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Here something along the lines, now model cities theoretical work it way it doesn't. The concept of certain amount of money is to be made available. You decide what you want to do with the money. You're not _____ by the State. this is what you have to do, you to look at your own problem this is what we propose to do, The State looks and says that's great, we'll give you the money. go ahead and do it, we'll come in and audit to see whether you did. Do you have any thing you'd like to talk about Vic?

VIC:

Well I think that maybe it might be a little too complex on an annual basis for a big community, It quite _____ to keep your view of these plans.

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Yes of course, I wasn't thinking of this as a total, But I was thinking of at least a certain amount of the State aide being in affect where community projects they felt desirable _____.

I wasn't talking about _____. This Rural Revenue Sharing but there's an additional approach to the problem.

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I think the key talks about Revenue Sharing because probably that's where most of the monies going to be, it looks like. Does the Municiple League have a position on the amount of, I assume their position is as little State interference as possible or none at all.

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Theoretical you could have a large degree of State control. I don't think under the Constitution its witten but theoretically you could have your Local Government's put pretty much in the positions of the school systems, This school system according to the schools themselves is a State responsibility. And Department of Education, the Commissioner of Education is the Chief Supervisor of the entire school operation, under the State Board of Education, they set down all sorts of requirements. First the content and the operation of your school system and you have yet elected Local force but there very heavily control by the State, theoretically you have the same situation in Local Government. In Europe of course they don't even, in some places at least they run the hole thing for the State, _____ of the nations, they appoint provincial administrators as I understand. But I don't think intended under the State Constitution and the reason I'm harping on the point, I've done nothing on the point I believe that the present and future roll of the Department of Community Affairs and what have has to decide how it will advise and assist and promote Computable Local Government without at the same time _____ the field regulations.

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I'd like to comment on a earlier _____ here on this role of Local Affairs holding hearings around the State, because I think it ties in Revenue Sharing idea, at least from the Federal perspective. That the basic intent of that program and structure is for the State to have a development plan that is not approved or disapproved at the Washington level. But the Constitution and as implemented the audit function will come back and say was the plan is actually followed. In one of the real critical components is the definition of Regional Areas, in which the plan will be implemented in which the State Development planning group will be drawn from so once they seem like theres a strong motivation to define Regional Areas, which we talked about before but _____ tied in with the filing process This in affect with some pretty strong force behind _____ policy _____ itself towards defining Regional Areas both to meet the State needs and to meet, has some frame work I guess for the implementing of Federal Revenue Sharing.

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Lets just say one other thing, and be quite for awhile, The question of the Urban and the Rural, Well the Local Affairs Agency is to advise and assist

Local Government. So I think it has a, well I think Vics point is very well taken that you'll jeopardize your continued financial support if you concentrate entirely on the have nots as he describes it. The Agency could probably have a great deal more influence on a voluntary basis with the newly organized Rural Government. Then it will with a existing larger Government This is to say, these Local Government's are going to welcome alot of Board base quote "interference" unquote reindereed by the State to them. Because their just getting started, and there booking for direction. The established Governments aren't, as I said to build a barrier and Local Affairs came down and told us how we should revise our procedures for conducting a meeting, we'd litterially through them out. But I don't think if you went in to a newly organized 4th class city to establish some repore in the community that they would do the same. They'd wellcome, you, they'd sit there and want everything you could give them, in the way of model ordiencences, codes to Administrative, Fiscal Procedures, Proposed qualification for personnell, Apposed Accounting methods and what have you. So theres a great, theres a challange for all these little Local Governments its serious right now. Because they can get off to a good start, a very foundering start. There's a challange with a great opportunity, they will be welcome alot more co interference on _____ than others will.

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The conversation we were on shortly a little while ago. The assistance given by Local Government to, or by the Local Affairs Agency, or any other State Agency to Local Government, plus going on now to. When there's a problem, the city manager conferes with the State Agency or a personell Aide, is when he comes out, rendiering council or the mayor or something like that, then he makes the decision, hea may admit that he has worked for the State or he may not. It seems to me that there needs to be a lot a Greater confusion of information to the people of the area so they can at least have some background for excepting a decision which was made by Local Government, and it seems to me that if Sig was in Ketchikan here a couple of weeks ago and he went to a council meeting, the paper didn't report much about it but the paper should have, because it says that the State was here, and the State made this suggestion, or provided this information and all this kind of stuff. And it would have given us a much better basis for the community accepting the decisions which were made, would create for Local Government than this business of just confering with you and allowing to keep

it under their hats, I just think that we've got to continue to provide all people with whoever is making the decision.

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Maybe Don could speak to this, I would get the feeling that some Local Government Officials would resent the State Agency coming in and providing information for the public.

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Don:

Well, I think its up to the city manager or someone within the city ought to supply the information to the Local Newspaper, I'm sure that Sig wouldn't feel anybetter than I would going down there and giving Lou Williams a pressure release that I don't even advise the council or mayor or anyone else.

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Well I'd say Sigs situation was the public meeting, its up to the newspaper to report this sort of thing. But if we're seriously talking about the obligations of the concerned as a matter of policy of the State of Alaska to encourage Local Government, then making information available for more than just a few people who happen to be representing the people.

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In other wards you should carry release along this time.

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Well I'm not so sure.

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Because the nespapers will only publish what you hand them.

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Yeh!

Byron Mallott:

But you know you're raising the whole problem, thats broader than I think it is Alaska, Its the whole problem, the basis of democracy weren't suppose to be, which is board base, Local participation and what it actually turns out to be, and its often not the fault of Local Government generally things are going relitively well people in the communities really don't care, you know, and people in the communities because they have other responsibilities like man made job and that kind of thing, are willing to advocate the responsibility of Government to those Officials they elect, until those people screw up and of course this varies between communities, and in Rural Areas where you've got communities, its less likely to happen because everybody knows whats going on. The larger the city, you have, the more move people

are going to get, and thats of course whats happened in SUR.

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Well I'll agree with you on the small communities, because I've seen as many examples of somebody a paying information from a State Agency holding on to the small communities as in large communities.

Byron Mallott:

Well, oh no, I'm not saying that, that doesn't happen, But I'm saying that there's more, more certain knowledge, thats generally _____ in smaller communities.

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I think that what you're talking about in particularly with restraint to the Rural Areas where they don't need enough newspapers available, you know, and we get closer to having a decent system of communication, maybe a T.V. or whatever, it should be a hell of alot easier now, to get Informational Educational Programs across and it would probably more of a basis for doing so you know this is something Jim you might persue a little bit of how to get this for a third party such as the extension service. I don't know if this is of the function, but to help with this kind of a adult Educational Program, with the Area of Local Government and dealing directly with the people on the Local Government matter.

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Just let me comment to this extent. Going back to an earlier statement. That I think theres _____ you wrote to this sence that we as an Agency and our history not in this state but have open education laws regularatory function and some agricultural programs says, you can't do this symotaneously, and its sort of an advocist to Local Affairs where you're helping the structure and you can do a certain amount of information distributing, but you can be suspected in some respects to pushing certain forms and I think this is where independend education _____ can be a very important compliment.

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Yeh, we really ranked down 4th class cities as a matter of fact. Agency as far as selling

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Yeh! Yeh! I was wondering we could also be suspects I think there gonna, there's a better basis for our activity I guess, not being tied to the structure, a public relations to with Agency we used to use that I'd like to see back. This book is full of them, bit they quit reading them for a long time,

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E.L.G.

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Yeh!

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I think even in the largest communities of the State when a State has an emblem, and its known to the people in the area what he's been doing, and how you're doing. I don't really go for press releases the newspapers lately they don't do what they should do. But we do have as the State has a definite interest in Local people knowing that it is functioning and providing support for Local Government. Of course there are lots of conversations that are tentative and explorative and they shouldn't be reported. But I don't know the route where the only time that we ever order a pressure release sometimes for the State is where we're given some money for something. I think people have to have a lot more information available on a regular basis from the State as to how its functioning.

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Well they did put in a Revenue Sharing Bill this required notice that goes out with your tax statement saying that the state is giving so much _____ equivalent following services, you know, they got that in there the State Police is getting across its giving money, whether that's Education or not I don't know. Let me suggest to that this practice stuff I think that if you wanted, you should have almost a circuit writer in these small, small areas, about six or seven, something like that building in Nome or Kotzebue. But someone can actually honestly report the people and spend a couple of days helping them develop step by step the procedures of the town. And explain all that written stuff to them, I think that's very effective.

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You're absolutely right, I wrote a letter to the Chief Justice, and _____ cops _____ justice said we should have more Indian and Eskimo cops. I don't think we need cops, I think we need Civil Administrators to go to the villages and incidentally they can bring prisoners back and incidentally they can make investigations but they should be known as Local Government and Local Problems and they should take a note book along and if nobodies got the letter from the Agency, they can go back and look into it and make sure that there's some response. We need a different class of person I haven't heard about the circulating idea but I think it's excellent.

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One of the other things to I think _____ returns to the Rural Areas is developing manuals, particularly on ordinances, there it's a different concept of justice you're going to find in the Rural Areas from what our concept is and I think an excellent example some of the kinds of stuff that have been done with alcoholism when we did the _____ one of the things we put into it was that the drunken public

law should be repealed basically, but there was no basis you know, a person to be allowed to get drunk if he wanted to, of course natives are wrestling that morning. And we took it out to the Rural Areas there was Great opposition to that really great opposition because they said, we got nothing else we can do with them, but put them in jail. But of course thats a problem nation wide. But the kind of concept you know. I thought about it a long time, The only kind of concept was in a villiage you pick up a guy, you put him in jail, and you let him out, he's done, he doesn't have a record and he's not prossicuted . The rest of his life for being drunk. If he's picked up sn Anchorage and thrown in jail, and he's prossicuted for the rest of his life because he's got an arrest and jail record. But know, some of those kinds of concepts I think thats gonna take an awful lot of sensitivity on the part of the Local Affairs Agency to include those in the Local Government other wise you Local Government is going to be part of the whole instruction of culture thats been going on in the United States in this first Missionary setting here.

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You're right, and thats a great point and I was going to bring it up later on I think that one of the reasons, is we want to hesitate in bringing about the Local Government is and its unorganized Boroughs is in we have to developed some way to allow this to really be sensitive to developed into something which is unique to the area which is unique to the culture and the way doing and relates and its very easy to say that with basis from representative, how Local Government works with that area, and say this is the way you should have it boys, but that may not be the way it ought be. And how this is doing to come about, I don't know. But I think personnelly we've got to get people that who are thinking the wrong mail and in terms of experience.

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Since we've moved into this area I personnelly think that probably the way to pull of this into looking at some practicle kinds of private applications would be to voice on the proposed bills for the department unfortunitley I made a promise to John Hamlock that I wouldn't discuss the Department until he was up here, and he plans to be out here tomorrow. Yeh! John Hamlock will be coming out in the morning. So maybe at this point we could go into some of the Rural issues, and maybe we can start by Jim talking about his program.

JIM:

Well, Let me practice in this manner I guess, the extension services I think most of you know is, belong to the Agency that coopritive and coopratively run by the Federal Government and the Department of Agriculture and the State throught the land grant University. It's basic mission is Rural development, Rural Education, Informal Education, Historically its been concerned with the board areas of Agriculture, Education, Rural-

Agriculture, Education, Rural Industry, Home Economics now Youth Education and focusing more sharply in the resource development areas perhaps in other areas its undergone and recently the transitions using the informal Educational system in the process of focusing more sharply on social development issues, Community Development issues, thats who made to the Alaska Statement our interest in the Local Government Development is certainly an areas where informal Educatkon is what we're discussing here this afternoon this is extremely important and we in addition to these 2 basic courses of funding we try and develop a special funding to test out new funding program areas and move it to kinds of programming and a couple of years ago we started a cooperation of _____

_____ being positive in Local gOvernment Identification focusing entirely on the 4th class city development, And it sort of stands on this background and this ties to the needs of some Government structure in Rural Areas in order to establish the Educational System that we're being established by R.E.A. Administration and supported by Olio and other resources and as a part Department of Agriculture Agency we have a very strong concern on supporting the efforts of our aide. Our Educational Agency and why I'm grabbing the system and in the concern of Rural Developing and try so we were able to get some Title 1 funds from the Higher Education Act 1965 to kick off this project we implimented. And we based it on Bethel and this we employed George Holman as a fuller painter who moved that operational process rather quickly to employ Dave Henrickson and Eskimo from Univack Island has served as a Board member on the project and still serving to his capacity. We have done almost all the work at in the lower customs in the Yukon Areas and been working with L.A.'s and the Boundary Commission and in some instances we've brought leaders in from several communities at least the first years to helop explain the concept of 4th class Government and various comments and help _____ decide whether components would or would not perform this type of Government. And this last year most of our efforts have been reacting to specific requests from Comm. through out and make further interpitations of some of the provisions. And its a very typical extension process of helping people understand something about specific problems

that have its just like working like a farmer on a fertilizer or a farm management problem but here we are dealing with a much more complex issue and not as well defined basis of information as we might in the Agricultural situation. But I guess if we, though at anything at least to us in this process that there's a great need for information and a strong interest with a people in small communities to perform Government and to perform the kind of Government that meets their needs and doesn't further income or their life styles and in some instances Communities have decided not to, not to incorporate for many reasons. There's been a lot of confusion about Government information and wheather it has the capability of controlling resources or just what its function is perhaps. Or if its related to a land claim sometimes its not related to land claims so Title 1 funding is not a long term contract its only a private type of funding to test out on a program area so we've tried to generate new sources of support for this type of _____. One of the ideas we've been per-
sueing is the interesting foundation in broadening the program and we did have program director up until the last late in May to from the Kellogg Foundation to see whether this might not be the kind a project they might put some long term funding into. The Kellogg foundation I think most of you knows its funded the Muscots _____ at the Univercity. This is temping to domesticate the Muscots and move this out and a resource Development program in Northern Western Alaska. They are not interested in forming Government per say their interested in, they think that a State Fund. It truthfully is their very interested, However in Leadership Development and we proposed to them that we use the Local Government process as an area of Education. In which we would select mative Alaskans predominantly and Educate them as _____ in the content areas of Government and also build their strengths in Educationa methods in Informal Educational Methods and then using these staff you have to broaden the Educational Program which is directly concerns certain though that the Development of Government. But as a potential _____ alternate certain things in staff and this kind of operation would move through the Program, they might very well, move to other Agencies, move to other Occupations other Preventions.

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The foundation is quite interested in the general idea. The _____ kind of formulated a formal proposal. We're in the process of doing this now, it is a means we think of certainly you're supporting Local Affairs, in otherwards to mean I think we're getting native leadership, into a Educational Process, like we've been talking about here and earlier. In our accompus to select loder persons, those that have been perhaps moved through a period of their life when they lived to be pretty good in academic experience and perhaps they might not have very strong academic Cradentials. But certainly we will look for a person who had visibility as leaders, who in their culture we're respected as leaders and to say the foundation is flighted with in the idea, they are very interested in Developing Rural leadership and not to intent towards submitting a formal proposal for this kind of a idea, now we're certainly interested in variety your costs of Development the formal proposal of the meeting a pretty broad influence into as we instructed it only the Educational Component it has to work in harmany with the interest of the State. In developing leadership in Local Government so that this sort of, my reason for being here, something stands but we're quite interested in this whole area of outlook and just for that part solved the questions I'm certainly glad that _____.

Byron Mallott:

I'd like to follow up on one part you said because I think its a key in discussing wheather or not there's going to be a State Policy on the out. And you know ^{the} kind of Policy in which it would be and that is you know, some of your be and that is you know, some of your discussions with villiages and the Bethel area, some of them decided _____ fourth class cities or some of them decided to bag it and some decided to not go at all, some talked about other kinds of cooperations. And I think one decission is really facing this statement which we're being talked about in the Legislature of course is whether we're going to continue whether we're gonna make Social Government more flexible or more confined. Now the revised municiple code as I understand it, there is really going to make it less flexible, there cutting the number times of cities. And that kind of thing, they've even cut some of the options and I think one of the

a big State there are a lot of different kinds of areas, a lot of areas that are different forms of Development. We stand a danger if we limit the number of formal Government too much of making it impossible for some places in Rural Areas participate an example of how the State, is doing is in other areas, there's a following in to it so about the same as in Education. Now of course the State had decided you know and the BIA. School, well its come to a point now where Local villiages have basically the ones that haven't taken over the State and most of them are voting against State take over and a number of those that have already gone under-state are really reconsidering their decision because the State has not been able to as responsive to their needs as the Bureau with its admittedly limited response for the needs of angry people that fit and I think, and it seems to me the State has much greater capabilities to respond but you know we have to be very careful that we don't cut ourselves off so that we become absolutely unable to respond to the needs in the Rural Areas.

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Well, I'll take an issue with you on the municipale codes of limiting actually it doesn't limit, it limits the kinds of cities which can be incorporated but this doesn't have a hell of a lot of signifigance and basically I think except the problem which a community has in exercising the school power which excites the hell out of everybody which really have any signifigance atall as far as I can determine. What we should be doing is to say if you wanna have a city, O.K. have a city, now its up to you to decide what powers you will have if you want new policies lets have new policies. We're really giving them more flexibility with this approach as to one of the few really bright things about the thing, lets talk about this a little later on I may have missed your point, but.

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Yeh! I think the experience we've had that there is a range of interested in one form of Government should be formed by Communities, some are very satisfied with 4th class and others don't even get into temporary and others think well maybe we should be 2nd class or 1st class and I think is the area of broadening and it would help and to look at the options.

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Well we get into situations like that in this last Legislative Session

where we spend quite a bit of time debating whether Kotzebue should be able to condemn a little land, do something that it wants to do, that's really, they should have the power to do, it that should be their Local decision and we shouldn't be screwing over there.

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John, I'd like to direct a question to you, this is because I have to be familiar with it. And so do you because you did it, I did to, The Yakutat experience was a very successful experience for reasons I've never quite been able to understand. A Government put together, most of you know aware you could yak that basically. I even think he had an Government _____ . I think it kind of followed this disguise and just peerful company, and it developed into a bianganial functioning Government and its functioning on quite good level with what 200 people. ? And I don't know what the percentage is but its hinges predominately when their talking about this Rural Legislature. I think you've got an exactly hear that it was quite successful and could be _____ export.

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I think there's some good reason why it was. One of course was that there was some good Local Leadership and some people I think they were particularly Byron and Jerry Nelson, who were really gonna make some personnell sacrifices in a Community where maybe still hasn't quite excepted totally the concept of Local Government. You know to work on that. The other thing I think is also _____ we want to look at particularly when were talking about maybe regional Governments they had some thing to work on you know I mean Byron of course they had basically looked at it in terms of playing it up, but they had those terms we got into things the _____ project and like the schools systems you know they gave up some thing they can't get a handle on. And really do something with it. And one of the problems that I see in some of kinds of discussions I've heard about regional Governments, because its been more of a thing to set up to have people meet. Now we've basically proven wrong, to can set things up and have people meet and talk about issues, now it works. But you know to really get people involved they gotta have controll over som

thing. And i think that was one of the keys.

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Well what you have, you had leadership like it was developed, hell of a lot of work but this is one of the best _____.

You ended up with leadership developed, and successive leadership developed in otherwards theres a continuity of leadership there. And once more there seems to be fairly strong public assembly.

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Yeh! I think over all there is and thats gonna very I think the key issues on a villiage level isn't very often going to be, one or two or three people if its a villiage its gonna have to be a non cooperated villiage. Its a miner its only a small one outside of Port Yukon who for years ran pretty well and they had a pretty good time you know. But it was all keyed on one guy. You know really he did a good job of it, he was excepted, he was killed, I don't know but it could have been anybody you know. And they have not been able to put that town together since. They go through a Mayor aobut every 7 months or so, There always fighting, Alaskian Air walked off and won't give any of their records back.

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How do you develop this kind indebt leadership, Byron's handling the thing that Jerry's had working fairly successfully, and there's Larry and you've got another level with to move in to succeed that ain't neccessary. In other wards theres so many dept leaders it'll take weeks to get that developed.

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I guess mu opinion is, you don't do it with anyone Agency, you do with a combination of approach and the surveys are not all that successful.

Byron:

You know what you were talking about, programs, and leadership development a are _____.

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You know of the keys is going to be in and its going to be a little difficult because its always that difficult I think for white people to do .

Well theres a lot of people that have things that make a few mistakes with

it. Becuase I think thats the way we tend and I think of course the
Borough for Indians Affairs maybe the best example, was trying to insure
that theres never been a mistake made and then he has to insure that.
Just don't do anything.

??

Its kind of hard to determine what is a success and what is a mistake
when you really start analizing it.

Byron:

Yeh! But you know they can go through and make a decission and let them
_____ it and see why it works or what.

BYRON MALLOTT:

But the State says why haven't you straightened it up. Why everybody's
going to assume that its a screw up, or maybe its a very substantial thing
to _____.

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You know I was jus talking about Yakitat it gives a kind of leads me to
recall what happened you know, the reason I became Mayor was I went to a
City Council Meeting trying to get a piece of land to put my house trailer
up and the bastards talked all night about the relocation of a telephone
pole. But what happened you know is that when I got elected we'd fly
around for months the city was a second class city, that had been incorpora-
ted for 10 years or more and, but we had absolutly no where to turn, we
didn't know where to go and during the Legialtive Session which is several
months after we were in office. We came down here and were bitching at a
bunch of people and they said there's this Agency down there called the
Local Affairs Agency.

We thought about, to know 4 1/2 dollars the kins of discussion that I
imagine there was some specific recommendations made alot of questions
regarding the overall policy of the State with regard to Local Government.
There's seemed to be alot of questions as to exactly what kind of policy
is it does one exist: and also some discussion is to how a State Policy
on Local Government is actually developed

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Also I wonder if there is a State Policy on Local Government?

BYRON MALLOTT:

We talked about the kinds of incentives and disincentives that might employ to promote functional and responsible Local Government we talked a bit about the kinds of issues that are confronting Local Government's now or whether the kinds of controversies that Local Government's from time to time get involved in are good or bad in terms of both Local Government's interests and State interests. Jim Mathews gave us a run on the view evasive extension service, Local Government program just principally a program to assist the incorporation and development of 4th class cities and he mentioned that the extension service had applied to the Kellogg foundation for much more significant funding than they've got now. To both extend as program they can define in staff and content. I content, John Shively ran through a discussion into the kinds of structures that are needed in terms of Local Government in the Rural Areas and talked about different kinds of things that Rural Cap is doing. We discussed for awhile how being the kinds of structures that are out there now although they aren't Governmental you know how they could be used to further the interest of the State and Local Government. It was my feeling that the discussion that we had could probably be pulled together be maybe now getting into a discussion of a proposed department of Community Affairs and as I mentioned to the group when we started, This isn't a Policy making group, it was intended to give people the opportunity to raise a number of interests so that each of us might be aware of others that are thinking, on that basis go away with a better understanding of the problems that we face and the kinds of issues we have to resolve. And unless someone has something at this time to bring up as a consequence of the discussion that we've already had maybe we could move into the discussion of the department, also John or Bob if you like to say something. We're all done with yesterdays stuff.

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I see yesterday you had more of a discussion of the problems as they are, that is you discussed the reality, rather than hear to hear which you might do, does that specifically enter into the complaint session.

Byron Mallott:

No, we just kind of went back and fourth really. Someone would voice

something which might have been a complaint or not, or at least innishia-
tively we felt was problems.

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We tried to utilize what we have to.

Byron Mallott:

Yeh!

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I guess what we were trying to get at yesterday was, at what stage policy
development to stage it in terms of, How should Government be evolving?
Where is it now? What direction is it headed? Is there a _____?

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I'm _____, I have two interests in being here, one is I'm interest-
ed in this as a form of policy generation. This type of seminar program
is, I'm interested in a State wide basis in terms of how usefull this
kind of a session is in generating a policy. On a whole range of Govern-
ment problems. So I'm it from that point of view to what you've been doing
here, I'm interested in what you're doing. And of course a specific issue
of generation of Local Government Policy as such, but there are a lot of
reasons why there hasn't among other things the decission making bit,
fragment, various people in the Legislature have their ideas and then the
executive, some different part of the executive have different ideas and
then there's Vic Fisher. I approach that I come at it is from a point of
view perhaps the along with meeting alot of people out there we needs
services and I look upon Local Government. And I look upon the Local Affairs
Agency or whatever the House^{ing} Authority or whoever's gonna have Local Govern-
ment responsibilty is from the point of view of the delivery system ser-
vices. In order to determine those services what the _____
for discussing a system like that is how do you decide what services
are going to be delivered and this is where the first element of the necce-
sity of the Democractic pro^{CESS} comes in and secondly you've got to have
return delivery of the services that don't have participation in the de-
livery system, if you don't have participation in the means then the answer
are sometimes losely in the participation that level with the participation

of delivery. And then theres a question of responsdibility for funding whose, what is the best way to pay for these services. Thats sort of the frame work that I look for Local Government on I think that the fragmentation in the original, there is no system now in a sence of a system that is organized, on your single direction with the, particularly I think the split between the Housing Authority and the Local Affairs Agency in particular troubles means that the Division that should make for comprehensive planning of Local Services for existance as being ultemetely impossible. The Housing Authority has its own philosophy and approach, I'm not knocking it. I'm just simply saying, Organize on a different basis. And historically its not been very coordinated but if anything else is going on in State Government. Now, some, I'd be interested in hearing what was said yesterday about the difference between Urban and Rural Areas from the theoretical point of view that I just got in mind, I approached the thing, as I use the same frame work. Maybe thats my mistake, but I think that the basic unit is somebody in the city of Juneau and Anchorage who need services and he is identical in that respect, whether it is some guy whose in a Community of 15 or 30 he made these differnet kinds of structures I gathered John SHively was talking about yesterday which makes that more of a problem is the whole thing.

Well Byron, John if you ever get here I'd like to comment on that. Because its been a question in my mind how we can all talk about Urban verses Rural interests and I haven't been able to differentiate in my mind an Urban situation and a Rural situation because we've got some large Rural type Communities such as Bethel Kotszebue and Barrow. There really really Rurban clusters. I think that we might strike the heart and the outlet of the Urban for Local Government Policy by perhaps defining your terms a little better, the parameters of by which we measure whether a Community has Urban character or Rural Character meets the Anchorage and Fairbanks in casting the Bethels unknown to the Kotszebues's against that. I think we need some measuring devices or standards.

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Part of the problem too is we have a pretty good ideas of what the municipi-

ple Urban Government's all about, there may be some difference but its reached a certain turning that theres no basis to stop for the Government in Rural Areas. Its still highly experiemental and not working _____. And nobody has a good vision of it will all be.

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Well, recently we received some pieces of proposed Legislation in the Congress. One of them, Senator McClullens bill; since I was not in on the discussion yesterday, of course I'm unfamiliar with wether I'm going over something that has been hashed over or getting into thats highly new grounds. But the S 10 which is spondered by 20, 39, or 40 Senetors at this time is a first serious attempt it appears to me, of Congress addressing itself to the whole question of Rural Development. and its a dismal piece of Legilation thats its a terribly drawn thing and it is, pardon the expression Dick, its a typical, evil piece of Legislation, the Legislators not really familiar with what their trying to solve, This in essence the S 10 they've asked for support from several Governors which ^{has} come to my attention. This encourages for example, location of business and industry in places of lower population dextities. But the whole directions, the whole tenness of this particular bill is so simplitic, it well you know if we make to country more attractive, then the country bungets will stop coming to the city and stop causing all those problems, which is actually a smare delution to must try and set up a manufacturing business, in dustrial come in here in areas that do not have the infrol structure or the Local Ability to handle these. The other piece of Rural which I've been discussing with Jim Maki which there is Senator of this Committee, to which appears to fade as seriously addressing itself to a National Policy on Urban slab Rural directions is scheduled to hold a round of hearings huring this summer, fielf trips and I have encouraged to invite Senators Humphreries Committee to Alaska to try and aquaint itself with a uniqueness of the Rural situation in Alaska so in this I have discussed with people in Washington the last couple of days this appears to be bulk of whats going on with the National level with the recognition that our Rural or our small area problems or something like this that when they go out well this is a _____ to the Federal Government has addressed itself _____ Alaska for several years. But the , I normally concur with Sig when he

says we've got to define our terms, get our simatics so that we talk our rule, we know what we're thalking about, We talk about smaller Communities this is a very difficult thing because this thing also points out that it is not a numberious gain. You don't suddenly call Kotszebue or an Urban Area because its reached a population of 1,900 hundred it is still a villiage, its an overgrown villiage and oversized villiage but the structure of the Community is still a fact of the villiage. Where I'm particularly concerned is that we may be living around here and Byron says that this is not a policy making meeting, but someway actuall ration we're trying to see where we are going and whole things can be structured so that they will improve. We've an incomplete deck here, we don't know how A.F.M. how the Rural Development Incorporations are going to get into the Local picture of Local Government. One of the things that struck me in Washington is that the A.F.M. is pundering on Ray Rammers desk the B.B.A. any of the desks of 4 Great coopes of Planning on these. The question is, is this setting u] a paralell structure, to the State. Is it a replacement of the State? If in terms that the State has not done its Planning in the Rural Areas? I'm still unfortunitley in the question raising period here, ra her than in the solving, if we do go to a Cabinnate level Department of Regional Community Affairs? Will this totally limit it should totally absorb the functions of the Alaska State Housing Authority, how did a public corporation such as _____ get into the Policy of business? These are all questions that i think we should explore here. And I think we should at least a sence prior caution define over terms. Are we talking about Rural Policies, are we talking about Small Community Policies, Local Government policies, or the Combination of all of those who are talking about everything outside of Anchorage and Fairbanks for example?

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John
Gerald before I mention the different several different approaches in use of Local Government including Vic Fishers well I think that to, Vic Fisher approaches a Local Government. One of them is one might I act as a avocate such as when we were growing up the R.A.B.G. package, or when they can argue for the State Department of Communitive Regional Development and I think and I really don't think there should be too much problem of lining what the Department would look like, what units would be in it.

It sometimes however since I've joined the University more so I do manage to sit back and look at some of these issues more objectively with greater concern, possible with greater responsibility even though I'm not directly involved. I see a number of basic issues here that need to be recognized. Yesterday I was talking in the beginning the need to recognize that much of the problems with Boroughs came because we hadn't fully thought through what the Borough issue involved. I think that the problem here is not so much with the Department but what anything we can change from now on will mean with respect to State Policy, Local Policy, Local Involvement and so on. And I think here its very important to recognize the State really has not been involved in Rural Alaska the State has not been involved in the Rurban Alaska, we havn't noticed it so much in Urban Alaska except for our highways and a few things like that, that _____ involved generally. The State has not been involved because the Local Government has been there for a long time and the cities and then the schools Districts were put in to vacuum and public utilities districts so we had to pay _____ with the vacuum of the Urban level by the Local People. In the Rural Areas we in the past have B.I A. filling the vacuum as best as they can fill. Then ask cap Rural Cap had been developing institutions now, all sorts of others Agencies have been running around. But we don't need to have any lasting institutions as John Shilely pointed out yesterday in responce to a question what if Olio Fund mean if withdrawn he said the structure would fall apart unless the State funded it. So that we're really talking here with a question of what is going to fill the vacuum. You know B.I.A. is not going to fill, it had not filled it effectively and is not going to fill it in the future. We have shaky Inforum structure right now, which had been the most effective instrument devised. And it seems to me here we have the real opportunity to developed an inapproach that can be a new approach to fill the vacuum where a dicussion can be made. Is the State actively move into the Rural Regions of the State, and perform the services necessary in the Rural Areas. Or will the people in those areas perform them theirselves, or will there be some combination? In the Area of Educatio we have a good example also, where you can fill this vacuum on a villiage by villiage approach which has already proven in the past, that it can not

be an effective approach if you deal with each individual school you must deal with even Education on a Regional basis. In the department of Education its recognized even when they haven't anything very effective about it. And so we have lots of opportunities to involve a new structure. Now this again means an allocation of responsibility between the State and Local Areas acting Regionally which the Local areas have started doing which the State has not done. Another a very much related issue here and this is where I thought a map would be very important to have. In that for different purposes when we have to have different Regions and as I explained yesterday we changed, Bob Moorehouse and I have changed our report from a general discussion of the _____. The State the Local Governmental system to that of organized Boroughs because we tried to deal with our initial report with the whole structure of State delivery of services, Local involvement of services through out Alaska, and we found that you really can not do this effectively because of the present Regional structure is not adequate to do it. And when you look at Anchorage, Anchorage is simply a city, even if you call it a Borough it is a city today. It is not, a Borough can not be made synonymous or coterminous with a Region or a Regional _____ unit. So that if you try and approach it from the standpoint as we did of decentralization of State Services, decentralize Administration of State Services either by the State or by some Regional Units. You immediately run into the problem that if you deal or if you try to include the Urban Areas, and you've got to include the Urban Areas, you can not ignore them because of the reasons we discussed yesterday. You run into the problem of present Regional Structure is not superboat for decentralized Administration of State Services to that a new system of Region may be required here. And this becomes important. I don't want to start drawing lines here, unfortunately we have no lines and I have a closed pen but the earlier discussions on Anchorage dealt with a _____ Inland Borough which it may an appropriate Economic Unit, it may have to be something more significant enlargement to actually serve as a true Region from the stand point of State Services not necessarily Local Government and the same thing of course may be true in some of the other areas where you may

from the Local and up you may want to define a nice little unit where the Local people can controll it. Where you know you little clique can not control over little portion and this community can control this particular area. And thats know the Bristol Bay Borough came into being they just look from their own view if they wanted to tax caneries, and have their own school and they got it. Then then created a Borough which makes no sence, and we're having a problem with southeastern, its a problem not from the stand point of Local Government its a problem when you bring Local Government and State Administration together, if you have three Boroughs, 4 boroughs at set of boroughs, it vacums in between and if the boroughs are really a accident of the Educational system that it previously involved. Because you have a school district in Haines, Haines is now a Borough, Petersburg and Wrangell which are bigger then Haines don't have Boroughs, theres no particular reason nor this Cordova nor does Valdez Borough. Nor the combination Boroughs. And if you look at it from the State, you' again would have to have more of a Unit. Then you have for Local Government purposes. And I think this is very important to keep in mind as we start talking in terms of Rural Government and how this kind of a Rural Unit is going to fulfill the vacuum of State Services which one day will have to be provided. I'm just throwing this out for because its very easy for us sometimes to start thinking very quickly, sort of you know, its let the Local people decide what they want to do and sort of build it up from there. But this is to tie in with the State and when we've talked about the State department of Community and Regional Affairs we're talking about State responsibility even if its only channeling fiscal resources and helping organize, you still are exercising your State responsibilities, so therefore the State does have a stock in what happens here.

Byron Mallott:

I think that a really good analisis because we have to do two things at once in Rural Areas, we have to respond to the Local Governmental kind of structures and at the same time you know we have to build a meaning ful delivery system of State Governmental Services. Because none of them really exists and I think of what we've got is the dynamic forseer. Where in a _____

take over Planning. A.E.M. wants all the Planning for the Rural Areas, and now is that something that A.F.M. should be doing or anybody but the State in terms of Regional Funds is that I noticed the State responsibility stopped when the Local responsibilities start.

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You divided between you Urban and Rural is really, I was just wondering whether there is a sophisticated infrastructure already, _____ because if you have efficiently sufficient responsibility and, Local organizations that are capable of taking over services, the day you have a Urban situation or a _____. On the Boroughs the way that they evolve it seems to me that they accomplished one of the purposes which might tend to evolve as intended. Which was to establish a perpetual vehicle permit the Government and I don't think they've done too badly at that, the Juneau and Anchorage, and Fairbanks are forms of metchel Government in another guide. And when we were talking most of the discussion we've had in the last 20 minutes or so has really been about organizing the unorganized Borough. The Administration did have a bill in last year on this because something along the lines of pursuing that Byron mentioned a dual focus. We were wondering to anticipating the unorganized being planted on the 12 Regional bases we wanted to have a Government Unit for coordinating a delivery of services within that Region of Rural Region. The essentially was that it would evolve through development of the more Local participation to the point where it would in fact become, another class of Borough that is where you be _____ Local Economy. Some of the services involved would tend to be a financing and management and would tend to be more Local and more perhaps than the State participation would move more toward funding rather than funding and management. And I'm kind of interested in one of the bills that came through last time was the bill permitting the establishment of Local Housing Authorities, the party structures is an interesting tool in most parts of parts of the country, my expression is that it's a rather an undemocratic one, you've the authority and the Government on to itself and it's tied to the responsibility that the community it serves is continuous. But on the other hand it does, it has a Bureaucratic effi-

ciency or can have a Burocratic efficiency which is not parallel in ordinary municipal form. Perhaps because _____ well the things appear to be evolving on their own we might end up with a system where we're gonna have a lot of little authorities, whether there called housing authorities or something with a simi economy quayzi' Government. Maybe one per region, paralleling a state service coordinating function which paralleling a third which is the Local participation, whatever the Local understructure that's there already and the Local Government as such. And one of the things it seems to me that has been interesting, the way this authority thing has been developed by the A.F.M. people. Is that the housing authority may offer a method they have although its undemocratic in form it may be more democratic in practice in a sense that I think some of them really set up an authority which will be dominated by native interests as such. One of the problems with Local government in the Rural area, all my marks are only above the unorganized Borough. Is that it does tend to be democratic in form and undemocratic in fact and I think dominated by Local keeper or what have you? The C.I.A. school teachers who ends up running the operation and the Housing Authority system was set up parallel for some kinds of _____ of some kinds _____ which will be native as such were there is now. It may give the Local people more confidence in the capability of Government to deliver them services at all.

Byron:

One of the things that intrigues me is that I think I've heard several people say that you really can say Rural verses Urban and several others have suggested that no there really is a fundamental difference and, when you talk about the creation of a department, you can go out of the way, you may not _____. You divide it into Total and Urban kinds of components or you may in either instances there are certain kinds of issue problems that need to be faced. I like someone like John Shiveley to comment on it you know whether there are really fundamental differences in your view that needs to be recognized. Sig he said really that there isn't at least that's what I've dispelled.

Sig:

SIG:

Well I'm unsettled as to wheather there can be a definite differenciation
Well yeh I think there are gonna be some. I think first of all you've
got one thing thats key and you've got, and a basic cultural difference.

That has to be taken.

TAPE NO. 4.

Byron:

I think the only thing we need is a legal counter definition. But as a
matter of fact you know what does that do to Bob Pavitt right now? When
are organizations that are clause a Government and down in Washington ____
_____. And how do you go back?

??

In terms of you know that kind of thing particularley as it relates to
A.F.M. I really think its tough to go back it indicates people poor step
stepping into the vacuum and the State has purposely left there. And I
think you know it may be awhile before all those things are straightened
out. You know the State just particularly during the last Administration
a very clear cut policy about what, who went out for Rural Alaska and
what then, what was, as little as possible and then I think when the
State was bored and the decisions were baically made that we would have
to leave the Federal Government to take care. And now the A.F.M. has
maybe in some instances much _____ particularly things like
Indian _____ money and thing like that _____
than the State does. And I think maybe sometime we'll be able to sit
down and rationalize all that out, I would think that's going to happen
in the next couple of years. And I'm not so sure absolutely anyway that
A.F.M. is going to get any E.B.A. planning.

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No, I'm not so sure either because F.B.A. being a _____
organization is bound by the Nison Administration Edak that all money
goes through the Governors and catch his first one there. But there
making a very valient pitch of it.

??

Well they all Administration also bound by Nixon's _____ that the
needs will have self determination and control over there own program.

Dick Whittaker thought up a very interesting point when he mentioned a program budgeting. And I've been kind of cast into that in a perhaps a little stronger role than the two of us. He fits planning and research as a State wide function, and I'll think maybe John has to and the developing the system of Budgeting that to say _____. It does open some options for real decision making that. The thing that really amazes me is not that Dick Whittaker should bring this up. But that the Legislature even those of the _____. It amazes me that the Legislature as a body has embraced this as much as they apparently have because you know its such a logical way to budget that it flies in the face of the normal political considerationist. It gets away from the power of organizations and into a top level policy decision as to where, what fields of endeavor the State's resources should be directed. One of the first impressive things about our consultants work in this. To me which they are recasting from a previous years budgets into what they call program terms. And saying do you know that between 66 and 69 for example that while you continue to make great moises about what you were doing for Education. The a smaller per centage of the States total resources went into Education as a function than had previously gone in annually. Or the increase with appeared to be you know 42% a year or something was in fact you know 0 point 10 to 1. Oh yeh! Yeh! right. Education got more than its share. But this is the type of thing program budgeting points out. Transportation for example, Bruce Campbell just blows his kool when the subject is brought up. The transportation is a Broad Program Catigory and within that you have you know various modes of transportation. You have various levels of transportation responsibility. Whether its State ext. I think that the recasting of these previous ;years budgets and the initial work which is going on now at the preparation of next years 72-73 proposed budget will show the value of this as a policy making and a decision making tool. Because as early as the 1st of next month, the Budget Management Division is able to go to the Governor and say O.K. this is what it looks like for next year. It looks like the Revenues are going to be yay! yay! and like the matenience level of the various programs is willing to be thus and so. And here are the issues,

here are what's hot, where's where you might give some thought to say O.K. let's have a little more transportation this year and a little less public safety or whatever it might be. Because we play this thing like a musician. And then it gets interpreted back into organization terms rather from the _____.

Byron:

Budget Management does all that?

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No, No, Budget Management does mechanical aspect of it. No they don't do the Policy level.

??

But it works more effectively if the organizations are that way so that you get a full program until each organization going to split a program.

??

Well yes in terms of simplicity, just efficiently obviously if transportation is a function their organizationally there should be perhaps there should be a department of transportation which has that as its sole function. And you know, I would not argue either way but they do cross organizational. Education is an excellent example. Welfare, there are any number of major program categories which do cross organizational lines. This is not projected to be the straight McNamara P.P.B.S. type of thing but it's based on the same principal that the function is more important than the organization.

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But in answer to Dick's initial question was I think will this will program budgeting make a substantial dent. Oh! some of the questions that were raining here and yeh! money makes a dent almost any _____ a problem. But I think it would clarify the issues that _____. What is it gonna cost to follow a specific alternative.

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The Legislative the problem of course is that you watch how the Agencies work at home, and you come down and the Bureaucrats come in double talk you for 4 months and you never are able to handle the problem like _____. And you never are able to really make investigations and program budgeting seems to me to, at least provide some more another tool for some insight

or some kind of.

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More evaluation?

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I'm not sure that's the answer, It seems to at least be a tool

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for honest sincere legislatures I would concur.

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I have a theory, and administrative theory though, the five years program budgeting will be obsolete and we'll have to ship back whatever we have is a good thing now because of the idea of changes. Shake them up and keep them moving keep them clapping their hands, they won't know what their doing.

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When did you first feel you became a beaurocrat?

??

I was naturally _____ we didn't mean to include _____ shoring responsibility. This is remarks about Legislatures

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I'd like to comment on one thing that Bob Pavitt mentioned earlier, this may be by way of comment first he mentioned the periods of the search has been observed well enough for a dozen years or more, (going back to Vic Fisher's _____). Where a policy on Urban-Rural balance or what kind of a policy should it be on settlement distribution. And its sort of I was thinking how this applies to the State of Alaska its sort of translates perhaps like so many federal policies and programs that it doesn't apply to Alaska that is we may have a deeper policy but its quite a bit different. The Federal policy has been thought the mark has been by and large to encourage Rural development to attempt to work against Urbanization really by providing a _____ for Rural development programs and they of course haven't had. Had a very limited affect in naturally doing that _____ program. In Alaska where maybe where there is a policy that's been articulated as such, a point the Shively mentioned of maximizing personal choice as being as we do have our own Urban-Rural problem here and there is

a migration as existing migratory trend from Urban-Rural which is quite similar to the trend that occurred nationally at the decade.

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Its not only a trend its a policy.

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_____ it was a policy in the previous Administration

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I thought the previous Administration this ain't fair right? Wasn't that essentially.

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Well except I think its sort of in cities with things like the job, kinds' of job programs training they run are all prepared mostly prepared to deal with Urban areas. Even though there are no jobs. The kind of Educational System we have prepared people in Cities and no Rural Areas. Its a policy without a policy with the intent almost everything we're doing, is to prepare people to not live where they are.

??

I think something can be said what the state has been doing in the last 10 years in terms of job hunting, that ^{is looking} at what, we say see on the horizon and training and Educating the basic thrust has been John says towards the Urban type job. We havn't as of yet created on the State level a development policy. We don't know we won't know that until the Native Land Claims are settled for instance so there has to be a basic thrust of Government and it has been towards Urban Areas of necessity. Because we havn't been able to project in to our future.

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Its interesting to know that in the hospital no 161 which is the Governor's proposal for the establishment of the Regional Service areas, its specifically declared to be the purpose of the chapter to provide for measures to enable the residents of the unorganized Boroughs to remain in such areas. And then the point we can carry further, quote! Its not purpose of this chapter to encourage the residents of the unorganized Boroughs to vibrate to Urban areas. In as much it is the finding of the Legislature that such migration often not in the best interests of the residents of the Unorganized Borough, So there is a proposed State policy that leaves with respect to this

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It seems that a policy of aiding the Rural areas will automatically aid the Urban Areas.

??'

The results and people getting out there and what the State discovering has, whoever extracts that well, somewhere along the line has gotta require more business Administration in Anchorage and it would seem that that would serve both purposes.

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Sure it would, I mean it certainly⁷ in the best interests of the Urban Areas and through out the Rural Areas not only from that kind of standpoint but this standpoint from the fact that they _____ and there are going to be major problems both in the Rural areas and in the Urban Areas because too many people and somebodies going to have to level with.

??

Here! Here! Keep em down and the department won't be able to _____

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Yeh! right! But you gotta give them some reason to remain on the _____. I think there are things the State has to look at. Do we add to the subsidization of the transportation to Rural areas lower the cost and make the standard of living more reasonable. You know how do we subsidize jobs out there? Well listen now these aren't Local Affairs issues, these are State policy issues and they deal with the Legislature or the Administration.

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And of course these are the kinds of issues that no one has faced up to and we don't have the machine working out to facing up to them. Above we will have them will be developed. Because this requires, some this is simplification but, part of the costs effectiveness analysis. Because there is a serious question of how much it costs to maintain a person who is not ready for the Urban environment in Anchorage and in Fairbanks. And I don't think that necessarily by pouring money into Rural Areas will suddenly start distracting natural resources but even if we just pour money in to keep people there and sort of figure on a couple of generations something may happen. That may be a more effective way of spending the money than encouraging^{ing} them

to come into the cities and then constituting a much greater area.

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On a sort term basis you could do the same thing with public works projects of R.B A. that just involve people. Thats one of the ways but I don't think thats the best way. I really think there is an economy out there to be developed. And all these things can be talked in of course only if the state gets oil money. I think thats the only way that these issue can get raised. That certainly is the key, and thats something we're going to have to keep in mind which means a lot of these issues are not going to be resolved. That Legislature and even the one after that. But I think thats the kinds of issue the state has to be planning for. If the pipeline is going to go through, and there going to get oil, or if they discover oil someplace else and can get it out without hearasing the nation. Then we can look at it again. But its going to take alot of money. Theres no question about it.

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Admittedly this is somewhat _____ But it appears that the problem that it kind of dominated the discussion, though how do you get money jobs and so forth.out to the Rural Areas. There is a relationship of course that when the structural relationship can be worked through the department of Community Affairs. But it seems to me we're talking about something that would substaneously transend the department of Community Affairs and would logically belong in the Department of Economic Development. I don't think each department is its own independent kingdom. I don't think in fact the department keep Comparitively working on structures ,while the department of Economic development wasorking on developing the Economy would necessarily mean there would be no coordination. But if you put this kind of a problem as a Department of Community Affairs problem. Basically its taken over Economic Development and _____ we have a little apenditch of Community Affairs.

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No, I said earlier that is this issue transends with the department of Community and Local Affairs. It's a state and is something that should be delt within the department of Economic development. But its key if you're gonna make a case for developing Rural Government someone's going to say,

why develop Rural Government and Rural Areas if they are going to disappear

We agree, I think it relates,

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What the department of Community Affairs should know is going on in the fields and helping give strength to the world Community so that they can come in and work for the department and can always develop them in the Highway Department, and be effective and the point of need and what have you.

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On of the reasons maybe the problem is has been faith effectively, its politically unfessible to do so because of the romance about use this the wonderful beauties of living in Rural Alaska? On the cost of effectiveness analysis lets say on a National level its pretty clear that the super organization of the giant metro areas would become uneconomic to deliver services in those areas. When you transfer that analysis to Alaska quiry wheather our units are large enough for services that basically Urban Sociaty wheather even the Rural Areas are urbanized, you've gotta demand sewer, water, and effective communications and health services and so on, you've got the building in urbanized sociaty, and maybe that costs effect isn't gonna show the Rural Area being that attractive. And if thats so, if you have a conscience policy of permoting economic development that is on a capital basis you continually spend more money on Rural Development then you do on city. Is this fair?

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Well, you know there I don't know if Byron really wants to get into this, but this I think os far _____ discussion. But I think there are some questions that the State have had. My personall opinion is yes because of the kinds it will avoid. I think there all other things that the country and the State has to realize and that is that full employment in the nation certain and I think is a myth without majoy subsidization. Even with it when we subsidize all major industry now you can't employ people. We've got a problem with 10% of the country unemployed. And so given the fact that in this state where it looks like most of them are well initially rught now. Since this fishin _____ is controlled by Seattle. The most modern, the most wealth is going to come into the State is gonna come

come here through oil. And the state does controll that which gives us some ability to share resources. Then one has to look on how you keep the National number of people in the living situation thats decent. And you know maybe it is, maybe the State will decide that if we're gonna spend money and we're gonna spend money and we're going to subsidize living styles, Urban-Rural makes more sence. Perhaps cost effectiveness then would suggest rather than concentrating generally on Rural Areas, concentrating on a few population centers that are distributed about the city.

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And I'm not sure the cost effectiveness is the you know in Government can always be the overiding factor.

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Well it depends on how you view costs and social costs are just as important as economic costs all you have to do is talk to some of the doctors at A.P.I. and you see a hell of a big costs this urbanization is afficting upon the native people.

BYRON MALLOTT:

What about Law Enforcement, look how much money we spend in the State arresting people who are drunk.

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There's an easy answer for that however.

BYRON MALLOTT:

And all the rest are disturbing the peace.

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One question that I, that comes out of this kind of discussion is the question wheather the Local Affairs Agency of the Department of Community Affairs maybe doesn't have some special responsibilities this regards to migration and the migrant individuals.

BYRON MALLOTT:

The issues that I was going to bring up and related to exactly what we said is from time to time I've heard talk, consiously policy of the Development of Regional _____ and wherein you know you consiously attempt to establish a single Community in a definable Region. And therein locate a number of services rather than scattering them through out the individual Communities within that Region. Then that way, setting the, if we do estab-

lish such a setting suddenly people will start to move in here from the _____. That is really is no proof itself, in

Bethel for example very well has it? That people will move in?

??

Yeh!

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Yeh! Well its hard to say. Bethel's cđrtainly increasing under at a dramatic rate. But there are very few villiages that have decreased along with C.H.S., birth cđntrol genesides. Well since B.I.A. did away with their relocation program, the Federal Government has to find some other way of doing away with native people. To come up with more of a efficient way they don't ever have them.

??

I think that Bethel should grow, but I think so kind of decissions, you know, are the kind of decissions that can be made if we have real good reagional governments. But the people themselves may make them. They may eventually come up with the kinds of decissions. Well we're going to have to have in our Regional one or two places where were going to consintrate resources and make these movable prices. Maybe I don't know, I kind of think they probably won't make those decissions but you can't tell. But I really think that thats the whole basis for Regional Government is so they can get at those issues and decide for them self's the areas their gonna live in and not have the state make those decissions and probably make the wrong ones.

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Here, Here, we can assume all that the decissions that the Regionals will be wrong but there going to be their decissions. I'm not blaming the state for it, absolutely guaranteed.

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Dick you talked about and we all talked quite a little bit about it, about the need for the establishment of Regiona & Boundaries and so forth. Bob you know that your working alot in this area with regards to Planning & Zoning I wondered if you might have any comments.

BOB:

BOB:

Well, the Planning Areas that were established Byron were established looking back on it now, as a single purpose to specifically pursue more planning funded by farmers home. Now I think that the original intent was a more comprehensive approach such a thing as talking about the rear of establishment of liable regions in a class where they be used _____ . But I ran into such opposition from many of the agencies and organizations and best of interest. They kind of pull away from that. And after they did establish the 6 planning I don't think they ever published them. They got a stack of maps sittin around the office that show the, I think it is important to do some of the demographic and graphic work effect the responding about them is to pull together some of the existing boundaries that have been set up by various esundrial organizations and clientel. Those that are resolvable and define those that are not. For specifically for purposes are thinking about Regional Government.

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Would you do it?

Bob:

Well I do it yes, not within the next 3 weeks. It's ah!

??

3 months?

Bob:

No within this Fiscal year

??

It should be done within 3 months thats only June 30th..

Bob:

Sure if you didn't do anything else.

Byron:

It's probably on the records and scattered out quite a bit. You have been one of the most out spoken in opposition to the Regional Services Areas Bill and I know you've really given it alot of thought. And I wondered if just once again at least for my benefit that you want to capsulize and if you have any specific suggestions otherwise we can shout em out.

??

Well it was a hope to respect to authors and so on. The think that concerns about the Regional Service Area Bill is that it is a tremendous hand of vague authority very ill defined to one individual whom I like in the present incumbency who maybe totally different some day in the future. And what this bill says.

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Tie him up with the Alaska Constitution.

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Not even that, this one aligates the whole constitution into one purpose of another government.

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Just in certain areas.

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Since the Director of L.A.A. has othorized to establish or to oblsh Regional Service Areas in a unorganized Borough. The standards, OK, this is one, I'm concerned about a deligated, such as we been deligation without any significant procedural standards, and secondly without any standards as far as I'm concerned for the areas themselves. It goes down to say that the standards showing the population, giography, economy transportation, and other factors determined by the director of L.A.A. he's back in again. Then each Regional Service Area show race and area and population, with common Interest of the maximum degree possible. Now except for the language and of the fact that it's determined by the Director of the L.A.A. the other definition is exactly what the Constitution provides for Boroughs. Organized and unorganized Boroughs in to affect that I'm saying is once you establish Boroughs, well we're going to call them Regional Service Areas. So I'm concerned about the sweeping delegation, the vagueness without going through the details is also vagueness of purposes & functions. But beyond that I'm concerned about the use of determined service area. We've already had problems with Service Areas in Organized Boroughs. And we're developing sort of a body of policy, envolved as to what a Service Area is. Here we are coming along with the new beats that we call a Service Area we are saying Region Service Areas but still its

A Service Area we're not saying that its a Service Area under the Constitution that says what a Service Area is. We're implying this is something else. We're implying this is different from the Service Area within a Borough which in Anchorage is onething and Fairbanks is something else and now we're coming along with something totally different yet. And it seems to me that even if everything else in this Bill were OK, the least we could do would be, say Regional Districts, or pick any other name but Service Area's. Unless you intend with these Service Areas to be Service Area's under the Constitution for the delivery of Services and so on. And essentially this is it, the Bill is sort of, looks on the surface as if it does a lot of thing. I have enough aide in the present Administration I don't think there will be too much miscarriage of justice. But if for instance even given, such a sweeping Bill the Administrators, the director of Local Affairs Agency sets back and waits for the people in _____ to come along and form the Bristol Bay type of general service area we're going to screw the State even worse, I think we had no Legislation of a sort what so ever. So it seems to me that before this kind of vague generalized legislations past there ought to be some deleviation, certainly if I were in the Legislature at this point, I would ask now, what in the hell do you mean? What type of areas are you talking about? What is the geographic extent? Are you talking of little areas around Valdez or _____? Or are you talking about the Artic Slope in this case. And it just seems to me that what needs to be done as I mentioned before, its really an intragratiion of this kind a deal, with a departemental legislation, the R.D.G. approach or whatever it may be. Into a more complete approach to deal with Urban-Rural Governmental problems.

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If thats the thing out of the Local Government in the House, for only one reason, was that is, it got the problems out of the Whitehouse the amount of money. We felt that this would give the director of Local Affairs the opportunity of getting people together to perform service areas, to perform service that were performed while the Governor would come down and purpose a hopefully we would pass it. But we would picked

up a year in terms of getting people involved and thinking about what they wanted. Which is still so badly needed no matter what do. You've gotta hear from people.

??

Excuse me, let me just add one more thing. I'm a great believer in hearing from the people. But I think one of the mistakes made as I explained yesterday. I mentioned earlier today, would be organized Boroughs. Is that we pass a enabling Legislation and then we heard from the people and then we managed to make a complete mess of it. And it seems to me that its a responsibility of the state administration to provide leadership that comes from the Legislation to provide leadership and indicating what kind of areas it is you're talking about. What these will consist of and looking ahead and asking the kind of question we're capable _____ whats the relationship between these governmental units we were discussing and the Regional Boards, Regional Areas established on Rural Cap, A.F.N. Boards and so on. And Regional associations. And provide some guidance and maybe as mentioned earlier, without going into completely new kind of a thing. These Regional Boards may be used if the Regions are in the same as we are talking about, as a transitional device of somekind. But I think the State has got to think this through, provide leadership rather than just going out and talking with the people. Because then you so often get involved in public hearings that either of the ashel type where you go in and talk at them. Or people who will start talking about their immediate needs for water, sewer and housing and board walks, and Education. And their maybe no relationship between Service Areas in meeting their particular villiage needs.

??

Well its well and good but I can sit down and draw you 25 really neat plans for the Unorganized Borough and I still think that we need to very consciously go out and get some kind of thinking going on in an Organized Borough. As I said yesterday from the all spring long I ask the _____ to prepare to listen to the discussion on these various bills. So we could get to work on them. We never could raise the temperature to apoint where anybody wanted to talk about them. Nobody thinks about them in the

Legislature. And Rural Areas thinks about Local Government and its been a problem in terms of the Unorganized Borough. And I think we've got to do something to get some influence.

??

I would say there is machinery theres no need, for Byron to create a new machinery to go out. Use Rural Cap as a mena of testing the sentiment and so on, this is a R.A.B.G. Program geared up and not very effectively but I guess on a few weeks notice they went out and tested certain ideas. You know and analize needs and so on. These things can be done they don't one doesn't have to be involved in institutions from scratch all the time.

Byron Mallott:

One of the things we did discuss in developing this bill was, the legitimizing of the use of Rural Cap Region and the implimentations still we thought, as a matter of fact on of my Fisca most contemplated contract with Rural Cap's Regional Development Coorporations Services under this Legialtion. And further before you people pass that bill out you did modify to restrict the power that _____. But you know we did think about those options

??

Yeh! You know really, I'd strongly think it would be pitured your

??

Yeh, I see I'm having enough with Rural Cap, a man in Juneau, now.

??

No this is the kind of thing that seems to be Rural Cap that can make a great contribution but I think their simply delegating the Rural Cap chuck a money and go out and find out what kind of Government the people out in the Rural Areas want. Their sending a big statement was just don't let Rural Cap do this. You don't need any Local Government.

??

??

No, No, I don't think that's what he meant. What he meant is, you've got systems and could starve by delegating too some of those Regional Corporations as experiments on responsibility. Or utilize it.

??

To utilize Rural in this for example I think one of the things that would have to be done is assign somebody kind of knowledgeable in Local Government to work with Rural Cap so you can explain what all the alternatives are before you start getting people in put into what they want. In other words you gotta have somebody knowledgeable.

??

You're confusing 2 things. There's one that's a function of discussing what kind of Government is needed out there which is a discussion that I think people, the other thing is actually carrying out some particularly planning functions on a reasonable basis so I'd say. You know how the state makes the policy that if they go build that airport in a Region unless the Legislature proves it otherwise. But there _____ Regional incorporations priority _____."

??

That could be, but if there talking about this is directly need a license, this regional service area will and if you're talking structure, structure there is a very important part in this. And I think questions, when you start discussing with people what structures they want. There are going to have to be a technical base made available that I have just practically don't think Rural Cap is.

??

Well perhaps that's got the radical approach though and that seems to be a special of any thing else.

??

Mr. Billy I think there is another factor here. The Rural Cap Organization is the only functioning organization in Rural Areas that is in affect sort of it there be anything of a Regional Nature, Regional Government, and so on besides from the Native Regional Associations that got together for land purposes only and I was going to say and have an interlocking relationship

with the Rural Cap Regional. Essentially they are in the Regions, now coming in with something new is going to create a problem of what happens to the Rural Cap Regions which has got to be figured out in advance. This is one I see that is sort of you know, are you going to duplicate what is going on? If their precarious if they can serve function I'd say utilize them. Rather than creating something new.

??

Oh! I'm strong for utilizing, because among other things they have an asset to Formal Government never seen in backwards is the ability of experience and get people to respond instead of listening facetiously, and that's a problem when you go out.

??

But the important thing you know is when, where the Rural Cap doesn't do anyone else, I agree with you. But above all pre thinking, and the alternatives as you say have to be out. And you can go out and sort of ask in vacuum what kind of government do you want?

??

And I think that if that was the strategy of that State Developed that we would change our staffing somewhat, or either that or, well right now we're working pretty close to Local Affairs and things like that and things like Revenue Sharing and I think that kind of thing could be worked out. I'm not saying that's necessarily the way to go, I'm not you know, other people were making that case. I don't, don't think our board would object to it. And I think that you know given at the State at this point doesn't look like they want to put much money in that kind of thing. And it would be an expensive operation. That might be the experimental way to go.

??

If the States gonna give some funding, some sort of Revenue Sharing to the Regions. I don't know if the analogy to the demonstration cities project might be useful in that program, nobody likes the model cities program, but that's a political change

??

Oh! we like it

??

??

But there was planning anyway shared between the Federal Government and the Local Area in that program.

??

Lets not use that as a model

??

OK. Well just stateing without stating what the analogy is. The Rural Areas, Rural Cap or whatever could present suggestions for how they would use the money if they got it. And then the State through a Department which also offer technical assistance could evaluate those projects and.

??

I was hoping to avoid this and get into something a little more workable. We're finding out this system that we used with this first year which is the system requires some severe modification. Were gonna have to restructure without any questions if John will agree. As a matter of fact C.P.C. is suggesting also.

??

No I think in terms of what Vic is talking about, the structures more clear, and the model city structure is strange because of all the kinds of different people that are involved. Thats not a good analogy, the planning process of mode cities itself developed is a terrible.

??

Yeh! I'm went in relation but I just pointed out that this is not a bottle to use.

?? :et ,e tjrpigj a qiestopm bacl at upi Byron, why Regional Services Areas and wjy not Un organized Boroughs?

??

No particular reason why. We could set em up as each as an Unorganized Borough if you wish,

??

What other reasons

??

I don't think the terminolodgy that much difference except that infact the idea of the bill, alot of these areas would serve as a Boroughs later on for Organized Boroughs. An Unorganized Borough frankly is one of the

more ridiculous concepts in the Constitution really. And that's why we stayed away from it because the hell's an Unorganized Borough, I mean you know it's really it's a Borough that isn't a Borough. And the surface area and the way that's been developed by the Boroughs makes more relation, is a more realistic expression of what's actually going on. And that's the reason that service area is picked as a term rather than Unorganized Borough. But the terminology would it make all that much difference.

??

There is a advantage that the surface area despite mixed comments that of course I don't agree with a couple of things including that are a failure. But what the service areas.

??

I have to agree to that to I think _____ that Boroughs were a pleasure. I think it has developed not a body of law but at least a body of understanding in otherwards you're dealing with the concept that already has visual content. And the content it has goes in direction we want to build it. The concept of a service area is a growing thing, And the responsibilities adding to a service area as it becomes necessary you've got some content here that gives in the direction you want to go.

??

But I, it seems to me that part of that content is quite opposite to what you'd want have in these Regions because the basic purpose and basic function of the service area is to delivery a service and levey a special charge for that service. I mean this is service for a fee.

??

Some of the service areas in fact do function almost intirely without leveing taxes. The tax leveing thing, you have to have additional Revenue But it doesn't necessarily have to be tax Revenue. AND these things are going have to have some Revenue work to come up to. And it doesn't have to be a tax Revenue thing. It will have additional money that the others areas do not have.

BYRON MALLOTT:

As I do recall we did play around a bit with what _____. There were some of us that said, we don't want to raise down in second clause of the Borough Red Flag. So lets stay at that designation.

Just kind of evolved with really looking at the definition that we're trying to see, you know we had been working on that too long. And names just something you touch.

??

Which means that _____ one of the questions that might be resolved or probably won't resolve this Legislation is. What actually Borrow's supposed to be as related to a city. The way the things evolved you're really not. The Borrow was supposed to be an intermediate form of Government. Well that was one idea _____ anyway. And we used the term Borrow to describe both intermediate forms of Government and Rural Cities. So maybe and with an answer to this thing, would be to try and straighten out that _____ in the municipal code or in an act to have Borrow used up only for intermediate forms of Government which include cities and if there's no included lower form of Government maybe you should just call it a city. Even though it covers a _____ of a wide area, like Valdez now of course is sort of a Rural City.

??

_____ are you saying then that the Education assessment tax collection and the whole ball of wax then would be turned over to eventually in the cities.

??

Well you can divide that with class. You can split up your Borough's and your cities into classes to determine what kind of functions there going to perform.

??

I thought what is effective is saying give Juneau can be called a city but Juneau the, Education functions that says we _____ and so on this and that.

??

It's all one there, it's then only case I was thinking in terms of Seward and Homer and those Cities in the Kenai peninsula.

??

What I'm sort of confused about is what if the Legislature, implemented the existing law in terms of establishing the service area and let's say

the Glennallen Area or the Tok Junction Area, or the delivery from a particular municipal type service. How would this relate to the Regional Service Area bill, can a Regional Service Area include a Service Area established under existing law and title 7.

??

Or would you call that a Non Regional Service Area?

??

Now this points out any of the questions that Vic is asking.

??

As to the functional relationship

??

You can bet overlapping Service Areas but their created by the same authority. A Service Area does not mean Service Area within it, but overlapping Service Areas are defininitly possible and I feel exists currently.

??

Under the Regional Service Area Bill the primary purposes are Economic & Social Development would this include the delivery of particular municipal type services within that area as well?

??

Wouldn't this be ad hot determination that the Director of Local Affairs like he has in each area?

??

I think there was a lawyer point out this service area terminology two, if you look at the constitution again which I want to constantly rearrange. The service area can be its the conslusion of a city within a service area can legally questioned, the service area seems to have been conceived of the concept of providing services either through the Legislature in the Unorganized Borough or through an assembly. Where there was no Local Government to provide a variety of services. Now there is general language in the Constitution which says that. Which might indicate that it legally could be included by really questioning wheather it wouldn't to be safe have to use the concept of an Unorganized Borough. Which could have jurisdiction inside that city as well as outside the city, rather than the service area. For purposes of enlarging say the tax base or the

Economic Base of an area you want to benefit. Which would include cities and small benefits now. Now look at the, I forget what section it is, the power of the assembly may establish service areas, no service area may be established, if it can be, if the service can be provided by a corporation as a city annexation.

??

Yeh! But that limitation, is a service area is within a Unorganized Borough.

??

Not if you look at it strictly because it says the Legislature may exercise any power of function which the assembly may exercise within a

??

Yes, but the section you're referring to is practiced by service areas within the Unorganized Borough, Graic I don't think its acquitable, off-hand I'm not

??

The Constitution doesn't speak about Service Areas in the Unorganized Borough does it?

??

No. No!

??

Says the Legislature shall provide Section 6 for the performance of services teams necessary or advisable in Unorganized Borough's allowing for maximum local _____ power or function in an Unorganized Borough which the assembly may exercise in a organized Borough.

??

Therefore can establish

??

Yes butt then,

??

Then the limitations on Service Areas or Service Areas within

??

Well !

??

I think Legislature asks a broader field.

??

It's debatable

??

A Service Areas may not be established within Organized Boroughs, Bill's points correct that isn't it.

??

Section 5 does refer to Service Areas provides special services with in Organized Boroughs/

??

Yes! And then it puts on limitations and no new Services shall be established if constant with the purposes of the article. A new Service can be provided by an existing Service Area. by corporation as an city or by annexation to a city, so question would become is to does the Legislatures power have to be look at in the context of the assemblies power to establish Service Areas, or indeed does the Legislature have power to establish Service Areas.

??

I'm afraid you have to go on to Section 6, you know it is a lawyers point but you have to go on 6, everything in Section 5 pertains to Organized Boroughs and it goes on to say the Legislature shall provide for the performance of Services if things necessary. Or advisable in Unorganized Boroughs. Allowing for maximum Local participation and responsibility it may exercise any power or functions in our Unorganized Borough in which the assembly may exercising Unorganized.

??

Whats the assemblies power to establish a Service Area without Organized Borough or an Unorganized Borough.

??

Oh! I think quite clear.

??

Well the Legislature has no more no less power

??

right

??

Why can the Legislature establish a Service Area that the assembly could,

not establish in the, I'll admitt theres some debate on it, one of the things debatable is this phase.

??

Consistant with the purposes of the article

??

Or the other phrase, shall provide the performance service allowing for maximum Local participation responsibility. In otherwards this may very well be an independent power of Legislature.

??

I don't want to dwell on it, I just thought that be a reason to justify a difference in _____.

??

Byron, were going to be closing 3:30 one of the things I'd like to ask, I don't know wheather its _____, we've kicked around quite a bit, you know some thoughts on Rural Areas, we spent a lot more time on Rural Areas, I think key to the Local Government and I wonder if the municipal has any sort of basic stand on the kinds of issues we've been talking about.

??

Didn't you ever make it down working on the Unorganized Boroughs once ever?

??

Yeh. but we;

??

And you didn't get anywhere

??

Never did get anywhere

??

I think maybe through line at a time that people were trying to work on Urban problems. But I'm certain it'll be brought up _____ I don't know.

??

Well, If we're throughing questions, I'd like to through out a question to Bryon. What do you conceive happening from here on towards Legislation toward steps to graph a departenmental Bill and get some agreement toward developing some kind of a structure of Local Government and so-on.

Byron Mallott:

Well the, one of the major purposes of this conference, you know was to allow less you have the kinds of discussions that we've had and I think that they would really be good on Regional Governments and for example the department I, in my out thinking I've said that with respect to graphing the Legislation that, you know or even thinking about the department that I'd want something like this to kick it off. And I really didn't want to do anything until the start of the new fiscal year. It's simple cause we have so much to do to wind down this thing. And also I've been holding because due to the program budgeting I really wouldn't want the hell out for sure. And in terms of this kind of _____ I really want to thank you for that, you see because it something that we still maybe have to do alot of talking about.

??

Byron _____ I care to care to check just a little bit here. Byron and John I have talked with the Governor very early in the Legilative sessions about this very thing. And I think we were all fairly well free. We needed a considerably more of this type of hashing out because of the feeling that before you could develop a liable cabinet level department to address these matters you would first have to establish a structure and a policy of the State responsibilities and attitudes toward Local Government both Rural and Urban to lay the ground work fore structuring the department in so my opinion, these things go together and I'm pleased and I'm sorry I didn't get on both days with this. But I'm pleased that this little gathering addressed itself to both of these matters, one the broad question of Urban slab Rural policies and its subsidiary issue or bringing some order to the kaoss of the Unorganized Borough. And the possible alternative structures of a department. And you know what would it include and what functions etc. I think that this has been a very healthful first step.

??

I'd like to ask one question and maybe get some opinion on is that I'm concerned about the timing of this. If we aren't able to put a bill through this year. If the Native claims bill passes also, if the claims

bill passes, I think one of the possible affects that I can see is gonna be that there will be a reaction on the part of Urban Legislature, to lose interests in Rural Affairs that is if they have the resources now and if that they've claimed settlement, that we've got, check my judgement on that again, where others might feel that you're just Legislatures too, wheather we'd likely to get that kind of reaction after _____ starts thawing.

??

I hope the hell aloud I feel very pesimistic about it frankly! I still think there's that treaty, the Legialtures Municipality; I don't think theres that much concern. And any good excuse we can use.

Byron:

John do you raise that with respect to the creation of the department?

If any major leading state government impact Rural Alaska

??

Truth for all, but I think its likely to be duty to the department is basically a Rural impact _____ although have Urban impact is also Rural, Ah, I say this because I hate to, if we do come down with some sort of Rural Administration Bill, I guess its gonna need all the help it can get. If its gonna go through.

??

I don't know I kind of expect that the Rural _____ will continue to function particularly on something important like this.

??

They too are going to be pre-occupied with other issues besides instructional issues _____.

??

But won't it begin to catch on to the Senate _____ ?

??

I'll have to say that, I think John's absolutely right. If we don't get it thru particularly the Senate. I figure we'll get a much more sympathetic volumes in the House towards munisciple problems right now. Then we do in the Senate. And to make up someof those, I don't think they'll even consider it. Like you say the Native Land claims are some of the

figures are settled.

??

The strategy might well be to refer to the department as a Department, primarily in _____ is an impact of the Rural and Unorganized Borough. I think that if we had Legislative Council Bill of course which indicates there support of the Department at least the previous Legislative Council, if we could get an Administration Bill with evidently going to combine the three. In this section of the Legislature plus the Leagues endorsement of it. I think we could possibly get it. This time now, we got municipal code practically out of the road. As far as the two bodies are concerned anyway

??

Where's the municipal code now?

??

It's in the Senate Rules Committee.

??

What the hell _____.

??

It past the house, Jerry, it passed the House a couple of weeks, Jerries holding the rules.

??

A bunch of amendments, they wanted to type up

??

Did you ever hear why they didn't go through

??

The only excuse that we heard was Senator Miller thought it needed more study. That was the only problem Byron.

??

I'd sort of like to ask if the Administration has given any thought to supporting or endorsing the Municipal code as of now stands its final commitment?

Byron Mallott:

I have given it some thought, and it's something that I haven't discussed

with other _____. Or else in the Administration, but its something that I feel very strongly about and personally, I'm going to try to get the Governor's endorsement.

??

Back in the department. I think that Don is right there. That this is considered an approach does sort of a coordinated effort combination of a lot of individual steps that have been taken. The chances will be fairly good and one of the things that will be working in favor of the Reorganization is the general opinion that everyone, probably including even State Senator, Stephen Asher. And that if Asher is included in any kind of Reorganization, I think this will be in fact in favor. I would suggest that one of the really important things will be to work out a strategy and pursue it and go about it very deliberately. I think we've seen now, crash last minute effort as we discussed yesterday. This is extremely fortunate this is very good to be involved the way we are now. In 1969 the R.A.B.G. effort was put together at the last minute. And introduced very late in the session. Then again we called this meeting in December and again it wasn't enough time to do anything. And if, this is an approach in terms of No. 1 the last minute effort aside from just general agreement in department. But we're leaving a lot of basic issues unresolved and without a united front. Instead of content of Legislation, there going to be a lot of problem. I'd also suggest that sort of again the delivery of approach, moving towards establishment of whatever units you have. Whatever you call Service Areas or Boroughs or _____ or Unorganized or whatever. We've been at this for a number of years now. We haven't gotten any place that may be a strong reaction against any kind of a blanket sweeping authority. I think that there ought to be possibly be a fall back position unless by January somebody can come up with the perfect solution. But to possibly provide for establishment in the department is one step, provided for a plan for establishing a Regional Structure of Local Government as a phase II of this effort. And possibly phase II being then reported back to the Legislature. So that if there are questions we can fall back on this position and say yes there will be another crack at it. But we're going to get going and give the general outlines of what

is being pursued. Because again,,the State isn't going to be able to do much in Rural Areas until 1976 or so at the earliest when real big new remenents will be coming into the State. So that theres no point in rushing in establishing something next year which can't meet the function of big new money.

??

That seems what we've been talking about the last couple of days is paralel very closely to the Administrative development of an organization in a sense that when yo're small, you deal with an informal approach but as you become bigger you have to become more formalized and you're much better off planning for the formal structure while you still have the _____ idea of formal ability to do it I guess. And define the structure before you reach a critical mass that creates things from all both problems for you. It sure seems that thinking this through is a very important process ??

We're abmt running out of time, there one point that when _____ mentioned today because the new concepts are fairly interesting, you mentioned somewhat yesterday. And that is a fact that the Organization of the department, has to be bored in mind, as of course you are a good --- Local Affairs does provide very substanual services and we have suggested substanual other services such as Management _____ Request and so forth. Where the Organized and even the most suffisticated functioning Cities & Boroughs. But this is still a very definetely major function of the department. I say I think its worth mind and I think this is better understood which explains why the discussion has been almost all Rural aspect. Because Urban aspect still is an important function of the department.

Byron Mallott:

I think you know that, that some of them thinks otherwise that they think my _____ fly before me, But the major focus of this kind of a department would be on the Local Affairs Agency. Because the kinds of governmental functions, but otherwise come in you know, before the differer kinds of compliments that inhance the Oh, well kinds of responsibilities to advise and assist Local Government so I think its a snap. Sometimes in

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discussions in you know we have a tendency to get away from that. And, but the issue was raised with respect to A Asha, you know that something else, you know even though you're trying to set up a certain kind of structure. Just from the way you set it up something else might really be the result.

??

Byron what is the present situation with respect to Revenue Sharing and say we got a department, does Local Affairs have the responsibilities or does the department of Administration actually have the ~~statutory~~ ^{statutory} responsibility for distribution of Sharing Revenues?

Byron:

The department of Administration can conjunction with other agencies in which we are one. They tried to give it to me last session but I, I wouldn't take anything unless they gave me money to operate it.

??

Well I would think that that should be sort of the keystone to any new department that they, that the distribution of Revenue be through this department, Because this is where you get good muscle from, thats where you get the relationship with the big established government till,

Byron Mallott:

It's something that I almost personally take for granite ^{ted}.

??

In Vic's original _____ be open the _____ of course. The development of the clientel is essential in this has definent relationship to that.

Byron:

Before you go any further, I , we just kind of suggested 3:30 as a target hour because someone come up to me and said when are we going to quit, and he said what about 3:30 and I say O.K. 3:30.

??

So thats how discissions are made?

Byron:

We can go along, I don't know what the rush is requirements are? with respect to be ragik². But at this point anyway if we do have questions

??

Byron let me just put it in one form. Shoul'n't be done again, you know we've been discussed before in the fallacy of holding public hearings for example when all you've got to say is well what di you folks want? You shoul'dn't _____ again at least when you can put together as Agencies or as an Organization. Some specific skeleton of this structure. Don't we need to do this again when we come about something awful.

??

Be more specific in terms of _____.

??

Yeh; cause say well we hey have a more structured agenda and say well O.K. in a field of Unorganized Borough at least our Local Government we feel that the previous discussions in the study since are going out and we will go this way and this way or this way. And if the field functions that _____ we see these as the major functions and what else do we have to have.

Byron:

I think its going to be as a matter of fact thats my Administrative style And the reason I called this conference is because I've really been in agony for a long time, not the kind of guy who likes to sit around in my office and work on things. Well I was the Director of Rural Cap for to long and if I did something like that I'd be fired the next day, and _____ thats necessary,

??

Heres something that I was discussing with Helen on the way over here. As a critique of this process that we really do need another session after a pause. It is interesting to look at the relationship between this to some others forms of decission making. We're coming up to say if you've got an eventual work product thats gonna be an administration bill, or a theiry to the Administration package of bills, policies, statements, administrative procedures or whatever, you've got to do it on a fairly limited basis you can't, you get to much involved in the polical issues

If you go to far out to the people on it and it becomes all involved in the polical process. That is if we draft it, suppose we took our drafts and sort of distributed them all over the State I think, I would suggest that it would probably create a great many problems in the copies of the proposed bills that particularly those of course that wouldn't have any administrative endorsement particularly that you hand them all over the road you can't organize the opposition more than you can organize yourself ??

All you have to do is be called a couple times

??

Hey, Yeh

??

We didn't

??

No I think its very possible very necessary to _____ around the state wheather you disguise the reasons or what I think we wouldn't be talking to people its much to informal as anything else. And I feel to create an atmosphere so it will e fairly obvious that something is needed along these lines. And I think it rather the simple kind of thing to do, frankly.

Byron Mallott:

:Well you know its _____. Ultimetly you know the Administra- tion has ask me to cut this line as well as can be and thats it you know. And yo know recognizing that no matter how many people you talk to it kind of sends us, you ahead that the product is something that you're responsi- bile for. And that _____ you try and keep it on the floor for so long

??

Wouldn't be possible to approach this in terms of the basic concepts will be included rather than the specific provissions of Legislation and for instance when Rural Cap has a board meeting at that time for the director of Local Affairs Agency to meet with the Rural Cap board and say well, if we've been working on this problem, you've been thinking about this pro- blem ^{here} ~~where~~ are some ^{out} ~~the~~ lines you know lets get some feed back. You're
 _____ bill or maybe even be at that

point, talking in terms of several alternatives I assumed before the Administration will decide on a specific approach, the alternatives will be looked at, I hope so, and these alternatives ought to be fair in the Borough discussion. Possibly at the Municipality League conference on other occasions.

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I'd be in favor of discussing the issues instead of frankly talking about.

??

I would like to raise one point for my own information in working on some of these subjects, perhaps in the future I'm drafting some of the Legislation. Incidentally the background, particularly on the Rural problem has been very helpful to me, and I'm going to get further information on it. But in talking about the construction of a department of community affairs particularly ask us because we have representatives in the University here in many states as you all know, we know here they establish bureaus of Municipality Research or Bureaus of Local Government assistance, or what have you and the purpose is to provide what has been considered here to be one of the paramount functions in the Department of Community Affairs clearing house for information, in service training programs, other forms of training and information, Does University have any proposals ^{which} they thing should be interred into this construction of a department or is this to be developed later? I was just wondering if there were any ideas along these lines. You may be able to do alot of your research and your training programs into the University. You may want to consider that anyhow, I know they do in other states, so I don't know if I'd make any comments on it but,

??

If I might comment a little bit. Don I also have some thoughts on it. In years past when I was with the Legal Alaskan cities, I was come here to watch some of the Leagues and then the third component, to this equation and Universities and evolving state agencies were doing. I would say that at this point the transcertainty is for the state agency to assume a league role. So far as I cannot speak for the training and extension function which is more in Jim's _____. But so far as the research and information function is concerned. Their have in the past burned from

my coming in proposed for a bureau of Community Services a bureau of Community Research and various versions of the sort. I have argued against those successfully because I feel this a function of the Local Affairs Agency Constitutional function in Local Affairs Agency. And to continue to be so under the department. We as I mentioned yesterday can engage in sort of extensive research backing up in Local Affairs Agency or department. We in the _____ ^{had} ~~need~~ this function under Fitzgerald when he was the head of chairman of Federal field committee when he looked upon the University particularly our institute as sort of a research arm of the Federal field committee and he would and we could join to determine what the primary research needs would be. Then either the field committee would provide funding or we would go out jointly go out and explore different sources of funding. And undertake with research which was then we could fit back in the field committee or made publicly available. And this is the kind of function I think that we as at least in the research and the University can best perform I don't think should be going around developing materials for Local Government Officials and so on unless specifically requested by Local Affairs Agency.

??

I like to ~~un~~compliment in this sense I guess that I think that Local Affairs Agency or department of Community Affairs they has to have a strong informational function. But I think we can compliment in the interpretive sense in terms of the options of our ^{possible} ~~policies~~. And I think this is where an extension role could be worked very closely with your department. Helping develop a broad understanding of the issues and some of the officers resolutions.

??

I think that none of the functions ^{UNIVERSITY CAN SERVE AND THIS} ~~is in steep concern~~ but is something that I've discussed with several people here. Is to provide professional back up particularly critical kinds would be as a consultant services to the say Legislative counsel and Local Affairs Agency or even to provide ~~the~~ staff services during the Legislature session to a local government. Committee to aid help with the analysis and pursuit to be given piece of legislation at least providing there not legal, and let it go inquest.

Juctice at one point, we were involved with the R.A.D.G. proposal and percent and the 4th I mentioned I'm personally involved in these things just by keeping my mouth going.

??

Byron, I have a number of other comments I'd like to bring up, you asked weather were suppose to be moving out of here the 9th for room for some body else, I would suggest that we take a break and unless their planes leaving pretty soon, that we take a break and come back for anothe hour and a half.

??

This one is, I've noticed sort of an assumption here that all these goodies that are going to be distributed through new _____ and new Boroughs or Service Areas or whatever they are. Are going to be payed for from Direct Revenues from oil loyalty or severnt taxes and I think that this is something thats opened a question and I was wondering what places any, what we might contemplate as additional sources of Revenue among all the good things for Rural Alaska in particular ^{when the tax we pay} thinking about going back to property tax in the Unorganized Borough. And thers the question how we go about tax paying and to what extent the taxasion of the oil industry should be purely should be allowed to be a local function and how much, maybe we ought to be thinking about additional taxes on the oil country being plenty at the ^{tax} level so that there available for distribution around the state according to State in terms of priorities.

??

I;d like to speak with essence I'm a little stronger average in State _____ or Borough programs.

??

My personall opinion is that theres not going to be oil money. You know either to this existing tax structure or through future tax structures. I really don't see why now you can put up property taxes on an Unorganized Borough if you want. I would guess that the money you've spent collecting assessing for that tax. You'd probably be lucky to pay for what you got out of it. I mean it just isn't a hell of a lot of property out there. You know go in to a villiage and you just can't get much money, plus people don't have money to pay for the property taxes.

??

You were telling me. Lets say if you had a home owners exemption or something of this nature, you're not really talking about property taxes going down the last talk. What you're looking at is taxation major installation. Money that goes into the Co _____.

??

Well you've picked practically the only 2 examples of things you can tax in major parts in the Rural Areas right now. You know you can tax stores maybe and you, I'm not that good of an authority on taxes and I've seen several perfections of oil revenue given at the pipe line thats building things like that. I'm not sure I can answer the second question, wheather or not like property taxation should be the prerogative of the State, I think if you do that, you'll make oil industry, you can't make oil industry the exception. That if you want to tax the oil industry on the property basis on a state wide basis your gonna have to do it for everything.

??

Well we have all the oil industries with the exception now that as for this, the severence tax in the middle new tax on

??

Well you get, well not much, you get a raw fish tax for the fish industry so therefore tax all caneries. You've got oil installations on Kenai Pennensula I don't know whether you anticipate on taxing that I think there would be some people on the Kenai Pennensula that would have some objections.

??

You're same in Unorganized Boroughs ??

??

They are taxed now

??

Well all right the North Slop Borough goes through though, which of course is one of the bases for North Slope Borough, because they want taxes. Is the State going to try and stop that because they want the Revenue.

??

Well that question can be brave to whether its appropriate to allow oil

tax payments should be handed out to local governments

??

Then you gotta answer that question on the Kenai Borough to the same way, whether to organize, what are you gonna do cut the oil industry out of the Organized Boroughs so can tax it? I mean what if they discovered oil in Anchorage, are you gonna, I think that its a philisophical question of whether or not the state is gonna get into the property taxing business.

??

Let me make a couple of comments to you, As the kind of taxes that are living say in Kenai, oil industry, it would appear appropriate because Legislature would clearly have the right to levy a tax in a service area, service area probably would not, probably don't need levy it. But I would assume that if you wanted to go this route that you would draft a considerably and _____ and levy much the same way you do in Kenai except it would be a service area levy. And enccidently that service area would pick up a miscellanous revenues such as a _____ back and there or law fish tax or a business license refund. These aren't major revenues.

??

Well were running under direct conflict in fact if the north slope wants to become a Borough precisely because theres property out there and the State is not saying that they want taxed to get money for Rural Areas. And is the State going to say we don't want to grant this Borough because because we want those revenues and can they say it? I think you'd run yourself in to some awful, awfully tricky conflicks in attempting to finance Rural development through a Rural Development property tax. If it is on the Unorganized Borough I think we could look at it. But I think that we are going to have the aide of Economic Development you going to start to get Rural Governments as evidence by the North Slope.

??

I that, we can all express opinions and I'm going to express mine in a minute, But there are probably ways of arriving at the Economics of this. The property tax was looked at again in the fifties it actually passed in 49 and later repealed and so on and all sorts of fights over it, was that anykind of system of collecting the tax in the remote areas costs

more than the proceeds from the tax, the argument they think that can be made to back up Johns at least not directly, certainly applied position that said State stay out. Is that if the State were to go out, any kind of sharing from whether its out of oil, out of resources, tax, general fund revenues. They, when is an area that has a taxable base develops a point that the Local Government can feed off the tax base. They will want to incorporate just as the North Slope is doing. At that point, the kind of formula the R.A.D.G. would develop would work to diminish the State payment to that particular area, because their per capita income will be raised through the Local taxpayers. So there will be equalization process of work so the self selection property tax that will be established. And you will omit the occasional cannery but there are a hell of a lot easier ways of taxing canneries than having a state wide general property tax.

??'

The North Slope Borough is of course is just one I'm not sure you want to consider just in terms of the north slope borough and although you can you can consider it in terms of the fact that you described which is, which is, but it most _____ comes into existence in order to tax the facility now. I suppose the same wish could come on to organize Boroughs all up and down the pipe line, in Valdez in order to get a hold of the pipeline and tax it. Query whether that's good government to do it that way.

??

Well if its

??

The pipelines taxable

??

Oh yes

??

And there will be other facilities around it, power plants and so on, there's going to be presumably if we get a native claim settlement there going to be major facilities, industrial facilities, _____ facilities which will be financed by the _____ committee,

which like be taxable on the first rollover.

??

You know its the policy of the state to encourage Local Government.

??

That in a sence, in the alternate sence for over state seems to need Rural Government, you know it seems to me if it developes, that a an area has something that they can tax in order to carry out municipal responsibilities and are willing to take some of the responsibilities that the Constitution and laws outline for them. That its been opinion that the policy of the state to support that. And that the state to go on base Rural development on the fact that they don't want those areas taxed but they want that Revenue Sharing all through those Rural Areas I think is the conflict of policy.

??

What about pertective incorporation? That is you might have to make in case of the North Slope you might have a militant group who are interested in taxing substannually in order to produce Revenue and provide service: you might also get I think its making in some ways, this is likely a pattern in Local Government that you have. Because incorporation which would then become dominated by the dominate property owners. Who keep property taxes down.

??

Well you know of course thats a problem with all government, I mean I think government, one has to live, the government in this country has been basecally controlled by people who make the most money in order to develope tax laws that in come inside of laws that keeps that ridge. And I'm not sure by preventing Local Government that your gonna over come that problem. I'm not sure how much the state, how much won't the state try say take and protect the Local people per say from that point of ~~view~~ interest, technically in the case of the North Slope and other kinds of major development the holding block is definently going to be with the people. So they at least have the voting power now admittedly thats in our country hasn't always meant that, that there was political problem. But thats no different than saying, how many state people can

be bought off by the oil companies too.

Byron Mallott:

Also if Revenues would approve to the state theres no way that you can earmark for Rural development purchase. I mean they'll go to the general public, to be appropriated by the Legislature according to _____ saw fit.

??

You do have, both Revenue Sharing programs and share taxes program. That you can treat it as a Local tax administered essentially. Or you could treat it as a shared Revenue as a Revenue program.

??

It seems to me if can not make on a state wide basis, with money off the oil companies we need to operate or develop Rural Areas, this states in no different position than it was in 1968 before the oil league sale.

??

Don or Bob have you given it any thought to how the distribution might occur under the Federal Revenue Sharing plan if it goes through in the sort of formula it has attached.

??

I listened to the chairman bills and lost _____. Heres President Nixon's rule here Advisory discusses this, and then I've had some of them say, _____ to how fast they go but I think that the possibility may eventually. Its been one of the ideas is that the state has to be divided up into districts and then the state has to have developing plan that shows its priority's and where the priority's will be distributed across the state. Its has very low level of determination circuit at this point.

??

Well in the recent _____ of the Federal field committee they did a substantial amount of research on some aspects of Revenue Sharing and found that as we had suspected by the formula or vastly _____ in favor of population of determination. And they have not sufficiently developed the concept as it pertains to less densely populated areas so that we could live with it.

Strangely K know using their very complex formula for Revenue Sharing in the fields of transportation for the states. We came out only slightly behind where we now are, however its slightly behind, its a much smaller percentage of a much larger base. In other wards their saying, you know after the first year when everybody gets at least a much as they got before. The second year will be according to this formula and there, will be a pot of 52 billion dollars or something. In working our percentage up we come out with 64 million based on todays figures and I think we had 59 million last October and were slightly there.

??

John, one of the issues I think the state can look at though in terms of Revenues or least in terms of development in the Rural Areas is the, I don't know, Vic can you tell me, is the, part of the Constitution in exclusive fisheries on the ballad next time? Change the Constitution?

Vic:

It didn't make it

??

It didn't I think that if we could start turning over the control of fisheries in keeping that money here, thats something of course thats been set along time for the state. That you could generate you know a good deal of Local its still going to take though some state investments in those fisheries that I think you know will break the hold with the caneries to a large extent. And developpe fisheries in new areas that one area though that might be looked at.

??

That brings up the second question I had on my mind which we would have gone later, which is a constitutional change but I'm not going to go, I'll be with you later.

??

I'm the first one that I'm still trying to find my way through the premiss that you put forth and that is that the State get enough Revenue?

??

Maybe its not the question of not having enough but its a question of whether you are missing Revenue Opportunities.

??

Well thats _____ completely different than you did at first.

??

Well its gonna, I'm sure it will be not having enough because theres no such thing as enough.

??

I think thats true too.

??

And it always comes down to how were going to split the pie and how big the pie is? And its never big enough so and I can see, I'm less concerned about the North Slope incorporating then I am about alot of property coming into creation, substantial property, in the Unorganized Borough, which then becomes the best of interests to plite incorporation because the don't want it. The taxes come. And maybe my premiss is wrong from the way you said Vic, I mean if you contemplate tha the Economic development of this state in the next decade or two is not going to include alot of creation of a lot of taxable peoperty outside the existing local government areas.

??

Well I think that if you have a pipeline running all over the state and pipelines are taxable you've got something there that ought to be looked at. And I think that John who represents, I think represents all Rural Areas, _____ think I guess everybody represents them. We ought to be thinking in terms of what the most effective way would be to point help and there using the state as a collection agency is an effective way of getting the money esspecially in Cosby's dictional iron such as pipelines and so on which could otherwise cause problems but it seems to me this is the _____ from the State level.

??

Thats the way to handle pipelines thats the way alot of states handles stuff thats runs across the great miniature or stations they just pull it out of Local taxes^{authority} and put in the state taxing authority, , for example typically accounting doesn't try to railroad, the state tax commission does because if each county taxes a little longer, everybody would go out

of their mind. I know the state can pull this out anyway.

??

Yes, I see no problem with that kind of thing, we obviously have something structured first by abusing problems when you're looking out it, when you're looking at, say the oil on district properties, there's a state tax.

??

I know _____ timber under contract, it goes to 20 billion, 4 feet under contract now southeastern Alaska.

??

That thing's no forest though.

??

No, the timber that they tax in California the timber under contract, because they tax the interest of the individual _____ the contract..

??

With a constructive _____.

??

When you bury the timber even though it's still standing and destructive susceptible to commercial property tax.

??

Well we have been taxing our, Kenai Peninsula is taxing the timber down there but it's not in a National Forest I think it's outside the National Forest

??

State Capital?

??

I think, mostly private

??

Isn't this equivalent to lease holding? That it is taxed by the city of

??

Yeh !

??

Severance over a period of years.

??

Billy check into that for the super city will you.

??

I thought of some small possibilities there.

??

John I do think the state also does though have to take a look at the kinds of taxes it has on the oil industry and _____ you know is the state getting its fair share? And I personal opinion is the probably not. And I think that is the key question. Well, now oil companies you know that if they got money problems, with oil they are going to make money off it, I see - _____ take it out, taxes so much and then it becomes uneconomical and if their gonna cream anytime, anytime you tax them. Its Uneconomical. But you know its certainly are slow, and you know theres alot of oil up there and the advantage I really feel this state has over other states where theres been major oil finds, is that the control of the land where the oil is is in the hands of the people basically, the states not owned by individuals. So that if were not going to get alot of John Paulgett's, Lamare Hann's and people like that. You know where, name a couple other people managed to be minor millionaiars of the state. You know the money can prove to the state and to the people and it should but its the responsibility of the state to make sure that the oil companies you know don't run away with everything they can get their greedy little hands on.

??

Do you realize that _____ has done alot of good. Well the healthy the hearty breakfast plan alone has brought health to many people.

??

I know that, he's one of the great supporters he can turn alot there any kind of contributions. A great many materials that we can pass out to Rural Areas.

??

One of the questions on property tax was they wanted justifications of it. Why its a Local Government tax? Theres is a relationship vagul as it may be but the demand for services which is created by economic development this doesn't apply really to pipeline construction, and for that matter to oil fields construction generally which has after the construction tape have

materially modest impact on local economy.

??

You know its certainly probably in the North Slope well as for most places, there are alot of people rushing up to the North Slope, is perhaps they get to Kenai then they create a need for services which I understand the Kenai Borough is now having some problem.

??

Well you invited us and we sort of, kind of you know in which way to go in terms of developing either local or state _____ taxation depending on which way you decide to go, what mechanisms have to be developed? What type of Legislation do you foresee? Or do you foresee any Legislation?

??

Well I think that the problem that acquires attention and we're certainly not far enough along to say what kind it would be.

??

Well Arwin Twisinger once wrote something about the need for applying a severance tax approach that is now used for oil to resources in other states some of which go virtually untaxed.

??

There have been 1 or 2 Legislatives appose it to levy property tax just in the Unorganized Borough and in around the cost problem they've fixed a flat fee. A flat assessor, per number of acres. the question constitutional well, all I can^{say} is there statued on the books now which permits taxation of min-ing claims, except the

??

It's not on the books, thats not spelled in the books

??

Yes it is isn't it?

??

No

??

It's in the new Municipal code as a matter of fact.

??

I know its not in the Municipal Code.

??

Are you sure

??

It's in the 1966, it hasn't been there, and for some reason it's back in there.

??

Now I've learned ^{something} that I should know about, I should have known about.

??

They should have burned that code in 1913, or something.

??

Right now on the North Slope, during the exploration and drilling and the gulf around the airport and the huge new developing of the pipeline has the pipe sitting up there right now. Is all, I can see over 100 million, I can see maybe 1, or 2 or even maybe 3 hundred million in that Borough as a tax base to start and its going to be quite a substantial tax base for them up there. As it goes right now in the other part of the state it doesn't have the potential that it does there. Or as I suppose other Boroughs would be trying to _____. That is the major development right now.

Sig:

Bob what do you estimate the constant assessment around the North Slope Borough?

Bob:

Well we're going on basis of the Kenai Peninsula and Matanuska-Susitna Borough, they estimated and it wasn't completed very far didn't miss it very far, But its 200,000 for each of them. This is the mapping process and the evaluating process. Up there it may be less because theres less parcels on the other hand, its scattered all over, that it may come close to that figure, because of the remoteness and transportation costs.

??

Can't you over come part of your cost problem by having a personal exemption, or a un_____ taxing unit? tax only part of the interests, say over \$10,000 dollars?

??

yes. you could eliminate alot of the nitty-gritty stuff, which the

minimum tax bill type operation. This is one of the things I think is very important and its a bogged down deal, in our Local Government's now is that they seem to have to send out a tax bill even though its 50 cents and its ridiculous the kind of, it costs a couple of dollars for every one they send out and later on _____ collecting at such a low bid. And some minimus on this should be established.

Sig:

In the line of John's question you know this exemption, this type of exemption, what it would cost, but would the Local Government have to have the assessment information in connection with public _____ foundation program.

??

Well I should thing if this exemption occured it would be authorized by statutes probably and it would be state wide anyhow, rather than just on a Local basis.

??

And then you would figure it into you full _____?

??

No it would be state wide exemption, this would be illimited. I would assume that thats the way that exemption would have to occur rather than on a Local basis, There talking in terms of the Senior Citizens type of exemption. Which would be the same as home caners exemption.

??

Do you mean we would be telling Anchorage that they couldn't that the Boroughs couldn't tax anything under 10,000 dollars?

??

If the present bill went through, the state would reimburse the Boroughs for the amount of the exemption.

??

Unfortunetely it didn't get through either.

??

I know it didn't get through either.

??

But they could look at this to the state tax instead of a Unorganized

Borough. Where the state could levy a tax, in an Unorganized Borough, we could have it authorized in statutes, this authorizing statutes could set up certain existence which would be very carefully worked out. The mechanics would be simple enough.

??

I was thinking of the Senior Citizens Bill, where John was talking I was blanket property tax, homeowners exemption, such as they have in California I just wanted to make sure _____ we want a state levy property tax.

??

Yeh

??

Well you could not delegate the tax department _____.

??

No, what Don wanted to make sure of was that this didn't also apply to our Borough property tax.

??

Oh!

??

You wanna go on taxing every nickel, every nickel.

??

Just to clear up some possible confusion, I have that Mining claim that's throwing me here. A non producing oilties, they have a value that's been established as a result of their sale. Aren't they non-taxable under the oil & gas laws?

??

No their taxable if their not being drawn upon, and the states collecting their severance tax, if their not connected to a impossible extract, between extract and the states paying the tax then they are untaxable.

??

Presunedly many of the granted leases within that catigory.

??

Well the North Slope their all taxable their

??

So thats the policy decision whether there is no exemption under law now,