

SCOMM

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LOCAL AFFAIRS AGENCY
(DCRA) GUSTAVUS
RETREAT ON RURAL
GOV'T.

TAPE 1
-RETREAT-

Byron Mallott:

Since I have been the Director of the Local Affairs Agency, coming in with the new administration prior to the legislative session, having to become acquainted with a whole new range of different kinds of people, I have found that, personally, I have not had the kind of time that I really felt was necessary to really think about the issues that surround the responsibility of the agency and the kinds of issues and think that affect local government. I suspected that there were a whole number of other people who are involved with local government who from time to time felt the same way. After thinking about it for some time, what I would like to do is get my agency and small number of people together who have had an impact on local government and some real expertise and concern for local government to just spend some time talking about the problems and issues and programs and so forth that we are involved in, and to discuss some of the things that are taking place now in local government. Recognizing that in the Legislature at this time there are some very important bills that affect local government--Municipal Code, State Aid, the Department of Community Affairs, a bill to create legal service areas in the unorganized borough. After thinking about it for some time, I approached a number of people with the state government about the possibility of holding a staff retreat, if you want to call it that, and found that it was something that was pretty unorthodox in the state government. However I just recently found that the entire state government is contemplating a series of seminars to discuss state policies and what the Local Affairs Agency proposed to do might be an indicator as to whether it would be worthwhile for other departments to do, although they would be more formal in their approach since they would be focussing on their own budgets since the State is going to program budgets.

I sent, and I hope everybody received, the memorandum where briefly I tried to put down my reasons for wanting to meet with you and also my feelings as to why I didn't want a formal kind of meeting but rather a meeting where we could just sit down and kick around the issues and not formulate policies but discuss the kinds of issues and get a handle on them that ultimately would be taken into consideration when the policy of the state governmental level is formulated.

I'd like to say before I start that I am really happy that those not of the agency that were invited are able to be here. I look forward, during the course of the afternoon and possibly most of tomorrow, to learning from you and sharing experiences.

I set out a number of issues that we might be able to discuss during the meeting as well as stating that those persons who had other concerns in this area, they would bring those along as well.

I don't have a copy of that memorandum, I haven't given it a whole lot of thought just exactly where to start. I think maybe we might just start by each of us making a short statement as to what we feel is the purpose of this and what we might be able to get out of a conference such as this and then go back and focus on some specific issue.

Wick, since you're the kind of guy whom people regard as--well, I guess the way I can put it best is that when you were walking over to the bridge, someone said you were looking for a skull to contemplate.

WICK:

This is a very healthy sign, emanating from the Local Affairs Agency because some of us who have been around local government for a lot of years would really expect it to evolve _____ state leadership. Unfortunately, for a whole variety of factors, many having nothing to do with the staff of the Local Affairs Agency itself, there has not been very much leadership until now and not very much effective evolution of local government brought about by the state itself.

As many of you probably know, Tom Morehouse and I have been working on a study of the whole role of the state and local government in Alaska with primary emphasis on the evolution of boroughs. I think one of the main lessons that came out of our studies--and this is why I think this meeting is so important--is that many of the problems that many of us in Alaska experience with boroughs emanate not so much.

from the basic concepts that were in the Constitution that the idea was quite okay, adequate enough, and so on, but the problem came that for years after the idea was put in the Constituion, there was no further development of the idea of the concern of finding a program when the state was established in 1969 with immediate problems to deal with, there were lots of crises to meet, local government was shunted aside and there was nothing done about boroughs. Gradually, as some of you may remember, the pressure started building up to do something. Due to the joint effort of the Local Affairs Agency and the Legislative Council, a bill started shaping up which became the 61 Borough Act which really didn't resolve very much. All it said was what was already in the Constitution, but it said okay, if someone wants to come up with a borough, set up a process so--give it some further thought. Leave the initiative to people at the local level, and at the local level, they have all sorts of different ideas, most of them relating to the fact, don't we want them to have this new _____ voluntarily anyway. The school people didn't want it because they saw a danger to them loss of power, all sorts of building problems; above all, no one had seriously thought through the implementation of the borough concept at the local level. No one had taken a look at the state as whole and said well, here's how it could work and so on. I don't want to go on too long, but I think the biggest problem that we face here, and I am sure that this is why most of us are here, is the further development of the state role in providing some direction, some leadership for local areas, particularly on the issues that cannot completely be viewed from the local level. Most important in development of government in rural Alaska--here I think the petition that's already been filed by the North Slope group is a perfect example of what could happen in the rest of Alaska, if to continues again on the piecemeal level without any preconceived scheme. We're just liable to create more problems than we have today. This is the part where we're stuck with the 61-63 Borough Act. It's taken a lot of years to digest those. Within a few years, we'll learn how to live with those. But, I certainly hope that this meeting can be a beginning of what you might call a rational approach to local government in Alaska, the exertion of the positive issue by the state, particularly in the

solution of problems in rural areas.

MALLOTT:

Thank you. With the discussion of the North Slope Borough-- once again, I found that, as you mentioned, looking at the statutes determines the kind of study that the Local Affairs Agency is mandated by law to perform. It was really difficult to really get a handle on the kinds of questions that needed to be asked in order to make heads or tails of standards for incorporation. It puts a burden on a person. We've been struggling with that kind of an issue within the agency for some months now. As a matter of fact, we've got a series of memoranda where we've gone back and forth with it.

One of the things that has become very obvious to me, having been a member of the staff of the Local Affairs Agency some time in the past, was that the agency is taking a lot of _____ for a long time for a whole number of reasons. We recognize that even though it is a small agency that people say that we should be doing more things in certain areas, that it should be responding to these kinds of issues--that it has to develop a different kind of capability than it has now. Whenever you discuss these kinds of things with any number of persons, they all react differently and looking at the agency with that kind of background, it became obvious again that when you try to put together any kind of legislation, to create for example a department, that you really had to know exactly what it was that you wanted before you sat down to write the legislation.

I might begin by stating some of the things that the agency has done, at least in my tenure to date. Really, we've been kind of a new outfit. We've not had time to sit down and formulate any kinds of programs. We've been responding to issues that either have come back since I've been there or that have been on-going. You formulate policies that really have a large impact on local government during, you know, the heat of the moment--you know, working on specific issues--in defense of the agency. Maybe I shouldn't use that word, because I'm not really defensive about the agency at all, you know, I'm just trying to state some of the concerns that I know people feel. We really have been doing a lot of work. Essentially, it's been with smaller units of local government. Very small units of local government. People have voiced concerns to me that, you know, maybe you don't really have anything to do

very much with the very large units of local government. Because we recognize that there're internal capabilities inside the agency. However, probably, there's much that we could probably be doing with places like Seward and Valdez and Cordova and so forth. Maybe we ought to be looking at doing something there. The agency has, as a matter of fact, by and large, since I've been here, we've been working principally in the interest of the smaller units of local government simply because they are the people that are coming to us and asking for assistance. I really feel that even places like I mentioned, Kenai, Valdez and Seward--we've not had any kind of requests for assistance from them. Also, from time to time, I hear people saying what has the Local Affairs Agency done for us? You know, that kind of business--when they've never asked us to do anything. And that bothers me too. There are problems out there, too. Why should an agency that kind of responsibility have to wait for someone to come pounding at the door in order to assist them? No one on the staff has a strong background in any specialized field such as finance. We don't have a lawyer. We feel very much the need for development of capability in a number of specialized fields that, really, it is the capability of our staff that has determined what we do. I've found also, since I've been there that the agency has spent almost as much time working inter-state governmentally as we have working with local governments on a direct basis. (Doing what, Byron?) Oh, answering questions for the Department of Revenue taxes, revenue sharing. Personally, I've been involved in a whole number of things-- Pipeline, Land Claims, you know... Mostly, like with the Pipeline and Land Claims, you kind of of to say, that isn't my bag. Even the third floor doesn't know what the Local Affairs Agency is supposed to do, or if it does, feels that what it is they want us to do is sometimes more important.

So when you talk about state role in leadership for local government, this is somewhat my feeling as to what we got. If anyone would care to start talking now or has any comments about their own feelings as to the capabilities of the agency as they exist now or should exist, Maybe we ought to do that now.

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I'll start if you like, Byron. I have a few thoughts and I think all of us see essentially what problem we deal with. Suppose you and Vic have just decided those of us who work in local government know perfectly well what is happening. You're referred to as the _____ of his thoughts. Vic referred to it as _____. This is quite true in local government at all levels. We started out with a fairly beautiful Constitution which did a couple of things that I think need to be kept in mind. What it created--a very strong, flexible system of local government. Secondly, and it appears to me from the reading of the minutes, importantly created the Local Affairs Agency to work with this. The concept, of course, was pretty undeveloped, and I think aggravately so. So, what we've done in local government is work by trial and error to develop almost entirely by trial and error. I put it this way jokingly, but there is a good deal of seriousness to my _____--we make up the laws as we go along. We really do to a large extent. We also make up the procedures as we go along. We kind of hit a stage now, and I think this is kind of half time as far as starting to think along these lines. There has been a lot of experience accumulated throughout the state in all levels of government from the most sophisticated down to the rural electrification fourth class villages to where-- I think, possible at this state, to start developing some kind of criticism and examination and philosophy and techniques. To me, this is probably the greatest contribution the agency can make. The concept that it can only be useful to small governments-- I just can't accept because it's kind of withdrawn because you're not sitting there day by day. It gives a different outlook on all elements of government. I would say that the strongest function the agency can perform is, in effect, unified policies, unified experience, to write about them--to take experience and rationalize them--what has developed, why. A pretty clear path has been laid out since it was drawn up. Seems we were going along the best way to do things. Why are we going in this direction and what is the best method of getting some of these things done. The agency is in an ideal position to pull back and do this and I think this is the kind of thing the Constitution contemplated. Of course, frankly, most of us has supported

the department concept because the agency has been...well, all of us know, very useful to local government over the course of the years.

But it's just _____ to pull back and take a long view and to start pulling things together and rationalizing and in effect developing philosophies and guidelines. And, frankly, I would think that this is the most valuable thing the agency can do.

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I'd like to back this up with some related thoughts. Number one, I fully agree that you need a department and if you're going to get out of the sub-marginal according to operation where you can only deal with small problems of small communities and very inadequately at that because so long as you're within the Office of the Governor, you have a built-in political problem. The Governor does not want the budget of the Office of the Governor to increase substantially, you are under political constraint when you are within the department. Also, you cannot exert the kind of leadership when you are in a department where you can function. Start thinking from that standpoint. If you're going to provide leadership and expand, you've got to get out from under the Governor's office and become a department and develop more staff and so forth. And also, related to this, and this is in response to _____, I think it's very important to find a way to provide the agency, department or present, can be of service to the major communities also--where it can be valuable to the major communities also. Simply, again, for political reasons, you've got to have a clientele if you're going to be of influence, if you're going to get the kind of money that you need to operate. Otherwise if you are a representative of _____ havenots, you're just not going to get very far.

MALLOTT:

When I first became the Director of the agency, Bob Sharp said to me, "Byron, I see your major function as being the catalyst for straightening out the mess between the boroughs and cities." And I thought about that for a long time and I never fully resolved it in my mind. As a matter of fact, as to the role of the agency, you know, having what people view as a workable/local government staff--^{set of} men of good will ...that once the forces, all of the forces that are involved, set themselves in motion--know exactly what the role of the agency is. You know, that's just one of the kinds of problems

we have. We just don't really know where to stick your foot in the door in order to set up a kind of relationship with larger local governments that both of you mentioned.

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I wish this darn report of ours hadn't gotten stuck at the printers. We hope to have it out within a month, but, a couple of us were talking about the conclusions that we came to. In looking at the borough situation today as evolved from the Constitution-- looking at the history of the conflicts and so on, I think that Bob Sharp has a point and we make a number of recommendations relating to state policy. One of the things we analyzed which we should have done long before but never was done, was the different characters of the different boroughs. You have some that are urban, in effect, metropolitan areas such as Anchorage--Juneau is suburban, borough, and so on. Then you have what you call multi-created (nucleated?) you know, dispersed boroughs such as, I think the best example here is Kenai where you have a whole bunch of cities where there is need for central services that can be effective for all of the communities. And we agonize quite a bit--struggle over the question, you know-- can't the cities and boroughs ever come together and so on. There are a lot of ^{problems} problems at the local level and it would be very difficult for them to come together. And here, I think the advice Bob Sharp gave is very important. New legislation in the only _____ approach. Lot of _____ the state has available--revenue sharing programs, and most important in the _____ of local government that we've seen in Alaska in many years. I think most of you are probably more familiar with the provisions of the present revenue sharing legislation, but as I remember, it's in the section Grants for Law Enforcement that has specific provisions against duplication of services. Well, there's lot of room there where certain revenue sharing devices can be put to use to bring about unification where unification is determined to be desirable regardless of ^{certain} conflicts that ^{may} exist at the local level. Or at least provide incentives ^(?) for unification without forcing it on anyone, and provide dis-incentives for those areas where conflicts are constantly ensuing. And, from that standpoint, you can do quite a bit. And I think the revenue sharing program is your best tool for that. It's not a matter of

going in and arbitrating between the school and borough assembly or the city and borough in the case of Anchorage and Fairbanks.

????(Bill)

I'm not following you. When you mentioned something about Local Affairs Agency assisting a legislative area or something, I lost you someplace.

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Okay, what I was talking about was really a policy. This goes back to what I was saying earlier. The state has never really had a policy on local government and never any direction set, except to pass legislation when a big crisis was there. Then legislation was passed and issues and problems would be forgotten again for awhile. Okay, now we have certain developments at the local level. Weak boroughs do exist and we do have conflicts between boroughs and cities; there are lots of problems that boroughs have. The question is, how does one start resolving those problems. This includes some thing major--well, it doesn't mean major adherence of the state more than any of the others. I was picking up on the comment that Byron was quoting about Sharp making of resolving the problems between boroughs and cities. Here it is very important for the state to accept problems at the local level as also being state problems. Anchorage is divided into separate camps as conflicts--the borough, the city and the schools--they don't function effectively and sufficiently. These are problems of the state. When Anchorage doesn't _____ department find they have areawide police/or whatever they might have under unification, this means the state has a responsibility that is not being done at the local level, so the state spends more money. There are lot of reasons why the start should begin this. What I was suggesting was following some of the patterns of the revenue sharing program; that the state pursue that, develop policies and use the revenue sharing program as well as various other devices as a tool for, in effect, providing the incentive local area to do what many people in local areas think ought to be done anyway.

??? Kevin

Essentially, of course, to follow up this comment, what they've done financially currently is the structure of state aid as such--unification is financially disadvantageous...Let's use your police as an example. If you unif, you face the problems which you were assured would not come up but which is coming up. Previously, the

state had been doing policing without thought to local area. The area, since it unified, has had to take on several things the state had previously done. In other words, unification is a ^{good} way to lose much at the local level. The State policy is encouraging unification; ~~the~~ state policy actually discourages it. Thinking along these lines-- and, incidentally, this takes rather broad state cooperation because the Highway Department in certain areas, _____ they do. We just got a bunch of parks from the Division of Lands, parks that were handled before unification that we now have. Police services are backing out. In other words, the state departmental policies are, of course, to preserve departmental _____. By doing this, the state local government policy which has never been very explicit, but it's very clear anyway, towards developing local government is being discouraged. And, I think, the agency has a large role to play in this area.

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This is exactly what I was saying. You've got to remove the dis-incentives and provide incentives.

MALLOTT:

I recognize that. And, you've got to develop the mechanisms to do it, to get involved--looking at the agency as it exists now. You get involved in very major issues on the force of personality alone, you know--those of the city, the borough and the agency has to, as Bill said, kind to feel its way through and respond to issues as they arise. There are no real mechanisms that allow you to make major changes if they are necessary. ~~Like getting your nuts cut off.~~

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Okay, in other words, in relation to our report which deals with organized boroughs only is for the conversion of the Boundary Commission into the local government commission. It would concern itself with the broad issue of policy with performance of state services with apropos at the local level and make recommendations to the legislature and to the executives so be in arm (?) of a department, but mostly, be able to stand off, conduct hearings and so on, to have a constant review and evaluation in function-growing rather than deal with boundaries just on an _____ basis whenever that particular question--issue--arises...

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Are you anticipating regional...is that what you said?

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Well...you're a step ahead, but I would say yes. For purposes of local incorporation, it may well be regional, incorporation on a regional condition. But I was talking primarily on state condition, someone who could take some of the political heat on problems such as this...

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At the same time retain the boundaries...

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It seems to me though that what we're talking about here--the problems of the boroughs, municipalities the bargains are pretty well defined now and were able to say that they are, were talking about little bits of policy to encourage some things that were all pretty much at agreement with. We're talking about the unorganized Borough and some of the other smaller like Kenai, borough, business of this nature. We don't have a fatherly state at all. And the question is who is, who is to assume a leadership here and a leadership has assumed what kind of leadership, I don't prove that the legislature or the Local Affair Agency saying, coming up with a master plan, saying this is what needs to be done right now. I think that really that we need to have a dialog we need to encourage discussion of the debate around the State until we get some kind of idea of what we really want and then, and then we could start. We need to bring the rural areas up to place, where the municipalities are, where we have some kind of idea what its all about, how we need to go.

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I hope I wasn't taking to suggesting to state, the the state come in this way. What I really was suggesting is I'm not quite sure the statement is correct, that we have _____ that we all three own even with the more centralized municipalities, I was thinking the Agency stepping and taking a hard look at the presenting some kind of over all anoletikle picture to see actually how much of the code do you agree with? I'm not sure.

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Well I don't know I will give a point on the amount of agreement that sure there are lots of battles in the unification thing wages hot and cold but we seem to be much more ^{advanced in this AREA} _____ in terms of bring^{ing} about ^{SOME KIND OF} newly^{ly} applaud in the state than we are in many other

BYRON MALLOTT:

I think the pattern of government is becoming pretty well defined, the urban level and even though lots of conflict all the _____ needs. Yes but the, there's not definition in the rural area of the various auctions that are possible and that the advantages and disadvantages of various auctions and it seems like this is the area that definitions of environment your agency can really help some of the other agencies make a point of focus.

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One of the things that the agency even back when you were in originally listed in, I think it was 1966 and 1967 and continued through until you came on board on January 4th of this year was that it seems like you were continually engaged in day to day operations that practical problems of local government we've never had the staff to step aside and enter all that area with all that research with real fundamental research on local government policy which is on the structure and this sort of thing. And at the same time during the past couple of years the legislature itself has educated an interest in department licencing the agencies functions so that the funding can be provided through the executive branch department. To handle all these responsibilities there are a couple of big deals in front of the legislature right now. There's a good bill, the last session but it seems to me that if the legislature is interested in strenghtening the agencies that the appropriations would be made even if the Local Affairs Agency in anticipation as the department _____ decent bill can be drawn up.. I know I'm saying alot of things, all at once, but it an accumalated frustration that I felt that the three years that I've been with the Agency.

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Aren't you making quite a assumption there, or a presumption tha the legislatures really _____ Local Affairs, I don't think.

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Well maybe I should clerify this. If by saying at least legislative council has indicated that it was a strong priority of there's.

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The last legislative council, not the new one.

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Well I don't know what the new one has in mind.

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Byron another thing while we're on the subject, I think we've all had a opportunity to at least review in cursury manner, manner of Vic Fishers and Tome Moorehouser report on State and Local Governments instructions. One thing we havn't achieved as of yet, coordination between the Local Affairs Agency, and its potencial successor Department of Community Affairs through because of the actual production of this document because its going to be very important. If the Agency is going to begin to fulfill the responsibility, perhaps we ought to clue ourselves into Vic Fishers report. His final report.

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Well I don't think the report will be that specific and have that much. Let me comment generally for a m nute on sort of this hole research, and intelliengence function. I spent a few years in Washington, in view of Housing Urban Development Metropolitan Planning Development and at that time HUD had an appropriation for research in the amount of something like 400,000 when I first came on, In the early 60's. 400,000 for the whole United States for all the housing and urban research I think the budget for that is in the low millions now the policy decision was made and in the mid sixties that they really couldn't form internal research in a Agency that has my responsibility so this isn't feasible, so you look around the department of Fish & Game just a little bit of research the probability, the most research of any, but limited to the department of Highways and even that is limited. I think that for basic research you have to look outside, you have to use outfits like ours and other groups, consultants, where ever you can find them. And make sure lee is on his establishment the operating agency and those who can sort of like us it back and get away from it all and do the necessary research. But then making sure that feed back mechinisiums exist, because you know you can provide all the intelligence in the world and all the ideas if you fort of off in a shell somewhere and the ideas get lost you really havn't accomplished very much. But I don't think bill I should be conversoned of Local Affairs Agency and Department, and I]m not, I'm ~~not~~ taking care of it Converting Local Affairs Department from an operating Agency to one who sits back ^{studies} experiences and so on because as soon as you do that, well then nobody will care what you're doing you've got to have people who feel that you're serving them.

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I'd like to comment to on this, we've had a long history of informal educational development. Education ^{ed} approaches to all issues

BYRON

But it takes a long time to development awareness and interest and a movement towards resolution. I think sometimes we become impatient and don't show enough attention to the educational process and the developing of building awareness in order to do this you have to have a pretty solid basis of knowledge and this is ~~the~~ that has quite a panarama in the State on various offices for government sometimes you pray for confusion and look for a solution by open to moving in the educational process, but I think the setting such as this where we're trying to sharpen some focus on the goal and development coharance if approaches that are extremely important.

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Well I've been sort of thinking, it, Byron since you have started talking that I think that one of our biggest problems is that we don't even know what the State Government policy is towards local Government.

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The question I was going to ask you when you started talking don't you have any thing to say, relationship of Local Government.

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Actually I don't think that the agency or the administration had ever developed a real policy towards what they think of Local Government and the State should be what it should do and how the State can help them, accomplish what ever they think they should do. Now we have recommended to the Governor that he appointed through a advisory commission work with his office just has he's appointed a rural advisory commission. And I think between the Agency the leagues the university this advisory commission and the governors office we could develop a state wide policy toward Local Government. And then I think the Agency or fortunetly maybe he can get a Department would be in position where they could step into the Local areas without stepping on any ones toes, and maybe leading them the way that they would like to see it operate with in the State of Alaska. I think could get the Agency in that position and then we would have accomplished a tremendis amount of good and something that should have been done about 10-12 years ago.

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Isn't one of the problems though the that the municiple league hasn't been able _____ these transpolicies because of the municipalities themselfs havn't really had any dind of unitnity. I have noticed the manicplaities themselfs couldn't have had any direction. I imagine your job is very diffucult.

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I'd like to espond to that if I could, What is a big function to the munciple league what actually is performed this act is ineffective in place in the city and Boroughs to get to gether and have their brawls in private and reasonable policy. And there's been some strong brawls inter-munciple leagues. But also the munciple league has some has come close to bring Borough & Cities into at least talking to each other. And I can remember when we didn't. Not very long ago.

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You know I think we've developed a pretty good policy ourselves and I think its going to take the State to tell us what there policy is so that if we're way out of line somewhere but what they want to see happen or what they think what would be best for all concerned at least you know what there talking about.

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Well thats just the point I was making is though that normally you have strong lobbies, municipalities is the state accustomed as Alaska is the munciple league pretty well sets the State's policy and in this case there has been no policy and think that reflects what I think what lacks in the policy in the municipallities for general.

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Well I think we have a pretty good policy our statements pretty clear, good size and by the time its developed through the conferences and all the other meetings we had. The only thing else we never know whether we're in conflict with the State or whether we're ever going to get support from the State, things like that I just feel that if we knew what the State policy towards the Local Government was and had the opportunity to work under that policy we would be a lot better off. I say the thing of the munciple league lacks though you get officers of these municipal-ities together and you won't agree with the policy just because the people back home disagree with the pretty general and you if you don't have a broad basis of support in the State through the strongest lobby in the question in the State you won't get much of anything.

What the question is whether the representatives or the Local Government can go together and really represent their people or not.

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I think theirs a considerable lag myself

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My own feeling is that they by and large it is represented, the Local Government

I don't see any strong support public support for the programs in the' municiple league frankly.

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It is there but I havn't seen neither.

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I wonder if the problem is any real public understanding.

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Well thats the job of the municiple league. Which seem to me being the Chief lobbist of the _____manicipalities.

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Getting back to your statement that it is recommendable that the _____ independent of the State Government do fundamental research on questions that, can you restate your point or view with respect what the agency should do with its ownresearch functions and develop ing a philosophy of policy and guidance.

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I didn't mean to enbard the agency should do no analisis what so ever I think that the agency has to analize and ge envolved in quite a bit of quanitative studies I would have, My feeling was that it is to much to expect for any department to be able to under take major research as such as looking at the Totality of government and its problems and so on. I think the prime function or the agency is to assist in the evolu-tion of policy and providing service and if you don't provide service you don't exist. You provide service to only small sections or weak secture you won't amount to very much. Its just seems to me we]ve had to be ,so carerul talking about policy is if we can just sit down and write it out and come up with the safe and sound & solved problems this isn]t part or the constitution. But there are some policy]s that can be where you can start from yourgeneral goal and go right on and refining refining them right on to objectives and so on the operational shemes one thing was mentioned earlier was this hole concept of self government we pay alot of lip service to self determination but in fact then we turn-ed around and we over specific except when someone reaches the ultimate level. In fact theres reason why say a second class borough why and second class ^{city} shouldn't be able to determine on its own how they like to represent its what functions they perform and ~~and~~ . Theres a lot more that can be done to make local government operational and these are all kinds of things that require the sort of coming together the outside observer the practitioner at the local level and a state practitioner, I don't think the agency alone can do it.

Byron Millott

I'd like to comment with regards to your statement, He says the State has no policy , you know, and that Egan is kind of sitting back waiting for the State to build one. You know the league does speak for majority at least in strength and if not in numbers in the Local Governments, in the State you know its been a real concern for me since becoming the Director. I think I've talked to Don about a half dozen times on the phone, I've never been to his office and he's never been to mine. Most of this is a direct result of the past session where we've both been too busy to really do much. But that the real reason why I called this conference, is that I'm not the kind of guy that feels comfortable sitting down saying, (Hey guys come in to my office we have to develop a State Policy on Local Government).

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Let me break in here for a second, I think that impart that Don may be looking for is the kind of Policy that you support Local Government period. Such as the Highway Department, the Highway Department will pay for all of Alaska if they were given the chance.

??

I'm concerned with that also, you know for example the cities & Boroughs may be tearing each other apart and hindering the involvement of a very large segment of the whole economy and the social structure of the State of Alaska and the State will almost totally ignore it but not even recognize it but could be 2 people from the telephone company can be picketing out front; and the next day the Governor personally intervenes ??

This municipal problem you're talking about is our testing ground and this is where we're experimenting and where we're learning and developing ideas and I don't think there's a heck of a lot longer that way. Sure there are some problems but I think the experience of Juneau is a good experience and I think we learn a lot from it and I'm not yet ready to generalize, I want to watch a little bit more and I want to see what happens in Anchorage.

??

Let me go back to the one basic step further and actually let me say first I agree with this situation has in fact more lessons than _____ Which means you're going to end up in conference you are going to end up with inefficiency, you are going to end up with things that need to be straightened out. A lot of this has gone through and in certain areas lessons have been learned.

Denise isn't a State Policy to attempt to create a responding growing and confident Local Government? I mean you can get that basis and I wonder if it really is? For example you start with some courtesy in an unorganized Boroughing in the State Policy to attempt to have this grow in confidence and then successful where it can handle its own affairs and encourages it if it does grow?

??

Perhaps it would be right what questions what should State Policies_ This is what we are learning right now and I don't think any body could say too clearly that the State Policies should be _____ or _____ and I'm not so sure its not such a bad thing. In certain areas at least.

??

Well, at least in the basic area is it a important State Policy to develop compitable to government?

??

And to handle problems on a Local Level.

??

In other words as you start out you gradually you're confident in this and need help in this and then you confidence gradually increases this, the Policy of the State encourages? I reason I stay in practice not the State practice board both the Department of level and the legislative level is very frequently to just simply say that either we will totally ignore the problem or we will impose these peace meals solution on the worst blisters.

VIC:

This is really an important questions because before you can deal rural Government espicially regional rural government you will be up against this because, there you will tred on the jurisdictions of the individual State Agencies where it will be a question, of shall this be a State function or shall the people within a given leagion be given responsibility to carry out this particular function so this does become a question of Policy.

??

Vic, I question whether we can develop a Policy, that says precisley that which is to be treated as a Local and that which is to be treated by the State as a State wide problem I think we are going to find various among all our municiple or Community situations in Alaska.

??

I think the basic question is given _____ the two, you may have a choice. Does the State prefer to develop confidence, I think would

they rather have it developed at Local Government level, or are they more interested in developing an over all compitant State Government. Now certainly particularly capable of us. The Governor is still on Regional Service areas basically says no we're not interested in developing the confidence in the Local lovers. Some decision making power but the State reserves the right to make those decisions. Of course some other bills that have been introduced say some of them say other kinds of things, that yes you know that the thing has closed much power and has developed as much confidence on the local level than small communities right on up to Major Boroughs. You know and I think that's got to be a decision that somewhere the State Governments _____ before you can state passing any kind of legislation that we're talking about and doesn't even talk about maybe, except how the Department going to be if there is any control.

??

You're talking about on the Regional Service Bill, I opposed for most of the session, at the end of the session I've changed my mind entirely on it. And for this reason the thing I learned on the session was that the people on the unorganized Borough the legislatures and others don't have the slightest idea of what the heck the Local Government could do, of what kind of organized Government could do for them and how it would be used as tools. And the reason I became interested in Local Service Area Bill was because it would provide a means to get them together to begin to develop some kind of tool and looks like it to be a fairly good start. I don't think we can impose we shouldn't anyway, impose the level of Government on people who are not interested in using it at this stage of the game.

??

Specifically something like the Service Area Bill is the idealism concept of the increasing confidence because the service areas can ultimately do everything except for the fact that the service area you move in to an incorporated area, the Service Area is ideal you can feed in responsibilities as there ready to take it.

??

The thing is it brings people together lets them think what can we do on regional, some regional basis and that's what attracted me to the idea.

??

I had during most of the session, after consultation with the administration, we decided we would just let that bill just lie there, will it wasn't until the last 3 weeks of the session, that we decided we ought to do something with this bill, one of the reasons that you stated. And what prompted my concern was that there were a number of persons visiting

BYRON MALLOTT:

Juneau and in Juneau were concerned with the Local Government out in the rural areas and they would say things like we need to appoint a Blue Panel that would during between now and the next session, that would take all the information that we've got draft the legislation create by the Local Government. Well that's stupid, you know because we have perfectly clean vacuum out there, I'm not talking the state, you don't have people in this you don't know how people will really respond you don't have any real kinds of parameters and I hope though I had some of the same concerns all through out the bill that John has our Philosophy all the time during the developing of the bill and when we were working in the legislature, this would be a starting point. You that its purpose would be to try and get a handle of what is really needed out there through the involvement of the people that reside there themselves.

??

Byron did you ever take a map of Alaska and draw the Regional Service Area?

Byron Mallott:

The development of the bill, I purposely did not because to much look like the Greional Corporation.

??

Let me ask you another question, Whynot divide this State into 12 or however many unorganized Boroughs?

??

BYRON:

You know there are all kinds of options, that reasonable people can sit down and any kind of setting and discuss, we, this is just one we chose just looking at the staitory kind of authority and the consitutional authority that we had, and would probably be the least obnoxious to the legislature. Also we thought that we needed to kick the word Borough out of there.

??

I think we do have a _____ of whats wrong with sitting down and moving the panel without consoling the _____. I mean that the Borough, I think the Borough hasn't worked and I think if we may be start out with City-States to begin with like their developing now maybe it just takes people a while to get used to a idea and developing it a little bit. But if I was to do it over again I certainly would be opposed to the Borough idea.

??

Let me suggest this, that the reason why the Borough idea hasn't worked so far as it hasn't worked, is the fact that someone went off in the corner

and _____ the legislation and passed it, and this is my objection to the Regional Service Area Bill, without thinking it through, without knowing what it means and how and who operates and so on, without programming this all the way through without consulting the people without looking at all the alternatives, and then deciding which way to go, this is what happened within the 61 act and then the 63 act was sort of a reaction to the 61 act.

??

I have a different interpretation of Regional Service Area, in regards this is a tool in which people can get together and decide if they have community interest to put something together, we don't say we are going to divide a state up into a Regional Service Areas we allow the people themselves to say O.K. lets get together and put something up and see how it develops.

??

You know what the first Borough is? It was the Bristol Bay Borough, which is the most irrational Borough we have in Alaska today. And you're going to find the first people who get together may be the people like Glen Allen they want in the Service Area they _____ have nothing to do with the _____, _____. And they want their own damn Regional Service Area says 5 miles down Glen Highway and that's all they want, and at that point you haven't drawn any maps since you don't have a pre conceived notion you establish just as we established Bristol Bay Borough which is the result which served that purpose is because nobody else.

??

It seems to me what we're doing though is recent Service Area, is even if something like this happened, which would probably be disastrous the legislature and administration would be reserving the right to come along later to say we've learned, and reason of quantity we are going to take some of the larger areas and equalize some of the problems. And pretty soon on that basis at least we'd have something to work for, and is not as irreversible as the Borough is.

??

One of the things in the rural areas is that kind of decision if we're going to go the Regional Service Areas or, what ever we're going to go we'd better go damn fast because were getting to the point now in that situation where they've grown up with Glen Allen and like a _____ which is looking at a small Borough right at the mouth of the Yukon, all at that kind of thing. And if we don't get some things started we're just going to have really irrational things popping up all over rural Alaska without any thought at all.

One of the things that the discussion is impinging upon here is perhaps it will in the end be desirable for the State to Regionalize some of the Services and I think, Vic, that you mention that in your report, and to Regionalize it seems that it demands some definite boundaries in which people within those boundaries may have a voice in what the State Government and even what the Federal Government does in that particular region, a region of interests. And that argues towards definite boundaries as opposed to boundaries that are flexibly established for regional service areas.

??

I think we got into the discussion of Regional Service Areas, the real illustration is to have State Policy towards Local Government is developed or not developed and I like to say you know the discussion of the Fish itself and until latter get vack on the Local Affairs Agency.

??

Specificly it does illustrate quite better what is the State Policy going to be and is the State going to develop a Policy for the Regional Service Area illustrate this. Is the State going to develop the Policy that starts with no government and gradually increases Local capability which is the kind of thing being aimed at, with Regional Service Area whether thats the Policy talk behind it whether this is the proper recognition or not. It should stay encouraged for this type of growth.

??

I know Bryon has an illustration. But I want to get back and talk about Local Affairs Agency and Regional Services Centers. Lets hope later we'll get into and discuss.

??

Byron hold me back in the straight and narrow if I deviate to much from the subject I had in mind but Don mentioned Rurban Policy Development COMission I wonder if might thrash this around a little bit and see what benefits this kind of commission would have as opposed to the development of Policy through the Local Affairs Agency or perspective apartment.

??

Well there are a number of senics just to kick it off that would say that the Alaska Munciple League Is Urban Policy Commission

?? You don't get much recognition

?? We don't even get to much right spices eithter(Sorry Don)

?? I think that this place where Blue Ribbon Commission could function at least agree on quite a number of places on regards to the municipalities and their names and how the State should relieve to them and we

I think therir are ten things with equal ideas because

Now Mark careful you're on the Blue Ribbon Commission and its difficult on the Blue Ribbon Commission and I'm speaking from Municipality experience and municipality leave experience Committee. The Municipality League Legislative Committee for an example with people who are constantly working in Municipality Government. See things somewhat different and more practical point of view Your Blue Ribbon Commissions have a tendency to look at things from a purely theoretical point of view and to bring in a theoretical Approach and we're missing the real problems.

??

The problem _____ has though is the people who come from various Municipalities are not instructed as to what policy that Municipality is. They go up there with out any relationship, they go up there with the wrong ideas, there not representing one district to a city or something like that there representing the city, if the city doesn't have a policy or the Borough doesn't have a policy and so you have a lot of very strange thinking of Municipality League areas in my opinion anyway. I don't think the League represents what the Municipalities have in mind, quite often.

??

I really think, I really wouldn't mind local government except _____
_____. I don't think the general resimill citizen thinks about Local Government.

??

I'm talking about the Municipalities itself. Now I have examples in mind where certain representatives of gateway Borough, city of Ketchikan have gone to Municipality meetings and interval resolutions in which they'd be thrown out of office in Ketchikan they seem to be away from home and they can get away with it. It seems to me that they should be representing the Municipality and the thinking of the Municipality. After some Local debate perhaps a hearing on some of these questions.

??

Dich one of the problems is, seems to me that by and large around the state the councils and assemblies deal in the practical day to day problems. The same thing is confronting the Local Affairs Agency. They never have an opportunity to step aside and say whether our Borough whether our city, what is the policy that we see that is best in terms of our own ordinances in terms of the state law that governs us and their activities.

??

Yeh! But they should, I have to object to policies of the Municipality League when I know there are going to be Policies which are not Policies of the

Municipalities which are represented by the individuals who are there.

??

But the problem with going back I think Gregg can speak to this is one of the biggest problems we're in a position of developing policies probably stronger than any Municipality here and one of the things are simply headed most trouble with is being able to pull tight and work with basic, where should we be going and what should be our directions. Wouldn't you agree with that Gregg?

Gregg:

Yes I generally agree with that. At least in the unified government the demands on part time assembly are very.

Dick:

How can you justify a individual assemblyman going to a State convention and voting for this policy or that policy. When you don't have a Local Policy.

??

Well Dick can't you turn that right back to our legislatures who represent those people who write the most letters to you, not the hole people but just a few that you receive letters from or try and get an indications from.

Dick:

I think that a big problem, Why do the responsibility of Borough or Assembly men or city Government are elected to that body to represent people floating around and a few things. And he goes to another organization it seems to me he should go on an instructed basis . He's representing the city not the State or himself.

??

Dick I'd think this may be fine in theory and practice you know as a legislature that he can do it, what comes to my mind is most recent conference reprot of National Mayors Conference where they passed two resolutions I noticed. One resolution was to pull out of, do every thing possible to pull out of Viet Nam by December 31 of this year. I wonder how many Mayors were constructed on that, secondly they also passed a resolution, on amentory resolution, supporting the Alaska pipeline. I thought there wasn't one Mayor beside's from Sullivan who went —

??

Well we're still what we're talking about is the basic problem of there being a somekind of a dream of what the people will ask, or well or what there we should be going on some of these questions. And I'm looking for some reason for the lack of policy, and I'm looking for some way of developing that policy.

??

The question I think is though in terms of _____
Municiple League is if the Govenor makes, either recognizes the Munciple
League as his Urban Affairs Commission or Appoints an Affairs Commission
he can solve some of those prohlems, will it make the people be willing to
sponser to what comes out of th^e Local Government, they won't. If that's
one way to get an Urban Policy of Urban Affairs Commission and you need it
to come out of Municipalities are you tied in Municipalities or something
like that?

??

Specifically I think its important how we tie the Local Affairs Agency into
it. I think this is a hiddy input Agency where any decissions of this sort,
how do they arrive at there input and how do they deliver it?

??

Well any time you talk about policy you look at the full report, and there's
that policy you know once it's developed it's going to be prominated and
put into action and right now the Local Affairs Agency is it on behalf of
the Governor.

Bryon Mallott:

You know this hole issue of Urban verses and this is whats its been, it
hasn't been Urban and or anything, it's been Urban verses Rural, you know
it kept coming back to me, when I took the job well you know, here ol'
Mallott can turn Local Affairs into another Rural Development Agency you
know then just say to Hell with that. You know us Rurban guys will take
care of ourselfs from now on. And you know it bothered me alot, we really
have tried to respond to the kinds of _____ that effect the hole
Local Governments as they've been presented to use. But you know the hole
issue still lingers and was wondering if maybe we should talk about that for
awhile.

??

Well as I mentioned earlier I think the most important development at the
Local level has been the Revenue Sharing Program. Right now as we're in
a tight money period in terms of State funds but hopefully it won't be to
long, that will be resolved. Really what I'm sure most cities would like
is to have more money from the State and fewer restrictions on their funds.
In otherwards illiminate restrictions and give them more money. And I think
it is eccentually that it's a matter of policy of making the Local Govern-
ment work. I think that when the Legislature passed Legislation for Revenue
Sharing those leaving committments, we feel the Local Areas need more money

that they cannot raise themselves we at the State level have better collection
_____ so on and so forth. We will help make Local Government work.
O.K. the other areas and this is anticipating something you'll want to come
to is the Municipal code. Which has been a problem this time getting through
the Municipal code, maybe could be greatly simplified by eliminating maybe
half of the directives in it and just leaving more options to Local Government
letting them decide at the Local level how maybe councilment, or _____ or.

Bryon Mallott:

Yeh! You know but, then again in those areas right now that are either _____
orientation, purposely so us Local Governments have the power to make up their own
minds. There ambiguous because someone didn't know what the hell to talk about when
they wrote it. The councilors don't face those issues, they'll come to the Agency for
example and say you guys have the responsibility to tell us what the hell that section
of the log means. It's happened to us several times it's already _____.
No really that is a Local _____ responsibility, and they'll say Oh!
Local Affairs is passing the buck again and that's a constant kind of problem its one
that needs to be resolved. I just think that'll probably always be with us.

???

I think one of the most charming things that happened during the last ten years is the
sustained of the option of most of the cities that have become vulnerable cities and the
Boroughs around them all became _____ power of Boroughs. And nobody wanted
to get in any _____.

??

But on the point you were just making. I think there one function that Local Affairs
will I hope continue to serve and will develop stronger capabilities in and the kind
of thing that when we run into problems in which we do and I have a problem I'm dis-
cussing with you as you know at the moment, Have others areas faced this problems if so
what kind of solutions have they come up with and here's our thinking on it. What's
your thinking about getting together and Bat these ideas around. This would be a very
useful function I think.

Bryon Mallott:

If their going to do that though then they do in a sense have to become some sort of
research Agency because they have to have that material available and I don't, its not
just going to come to them.

??

The Rurban Area a strongly supported constantly increasing capability of the League
increasing your budget, increasing you legal status. No I said the league is constantly
supported in increasing capability of Agency

their Budget and their legal status, for the reason that you just made John.

??

There going to find out but I mean their gonna _____

??'

That is the most basic function of any Agency unless to perform is knowing whats going on within its _____ eviction and informing others.

??

We've just I think rendered a valuable service to Ketchikan in a respect. We were able to go down any specific problem that they were not really able to resolve and discuss with the number of the experiences that other people have had.

??

We had the same problem that came to Kodiak Borough when I was down there just recently, where you have volunteer people attempting to do a good job who were all set to cope with the problem. And yet we're not _____ of what the law was in relationship to the problem they were coping with. And we used _____ the case, and other matters that have come for the Agency to assist them in their problem.

Dave:

One of the things Vic that rather troubles me at this point here, when you have been speaking more Revenue Sharing so to speak with the communities and then you have to set less restrictions upon the communities in the regards to for instance, the number of councilmen they have, and how their elected and what region they come from. We've heard, I've heard an awful lot about the so called inabilities, let me put it that way, of people to assume local government and we havn't yet touched where in should be the educational persuit of the Local Affairs Agency.

??

Well Dave responding to the first half I personally believe its up to each area, to decide how much they can assume, and how they'll assume it. The educational persuit I think needs to be persued period.

??

I think educational persuit before I'd put your first point,

??

Well you know they both exist, we have lots of governments already, new people are _____ all the time and were helping create new ones all the time. And this is not a continuing education of already established government, it's not any pre education, or going out to the North Slope and

teaching them how to be a Borough before you permit them to be a Borough. You know its like a legislature gets elected to be a legislature and then hopefully he learns something.

??

Vic I'd like to persue your statement concerning permitting Local Governments to assume as much responsdibility as they feel they should assume. Now won't that eventually evolve into a situation where in some areas of the State you get very progressive people desiring to handle the Local Affairs, And other areas that are equally able to support Local Services, but don't want to assume the responsdibility and therefore the State assumes it for them. Won't we run into that kind of a problem?

??

Exanctly, and I think this is where you Revenue Sharing Program can be a means of promoting, under one hand you can require that certain functions be performed in given areas. I think on the other hand, you can provide the sentitives you can for instance rather than withdraw State Police functions from Borough's outside of cities. Just leaving the areas unprotected until O.K. now you fill the vacuum. You can provide suffiencient money in the form of Revenue Sharing to a Borough to make it advitaguious for them, In the fact you say Anchorage now has ten State Petrolmen and if they can get enough State money to have 30 Policement providing service in rural areas, there'll take the State money and run it themselves, I think

??

??

No I dor't think that duplication in otherwards _____ the service.

??

You'd be subsidizing wouldn't you?

??

Sure, Naturally

?

Looking at our present Revenue Sharing Program in the case of the city & borough Juneau Alaska now if the State trooping did withdraw from that area outside the citiesof Juneau and Douglas, would the additional and the city of borough fill the vacuum with Local Personnel. Would the Revenue Sharing Program be suffiencient to come and take the removal of those State Troopers.

??

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I would say it has to be made sufficient if the Policy is to strengthen Local Government to promote area wide effective area wide Government, then you research the Revenue Sharing Program to make it possible for them to fill it back in yes and as a matter of fact, the State, the heads of the Department of Public Safety would be very eager to be able to _____ the Local Services and be able to provide more what they consider the critical state police service. So I think that you would be performing a State wide Service just by letting by Local Police Functions be handled at the Local level.

??

What would be wrong with, are we talking about policy or Greater Juneau thing, what would be wrong with just contracting with the State Police now to provide a certain amount of service.

??

I think that we for instance we if the _____ troopers would put that money and gave it to Juneau for a Revenue Sharing thing they'd have eight cops patrolling the area whether they needed three or fifteen and it would create some problems in my mind in terms of Local Policy making.

..

Let me ask a question, and then again I'll stick to the city & borough of Juneau, because its the only one in Juneau right; What would happen there of course. Thadger is only _____ Revenue Sharing, and it doesn't even come close, its not even in the Ball park, you've looked at it obviously but what would happen is we currently got part of the area policed and assuming we're reasonably feasible to do so, This would be replaced by an extension of the fact the existing police Department and its untied Revenue Sharing is there has to be a profit, _____ this untied bit is the important part.

??

the thing that seems to be the problem with the Revenue Sharing though, if somebody fills all the holes up that you'd have no reason to believe that every city would use those funds for the purposes which were outlined.

??

It doesn't matter if you use them for this purpose or not. The point is to be eligible for the funds you have to be performing the services and didn't really matter where you get your money. As long as you, you're informing them, well I know of course legally it doesn't matter, but as far as what Vic was talking about he talks about encouraging people rather than requiring them, Well if you encourage them to spend money, I mean that's fine.

But if you're^{actually} encouraging them to spend money. But if you're encouraging them to do certain things and to control the Water Pollution, to control Planning & Zoning, do all these things in the areas of critical needs. Then there is a real problem if you're not doing those things and you still spending the money.

??

But, you're missing

??

It should be in effect blocked off categorical. The point is this would encourage the performance of the Services. And the services would be performed. I think it would be performed in a way that the municipalities felt was most desirable. And, it wouldn't be _____.

??

I think this a point that's a good point, and then you have a Local decision maybe you need a lot of policemen for protection maybe you don't. But, its a Local decision.

??

In otherwards you're giving them the capability, if they feel they'd rather have no cops in the street and they want to have swimming pools, the State has discharged its obligation at that point in affect by.

??

Just a minute though, you have banks that run these no matter what size the government is or what size population you have whether you have a bunch of small cities in an area, or one large city that each Government only has a small number of people that run it and I don't think the mass of the People really have to much to say about how that money is going to be spent and

Bryon Mallott:

Because it seems to me that, you know, that true, but if there are no police, and the city council, Borough Assembly decides there going to take all the money that was given them for law enforcement and spend it on swimming pools, and people all of a sudden see that there are no police in the streets, there going to do something next time elections roll around.

??'

On day to day services if you don't believe it the council of Assemblies are close to the people you _____ to walk down a street to a council. But,

??'

Thats of course an exaggeratedly obvious example which probably isn't the type of things were really concerned with like if you get into Planning &

Zoning and for instance the situation in Cordova the _____ outside the city which is uncontrolled and as far as Planning & Zoning or any thing pollution control anything of this sort there's no control of the situation and its a fairly good example other areas would be very simular if the Local People, many times had their say they would just go along and do as they please. Run their sewers right off in the water but that's a poor example but of course Juneau has been doing that for some time and all the other cities. So someone has to play GOD somewhere.

BYRON MALLOTT:

I think that Russ's point all thought you know be waiting to perform an _____ isn't really getting at that point. Because you know what we have now is in fact is a double indentitive, but, there is a need for example for the community, how in the Hell did we get on this subject. You know there is a need for _____ consent for example if a community now isn't performing Planning functions, well you know you must X them out _____ a different catagory and that community may go on for several years, without performing what neccessarily make _____ for them a valuable function. And thats something that when you look at them, you have to encourage them to assume these kind of functions.

??

You know so long as hwere on this Revenue Sharing, so far as I'm concerned, this is a personnel opinion. I see nothing wrong with the State having some standards for what they consider is adequate Planning, adequate Law Enforcement and Pollution Control , if it gives money based on perfôrmance of these services.

Byron Mallott:

That could back, that gets back again to Urban verses Rural where we agonize _____ Well if you do set standards for the police protection function for example there are certain levels, now you going to wipe that up the chance of all the Rural Governments to receive funds under that catagory.

??

Lt me go back to a point on this that we've _____ with you this winter But, I think it is an Agency function, I think that this is something that basically should be done by regulations the regulations should be fairly suffisticated and have fairly suffisticated catagories. And, I would suggest that the Local Affairs Agency probably

anchored hearings in various parts of the State, should set up a set of regulations of set of qualifications for example municipalities such and such category qualifies if it does this, if its such and such a category it qualifies if it does this, and in spite the fairly intensive study, field hearings across the State and some regulations issues I would think Local Affairs Agency the only party that quitters do.

??

Bryon I understand is being done with the Department of Administration now. Yes we'll at least get a preliminary relations are being drafted and then there'll probably go to the Local Affairs, public safety anyone who's involved.

Bryon Mallott:

I just wanted as a problem for those people who might act hostile and not recognize it as a problem you know, someones going to say if we're moving down the road and someone said well hey, you know, all right looking at it this way, well you know, you're screwing somebody else.

??

There's another thing that really inherited the hole concept of Revenue Sharing of its a problem of Urban verses Rural and that is if there's going to be a large infussion of capital in the governments, its gonna come because the pipeline is built because of oil that's where the money is going to come from, they say it's going to be the beginning. Now that money is coming out of _____ thats where it's coming from, now the municipale Leagues and others who it's in their policy that basically Rural Areas should have property tax too. And you know, there's a conflict there of taking money from one Rural Area and putting in Urban Areas at a time when the Rural Areas are going to developed, it's our opinion between our Agency and some other people that large confusions of capital are going to have to go to the Rural Areas much more so than areas that are more developed.' Because Urban otherwise you're going to start forcing people out of the Rural Areas in Urban areas and get the same kind of ghetto's problems you've got everywhere else in the country. And you know I think thats something we have to keep very much in mind in Revenue Sharing and setting up standards and things that. If the State makes policies that are basically going to destroy Rural Areas then the State has had in the past a policy

has encouraged the encouraged construction of small villiages the last Administration. Department of Labor the Commissioner of Labor basically came out and said it, that they just have to move them where the jobs are. Now basically our opinion the State has to develope jobs where the people are and then a conflict and that kind of conflict I think is really inherited the hole discussion of what Local Governments going be and where it's gonna be.

??

John for instance, lets in a mence assume that the oil is discovered in the Greater Juneau Area Borough or in the Anchorage Borough are you saying then the procedes should be basically go to the Urban Area and not to the Borough Area?

JOHN:

No I'm saying that my opinion of the State thats not the policy _____ ot kist ja]]ems that tpe money's in the Rural area which makes a nice examp but I think if it was discovered in under the streets of Anchorage the State still has the same responsibility to develope _____

??

Good I approve

??

Juneau has a chance with the gold mine.

??

I would go a hundred per cent with what you're saying there John, in that respect yes.

??

John I think you pointed out a difficult probleem with respect to the legis- lature because you know every Legislature they can chnage the policy, if there enunciated policy they can change it, There's no way to the Legislature that holds the purse strings can establish a policy that going to operate here on out.

??

Well thats true, nobody can establish a policy thats gonna operate from here on out really. One of the things that was in the Regional Service Center bill that I thought was good was the fact that the Legislature that had passed it, passed it as it was written, was saying that we believe

that we should encourage development in the rural areas so that's vital to the State. Those kind of things can be set down in Legislation they can come along and be changed _____ democracy in Anchorage that can be changed. But that's no reason not to work on it.

??

One of problems John that the Local Affairs Agency had with this developing with the Rural Areas, it's real good. We had one village for instance we were going to put in a sewer system and get everything all fixed up and then the money was approved and went to put it in and then the _____ had moved. It is a difficult problem.

??

Yes Well it is, the development of Rural Alaska is not an easy thing. Basically it's been something our countries been incapable to do anywhere else, to develop Rural areas. It's not going to be an easy thing, I mean to say that but it's my opinion that the State has the responsibility too.

??

You have _____ the Northern European experience which I think we should tend to ignore which the policies of some of the Northern European Countries have been to do something about the Rural areas about the stabilities of Education and what have you. What happens to _____ very nicely, it seems to be much more aware of this than the benefits of it, but I think that the Average Alaskan has no idea of the benefit that would come to our State to stability and the village in the Northland

??

Yes we're holding our next meeting like this in Northern Sweden

??

I hope at least then you'll provide some lunch for us.

??

That was next on the agenda

??

Getting back to the agency itself, if anybody else does have any further comment, specifically on what the Agency is doing or not doing or should be doing maybe not in terms to wish you policy in terms of program.

??

Are you talking about Agency and Department or the Agency as a constituent?

(end)

??

Not a Constitute

??

Well it is my hope that after next session the Agency will not be Constitute
so

??

Well you know, just what's its doing isn't going to drop dead just because
of the department.

??

You know from the organizational stand point I think that one has to approach
the problem is, I'm beginning to feel this is the way to go _____ the
Department is that the Agency needs to have a division is itself one to
work with Urban Affairs and one to work with Rural Affairs so we can
define responsibility _____ closely so we can justify expenditures

BYRON MALLOTT:

I'd like to be the Commissioner up there, bring the baby I'll split it
in half.

??

Byron on this point of what specific programs you and the Agency of Depart-
ment might undertake I think your staff will go along with the bill of
the Legislative Council introduced in 1969 and 1970 and listed a great
many possible rolls that a department Community _____ play in many of the
points listed were pending from a staff of sitting up these departments
_____ so it might be at least of interest to the members _____ discuss.
They've reduced some of those programs they range from largely clear nouse
for information and assistance with Federal application voluntary activities
to a slight degree a slight suggestion at least perhaps the way to assist
Local Governments may be to require certain standards as well as _____.

??

Have we got copies of _____?

??

Let me ask this of the people of the municipale league. What would be the
reaction if the Department of Local Affairs actually put out a bulliten
telling people of the Local Areas that the average tax payer how much
Police Protection Costs in one Community opposed to another Community
and certain municipale utility services and certain other costs,

I think this is one thing that could be very beneficial if the people have some way of finding out how to compare one Government in Alaska with another. With the municipal league being in favor of something like this, there's been a lot of opposition for instance to the public service commission during this municipal utilities in my areas anyway.

??

I've been consuming this study was relatively sophisticated. _____

??

Unreadable for the average person

??

Readable but not just simple _____ figures in otherwards some down before the figures are put down. I'm not speaking for the League but, I think ours simply would be very pleased to have a booklet like this before them at Budget time,

??

That's interesting we're basically not afraid of the way we operate Local Governments in the State deck. If that's what you're getting at.

??

Well I tend to think that Local Governments are themselves are individuals

??

I don't think ours would be, I think ours would be delighted.

??

Yours is a brave new world.

??

We keep talking about providing services, Yes well I guess going back a little bit further than when we talked about the strong points of the Agency I don't really know if we got into the weak points so thoroughly, but we did to some extent talk about the information service, which the Agency has, and could and can provide in the future. Certainly departmentalize it. And this seems to be the strong areas where we're working, and we've talked a little about the weak points, we really haven't had the staff in time to go into looking at new policies and shaping things for the future, we've been reacting to _____ after the fact providing information and we get into the areas where we're just starting to discuss now, And Gregg mentioned about working municipalities and providing certain information

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.

??

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

??

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.

??

Waht happened with that sort of shared city Manager program.

??

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 _____.

??

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 _____.

??

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 a mimeograph machine in terms of helping communities a little manual how to run your city.

??

Yeh, but the problem with that kind of stuff some of that 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.

??

121 isn't there now Bill, 121.

??

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 _____.

??

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?

??

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.

??

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_____.

??

_____ 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 the gotta have the knowledge, knowing well I don't know what the Hell the city _____.

??

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

??

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.

??

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 them 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 instead 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.

??

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---

??

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

??'

Yeh! I mentioned, - - -

??

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

_____ Local State as well as the Rural.

??

Yeh! I mentioned,

??

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.

..

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

??

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

??

Thats right!

??

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

??

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

??

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.

??

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.
??

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.

??

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

??

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.

??

O.K.

??

Dick you mentioned something kind _____.

??

What we're talking about, about the practical problems of soliciting
_____ around the State it seemed to me that maybe one
thing Local Affairs could do which would compliment, well we all compli-
ment, 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
??

Oh! I think it would be fairly easy to develop some starting issues
_____ solicit papers, and written state-
ments 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 relation-
ship 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.

??

You mean how do you divorce Agencies from Local Boundary Commission decision
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 that's something that really
??

Bryon this is sort of built in pressure and heat coming right from the Constitution and it's a burden _____.

Bryon:

I think that Administrative leave can do something to work it out. I just really crossed it out or something that's all I'm concerned about
??

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

??

_____ 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.

??

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

??

That's where it will eventually be decided anyhow.

??

I never thought about that.

??

You know it's 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 disput 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 dont think that thats intended here, and perhaps thats the wisest, Thats 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 ordinences, model procedures, providing consultant services, aiding with Federal Aide applications, conducting training programs, in the various communities at their requests. Whether this will insure compitant 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.

??

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 ambigerest situation where we have a roll of idea, Yeh! But talked about individual matters we say God damned itno. No we don't wan't 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 intire set of tools and let them go to work.

??

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, thats the majority attitude in the Legislature, really I didn't know.

??

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 the 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.

??

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.

??

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 someone served on a council someplace. 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.

??

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.

??

No question about it, that is why I raised questions earlier the other day about the municipal 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 Municipal 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.

??

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

Boundary 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.

??

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 earnest 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.

??

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, effiicient, 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.

??

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.

??

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

??

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

??

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.

??

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 inter'im 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.

??

_____ 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 Bristol Bay established. The State has sort of substitute in Economics _____ they in the proper organizations function Boroughs.

??

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.

??

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.

??

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.

??

You were at the convention of course Vic, 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.

??

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.

??

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.

??

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.

??

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 themselfs 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 Compitable 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 hoding 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 land as implimented the audit function will come back and say was the plan is actually followed. In one of the real criticle components is the definition of Regional Areas, in which the plan will be implimented 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 behing _____ policy _____ itself towards defining Regional Areas both to meet the State needs and to neet, has some frame work I guess for the implimenting 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 ordiencens, codes to Administrative, Fiscal Procedures, Proposed qualification for personnell, Apposed Accounting methods and what have you. So theres a great, theres a challenge 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 challenge 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 press-ure release that I don't even advise the council or mayor or anyone else.

..

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.

??

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

??

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 exploritive 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 alot 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, Wheather thats Education or not I don't know. Let me suggest to that this practice stuff I think that if you quartered, 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 repore the people and spend a couple of days helping them develop step by step the procedures of the town. And explain all that witten stuff to them, I think thats very effective.

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You're absolutly 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 villiages and insidently they can bring prisoners back and insidently 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 theres some responce. We need a different class of person I haven't heard about the circulating idea but I think its excellent.

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One of the others things to I think _____ returns to the Rural Areas is developing manuals, particularly on ordiencies, there its 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 wresteling 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, that's who made to the Alaska Statement our interest in the Local Government Development is certainly an areas where informal Education 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 implemented. 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 help 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 interpretations 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.

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 responce 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 municiple 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 ex er cising 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 about every 7 months or so, There always fighting, Alaskan 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 necessary. In other wards theres so many dept leaders it'll take weeks to get that developed.

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

??

It's kind of hard to determine what is a success and what is a mistake
when you really start analyzing it.

Byron:

Yeh! But you know they can go through and make a decision 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 it's a screw up, or maybe it's a very substantial thing
to _____.

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You know I was just 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 absolutely no where to turn, we
didn't know where to go and during the Legislative 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 kind of discussion that I
imagine there was some specific recommendations made a lot of questions
regarding the overall policy of the State with regard to Local Government.
There's seemed to be a lot 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 responsibility 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 there's a question of responsibility for funding whose, what is the best way to pay for these services. That's 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 sense 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 existence as being ultimately 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 it's 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 that's my mistake, but I think that the basic unit is somebody in the city of Juneau and Anchorage who needs services and he is identical in that respect, whether it is some guy whose in a Community of 15 or 30 he made these different 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 it's been a question in my mind how we can all talk about Urban versus 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 Rural 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 idea 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, Ths in essence the S 10 they've asked for support from several Governors which ^{has it} came to my attention. This encourages for example, location of business and industry in places of lower population dextities. But the whole directions, the wholtenes 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, field 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 unfortunately 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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~~Gerald~~ John 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 vacum and public utilities districts so we had to pay _____ with the vacum of the Urban level by the Local People. In the Rural Areas we in the past have B.I A. filling the vacum 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 vacum. 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 vacum 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 vacum 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 delt with a _____ Inland Borough which it may an appropriate Economic Unit, it may have to be something more significant inlargement 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 control it. Where you know you little clique can not control over little portion and this community can control this particular area. And that's 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 sense, and we're having a problem with southeastern, it's a problem not from the stand point of Local Government it's 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 than Haines don't have Boroughs, there's no particular reason nor this Cordova nor does Valdez Borough. Nor the combination Boroughs. And if you look at it from the State, you'd 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 it's very easy for us sometimes to start thinking very quickly, sort of you know, it's 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 it's 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 analysis 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 meaningful delivery system of State Governmental Services. Because none of them really exists and I think of what we've got is the dynamic force. 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 weather there is a suffisticated intrastucture 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 pertenuial vehichle permitchel Government and I don't think they've done to badly at that, the Juneau and Anchorage, and Fairbanks are form of metchel Government in another guide. And when were talking most of the discussion we've had in the last 20 munutes 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 per-sueing that Byron mentioned a duell focus. We were wondering to antici-pating the unorganized being planted on the 12 Regional bases we wanted to have a Government Unit for cordinating a delivery of services with in 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 come through last time was the bill permitting the establish-ment of Local Housing Authorities, the party structures is an interesting tool in most parts of parts of the country, my espression is that its a rather an undemocratic one, you've the authority and the Government on to itslef and its tied to the responsibility that the community it serves is continious. But on the other hand it does, it has a Burocratic effi-

ciency or can have a Burocratic efficientcy which is not paralell 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, paralelling a state service coordinating function which paralelling a third which is the Local participation, whatever the Local understructure thats 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 sence 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 paralell 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 intregues 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 in a fundemental 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 Tatal 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 fundimental differences in your view that needs to be recognized. Sig he said really that there isn't at least thats what I've dispelled.

Sig:

SIG:

Well I'm unsettled as to wheather there can be a definite differentiation

Well yeh I think there are gonna be some. I think ^{first} ~~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?

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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 ar whats hot, wheres where you might give--some thought to say O.K.
lets have a little more transportation this year and a little less public
safety or whatever it might be. Because we play this think like a musi-
cian. And then it gets interpeted back into organization terms rather from
the _____.

Byron:

Budget Management does all that?

??

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

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

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Well yes in terms of simplictic, just efficiently obviously if transportation
is a function their organizationaly there should be perhaps there should
be a department of transportation which has that as its sole function.
And you know, I would no argue either way but they do cross organizational
Education is an excellent example Welfare, there are any number of major
program catogories which do cross organizational lines. This is not pro-
jected to be the straight McNamara P.P.B.S. type of thing but its based on
the same principal that the function is more important than the organization.

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But in answer to Dicks initial question was I think will this will program
budgeting make a substident den. Oh! some of the questions that were
raining here and yeh! money makes a den almost any _____

a problem. But I think it would charify the issues that _____.

What is it gonna casts to follow a specific alternative.

??

The Legislative the problem of course is that you watch how the Agencies
work at home, and you come down and the Beaurowcrats 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.

??

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?

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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 merk has been by and larged 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 seeking} 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.

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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 certainly 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 was working 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 politicly 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 control 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 that's 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 sense. 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 overriding 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 afflicting 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 whether 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, consciously policy of the Development of Regional _____ and wherein you know you consciously 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?

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Yeh!

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Yeh! Well its hard to say. Bethel's cdtainly increasing under at a dramatic rate. But there are very few villiages that have decreased along with C.H.S., birth cõntrol 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.

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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 reagonal governments. But the people themselfs 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 selfs 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 amount 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.

??

Tie him up with the Alaska Constitution.

??

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

??

Just in certain areas.

??

Since the Director of L.A.A. has authorized to establish or to abolish Regional Service Areas in a unorganized Borough. The standards, OK, this is one, I'm concerned about a delegation, such as we been delegation 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, geography, 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, involved 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.

??

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 Cooperations 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 see you can explain what all the alternatives are before you start getting people in put into what they want. In otherwards 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 were 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 wanna put much money in that kind of thing. And it would be an expensive operation. That might be the experiential 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 be as related to a city. The way the things evolved you're really not. The Borrow was suppose 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 in 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 defininitely 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 within 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 Jonn'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, a 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 substannual services and we have suggested substannual 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 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, that's 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 ragik'. 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 Municiple League conference on other occasions.

??

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 helpfull 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 representitives in the University here in many states as you all know, we know here they establish bureaus of Municiple 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 for. of training and information, Does University have any proposals ^{which} they thing should be intered 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 th. 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 componant, to this equasion 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 a 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} ~~had~~ this function under Fitzgerald when he was the head of chairman of Federal field committee when he looked upon the University particularly CUR 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 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.

Justice 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 revenue 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 encidentally 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 form 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 presumedly 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 things 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 were 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. In 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-Su Sitna 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 rediculous 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.

against state or local taxation of non producing oil or gas leases. Producing leases are exemp.

??

Right!

??

And the value of the non producing leases is established as a result of sale. I'm just asking these questions as matters of information.

SIG:

In after they begin producing every thing except for the well head, pressure regulation and pumping equipment is taxable. Right?

??

Right! The leases themselves, the oil under ground is not taxable tha their under ground is not taxable that their pumping from, and inner or around the well in exempt. But as soon as it leaves that it was established on the what was it the Attorney Generals opinion on the Kenai that the platforms out there they wanted to _____ from there platforms to shore they thought they were exemption and they got the Attorney General's opinion. But as soon as they left platforms and headed for shore they become taxable along those lines. But in and around the well is considered a maybe settling basis or something right around it. But as soon as it leaves theres in public transportation it is taxable.

Byron Mallott:

Vic what were the kinds of issues that promoted the repeal of property tax? Wasn't it just because it costs more?

Vic:

No No, it was a pardisant thing, the tax was passed in 49 as a part of Breeding big tax package in 17 52 republicans uphold the Legislature and in 53 repeal the property tax it was as simple as that. It was sort of a different party a different _____ control.

??

Byron, I'd like to comment on that I'f I could. One of the main things that the reason why it was not a success. Was the fact that it was all done through v'unteer questionair type thing that was, each person declared their own property and what they had. I started out with a free good people got on the idea that there suppose to di it. They started to make

their declarations and then they found their neighbor wasn't and then in a couple of years they've all went to pot because well Clentillian was the one that gave me a little insight on this during his 10 years at that time with the fishing industry. In his boats and everything he found out that his neighbor wasn't putting in and said well heck, why should I and first think you know they just all went to pot.

Vic:

Well Chris it was even before then, the reason people started not filing was because it was immediately under cord attack by the fisheries industry.

??

Well thats probably exciting, so if it was done, it was done in a proper manner, if it was done, first a mapping project and then the actual done by individuals and going out and seeing whats there and by your paps and then sending the bill to these people rather than asking them what they have. You have more sucess by doing that.

??

The problem is forclosure, theres so many, native, client native alot of months when theres many aviations that are exempt, but those that are taxable, we have followed down our highway systems for instance, thinking of now per moment south of the Yukon River, and in our highway system theres a great deal of taxable property all scattered through there. Other than that its already in the industrial areas of caneries and mining developing all scattered throughout the state.

??

Thats a fairly good size community scattered throughout southeastern.

??

Yeh. most of the populated areas are within government with the exception of the spurting areas around them, there is quite a bit of that too.

??

Can you make any kind of an estaimate about right now how much property there is in the Unorganized Borough?

Vic:

Speaking of property in an evaluation

??

Yeh in an evaluation, you mentioned 2 or 3 hundred thousand or so.

Vic:

Oil oriented things on the north slope

??

Do you have any idea how much there is throughout the state?

??

I wouldn't dare to _____.

??

Also the native legislation on claims doesn't make any policy statements as to Local or State taxation, there is a _____ provisions providing the tax exemption of property that would create _____ and its limited to areas.

??

There is manufacturing quality is not even comparable if I understand it was mostly administration and it stayed administration position tax exemption on the tax role appropriation from the congress and on the property not _____ development.

TAPE 5

RETREAT

??

John I'd like to ask

??

You can give it to Byron and his department

??

You forget the native desput, the native land claims since Legislation has informed the exempts the land settlement from property taxation for a period of years. If during that exemption period. The lands are leased, would leases be taxable?

??

You don't know what the form of settlement is going to look like, thats why most versions would allow that to be taxable.

??

Even if they annex thing, position bill says that, land under development or if anythings developed its taxable. And once you lease it, thats a form of development I mean you're getting money.

Byron:

You had a number of other questions?

??

Another points was on my mind, as we were talking on the esumption that Local Government are developing constitutions perfect. There's no, we are certain the administration is going to be undertaking a study of Consitution amendment and I wonder what promoted you hand out a Local Government article whether there is something we ought to think about and even this approved, be worthy of amendment or repeal or whatever. Or if you read any new articles that might be needed. Except _____.

Sig:

You know alot has been said that Boroughs aren't working out, I think that Boroughs can work out under the Legislature Allocations of functions to the Borough's and the authority of, you know looking at the authority of Borough Assemblies as far as schools are concerned. A lot of the fractiona tion is do to the fact that the school districts are quite _____ right now, It seems to be a real source of problems that can be Legislative-ly corrected. We're venturing on to really dangerous territory here but ??

Every business that was in the battles think it isn't quite as easy to get it corrected the was we want to as you would like. And by and large anytime somebody suggested to clear up the relations between the Boroughs, and schools I mean when you set up an independent school district.

??

??

By the time we inact on a Legislative pay raise this next year, I don't if there'll have much energy to do much else.

??

I been inclined to think the home rule provision should be amplified. There are various model constitutions which in one case at least which take the same reproach, I think its the American Municipal Leagues draft of a home rule part of the provisions, perhaps I'm wrong maybe the National Municipal Leagues draph.

??

I know the draft you're talking about.

??

Yeh it clarifies a little bit what approibution means, the way it's stated now has caused a great deal of _____ you know today. Al-right now, Billy may disagree and say don't let the constitution get into this, well let the courts take care of it, and the Legislature take care of it.

??

What you're doing _____ is the fact allowing this pulled strong hold rule provision is and was examined for costs in future conventions and is considerably weaker than home rule provision we had. So if we're going to lose it, it might as well lose in court and not delivery the inditment as we get through the cost usuall process.

??

I'm not suggesting we want to loose it, I want a provision stay. What is a prohibition? So it an express prohibition is it a clyde prohibition, is this a question of presumption? What does the extent of the other hand of home rule power, does it mean the home rule governments going into matters other than a really direct jermain to Local Governments such as divorce matters contract, matters other matters, these questions have been raised.

??

~~Yeh~~ Yeh, but Graig I think that theres a hell of alot of history within the Constitutional Convention on as to what it means and it doesn't mean, and also the courts have been ruling and are still ruling on this, and I really don't think that this is as much of a problem issure, as it may appear presumption is certain a very clearly moved out under the record of the Constitutional Convention and the Legislative discission and Tom Stewarts decission.

??

Ever

got preumpsious

??

Even they

??

As bad as that decision was.

??

Well if you're suggesting that the State of Judicial decision has sufficiently clarified this, I disagree.

??

_____ only clarify it by giving away the powers

??

Well maybe the public should make the fundamental discussion and not the court, I'm sure the court would be amenable to accepting the Constitutional definition of what the people want home rule to constitute

??

Well it's just a suggestion, if you want to know what's been a real problem area, I'd say that's a problem area

Vic:

Let me mention that in our examination of the Boroughs, one of the areas that we felt might be subject to change, is the specification that city counts that the first class cities shall be represented by city councilmen on the assembly. Now this is really a very complex kind of provision, that provision was put in there as one of a number of attempts to bring the cities and the Boroughs together there's some who feel this has been one of the real conflicts. Provisions there are some who argue that it has been a good provision but much can be said for not constitutionally specifying that and leaving to each Borough in its own charter and its own, however it wants to determine or to Legislature for that matter to decide now it's done right and in the Constitution deal with the internal organization of the Borough Government.

??

Yes I'm glad you raised that Vic, but that resolution not a fact has already been introduced in the Legislature, some consider the provision null & void ~~some consider the provision~~ under the one, one vote formula already

??

I'm one of those that considers certainly this provision if the Constitution

_____ us ever changed us going to be in a real situation decision. It's gonna be knocked out. I don't think it will stand the Rural's vs. Citizens succeeding the reimportation case.

Vic:

This is where there's a very small first class city.

??

Such as the North Pole in the inner banks of Scarborough.

??

_____ on the Anchorage Borough

??

Simple what happened to _____ first class city. In otherwards the provision is in certain applications is unconstitutional and in the reapportionment cases are attending _____.

??

Well one man one vote Anchorage is _____.

??

The compromise might be to change the provision to say that you continue to have city representation in accordance with the concept of the Borough. But that you must expand you must take the city plus the surrounding population and have some special affection or something to permit a one man one vote.

Vic:

It would seem to me that if you're going to change anything, the most logical thing to do, now that Boroughs actually exist and we aren't here trying to sort of explain a concept by putting in some constitutional language is to just leave it out and not deal with Internal Organizations, leave it to the Legislatures and the people of each Borough to decide how they'd do it.

??

Yeh, I think that you were going to suggest, that makes a lot of sense because at the very best you can say about this, is it costs you some suspect

??

Of course that might give you a traditional county type Government if you left it completely to the _____.

??

Excuse me, I gotta leave, but its been a pleasure meeting all you fellas and seeing friends again here and will see you all later.

??

Now you know a little something about state assessors.

??

Well we suspected

Byron:

Do you have any other areas?

??

Those are the _____.

_____ illustrations of the problem. _____

said yesterday that there isn't much pressure _____, but in the urban areas, there's a lot of pressure. You've got to think about government in the urban areas around here have got all kinds of ideas that we'd like to superimpose on the unorganized borough.

(Dick)

Well, I think that it's awfully important to recognize also that rural areas, not necessarily natives--you have these going up and down the Glen Highway, the Richardson Highway, and so on, and this is (I didn't want to get into too much detail) really one of the problems you have with the present structure of unorganized boroughs. They are not only metropolitan areas as John pointed out, they are really cities within the sometimes larger regions. The Mat-Su Borough covers a tremendous region within which you have just a few settlements. Fairbanks covers a fairly substantial ~~region~~ region which ~~has~~ has an urban area at its core, but beyond that, it's pretty damn rural. And so there is a lot of delineation required regardless of whether you draw a distinction between native and non-native areas along cultural lines. There is need for sort of a rationalization of the present structure of the areas between urban areas and non-urban areas in terms of the actual functioning of what is going on there, regardless of the present institutional structure.

??

Another element--the very distribution of residents and their separation from each other _____ communities and between communities that a community on the ~~Kuskokwim~~ Kuskokwim may have better communication with Juneau than it has with other communities in its region. I think this _____ behind the lack of pressures you're talking about, Dick.

(Dick)

Let's go back and look at a couple things--first, I want to point out that we are currently talking about the roles of the Local Affairs Agency. The reason I want to stress this--I want to get Dick's report because it fits it well--but we are talking about these regional service areas and we are talking about rural government in Alaska, which is in essence a government without a clientele with merely an agency, that presumably will start as a very modest government, and with relatively firm state support will grow into a very substantial government. This has to be done with a great deal of care. One of the biggest problems with the formation of the boroughs was precisely with no clientele, with no demands, and really with no cares. The agency, in effect, committed itself to the support of the boroughs. The agency did not have the political muscle to do this, or

does it still really have the political muscle to do this. In that effect, I think the agency did a great job. It almost destroyed its creditability in local government and it did it up where the Governor backed away from the whole field of local government because he didn't want to get burned, and yet I'm overemphasizing, the point is there and I think everybody's aware of it. So this whole thing has to be approached with a good deal of caution as a function of the agency, and of course the urban functions of the agency will still remain

(Byron)

I think that's a good point, Dick. With relation to what both Dick and Jim Matthews said about the lack of pressure on the rural areas, I think that it is just taking many different forms. That is, one of the things that bothers me, is that because the people really don't know what _____; for example, the people are using the kinds of pressures that are necessary to create structures out there, but as Bob mentioned, they're not coming to the Local Affairs Agency, they're going to the Indian _____ at _____, and _____ saying we have to do something out here. They're going to the State Department of Commerce and saying we _____ borough articles of incorporation, form a public corporation that will encompass these numbers of villages into some unitive commonality (?) that we can use for ~~xxx~~ some purpose. They're going to RuRAL CAP and they are saying we _____ a region in our area, so we can have money to have meetings. People recognize the problem, it's just that the way they are seeking solutions is taking many different forms. Again, it gets back to a question of state policy--when is somebody going to take the reins and start to mold us into something that allows it to be a creature of the state? And AFN really is--if the land claims settlement comes about in a ~~xxxxxx~~ relatively short period of time, in more than half of Alaska, AFN is going to be a much more powerful, a much more significant kind of entity than either the state or the federal government. And if we don't do something fairly soon, in terms of making a cohesive kind of at least structural kind of entity (?), I see just terrible problems for the function of both state and local governmental kinds of responsibilities in large parts of the state.

??

But as we discussed yesterday, at the same time you don't develop an unrestricted _____, yet at the same time you don't develop a _____ outage of capabilities and some strong contact capabilities--you are going to put the agency in a murderously vulnerable position. If you attempt to get into this at all, you are going to have to have some firm ~~xx~~ support and some strength to

do _____.

(Byron)

I told John Havelock and the Governor that if you fund that regional service area bill, one year with \$750,000, it's going to be a dead law on the books. And it hurts! Also, I'm not speaking in view of the larger problem, not only in terms of the function and the responsibilities of my agency, but it's impact on _____ Health and Welfare, State Department of Education, Public Safety, everything. It really is a major problem.

??

We had members of the REG legislative meeting before the session, _____ at the very end of it got up and pleaded with us to create some kind of government in the unorganized borough where you _____ projects on. So there's nothing--no way of doing this kind of stuff. Another thing, we talked yesterday about what the agency could do in terms of holding hearings on some specific problems. I think that this is a very effective tool in terms of education of the unorganized borough--inviting people to begin planning and begin to understand what could be done and begin to develop some _____ approaches to organizing the unorganized borough. I really think it's something you should look at.

(John)

One of the key things is that particularly in terms of local government, in terms of resources rural people are going to have control of in the rural areas, that land claims is going to be much more important than local government and the state is going to have to recognize that. I think that rural government may well suffer in the short run because of the land claims.

??

There's no question, John, but the thing that worries me about land claims is that what we are going to do, and I feel a little upset about this, but it's going to happen, it's inevitable, that we're going to create 12 BIA's. We're going to be just as bloody top-heavy and inefficient as anything else. And the state's going to have to agree to wend its merry way and develop a thing on the state level.

??

More than that, there will only be a normal relationship with state government for large portions of the whole state. If the kind of structures that are being pursued now by many different groups that respect the land claims come about, really have parallel kinds of structures, you have either a state within a state or several states within a state.

??

Well, Byron, I think it's important here to realize why are all these things happening and why the land claims settlement will be coming shortly, we assume. We also have to look forward to the state receiving revenues ~~xx~~ of hundreds of millions of dollars a year which will be substantially more than will be coming to the native organizations, in one form or another, under land claims. At the same time, the state for the first time will be able to pump some substantial monies into areas--there will be some state functions that will be administered within the rural areas; in one way or another, they may become legal functions--education the primary one. John Shively and I were discussing this sort of a transformation of the health function into a regional function also with local involvement. There are other functions where local participation can and ~~xxxxxx~~ should be called for. This can all be taking place concurrently, properly established and properly correlated in sort of a situation where the state is far, far away in Juneau and doesn't do anything, and _____ new institutions that _____ everything, because there will be state involvement in one way or another, either direct or indirect, and it seems to me that the proper thing to work out now is the structure that will facilitate state involvement with this prime regional service area _____.

(Byron)

Now you're being sarcastic.

??

Byron, getting back to John Havelock's comments concerning the conventional way of looking at local government is that the liberties system for municipal services and participation by those who ~~xxxxxxx~~ receive the services in that system--are we looking at a structure for local government purposes, or are we looking at a totally different structure for economic and social development in unorganized areas? It seems that perhaps this consideration will help us with the definition of urban and rural in the application on a community basis. That's something of the same issue I raised with respect to the way we interpret the standards for incorporation as we look at the North Slope Borough. Where are the _____ to social and cultural kinds of considerations fit?

(John)

One of the other problems the state's going to have developing any sort of creditability with rural Alaskans--is there's ~~gax~~ sort of a ~~ixexx~~ lack of interest, particularly native Alaskans, traditionally in the state, of leaving the rural areas the problems of the BIA and the Public Health Service as a policy of the state--at least I know it was a policy in the previous administration--that's why

we don't have a _____ in this state, because the state doesn't want native participation. They think it will cost too much. That's the overriding consideration. So at the same time _____, _____ about the school system, _____ a number of rural Alaskan native villages are looking and getting out of the school system and ~~xxxx~~ back in the BIA, because the state isn't responding. I think that's going to be another problem in developing or having a system that rural Alaskans are going to believe in, or the state is serious in. If the state does get a lot of oil money or if we do get the pipeline bill, are rural Alaskans going to get their share? The ~~xx~~ state needs to put more in ores because the populations in the urban areas have to be (?) where all the money's going to go, _____.

(Bob)

John, I think there's something to what you're saying here, and try to tie this together with what John Havelock and Vic are saying--what you're facing here is the possibility that ~~apart~~ apart from the existing borough system, what you're really talking about, Dick, is counties in the more traditional structure as a subdivision in the state, as an administrative unit or delivery system, if you will, of state services and at least as a method of communication between local areas and the state, that does really not exist through the borough system, as staunch a supporter as I am of borough's proficiency, there is no recognition within any of the boroughs or any local-state tie, other than agency support--Local Affairs and this type thing.

??

_____ then you've covered it.

(Bob)

Yeah, but even that, that's like the old story that somebody told about a city-state-federal project in which the federal pay and the city and state take credit, you know. The man on the street recognizes that his wonderful borough has brought him this great tax savings--he doesn't equate this with the state. But getting back to structure, I think you're talking about something in terms of more traditional counties, or administrative units.

??

Not really, Bob, because one of the things that we've kicked around we were not willing or able to watch--we are proud of the possibility of actually having a double borough level. I only raise this as an example to show you some of the problems--I was earlier discussing the problem of Southeastern, and possibly Southeastern should be a separate unorganized borough, because _____ for administration and delivery and certain state services. Within that, you

could have organized boroughs (conceptually; I'm not sure if you can do that under the Constitution) or super-cities, as in effect Juneau has become, which meet the strictly local needs, then these local areas could participate in some way in regional administration of state services. Again, I'm not sure whether this isn't too much in the structure for Alaska, certainly at this time. But, county-wise, _____ a state unit, it is totally locally administered by local elected officials and so on. When we get into these larger regions, you're talking of something that may be more of a state region--you know, more of a state concern than necessarily a local administrative region.

??

I really don't know the ~~xxxx~~ answer. We've been kicking this around, and this is why I think it's awfully damn important that these kinds of discussions continue for a little while before we start going...

??

_____ governmental functions of a structure that you've set up for regional corporations, who will have a certain limited clientele, and a certain limited multiple authority type thing, which inevitably leads to conflicts of jurisdiction and responsibility and such--and ends up in a hopeless state of inefficiency.

??

Unless it becomes an intra-vehicle toward a new structure.

??

That's one of the problems we have--I think the boroughs have to be going the right direction. We establish the boroughs and then have not been able to move them, have not been able to ~~experiment~~ experiment with them as we should have, except _____ very rigid ones _____ that we've established so far.

??

I think, Dick, if you look at the several boroughs, you will see several different directions they've taken within that perhaps inflexible structure to meet their own local circumstances. I think the borough has been a very fruitful experiment in local government.

??

??

Well it seems to be in Anchorage.

??

I'd like to hear some comments on what people think the ~~xxxx~~ relationship should be

between state government and the more highly-organized forms of local government. It was mentioned that you start with revenue sharing and that's it. I see that the state has the responsibility to _____ process to fine forms, and I can see maybe state responsibility to establish minimum levels of service which might be established within local governments. What should be the relationship? What are the inadequacies as seen by some of you people that are involved in municipal government?

??

Since I made the original statement, I was stating a fact, not a desire to petition. I said these _____.

??

I was curious as to what else--what are your anticipations?

??

There are a great many things we've long felt the agency could do, and the state could perform. For example, by and large the state departments pursue their departmental policies, and their departmental policies by and large run counter'd by _____ cities, to what is presumably, though the state has no defined local government policy since '65 or so, but presuming that there is a state policy of developing responsible local governments, the departmental policies seem to provide _____ to any of this, we feel there should be some coordination among the state agencies--the entire state, not just Local Affairs. I'm talking about things like Highways, the Division of Lands, the whole damn bit. There should be some _____ thinking in relationship with local government that extends beyond just the Department of Local Affairs, as to how they're going to work with local governments and how, if at all, they're going to work _____ with state local government policy. We also feel that the state has the position of being somewhat withdrawn but yet connected, which was one of the constitutional concepts, and this puts them in a position that they can look at operations and look at things from a larger scale, and when called upon, give some very useful advice and be very helpful as technical backup in a good many areas.

(Les)

Speaking of revenue sharing, I wondered about sometimes if what do you mean by revenue sharing? Is this a patriarchal state ~~saying~~ saying out of the goodness of our heart we're giving you this money, or is it saying it's similar to a tax _____--here is your money which we have reduced so many per cent through state administrative cost in collecting it, and it's actually your money, ~~always~~ always was, and we're giving it back to you? And this is the basic consideration

to approach the problem--first of all, which way do you look at it, and from there, do you package these subventions, whatever you want to call them, revenue sharing payments--just give them to the communities and say this is yours, we have nothing to say about ~~how~~ how you're going to spend it, you merely spend it? Or do we say the state has the responsibility to see that certain services are available and provided through governmental funds for the improvement of the conditions under which the general populus live; therefore, we will require you to do these certain things or else say we will give you this money, then audit or inspect what you are doing and we have certain standards of excellence for your performance.

??

I think the state's made a quite clear policy decision on that--the decision is the first decision, that if you are qualified for the revenue sharing, you get the revenue sharing and what you do with it is your business. This policy decision has been made, and made very firmly, I think.

??

Well the state has made lots of decisions, but that doesn't necessarily mean they're right. As we were discussing yesterday, some of the decisions have been working as a disincentive for effective local government--they've been working as a disincentive for unification and so on. There's probably a lot of room for changing state decisions made so far. Number one, if anything, to provide incentives for what is considered by whoever it may be, let's say the state, to provide incentives for more effective local government, incentives for unification if unification is a state policy. In our revised report, we do make sort of a described essay distinction between the metropolitan and non-metropolitan boroughs and suggest that the state should provide incentives for unification _____ boroughs. But let me go a step further--I think that, and this relates somewhat to the debate going on in Congress in Washington now, I think the line has to be drawn somewhere between _____ and that the state can very properly look over the shoulders of local government and review performance, the adequacy of spending the money, and the state has every right to attach conditions, reasonable conditions, hopefully minimal conditions, to the subventions.

??

The point I was getting to--I left qualification to get exactly to that, the second part, a statement which I hadn't finished...

??

Sorry about that.

??

Your point is the precise point I wanted to get to--and that is, and we've discussed this several times but I consider it a fairly important point, assuming this policy decision, you got a big "if you're qualified to receive it," the question of how your're qualified to receive it is a fairly complex question, and it appears to me and certain other people that a way to do this is to have a comprehensive set of regulations, which I would hate to see done by the legislature, I think it should be done departmentally within the state because I think it's going to be fairly comprehensive and you're going to have to have some fair hearings, and ~~xxx~~ set up these standards you must meet if you qualify and set up the desirability of these various approaches. I think this is how you build what you're thinking of _____ unless the services are being performed on certain standards and unless they're going in certain directions, you don't qualify for revenue sharing. Once you have qualified for revenue sharing, this is not, in effect, "tagged money" that you come in with specific projects. This is a _____ I consider quite important, and I consider it very important, because I'm sure the legislature--I keep getting this feeling that the legislature wants to write rules--and I think unless the agency, or someone in state government, does come up with a fairly sophisticated set of rules, because we've got so many different type fact situations, we're going to get a simplistic set of rules from the state which just simply cannot be fair.

??

And these have to be performance standards that are invariably applied to differing situations.

??

I think, from what little I've seen, the legislature would be delighted to see some leadership in this area of administration.

??

But if there isn't any leadership, I feel they're going to take the bulls by the horns and put in some kind of standards...

??

_____ the legislature is that all _____ every legislator competes with the people who are elected to local government and every one of them feels that he owes a hell of a lot ~~xx~~ more in what should be

done locally than...

??

I was saying this about you last night, _____.

??

I can remember specific instances of the Anchorage delegation overhauling the borough when it was down for joint hearings on the municipal code and it was a ~~ka~~ bloody battle.

??

Bloody, bloody, bloody.

??

Well Byron, I can say on behalf of the League that we've offered all the help we can to the Commissioner of Administration in drafting these regulations. We've asked him to come down to our conference if he wants to discuss them down there. We've been up to his office because we heard someone in his department had been assigned to do this. We started long before the last session of the legislature, but of course there wasn't time nor was there the staff at that time to do it.

??

But I think another thing that I was trying to say yesterday is that we'd like to know what the state or the administration's policy is on a simple little matter like home rule. I think last year there were 10 or 12 bills specifically prohibiting home rule cities from doing something. We would like to know how the administration feels about this. Would they support it to the point of even maybe threatening to veto some of these restrictions on home rule power? I think Vic skirted on a question--how does the administration feel about unification? Is it their policy that in certain areas this is going to make a strong and better local government? These are the things I think the administration, through the agency, should develop so that those of us in local government know exactly where we stand with it, if they can determine--I'm not sure they can.

??

Doesn't the Constitution _____?

??

Not insofar as the legislature is concerned.

??

Let's go one step further--is it the administration's position to act as an aid in implementing the provisions of the Constitution or is the administration's position essentially that, while we don't particularly buy it, if the local government _____ go ahead, we're not really actively going to throw road blocks in their way, but we're going to make a relatively passive ~~xxx~~ attitude.

??

These are the problems of the League. Now yesterday we were accused of not forcefully supporting our own program ~~or~~ or bringing one forth. You spend about 90% of the time trying to defend yourself against other bills that have no relationship to the League and the program at all, other than they're against it. Every legislator gets a parking ticket or something like that whose got something in local government he's going to straighten out to his state ~~legis~~ legislator.

??

That will always be, regardless of state policy.

??

But it is possible to have stronger administration support.

??

It's interesting to me to see that there isn't too much resistance to the concept that Vic and _____ are advancing, that despite what the purpose article in the Constitution ~~says~~ says about maximum local self-government, and an agency to assist and advise local government, that it is considered a proper objective to attach conditions which, in effect, will develop more in content of the local government. Some might say this is a Constitutional interference with maximum local self-government.

??

Oh, you can always tag rats. I mean this has been known in the whole federal thing that you should give a grant for a specific purpose. This specific purpose must be being performed. You don't tell how it's performed, you form standards.

??

Right, I think it could be legally done. Despite what we as political scientists and lawyers may think, is this what our Constitutional system of local government in Alaska envisions, wise or unwise.

??

When ~~we~~ we really get into the internal _____ to our government, we use the money to probe more in content the quality of the local government, or do we use the money simply to make it possible for the local governments to make their successes or their mistakes?

??

Well traditionally, federal grants have been used to accomplish a specific purpose-- this has ~~is~~ always been the thing. The section of the Constitution providing for the local government agency, which is now the Local Affairs Agency, it says in the second sentence, "It ~~will~~ shall review their activities, collect and publish local government information, and perform other duties prescribed by law." If you look

at the Constitutional record, you will see that the other duties prescribed by law are discussed as involving all sorts of audit functions, particularly fiscal.

??

I don't recall that _____. What does the first sentence of that section say?

??

Assist and advise.

??

Not direct _____.

??

Not direct--assist and advise...

??

So this might put it in my regulatory or a standard setting rule. In other words, I think there were intentions from what I recall from reading the convention minutes as to how far the state will, in effect, set standards or control the performance of local government. In many states this is done, but whether or not it was the intent of Alaska...

??

But there's also very specific discussion in record, as you may remember, of providing incentives for local governments for local areas to incorporate to do certain things, the state providing fiscal incentives.

??

Of course there's a question of honesty here--if the ~~intent~~ legislative intent in revenue sharing was merely to provide incentives to local government to do those municipal functions that the local government _____, they should not have tagged them like \$5.00 a head for planning, and \$7.50 a head for police or whatever it might be.

??

??

Well of course this may be, pragmatically, but by the same token, I would recognize the writing of the state here, if we're going to use these ~~terms~~ terms, to at least set up basic perimeters within which this money has got to be devoted. If there's \$10 a head for police, you know, it should not be building a civic center.

??

I can't agree with that point. I think this is a major point. I think what they're doing in the revenue sharing _____.

But if you take the bill at its face value, it's providing an incentive that ~~is~~

certain services be provided. It is not providing the money for these services if in fact--that's why we have the free money concept--if the services are being provided _____, and you're allowed to use it any way you like. Let's say you're already providing police services, providing reasonably adequate police services, this \$10 was not intended to increase the amount you spend on police. so if you allocate part of what you were spending for police for a civic center, you're still acting well within what they intended. You are providing the service they give you the incentive to provide, and that's the basic purpose of the tie.

??

I think Bill is right on that. Otherwise, the only way you could give money to local governments is to reward those who are not doing an effective job.

??

Not only that, but you're getting into an area where the state is telling local government what it should do. _____ of how much police service is needed and whether, you know, all these kinds of questions which I think we're looking into, and we have varying and different answers.

??

I would concur _____ and accept that. As I say, the stated purpose or intent of the legislation is to enhance the potential of local government in providing those particular services. I think it would be alot more honest to say that this is a ~~XXXXX~~ state revenue sharing and the total of all these things to encourage local government to provide those municipal functions that it locally feels are most needed.

??

Of course that'd be better. There's no question about it.

??

I think one of the real interesting things that's going to come out of it--I don't see that it's come yet in the villages--is that present fire protection _____ and the amount of money the state's providing isn't going to do anything about it except the first time there's a little pressure developed for villages to establish local fire departments, we get a little money, and _____.

??

Actually it turns out, I think, that that way, firefighting may be one of the most important sections _____, because there's a new kind of chemical kind of stuff that can be used, and you could equip every household for about \$15 and you get \$5 a head whether you're organized or not. ~~WER~~ We're working on putting that together right now.

(Byron)

We'll take a 10-minute break.

(Byron)

I'd like to discuss, and hopefully John might have a statement on this, is the point and time at which we find ourselves in the rural areas. I suspect that right now, as a result of past history, we find a lot of very strong resistance to the establishment of state services and new mechanisms out in the rural area. I suspect that for a lot of people in the rural areas, at least in leadership positions, it's becoming an either/or kind of thing. You either give us total control, or just stay the hell out and leave us alone.

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I think that it's going to be a problem. I think some of it comes about as a result of Rural CAP experience, where originally the program was totally controlled from Anchorage and the ~~regional~~ regional people really got upset at that because the Anchorage office was overruling their decisions, fooling with their budgets and things like that, which is how the regional corporations concept can be set up and now there's a logical extension of that. They're saying things like "We want control of their HeadStart programs" and all the other kinds of things in which we're in the process of giving to them, but I think ~~if~~ if the state sets up a system which basically is a system but has no real power, the state will find itself in trouble because there'll be people with the kind of situation to say "Juneau _____ themselves to some extent with the CPC where there's a struggle over power." Or the rural people will just ignore it and use something else.

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You could solve it by going to the opposite extreme, which has certain merits. In stead of creating service areas within the unorganized borough, create a batch of whole new boroughs, provide technical backup support and say the decision-making authority is yours--you got it, baby. We're here to advise and help but you've got the power of the authority.

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As you remember, I was arguing very much like _____ when we were drafting the _____ legislation back in '69--that possibly the approach we should take would be to go directly to home rule to get each region to delineate logical borough regions throughout the state. Then give each region the option of going directly to home rule, and a reason to go to home rule, not just for them to have ultimate control, because there simply is no single pattern that could be imposed on Anchorage, or say Juneau as a home rule borough, and Northwest Alaska as a home rule borough. In effect, giving them the option of going to home rule, having their own little

Constitutional Convention or Charter Commission, deciding how they want to govern themselves, what structure of representation they have and so on and what functions they will ~~perform~~ perform and how they will perform, and then getting into business, the alternative being if they reject that approach, then they might become ~~xxx~~ some other general law _____, or remain unorganized. If they remain unorganized, then the Local Affairs Agency or preferably the Department of Regional Community Affairs, in effect administrate the borough or these regional functions within that particular unorganized borough. I think there's a hell of a lot to be said for it. One thing though, John, that's important ~~before~~ before you get into something of that sort (John Shively, that is) is okay, say ~~xx~~ they go home rule. What in the hell do they do as a concept? I very strongly believe in this. But what will they actually perform in terms of local government functions?

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That's the major policy question, and I don't think it's absolutely necessary to turn everything over to them, and of course to some extent the tax base would be an expensive process for state. If they want them to do it, I think it's a system that could be made to work if the state wanted to say okay, every place is going to have a home rule borough and we'll support those places that need them to the extent possible.

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I wasn't advocating it, I was just pointing out that there's a tool available if this policy...

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That is one way to go. I think right now certainly with the state's financial situation, we're not about to look at that. But now you've got to look at developing something and give them power over certain things with the intent that other things will begin to turn over. There are some easy things, too, like RDA, which I keep mentioning, but that is easy, and probably some other planning functions and things like that, and start to work ~~into~~ into what you do with school systems and other things on a regional basis. So if the intent's there and you're working toward it, you solve some of your problems, not necessarily to build a whole _____.

(Byron)

The policy question then, and it seems to me that the state is either purposefully or at least drifting toward a policy in the rural area...

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Purposefully drifting?

(Byron)

But the thing is, whether you go the route that Bill and Vic mentioned, and also what John mentioned, the whole policy of whether you go whole-hog or whether the state believes it's in its best interests and also the best interests of the people out there, that it goes slow, transitional kind of approach be taken, with the state reserving to itself the decision of whether or not and when the local area is capable of assuming a certain function, or as John mentioned, whether you do establish the intent and allow the local people themselves to make the real determination as to when and what they assume, and the state simply then acting in concurrence.

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In other words, a lot of the local people to make mistakes rather than insist the state make the mistakes.

(Byron)

Politically, that's a major problem for us right now because the state has kind of taken the approach that we need a transitional kind of thing, wherein the state really makes the decisions as to when local people are capable of assuming certain things.

??

I don't see from the standpoint _____ why we couldn't regard home rule powers as also being something which could be used for a transitional approach to local government...

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I don't know why I never ~~never~~ considered this before, but I find this _____.

(Byron)

You mean why they assume powers as they feel...

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Sure--what the hell, if they don't have any tax base, what are you going to do?

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In terms of what the existing policy is, that is the policy. The proposal of the administration last year was simply to set up a minimum form of government, which was the service area government. But the local option to form more complex forms of government is there and waiting upon the local initiative to do it. That's been the state policy, and it seems to me the reason that policy has worked is because there is so little initiative and so little interest _____.

But if you really took full advantage of this in the direction you're suggesting, utilizing the home rule power, I can see nothing but trouble because you'd end up effectively bulkanizing (?) the state. There's not an adequate definition at the