

ALASKA LEGISLATURE SPECIAL COMMITTEE/SUBJECT FILES 8672

2524 SCOMM 111: DEFERRED MAINTENANCE TASK FORCE, 1997



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SCOMM 111: DEFERRED MAINTENANCE TASK FORCE, 1997

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REPRESENTATIVE KIM ELTON
REPRESENTATIVE RICHARD FOSTER
REPRESENTATIVE JEANNETTE JAMES
REPRESENTATIVE BEVERLY MASEK
REPRESENTATIVE GAIL PHILLIPS
SENATOR TIM KELLY, CO-CHAIR
SENATOR LOREN LEMAN
SENATOR GEORGIANNA LINCOLN
SENATOR ROBIN TAYLOR
SENATOR GARY WILKEN
SENATOR MIKE MILLER

Established by Legislative Resolve No. 14, 1997 (HCR 8).

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SCOMM

111:1

ALASKA STATE LEGISLATURE

Rep. Eldon Mulder, Co-Chair
Rep. Kim Elton
Rep. Richard Foster
Rep. Jeannette James
Rep. Beverly Masek
Rep. Gail Phillips



Sen. Tim Kelly, Co-Chair
Sen. Loren Leman
Sen. Georgianna Lincoln
Sen. Robin Taylor
Sen. Gary Wilken
Sen. Mike Miller

DEFERRED MAINTENANCE TASK FORCE

Capitol Building, Room 501 • Juneau, Alaska 99801 • Phone (907) 465-2647 • FAX (907) 465-3518

October 20, 1997

Senator Georgianna Lincoln
State Capitol Building
Juneau, Alaska 99801-1182

Dear Senator Lincoln:

Thank you for your October 15, 1997, request to hold additional hearings by the Deferred Maintenance Task Force. Unfortunately, our schedule and the time until our final report makes it difficult.

The Deferred Maintenance Task Force has been extremely active and visited many areas of Alaska, both rural and urban. The Task Force, in which you've played a significant and productive role, has visited 16 communities, viewed 16 schools, 3 University campuses, 3 prisons, 3 harbors, 8 airports, 13 other public buildings and hundreds of miles of roads and highways. Unfortunately, because Alaska is so large, it is very difficult to visit every legislative district. However, we do feel we reached a good representative sample and were fortunate enough to hear from Delta Junction during our Fairbanks hearings.

The purpose of the site visits by the Deferred Maintenance Task Force was to see samples of the deferred maintenance throughout Alaska. It was not to visit every example of deferred maintenance.

We believe that the Task Force has gained a good understanding of the state of repair of Alaska's public assets. It is now time to discuss financing options and to develop a report with our recommendations for action.

Sincerely,

A handwritten signature in black ink that reads "Tim Kelly".

Senator Tim Kelly
District K
Co-Chair

A handwritten signature in black ink that reads "Eldon Mulder".

Representative Eldon Mulder
District 23
Co-Chair



3300 Arctic Boulevard, Suite 203
Anchorage, Alaska 99503
Phone (907) 562-7380
Fax (907) 562-0438
Email: swamc@alaska.net
<http://www.alaska.net/~swamc>

RESOLUTION 97-19

A RESOLUTION URGING THE GOVERNOR AND THE LEGISLATURE TO INVEST IN ALASKA'S FUTURE BY ADEQUATELY FINANCING THE REPAIR AND ON-GOING MAINTENANCE OF ALASKA'S STATE AND LOCAL PUBLIC FACILITIES IN COOPERATION WITH MUNICIPALITIES

- WHEREAS,** completing deferred maintenance on state and local public facilities "within five years by consistent annual appropriations" is the number one issue for the coming legislative session proposed in the draft Legislative Platform of the Alaska Conference of Mayors and the Alaska Municipal League;
- WHEREAS,** since Alaska's oil boom, Alaskans have made a major investment of Alaska's oil revenues in the development of basic state and local public facilities such as roads, harbors, schools, airports, sewer and water systems, landfills, and other critical public improvements. However, the lack of adequate state funding for maintenance and repair of these facilities has created a quickly growing backlog of deferred maintenance which threatens Alaska;
- WHEREAS,** local taxes, especially property taxes and sales taxes, alone are insufficient to meet the backlog of deferred maintenance;
- WHEREAS,** as argued in the State of Alaska's "Compact" case against the federal government, the framers of Alaska's Constitution did not believe that Alaska's public facilities and services could be financed on local taxes;
- WHEREAS,** the cost to meet the current backlog of repairs and deferred maintenance is estimated at well over \$1 billion;
- WHEREAS,** the cost to meet the current backlog of repairs and deferred maintenance is growing quickly due to the advancing deterioration of many of Alaska's public facilities;

NOW THEREFORE BE IT RESOLVED by the Southwest Municipal Conference that:

1. Each Alaskan is urged to support the need for Alaska to act immediately to create methods of financing the repair and maintenance of our state and local public facilities.

ALASKA STATE LEGISLATURE

Rep. Eldon Mulder, Co-Chair
Rep. Kim Elton
Rep. Richard Foster
Rep. Jeannette James
Rep. Beverly Masek
Rep. Gail Phillips



Sen. Tim Kelly, Co-Chair
Sen. Loren Leman
Sen. Georgianna Lincoln
Sen. Robin Taylor
Sen. Gary Wilken
Sen. Mike Miller

DEFERRED MAINTENANCE TASK FORCE

Capitol Building, Room 501 • Juneau, Alaska 99801 • Phone (907) 465-2647 • FAX (907) 465-3518

November 10, 1997

Robert S. Thompson
HC 5 Box 6875C
Palmer, Alaska 99645

Dear Mr. Thompson:

Thank you for your letter about paying for the maintenance of public infrastructure.

As you may be aware, the Deferred Maintenance Task Force was created by the legislature to review our state assets and develop recommendations to fund the needed repairs. Last Thursday, the Task Force tentatively agreed on its recommendations. I have enclosed copies of the packet we released on Friday.

As you might note, the Task Force will be recommending that the interest on the Constitutional Budget Reserve be used to address our deferred maintenance program. The plan will fund almost \$1.5 billion in repairs and improvements to our schools, roads, harbors, airports, University of Alaska facilities, and other components of Alaska's infrastructure.

I would note that the legislature has never appropriated any funds from the Constitutional Budget Reserve to the Permanent Fund. The Constitutional Budget Reserve is not involved in Dividend Program.

If I can be of any further assistance, please let me know.

Sincerely,

A handwritten signature in black ink, appearing to read "Dennis L. DeWitt", is written over a large, stylized, and somewhat illegible signature that appears to be "Dennis L. DeWitt".

Dennis L. DeWitt
Staff Director

cc: Rep. Masek
Rep. Ogan
Senator Green

CORRECTION

**THE FOLLOWING DOCUMENT(S)
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RESOLUTION 97-19

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- WHEREAS,** the cost to meet the current backlog of repairs and deferred maintenance is growing quickly due to the advancing deterioration of many of Alaska's public facilities;

NOW THEREFORE BE IT RESOLVED by the Southwest Municipal Conference that:

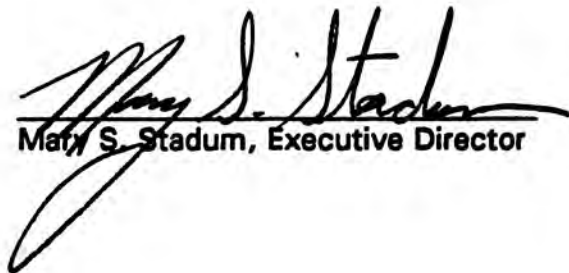
1. Each Alaskan is urged to support the need for Alaska to act immediately to create methods of financing the repair and maintenance of our state and local public facilities.

2. The Governor and the Legislature are to act during this upcoming legislative session to work with local governments to correct the current backlog of deferred maintenance within five years by consistent annual appropriations.
3. That all municipal officials and all Alaskans are encouraged to work with the Governor and the Legislature to explore and consider methods of financing deferred maintenance and repairs that do not have the effect of requiring large increases in local property or sales taxes.

PASSED AND APPROVED BY THE SOUTHWEST ALASKA MUNICIPAL CONFERENCE
THIS 29th DAY OF SEPTEMBER, 1997.



Alice J. Ruby, President



Mary S. Stadum, Executive Director

ALASKA STATE LEGISLATURE

Rep. Eldon Mulder, Co-Chair
Rep. Kim Elton
Rep. Richard Foster
Rep. Jeannette James
Rep. Beverly Masek
Rep. Gail Phillips



Sen. Tim Kelly, Co-Chair
Sen. Loren Leman
Sen. Georgianna Lincoln
Sen. Robin Taylor
Sen. Gary Wilken
Sen. Mike Miller

DEFERRED MAINTENANCE TASK FORCE

Capitol Building, Room 501 • Juneau, Alaska 99801 • Phone (907) 465-2647 • FAX (907) 465-3518

November 10, 1997

Robert S. Thompson
HC 5 Box 6875C
Palmer, Alaska 99645

Dear Mr. Thompson:

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If I can be of any further assistance, please let me know.

Sincerely,

A handwritten signature in black ink, appearing to read "Dennis L. DeWitt", is written over a horizontal line.

Dennis L. DeWitt
Staff Director

cc: Rep. Masek
Rep. Ogan
Senator Green

November 2, 1997

To: Deferred Maintenance Task Force
Capitol Building, Room 501
Juneau, AK 99801

From: Robert S. Thompson
HC 5 Box 6875C
Palmer, AK 99645

re: Paying for maintenance of public infrastructure.

The arbitrary cuts in funding levels set by the legislative leadership must stop. Public infrastructure that is vital for continued economic vitality in Alaska, is in desperate need of state funding. Without help from the legislature, the continued degradation of infrastructure will result in unsafe roads, unsafe schools, closing airports and harbors, and a decrease in roadside tourism as roadside facilities deteriorate.

It is unconscionable to me that the legislature continues to cut public funding when billions of dollars from the Constitutional Budget Reserve and oil royalties are deposited in the Permanent Fund. The Permanent Fund annual earnings are now greater than the annual oil royalties received by the State. It doesn't take a genius to see that we have more than enough money to take care of our public property.

The excuse that many current legislators give for not only leaving the Permanent Fund off-limits, but for depositing extra earnings from the CBR into the fund rather than spending it on much needed projects, is that the people of Alaska do not want the dividend program affected in any way. While the PFD is an extremely popular program, I don't believe there is a person that understands Alaska's fiscal situation that doesn't believe we will eventually have to stop putting extra cash into the fund.

Part of a legislator's job is to speak honestly to the public about state matters. It is time for some straight talk about the need to spend state money on public projects. It is time to speak about the enormous benefit to the state of putting resources into infrastructure, rather than the dividend program. It is time to speak about the potential for the billions of dollars the state has to provide for schools, roads, airports, harbors, and other needed infrastructure in the state; and at the same time, providing a Permanent Fund Dividend Program growing to more than \$2000 per person by the year 2005.

The cost in lost opportunity and lost public confidence is much too great if the legislature and the governor do not act. It is time to re-direct state resources into programs that will benefit the long-term interests of the state. It is time for the legislative majority to honestly own up to reality. The current direction has no future. Stop cutting the budget and help the future of Alaska by spending our resources responsibly.

cc: Deferred Maintenance Task Force
Rep. Beverly Masek
Rep. Scott Ogan
Rep. Vic Kohring
Sen. Rick Halford
Sen. Lyda Green

Walter J. Hickel

Box 101700
Anchorage, Alaska 99510-1700
907-276-7400

October 21, 1997

*The Honorable Tim Kelly, and
The Honorable Eldon Mulder
Co-Chairs, Legislative Deferred
Maintenance Task Force
P.O. Box 21000
Anchorage, AK 99521*

Dear Tim and Eldon,

Thank you for the opportunity to sit with the Legislature's Deferred Maintenance Task Force on Monday to discuss the idea of a community dividend program.

The questions I heard left me with one message. This is a simple idea, and it can succeed if we keep it simple. It would put another source of revenue on the table in a way that would be palatable to the public. I don't think the public will support dedicating Permanent Fund revenue to the general fund, but I think they will support payments to their communities.

This proposal is not meant to take money away from other state programs. At the same time, I believe it will give the Legislature greater flexibility to meet state needs.

As you work to complete your report, I would be happy to sit with you again--as a group or individually--to see how this idea can play a role in solving the capital facilities maintenance problem you are looking at. Thank you for your consideration and your time.

With best regards,

Sincerely,



Walter J. Hickel

This letter also mailed to Representative Mulder, 716 W. Fourth Ave., Suite 310

Walter J. Hickel

Box 101700
Anchorage, Alaska 99510-1700
907-276-7400

October 21, 1997

FOE:

Ans'd.....

*The Honorable Gail Phillips
Speaker of the House of Representatives
P. O. Box 3304
Homer, AK 99603*

Dear Gail,

Thank you for the opportunity to address the Legislature's Deferred Maintenance Task Force on Monday. I think it got a good hearing.

You asked if the money from the community dividend might be counted as a match for the federal money going to community water and sewer projects. I said this program isn't meant to take money from other state programs. At the same time, I should have emphasized that it may give the Legislature flexibility as communities see some of their needs met through this program.

We're interested in staying involved as the Task Force makes up its final report. If you have any suggestions on this or other parts of the program, please let me know.

With best regards,

Sincerely,

A handwritten signature in cursive script, appearing to read 'Wally', is written over the printed name.

Walter J. Hickel

KETCHIKAN GATEWAY BOROUGH
KETCHIKAN INTERNATIONAL AIRPORT
1000 Airport Terminal Bldg., Ketchikan, Alaska 99901 Tel. (907)225-6800 Fax (907)225-2939

October 29, 1997

Rep. Eldon Mulder, Co-Chair
Deferred Maintenance Task Force
719 W. Fourth Ave. #310
Anchorage, AK 99501

Dear Rep. Mulder:

I very much appreciate having the opportunity to have you and your fellow committee members tour the Ketchikan Airport and become familiar with our maintenance concerns on October 7.

From the amount and quality of questions that were asked, it was obvious that members of your committee have a genuine concern for in-depth knowledge associated with this huge task you have undertaken.

We have a unique airport situation here in Ketchikan, both with access and with the owner/operator partnership we share with the State. We count ourselves fortunate to have legislators in Juneau with first-hand knowledge of local aviation issues.

I hope to have the opportunity to call on you during future sessions of the Legislature. Thank you again for your interest in the Ketchikan Airport.

Regards,



Don Chenhall
Airport Manager

October 30, 1997

Alaska State Legislature
Deferred Maintenance Task Force
Capitol Building, Room 501
Juneau, Alaska 99801

I appreciated the opportunity to exchange some views and opinions when you were in town on October 7. I am sure the diversity of Alaska became even more prevalent as you listened to people throughout the State on the wide ranges of needs.

While I agree that water and sewer projects, followed by roads, airports, ports and harbors etc. are of significant priority, I believe educational facilities (renovation and new construction) must be placed at a level equal to or above water & sewer, even though many of these projects are combined together. I also agree and it should be a priority, with a statement I heard from Rep. Jeanette James, that we need to renovate our existing infrastructure prior to constructing new, unless it is more feasible and prudent to replace rather than renovate.

I spoke to you mainly about the educational facility needs for the Ketchikan Gateway Borough. The voters recently passed two bond propositions, one for construction of a new elementary school to replace the 70 year old White Cliff facility and one for renovations to two other elementary schools. These two propositions totaled almost \$20M, but were predicated upon the State providing 70% reimbursement. I agree that the municipalities should pay their fair share based upon their ability to pay, with it being on a sliding scale of a maximum 30% local contribution to 0% for the REAA's. Senate Bill 11 proposes 50% reimbursement (Section 8, page 4) and this should be modified to reflect the previously mentioned numbers, especially when a district can demonstrate that the project(s) will result in a reduction in the annual operating costs that economically justifies the cost of the project and/or its purpose is for improving the instructional program. In addition, I believe that how a community addresses their preventive maintenance should be part of the criteria for what level of funding can be obtained and can even be utilized for denial of a portion of the total requested. Perhaps this funding portion that is currently part of the school districts budget for school custodial & maintenance, should be given directly to the municipality in some areas of the State and put outside of the educational foundation formula. This way the municipalities, that own the buildings and administer the risk management, can better care for the facilities, as they are not subject to the potential cuts that can and will occur to save educational positions and/or programs. This helps ensure that the preventive maintenance is being performed and thus the life of the facilities is extended before incurring additional renovation and construction dollars.

Page 2

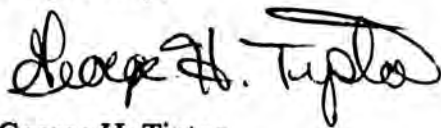
I applaud all of you for trying to cut the State Operating Budget, however, the Capital Budget has suffered too much. When the Permanent Fund was formed, one of its main purposes was to utilize its earnings when the oil revenues started to decline. Last year approximately \$850M in excess earnings were put into the principal of the fund. While I realize that we have earned great rewards for this investment, there are also many unmet needs throughout the State. I believe we can utilize these excess earnings and the CBR account to help pay off revenue bonds that would be issued for the many projects. How much, many, etc., I will leave to you for determination but I believe it should approach \$400-500M/year minimum for the next 5-7 years, with educational projects receiving at least \$100M/year (similar to Governor Knowles proposal).

It is critical to begin meeting the unmet deferred maintenance needs this Legislative session, and I believe the diligence you have shown by gathering input throughout the State will lend support to a long-range plan for the future. Perhaps some ballot initiatives are in order for the fall 1998 Statewide ballot, such as capping the dividend and utilizing the excess for an educational facility endowment. After the deferred needs are met, say within 7 years, then the capital money could be capped (\$70M/yr.??) and the revenue amount over this could be utilized to subsidize the general government budget for the education foundation formula.

Many of the constituents throughout the State do not understand how we can have \$22B+ in the Permanent Fund, billions in other funds but cannot provide dollars for sanitary sewer and water projects, facility upgrades, etc. All the communities throughout the State benefit from these capital projects, as they solve unmet needs and create much needed employment in the areas as well as all the other direct and indirect services that are provided in conjunction with the projects.

I appreciate your commitment to helping Alaskans throughout the State and look forward to moving ahead on a long-term CIP plan beginning this Legislative session.

Respectfully,



George H. Tipton
Ketchikan Gateway Borough Assemblyman
P.O. Box 5762
Ketchikan, Alaska 99901
(h) 907 225 6392
(w) 907 225 8888 ext 307
fax 907 247 8700

FAX

TO: Kent Pollock
Anchorage Daily News
FAX # 907-258-3941

FROM: Denny DeWitt, Legislative Assistant
Representative Eldon Mulder
Phone # 907-465-2647
FAX # 907-465-3518
E-mail: Dennis_DeWitt@legis.state.ak.us

DATE: October 4, 1997

PAGES: 8, including cover

SUBJECT: Deferred Maintenance

COMMENTS: When you visited Juneau last Spring, you suggested you would like examples of news reporting that demonstrated the Daily News bias against the current legislative majorities. I would like to suggest that your coverage of the Deferred Maintenance Task Force activities in Anchorage on October 2, 1997, is a classic example.

You editorialized August 8, 1997, about the deferred maintenance problem in Alaska. (attached) You took the opportunity to poke at the current Speaker -- "Well, Better late than never" -- ignoring that this problem has grown under the terms of many Democratic Speakers who did nothing.

On October 2, seven Legislators spent the day visiting facilities in Anchorage and holding a public hearing on deferred maintenance and how to solve the problem. The Task Force also spent Monday in Kodiak and Wednesday in the Mat-Su Valley listening to Alaskans and visiting facilities. To be sure, the Task Force is working actively to find a viable solution to this problem. The significance the Anchorage Daily News gave this activity was a casual paragraph mention in a separate article (attached) identifying the location of another activity. It is not as if you didn't know the Task Force was visiting schools, prisons and the University, as well as holding a public hearing. You received a press release and we purchased a display advertisement in your paper. (attached)

Positive activity to accomplish the goal you editorialized about in August appears not news worthy to you. Say what you will, Mr. Pollack. Attempt to suggest that this is "fair and unbiased news coverage." For me, I must suggest, your actions are so loud, I can't hear what you are saying.

cc: Fuller Cowell
Bob Wiel

ADN 8/8/97

Playing catch-up

Deferred maintenance bill now due

This year, the Legislature awoke to a harsh reality: A lot of Alaska's schools, public buildings, roads, bridges and airports are suffering from neglect and poor maintenance. By January, a legislative task force is due to report how big the problem is and suggest ways to pay for fixing things up.

With all due respect to those legislators who are now so eager to tackle the state's enormous deferred maintenance

Alaska sank into these desperate straits for a couple of reasons. First, politicians get a lot more strokes for building something brand new than they do for fixing old stuff. Second, the horrendous backlog is part of the price we pay so legislators can brag about slashing the budget. That tough talk produced budget decisions that had real consequences.

ple of reasons. First, politicians get a lot more strokes for building something brand new than they do for fixing old stuff. Second, the horrendous backlog is part of the price we pay so legislators can brag about slashing the budget. That tough talk produced budget decisions that had real consequences.

backlog, one can't help but ask: Where have they all been for the last few years?

Legislators sound like a chronic slumlord who finally promises his tenants "Listen, I'm serious. I'm really gonna fix up the joint. Just you wait! I've got some of my staff looking into what needs to be done right now!"

You can't fault Alaskans for saying they'll believe it when they see it.

But this time, the folks in charge sound serious. House Speaker Gail Phillips, a die-hard anti-taxer, has been saying in public that lawmakers will have to find a way to pay for the needed work.

Well, better late than never.

Alaska sank into these desperate straits for a cou-

To get a sense of work that has gone undone, just flip through the list of major maintenance projects submitted to the state this year by Alaska school districts:

In Kolignagek, groundwater is eating away at the school's foundation. In Wrangell, bad drainage has caused a school's wood framing to rot. A 10-year-old oil spill at Northway school was never cleaned up properly and threatens the school's drinking well.

Students in the villages of Shungnak and Nootak study in cold classrooms because the schools' heating systems can't handle the rigors of the Arctic. At eight villages in the Bethel region, sewage problems have the school district in trouble with the Department of Environmental Conservation. At Anchorage's Romig Junior High, leaks in the 33-year-old roof are rusting away the underlying steel supports.

On and on it goes. \$148 million worth of sad stories at Alaska schools.

There's more. At the University of Alaska, planners figure they have a deferred maintenance bill of \$165 million. For other state facilities, the backlog estimated in the governor's most recent six-year improvement plan is \$250 million — not counting the \$15 million the court system says it needs.

"Some cost estimates place Alaska's unmet needs at well over \$1 billion," said Speaker Gail Phillips in a recent announcement about the new task force's work.

That sounds like an astronomical figure, but it is less than half what the Alaska Permanent Fund earned this year. In other words, Alaska is fortunate to have the resources to take proper care of our decaying infrastructure.

All that has been lacking is the will.

ADN 10/31/97

Blacks press Kelly to quit

Remarks ruin his credibility, protesters say

By DANIELLE STANTON
Daily News reporter

Members of the black community again called for Sen. Tim Kelly's resignation Thursday as they picketed at the University of Alaska Anchorage while he met with campus officials.

Eight people paced the sidewalk in front of the administration building where the East Anchorage Republican and other members of a legislative task force were meeting. The protesters carried yellow signs that read, "Senator Kelly, Resign or Be Recalled."

"It's a disgrace to himself, to his community, to the state Senate and to Alaska," said the Rev. William Greene, head of the Interdenominational Ministers Alliance. The Alliance is made up of 15 African-American churches in Anchorage.

The alliance first demanded Kelly's resignation at a press conference Saturday.

Kelly is accused of making racist remarks to Celeste Graham-Hodge, Anchorage president of the National Association for the Advancement of Colored People. The two had a chance meeting at the How How Chinese Restaurant last month.

Kelly said he had too much to drink that night when he and Graham-Hodge got into a heated debate. He publicly apologized last Friday for losing his temper and for saying "things I should not have said." But he denies making racist comments.

Graham-Hodge said the remarks were not made during a political debate. She said Kelly interjected derogatory comments about black people while she talked with a friend in the restaurant's bar.

"Mr. Kelly does not deserve to be in the position he's in," Graham-Hodge said during Thursday's protest. "He has many constituents who are minority. With him having those types of beliefs, how could



Holding a sign denouncing Sen. Tim Kelly, the Rev. Dr. William Greene talks to a reporter Thursday at the University of Alaska Anchorage administration building. Greene

he be able to represent a person of color?"

The protest lasted an hour while Kelly met with UAA Chancellor Lee Gor-

such and other officials over a backlog of maintenance work on campus. The senator co-chairs the Deferred Maintenance Task

Force, which is working with communities statewide to resolve their accumulated

Force, which is working with communities statewide to resolve their accumulated

Please see Page B-2. KELLY

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KELLY: Pickets planned

Continued from Page B-1

tion of maintenance projects.

Kelly did not go outside to speak to pickets but talked to reporters after his meeting ended at noon.

"I've heard from an overwhelming number of constituents who do not want me to resign," Kelly said. "I've made my apology. I'm going to continue on with the business of Alaska."

Graham-Hodge said later Thursday that she plans to take a polygraph test and

challenged Kelly to do the same. She said she hopes the lie detector test will settle exactly what happened at the How How.

Greene and his followers plan to picket Kelly wherever he goes, Greene said. The minister also plans to file a complaint with the Senate Ethics Committee next week and will contact CNN, a national television news network.

"We're going to keep on this issue and let the world know about it," he said.



ADN 4/3/97
p.2

ALASKA STATE LEGISLATURE

Rep. Eldon Mulder, Co-Chair
Rep. Kim Elton
Rep. Richard Foster
Rep. Jeannette James
Rep. Beverly Masek
Rep. Gail Phillips



Sen. Tim Kelly, Co-Chair
Sen. Loren Leman
Sen. Georgianna Lincoln
Sen. Robin Taylor
Sen. Gary Wilken
Sen. Mike Miller

DEFERRED MAINTENANCE TASK FORCE

Capitol Building, Room 501 • Juneau, Alaska 99801 • Phone (907) 465-2647 • FAX (907) 465-3518

Building an Alaska for the 21st Century

Public Hearing

October 2, 1997

Anchorage Legislative Information Office

716 W. 4th Avenue

Anchorage

October 2, 1997

1:30 PM to 5:00 PM

The Deferred Maintenance Task Force of the Alaska State Legislature is visiting many sites in Alaska to review the condition of state roads, road side facilities, harbors, airports, buildings and other state assets. It will develop a list of needs and propose a means of paying for the repairs.

WE NEED TO HEAR FROM ALASKANS

This is your opportunity to share your views of state assets, such as roads, harbors and schools, in your area that need repairs. We need your suggestions on how to fund the needed repairs.

You are welcome to attend in person or send your comments to the Deferred Maintenance Task Force, Room 501, State Capitol Building, Juneau, Alaska 99801.

ALASKA STATE LEGISLATURE

Rep. Eldon Mulder, Co-Chair
Rep. Kim Elton
Rep. Richard Foster
Rep. Jeannette James
Rep. Beverly Masek
Rep. Gail Phillips



Sen. Tim Kelly, Co-Chair
Sen. Loren Leman
Sen. Georgianna Lincoln
Sen. Robin Taylor
Sen. Gary Wilken
Sen. Mike Miller

DEFERRED MAINTENANCE TASK FORCE

Capitol Building, Room 501 • Juneau, Alaska 99801 • Phone (907) 465-2647 • FAX (907) 465-3518

Building an Alaska for the 21st Century

Task Force Announces Hearing in Anchorage

For Immediate Release

Monday, September 22, 1997

Contact: Denny DeWitt
Legislative Assistant to Rep. Mulder
907 465-2647 or 258-8193

(Juneau, AK) -- Representative Eldon Mulder and Senator Tim Kelly, the Deferred Maintenance Task Force Co-Chairs, announced an Anchorage public hearing to review problems associated with the lack of maintenance on state assets. The hearing is scheduled for October 2, 1997 from 1:30 PM to 5:00 PM at the Anchorage Legislative Information Office, 716 W. 4th Avenue, Anchorage. Alaskans are welcome to attend in person or send their written comments to the Deferred Maintenance Task Force, Room 501, State Capitol Building, Juneau, Alaska 99801.

"We will be making site visits in the Anchorage area in the morning of October 2, to view the deferred maintenance needs and speak with folks in the Anchorage area. We are looking forward to hearing what Alaskans in this region think we need to do to repair our state assets." stated Rep. Mulder. "We scheduled the afternoon hearing for members of the public to formally share their thoughts. I am eager to hear proposals of solutions to the question of how we should fund the identified needs. We need to solve maintenance problems with our existing facilities so we can focus on new infrastructure needs for the growing parts of our community."

Deferred Maintenance Task Force
Anchorage Meeting
9/22/97
Page 2

"We need to see all parts of Alaska," stated Senator Tim Kelly. "It is important for task force members to visit and talk with the people who live in Anchorage. The Task Force needs to understand the different needs and how they impact urban as well as rural areas. I'm looking forward to hearing from Anchorage residents about the needs in this area, including problems with roads, road side facilities such as rest areas, schools and other state assets. "

The Deferred Maintenance Task Force scheduled 10 hearings to review the needed upgrades to roads, airports, harbors, public buildings, and schools in Alaska. The task force is listening as people throughout Alaska share their view of the need to repair and replace existing state owned facilities including proposals for how to finance the needed repairs. The Task Force has held hearings in Kenai, Kotzebue, Kodiak, the Mat-Su, and Nome. Future hearings are planned in Anchorage, Fairbanks, and Ketchikan.

"We have had lots of problems identified. That's been helpful," said Mulder. "The real challenge is coming up with a solution. In Anchorage, I hope we will hear suggestions for funding. There are several options available. We need to hear what Alaskans consider acceptable."

The Legislature established the Deferred Maintenance Task Force to assess the condition of public facilities and solicit input on needs. Further, and equally necessary, the task force is to evaluate various funding proposals to pay for the needed repair and replacement to state facilities. The task force will report back to Legislature in January of 1998.

end # end # end

Task Force schedule is attached

ALASKA STATE LEGISLATURE

Rep. Eldon Mulder, Co-Chair
Rep. Kim Elton
Rep. Richard Foster
Rep. Jeannette James
Rep. Beverly Masek
Rep. Gail Phillips



Sen. Tim Kelly, Co-Chair
Sen. Loren Leman
Sen. Georgianna Lincoln
Sen. Robin Taylor
Sen. Gary Wooten
Sen. Mike Miller

DEFERRED MAINTENANCE TASK FORCE

Capitol Building, Room 501 • Juneau, Alaska 99801 • Phone (907) 465-2647 • FAX (907) 465-3518

ANCHORAGE AGENDA

Site Visits and Public Hearing

October 2, 1997

- | | |
|-----------------|--|
| 7:45 AM | Van Leaves the Anchorage LIO |
| 8:00 AM | Sixth Avenue Jail Gary Webster, Superintendent
(277-7651) |
| 9:15 AM | Muldoon Elementary School, Virginia Juettner, Principal
(337-9591) |
| 11:00 AM | University of Alaska, Anchorage, Lee Gorsuch,
Chancellor (786-1437) |
| Noon to 1:15 | LUNCH |
| 1:30 to 5:00 PM | Public Hearing
Anchorage Legislative Information Office
716 W. 4th Avenue, Anchorage |

cc:Mail for: Denny DeWitt

Subject: Deferred Maintenance Task Force Travel

From: Denny DeWitt 8/13/97 11:26 AM

✓**To:** Annette Kreitzer
✓**To:** Annie Landrum
✓**To:** Barbara Cotting at LAA_TRANS
✓**To:** Billie Rae Gillas at LAA_HPHG
✓**To:** Caroline McRoberts at LAA_TRANS
✓**To:** Dianne Lindback
✓**To:** Joe Ambrose at LAA_STAY
✓**To:** Katrina Matheny
✓**To:** Larry Labolle at LAA_TRANS
To: Mary Gore at LAA_SMIL
✓**To:** Matt Gill at LAA_TRANS
✓**To:** Peter Ecklund
✓**To:** Portia Parker at LAA_TRANS
✓**To:** Rachael Moreland at LAA_SLEM
✓**To:** Representative Beverly Masek at LAA_TRANS *STAFF KNOWS*
✓**To:** Representative Gail Phillips *STAFF KNOWS*
✓**To:** Representative Gene Kubina *STAFF KNOWS*
✓**To:** Representative Jeannette James at LAA_TRANS *STAFF KNOWS*
✓**To:** Representative Kim Elton
✓**To:** Representative Richard Foster at LAA_TRANS
✓**To:** Senator Gary Wilken *STAFF KNOWS*
To: Senator Mike Miller at LAA_SMIL *STAFF KNOWS*
✓**To:** Senator Robin Taylor at LAA_STAY *STAFF KNOWS*
To: Senator Tim Kelly at LAA_SKELETON *STAFF KNOWS*
✓**To:** Sheila Peterson
✓**To:** Tim Benintendi at LAA_SKELETON

*Mulder - STAFF KNOWS
Leman - STAFF KNOWS
Lincoln - STAFF KNOWS*

We have a modest budget for the Task Force. Travel for Task Force members will be approved primarily by Senator Kelly. Rep Mulder, Speaker Phillips, and President Miller may also approve travel. Senator Kelly is out of town this week.

Please let Denny DeWitt know which hearings members expect to attend so he will know how many to set the hearing for. Matt Gill in Rep. Mulder's Anchorage office 258-8193 is gathering a list of places to stay and will have Rep. Mulder's travel schedule if you wish to copy it for other member travel.

If you have any specific suggestions for site visits while at any of the hearings, please get that information to Denny DeWitt as soon as possible. We are working on agenda now for the visits.

Alaska State Legislature



Official Business

State Capitol
Juneau AK
99801-1182

MEMORANDUM

TO: Senator Tim Kelly, Co-Chairman
Representative Eldon Mulder, Co-Chairman
Deferred Maintenance Task Force

FROM: Senator Al Adams, Chairman-Senate Bush Caucus *APA*
Representative Reggie Joule-Chairman-House Bush Caucus *RJ*

DATE: August 14, 1997

SUBJ: Task Force Visits to Rural Areas

We would like to request that additional hearings and site visits of the Deferred Maintenance Task Force be held in rural areas of the state. There are a multitude of schools, airports, roads, and other facilities in Rural Alaska that are in need of attention by the Task Force. In order for the Task Force to get a better understanding of the needs in Rural Alaska, we believe the Task Force needs to make additional trips to areas such as the Interior, the Yukon/Kuskokwim Delta, Bristol Bay, Rural Southeast, the Aleutians, Prince William Sound, and the North Slope.

We are sure that should additional trips be planned in rural areas, the legislators representing those areas would be happy to assist with the logistics of the trips.

Thank you for your consideration of this request. We look forward to working with the Task Force on deferred maintenance needs in Rural Alaska.

Anchorage Daily News



Fuller A. Cowett
Publisher

Kent Pollock
Editor

Michael Carey, Editorial Page Editor

David E. Grilly, Publisher, 1984-1993
Katherine Fanning, Editor and Publisher, 1971-1983
Laurence Fanning, Editor and Publisher, 1967-1971
Founded in 1946 by Norman C. Brown

Playing catch-up

Deferred maintenance bill now due

This year, the Legislature awoke to a harsh reality: A lot of Alaska's schools, public buildings, roads, bridges and airports are suffering from neglect and poor maintenance. By January, a legislative task force is due to report how big the problem is and suggest ways to pay for fixing things up.

With all due respect to those legislators who are now so eager to tackle the state's enormous deferred maintenance backlog, one can't help but ask: Where have they all been for the last few years?

Alaska sank into
these desperate

Legislature could have

*desperate
straits for a couple of
reasons. First,
politicians get a lot
more strokes for
building something
brand new than they
do for fixing old stuff.
Second, the
horrendous backlog is
part of the price we
pay so legislators can
brag about slashing
the budget. That tough
talk produced budget
decisions that had
real consequences.*

Legislators sound like a chronic slumlord who finally promises his tenants "Listen, I'm serious. I'm really gonna fix up the joint. Just you wait! I've got some of my staff looking into what needs to be done right now!"

You can't fault Alaskans for saying they'll believe it when they see it.

But this time, the folks in charge sound serious. House Speaker Gail Phillips, a die-hard anti-taxer, has been saying in public that lawmakers will have to find a way to pay for the needed work.

Well, better late than never.

Alaska sank into these desperate straits for a couple of reasons. First, politicians get a lot more strokes for building something brand new than they do for fixing old stuff. Second, the horrendous backlog is part of the price we pay so legislators can brag about slashing the budget. That tough talk produced budget decisions that had real consequences.

To get a sense of work that has gone undone, just flip through the list of major maintenance projects submitted to the state this year by Alaska school districts:

In Kolignagek, groundwater is eating away at the school's foundation. In Wrangell, bad drainage has caused a school's wood framing to rot. A 10-year-old oil spill at Northway school was never cleaned up properly and threatens the school's drinking well.

Students in the villages of Shungnak and Noatak study in cold classrooms because the schools' heating systems can't handle the rigors of the Arctic. At eight villages in the Bethel region, sewage problems have the school district in trouble with the Department of Environmental Conservation. At Anchorage's Romig Junior High, leaks in the 33-year-old roof are rusting away the underlying steel supports.

On and on it goes, \$148 million worth of sad stories at Alaska schools.

There's more. At the University of Alaska, planners figure they have a deferred maintenance bill of \$165 million. For other state facilities, the backlog estimated in the governor's most recent six-year improvement plan is \$250 million — not counting the \$15 million the court system says it needs.

"Some cost estimates place Alaska's unmet needs at well over \$1 billion," said Speaker Gail Phillips in a recent announcement about the new task force's work.

That sounds like an astronomical figure, but it is less than half what the Alaska Permanent Fund earned this year. In other words, Alaska is fortunate to have the resources to take proper care of our decaying infrastructure.

All that has been lacking is the will.

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**THE ALLIANCE**

4220 'B' Street, Suite 200 • Anchorage, Alaska 99503-5911
Phone (907) 563-2226 • Fax (907) 561-8870

June 20, 1997

06-24-97P02:44 RCVD

Speaker of the House
Gail Phillips
Alaska State Legislature
716 West 4th Avenue
Anchorage, AK 99501

Dear Speaker Phillips,

On behalf of the Alliance Board and our members, thank you for your informative presentation at our June 20, 1997 Friday Morning Breakfast.

We are proud of the work you accomplished in Juneau. A \$62 million budget reduction, the continuation of downsizing state government, and passage of a comprehensive tort reform bill are giant accomplishments. You can count on our support in 1998 as you take the necessary steps to uphold the strategy outlined in the Republican-led majority's five-year plan.

I appreciated hearing that deferred maintenance will be a major issue for you next year. We agree there is significant and immediate needs that must be addressed to keep our infrastructure in a safe and operating condition. The Alliance Policy Committee meets in August to discuss our 1998 legislative priorities, and I will place this issue on our agenda. Please keep us informed on any plans or proposals you intend to introduce.

Gail, we know you are a true friend to the Alliance and our business members. You have, more than once, come to our aid on issues impacting the positive growth of the support industry in Alaska. We look forward to working with you.

With sincere appreciation,

Karen
Karen Cowart
General Manager

Alaska Support Industry Alliance

...for responsible development of Alaska's Oil, Gas & Mineral Resources

F
Def. min.

Denny
Pls follow
through
W/KAYEN.
Thanks
Gail

FAX

TO: *TIM B*
FAX # 907- *258-4524*
FROM: Denny DeWitt, Legislative Assistant
Representative Eldon Mulder
Phone # 907-465-2647
FAX # 907-465-3518
E-mail: Dennis_DeWitt@legis.state.ak.us

DATE: July 17, 1997

PAGES: *2*, including cover

SUBJECT: *TASK FORCE HEARINGS*

COMMENTS: *IN CASE you DIDN'T GET*
A COPY. give me A CALL
Denny

ALASKA STATE LEGISLATURE

Senator Georgianna Lincoln

State Capitol
Juneau, Alaska 99801-1182
(907) 465-3732
Fax (907) 465-2652

Committees:
Resources
Transportation
Legislative Council
Minority Caucus Chair
Budget Subcommittees:
Natural Resources
Corrections

DISTRICT R

Alatna
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Allakaket
Aniak
Anvik
Arctic Village
Beaver
Bettles
Big Delta
Birch Creek
Boundary
Canyon Village
Central
Chalkyitsik
Chenega Bay
Chicken
Chistochina
Chittina
Chuathbaluk
Circle
Cold Foot
Copper Center
Copperville
Cordova
Crooked Creek
Delta Junction
Dot Lake
Dry Creek
Eagle
Eagle Village
Evansville
Fort Greely
Fort Yukon
Gakona
Galena
Georgetown
Glenallen
Grayling
Gulkana
Healy Lake
Holy Cross
Hughes
Huslia
Kalaga
Kenny Lake
Koyukuk
Lake Minchumina
Lime Village
Livengood
Lower Kalskag
Manley Hot Springs
Marshall
McCarthy
McGrath
Medfra
Mendeltna
Mentasta
Minto
Nabesna
Nenana
Nikolai
Northway
Nulato
Paxson
Pilot Station
Rampart
Red Devil
Ruby
Russian Mission
Shageluk
Slana
Sleetmute
Stevens Village
Stony River
Taketna
Tanacross
Tanana
Tatitlek
Tiedina
Telda
Terlin
Tok
Tolsona
Tombina
Tulukak
Tyonek
Upper Kalskag
Valdez
Venetie
Whittier
Wueman

August 11, 1997

MEMORANDUM

TO: Senator Tim Kelly, Co-chair
Representative Eldon Mulder, Co-chair
Deferred Maintenance Task Force

FROM: Senator Georgianna Lincoln, Member
Deferred Maintenance Task Force

RE: Deferred Maintenance Schedule

I have reviewed the locations of the meetings you have scheduled for the deferred maintenance task force. I was extremely disappointed to note the lack of visits to the majority of rural/bush communities and the emphasis on urban centers. As you undoubtedly will recall, Senate District R alone is geographically close to half the state of Alaska (236,600 square miles) and encompasses 91 rural and bush communities. Many of the deferred maintenance needs are within rural/bush Alaska and this would be well demonstrated by a visit to these towns and villages. I would therefore request a revision to the schedule by adding, at the minimum, a village in each of the following regions as they are representative of various unmet needs: the Yukon-Kuskokwim Delta, the Interior, Prince William Sound, the Aleutian Chain, and Bristol Bay. Further, I suggest you contact each regions' legislators to determine which community would be the best to visit.



ALASKA COURT SYSTEM
State of Alaska
Office Of The Administrative Director

Kit Duke
Facilities Manager

820 W. Fourth Avenue
Anchorage, Alaska 99501
(907) 264-8238
FAX (907) 264-8291

May 14, 1997

**Dennis DeWitt, Chief of Staff
Representative Eldon Mulder
Alaska State Legislature
State Capitol
Juneau, AK 99801-1182**

Re: Maintenance Management System

Dear Mr. DeWitt:

Enclosed is written information I requested from the company that recently purchased the CHIEF maintenance management system (now known as ADvantage). Information about this system, which is utilized by several executive branch agencies to manage their maintenance programs, was requested by Speaker Phillips and Representative Mulder at the May 6 meeting of the Deferred Maintenance Task Force. I volunteered to obtain the information and supply it to the committee.

An electronic media presentation regarding the uses and benefits of the system has been mailed. As soon as it is received, I will pass it on for the committee to use. Department of Military and Veterans Affairs is the agency with the longest history of use, but the program is also used by some regions of DOT/PF, Department of Health and Social Services, and Department of Corrections.

Sincerely,

Kit Duke
Facilities Manager

KD:gb

**cc: Matt Gill (Anchorage office)
Chris Christensen**

Why CMMS

Straight Talk From An ADvantage User

The Operating Engineers Trust Funds (OETF) Local 1300 is headquartered in Pasadena, CA and serves Southern California and Nevada. The Trust Fund, 20 years old, owns and manages holdings throughout the United States. These holdings include office buildings, hotels, mobile home parks and commercial buildings. In 1991 the Trust Fund went shopping for a CMMS and settled upon the product now known as PSDI's MAXIMO ADvantage.

Prior to the age of affordable computers, I was quite proud of our "manual" PM programs. After all, well structured, well managed PM programs and tracking kept via log books, index cards and various forms always did the job and was good enough. Right? Who needed computers? I needed to know something, I could always find it. Whatever information the boss needed it was here somewhere. It might take some time, but I could always pull it together. My mentality had always been to organize the work, get it done and get it logged. I was sure to analyze it if I ever got the time to look through it all. My focus had been on the work of my employees, know it or not. PM history and related information was recorded so it was there for the future if required in the future. (Short for MAXIMO ADvantage) When I first installed my system, I thought this isn't just hardware and software, this potentially could be my "super employee". I decided to take MAXIMO on my wing. Whatever time I took, I took it. I was necessary. "MAX" was going to be my right hand and up to speed as fast as possible. I initially worked long days

weekends. I rolled up my sleeves and got after it. "MAX's" first job was to organize my PM, then we moved to corrective workorder tracking and finally inventory control. As we got to know each other better, I suddenly realized I have an employee that could be trained by me and remember everything each time we sat down together. Finally, an employee who never called in sick, never was late, never took a vacation and never offered any other opinion than the facts I needed. Yes, finally I had my "Super Employee" who took on my management style and personality, and those of the company. "MAX" was cool. We both enjoyed each other's company. We were both determined to get the job done and get it done right.

I found that as I trained and put data into "MAX" I had to re-evaluate my whole philosophy of maintenance. As "MAX" got smarter and gave me answers, I got smarter. I could finally see what was going on around me with greater precision. Simply put, when I needed something, I just asked "MAX". He had the answers. Yes, finally I was working smarter, not harder. Labor requirements, both internal and sub-contracted, became more streamlined. Breakdown slowed down. Costly emergency after-hours repairs where overtime was needed all but disappeared. Energy costs went down. "MAX" was producing across the board. With any good employee, you must reward excellence. I gave "MAX" a new home. I got rid of the old 486 house and gave him a new Pentium home. I put him on a small LAN so he always had somebody talking to him, and yes, I updated his wardrobe every time PSDI came out with a new software upgrade. "MAX" continues to earn my respect. "MAX" is here to stay.

The bottom line of all this is that CMMS is no longer a luxury, it's a necessity for a well run maintenance department. With it, maintenance efficiency can and will improve, costs will go down and equipment life cycles will extend. And to my engineering counterparts, What ever level of manager you currently consider yourself, you're only as good as your crew. "MAX" is your new maintenance management and engineering partner. I'll be here for you! □

—Manning Jones, Engineering Department, Operating Engineers Trust Fund

CMMS = COMPUTERIZED MAINTENANCE MGMT. SYSTEM

MAXIMO ADvantage CASE STUDY:

CAESAR'S PALACE, Las Vegas, Nevada

With 1,500 guest rooms, 120,000 square feet of casino space, and hundreds of special events, Caesar's Palace can't afford to gamble on its maintenance. Prior to adopting its current computerized maintenance management system (CMMS), the casino's maintenance department was not functioning to its fullest capacity. As Larry Rose, Facility Planner/Scheduler, puts it, "I've heard horror stories from a decade ago about what went on before we got our CMMS.... Little yellow sticky pads with less-than-detailed instructions were used to manage the workforce."

"I've heard horror stories from a decade ago about what went on before we got our CMMS..."

The new system (MAXIMO ADvantage, from PSDI, Cambridge, MA) organizes the maintenance department's efforts. When a simple maintenance call or "QUIK Call" comes in, an automated dispatch system allocates the request to the appropriate person's action log. Emergency requests can be radio-dispatched to the appropriate engineer.

The system receives about 1,000 QUIK Calls per week that are assigned to action logs. The logs are printed on a scheduled basis and picked up by the casino's 140+ maintenance staff.

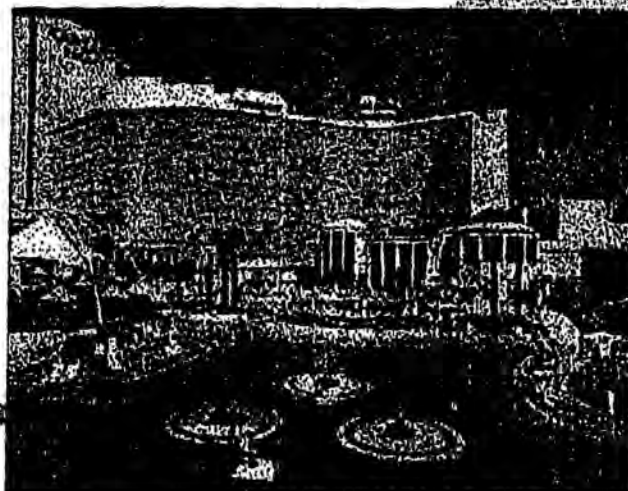
Each individual work order comes complete with a barcode to speed up data entry and reduce the amount of paperwork. In addition, the CMMS applies barcodes to inventory so that any parts needed for a particular job are scanned with the work order's barcode and associated with the job.

Aside from the maintenance department, the system is also helpful in the planning of special events by detailing, throughout reports, all of the scheduling and planning components that go into a boxing match or

concert. By knowing exactly what it takes to support such events, the marketing department has a better basis of knowledge for event programming. And the same is true of other departments at Caesar's Palace.

According to Rose, the purpose of their CMMS is to get everyone — plumbers, electricians, carpenters, upholsters and anyone else affected by maintenance — operating out of the same playbook. When that happens, the work gets done, costs are reduced, and the show goes on. □

• Plant and Facility, Engineer's Digest
A Huebner Publication



HOT WEBSITES

www.reliability-magazine.com

Reliability Magazine is a trade journal dedicated to Reliability, Predictive Maintenance and Computerized Maintenance Management Systems. The Web site contains a good range of useful articles, links to other related sites as well as a reference desk of products, services and suppliers. The message board section is extensive and one can find reference to almost any maintenance issue. The information provided is straight forward. It's definitely worth a look.

Red Kitter, Sydney, Australia

MAXIMO

MAXIMO Advantage: GET it, USE it, WIN with it!

3.4 RELEASE OFFERS MORE

FOR MAXIMO USERS!!!!

The long awaited MAXIMO Advantage version 3.4 has been released and is now shipping. Version 3.4 is the first major PSDI release since the acquisition of Maintenance Automation Corp. In March of 1996. A great deal of effort and input went into the changes and many of the ideas came from our existing customer base. The software went through the standard, yet rigorous, PSDI QA procedures which included three separate beta releases over the previous several months. The result is the finest release of software since inception in 1982.

Many enhancements and new features highlight the release. Here's a few bullets that outline the new functionality:

- **Smart Query** allows multi-level searches in every table which remembers your commands for future reference and also allows pasting of SQL for customized reports. Smart Query makes finding

information a snap.

- **Close by List** dramatically enhances the speed and simplicity of closing a group of work orders. A real time saver!
- **Quick PM List** is an exciting new feature which allows users to now print one work order for multiple assets. Example: 100 fire extinguishers within a facility. Instead of printing 100 work orders, print only one with 100 check boxes. A lot less paper.
- **Archiving** provides a way to off-load the hard drive of data that is no longer necessary for reporting, thus enhancing the speed of the program.
- **Invoicing** allows you to keep track of tenants, contractors, and other third parties in terms of costs, billing, and payments made.

- **Work Order bar-coding** now provides a way for you to create a

"When you combine [MAXIMO Advantage's new features], our 20 second average response time, PSDI's MAXIMO Advantage becomes and has become the obvious - and reliable - choice for Maintenance and Facility Managers Worldwide"

paperless environment for your mobile technicians to perform work and track it on a hand held unit that can be uploaded to the database when convenient.

In addition to the new functionality, MAXIMO Advantage now has a new and easier interface for information accessibility, consistency and Microsoft-centric feel. This has made MAXIMO Advantage even faster and more user-friendly than ever before. When you combine that with our 20 second average Technical Support response time, PSDI's MAXIMO Advantage becomes and has become the obvious - and reliable - choice for Maintenance and Facility Managers worldwide.

Version 3.4 is now shipping for new customers. Existing customers with an Annual Customer Support Plan will automatically receive version 3.4 as an upgrade. □

Steve Kirshenbaum - PSDI/MAXIMO



RECEIVED

MAR 10 1997

Ans'd.....

To: Speaker Gail Phillips
Fm: Nels Anderson, Jr.
Subject: HCR 8
Date: March 10, 1997

Would you consider an amendment in the Senate to your HCR 8 regarding Deferred Maintenance that would add the following language:

Page two Line 28 add:

(5) develop a job assessment and training plan in coordination with the University of Alaska, the principal state departments, municipalities, the office of management and budget, and other affected entities that will:

- 1) quantify the types of jobs that will be needed to repair public facilities;
- 2) identify qualified Alaskan residents who can do the work and;
- 3) create a strategy to train residents to qualify for the jobs that will be created by the Deferred Maintenance Task Force findings.

Rationale-

In view of the federal and state efforts to take people off of welfare and the desire to see more people working, we have not seen a state-wide strategy to find jobs for people who will no longer be able to get welfare. It seems logical to link up your deferred maintenance plan with an employment plan that should find a lot of public support.

In the late 70's and 80's, we saw a lot of capital projects being built by outside firms and workers from out of state. We can avoid that if there is a plan to utilize the unemployed Alaskan labor force to do the deferred maintenance work that is identified by the Task Force. Much of the deferred maintenance repair work will be in rural Alaska and many of the rural residents of our state need work.

I hope that you will give this proposal serious consideration.

Thank you.

F
Deferred Maint.
Put in file for future reference

STATE OF ALASKA

DEPARTMENT OF TRANSPORTATION
AND PUBLIC FACILITIES
OFFICE OF THE COMMISSIONER

TONY KNOWLES, GOVERNOR

3132 CHANNEL DRIVE
JUNEAU, ALASKA 99801-7898

TEXT: (907) 465-3652

FAX: (907) 465-3655

PHONE: (907) 465-3900

MAR 04 1997

Ans'd..

February 25, 1997

The Honorable Gail Phillips
Alaska State Legislature
State Capitol, Room 208
Juneau AK 99801-1182

Dear Speaker Phillips:

I was very pleased that you have decided to convene a legislative task force to review the problem of deferred maintenance.

As you are aware, I consider maintenance deficiencies on Alaska's highways, harbors, airports, and state-owned facilities to be the biggest problem facing the Department of Transportation and Public Facilities. The creation and work of the Task Force will be a positive step in finding solutions to our problems.

You can count on the Department and my personal support for the Task Force's activities.

Sincerely,



Joseph L. Perkins, P.E.
Commissioner

Walter J. Hickel

Box 101700
Anchorage, Alaska 99510-1700
907-276-7400

April 16, 1997

**The Honorable Gail Phillips
Speaker of the House
State Capitol
Juneau, AK 99801-1182**

File 0...

Dear Gail,

I've submitted the attached article on the community dividend program idea to the Anchorage Daily News, and I wanted you to have a copy.

Since we discussed this a few weeks ago, I'm hearing more and more support for expanding the dividend to include Alaska's communities.

Good luck with the task force you've appointed on deferred maintenance. If it is appropriate to meet with the group to discuss that idea, I'm available after I return from Africa in early May.

God bless.

Sincerely,



Walter J. Hickel

Enc.

P.S. Thanks for your letter regarding the Alaska Science and Technology Foundation. I appreciate your support.

Why Are We Poor When We've Got So Much Money?

Column by Walter J. Hickel for the Anchorage Daily News
April 16, 1997 (726 words)

It can happen in a business, a family, or a society:

A big opportunity, like opening Prudhoe Bay, brings people together. The result is progress, success, wealth. Then the agenda turns, and people concentrate more on preserving wealth than expanding it.

They may be rich, but they think poor. When they had nothing to lose, they took risks. When they have plenty of money, they stagnate.

In Alaska, we see this now. We're not poor, we only think we're poor.

We have over \$1 billion a year in income from the Permanent Fund, and it's growing. Besides inflation-proofing the Fund itself, income is only used to pay a dividend to individuals. That may be fine for each of us, but it does very little for what we need as a community.

We're so busy counting our money, we're forgetting our needs. Deferred maintenance on our roads and schools needs attention now. Virtually every politician we send to Juneau takes a pledge to protect the Permanent Fund dividend. *Fine, but what else?* We're militant about enriching ourselves, but we're timid in strengthening our communities.

The good news is there is enough money. Permanent Fund income continues to grow. We can match the individual dividend program with a community dividend program, to improve the quality of life in Alaska.

Quality of life isn't money in the bank. It's what we do with our money. It is decent sanitation, clean water, and well-maintained parks, streets, and trails. It is schools that work for our kids. It is a University system that helps lead the world – not a place where the roof leaks and classes are cancelled for lack of money.

The Permanent Fund itself should be protected. We shouldn't spend a dime.

But the growing income from the Permanent Fund is an opportunity. We can keep the dividend as it is, while building up a dividend to Alaska's communities. In seven to twelve years, depending on the market, both dividends would be equal, and both would grow.

Every person would receive a dividend and the community in which they live would receive one for a like amount.

Last year, the individual dividend distributed about \$600 million. Think what a companion \$600 million would do to improve Alaska's communities.

Anchorage, with 250,000 people, would have \$250 million a year to fix the roads, build sports facilities, extend trails, promote beautification, clean the streets, and maintain what we have. Fairbanks would have \$70 million. A village of 1000 people would know a million dollars is coming every year, and that could provide clean water, better sewer systems, or build and maintain a community center. Whatever is built, of course, would need to have maintenance costs covered.

The budget for these things was less than \$100 million last year, and we're way behind in basic, routine maintenance.

Decisions on what to do with the money would be made at the community level. The idea is not to give government the means to expand, without accountability. Our local governments, closest to the people, are accountable.

Senator Lyda Green has proposed a constitutional amendment to put any change to the dividend program, as it is now, before a vote of the people. She is brave to get this discussion going. I believe if her amendment included a community dividend provision, we could do much more to protect the Fund, the dividend, and Alaska's community needs also.

We have to face Alaska's quality of life issue together.

In the 21st Century, Alaska's competitive edge in world markets will depend on quality of life here, our community amenities and basic services like education.

Efficiency in government is a goal we all try to achieve. But there is no vision, no hope, no future, no agenda for Alaska if our only ideology, our only philosophy, our only cause is to cut the budget and protect the dividend. The goal has to continue to be building our communities and our quality of life.

As one who lived here before Prudhoe Bay, I have no interest in turning back the clock. We weren't poor – we just didn't have any money. But we were rich in spirit, in hope, in belief that we can make things better.

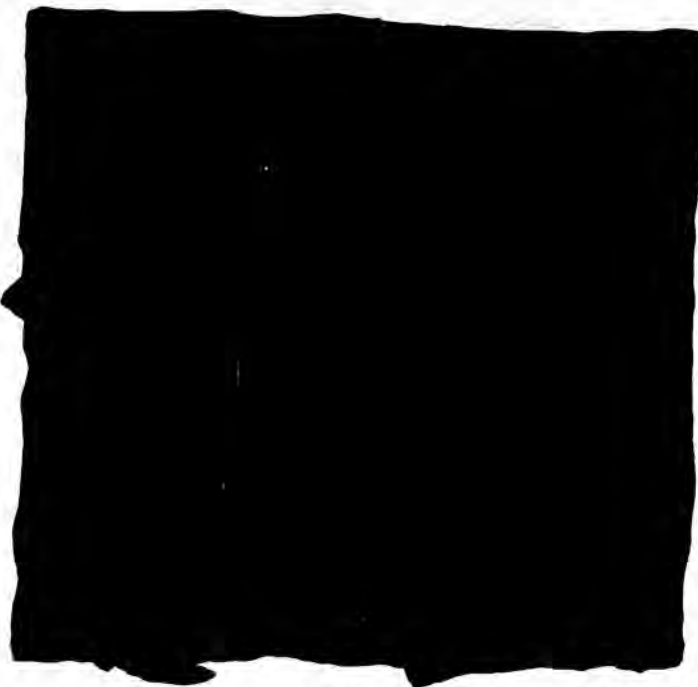
A community dividend program would bring a rich spirit of hope to every city, village and town in Alaska. It's time to get started.

ON FIRST READING

Louisiana Lawmakers Get Out of the House

Eric -
keep for
DMTF file

Judi -
see me on
our Ballroom
Maintenance
Committee
sub-committee
will be our
contact
person



Louisiana Speaker Hunt Downer can't wait for the start of the regular session next month. He's anxious to see the results of his experiment that took legislative committees to 42 communities around the state during the interim.

As policy is developed this session, Downer expects lawmakers to be more in tune to state needs. "Legislators know their own districts," he says, "but what the Legislature acts upon, affects not just our own districts but other districts and the whole state." Taking the Legislature on the road, touring state facilities and private enterprises and holding committee meetings on the road, gave lawmakers a firsthand look at problems they will be dealing with this year.

It also gave the public a firsthand look at lawmakers in action; for some, their first such experience. "Some citizens," Downer says, "never had a chance to participate in their government before except at the polls. This let them actually see a committee in action. It also gave private citizens a chance to vent their frustrations."

And, says the speaker, the successful outreach program was an image-builder for the Legislature and the state. "Citizens saw that legislators aren't the people they've heard about who meet in smoke-filled back rooms. They saw that lawmakers are down-to-earth people, just like themselves, with the same concerns."

Media coverage was positive and prolific, Downer says. Reporters who work for hometown weekly papers that can't afford to send them to the Capitol turned out for the public forums and committee hearings, asked questions and interviewed legislators. "One thing I found," he says, "is that there is a common thread—everyone wants good government."

Taking the legislature to the people by holding committee meetings outside the capital city was one of the recommendations of NCSL's Legislative Institution Task Force. "The more information the public has, the more likely it is that people will participate in and understand the work of the legislature," says its report, *Strengthening State Legislatures*. Minnesota, Washington and West Virginia are among states that hold interim committee meetings outside the capital. Missouri takes new legislators on a "budget" tour that includes state parks, prisons and universities.

Downer says the idea for Louisiana's outreach program came when he started traveling the state and visiting legislative districts in his new role as speaker. Even though he had been a House member for 20 years, he saw things that he didn't know existed. He got so much out of his visits that he started to think about what such travels could do for legislators, the policymakers who have to make decisions.

He launched the Legislative Outreach Initiative last September, so committee members could get out

into different areas of the state to "see, feel and hear" Louisiana's communities. Now, the environmental committee knows about coastal erosion: Its members sat on a wooden platform, saw the water lapping away at the shore and were able to ask on-the-spot questions. The transportation committee knows what rural residents are talking about when they complain about potholes because they've now driven those same roads.

"An informed legislature is a more productive legislature," Downer says. "When the session starts, many of the House members will have a stronger understanding of the issues. They'll be able to say, 'Hey, I remember that. We were there. We went through that.' I'm looking forward to some really constructive legislation coming out of all this."

An unexpected bonus of the program, Downer says, is the working relationships it promoted among committee members. It also gave a boost to new members, who were able to observe the committee process as well as learn about their state.

Time was the biggest challenge to the Legislative Outreach Initiative. Louisiana has a part-time Legislature, and members and staff face many demands. Chartered buses were used for some of the trips so lawmakers could work while they traveled. The speaker adds that the initiative took "a lot of extra commitment from the staff and extra time and commitment from members. But enthusiasm caught on quickly, with committee chairmen making suggestions of where we should go and what we should see."

Based on the results of this year's time on the road, the speaker's goal is to get every committee into every community in the state over the next four years.



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Work Orders & Work Requests

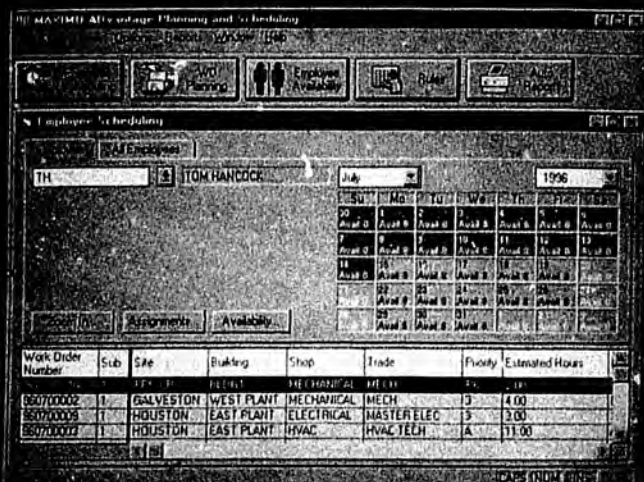
Prioritize them

Reduce BACKLOGS

CUT response times

- Generate work orders in seconds
- Enter data just once
- Pop-up fault codes and cost centers
- CAD drawings, parts lists, permits, and other related documents instantly available
- Bar Code capabilities

The screenshot shows the 'MAXIMII Advantage Work Orders' application window. The title bar reads 'MAXIMII Advantage Work Orders'. Below the title bar is a menu bar with 'File', 'Edit', 'Options', 'Reports', and 'Window'. A toolbar contains icons for 'Open WO', 'Close WO', 'View WO', 'Close by List', 'Print WO', and 'Auto Reports'. The main window is titled 'Open Work Orders [MAC960700010]'. It features a tabbed interface with 'Work Orders', 'Acct/Info', 'Drawings', 'Service', 'Safety', and 'Address'. The 'Work Orders' tab is active, displaying a form with the following fields: 'WO Number' (MAC 960700010.1), 'Date Opened' (7/15/96), 'Requester' (PL), 'Tag No.' (PLAT 12-401), 'Site' (FL CH), 'Building' (BLDG1), 'Floor/Room' (2nd fl), 'Request Code' (LEAKING), 'Shop' (MEL HANFAL), 'Trade' (P.L.H.), 'Employee' (T.H.), 'Priority' (2), 'Est. Hours' (2.00), 'Est. MH' (\$145.00), 'Status' (READY), and 'Target Date' (7/15/96). A button labeled 'Add Resource' is located below the 'Status' field. At the bottom of the window, there are buttons for 'History', 'Pending', and 'Future PMs', along with 'Close WO', 'Save', 'Print WO', 'Cancel', and 'Help'.



Preventive Maintenance

Increase it

Minimize reactive MAINTENANCE

CUT breakdown rates

REDUCE capital expenditures

- Optimize labor utilization
- Accommodate contractors

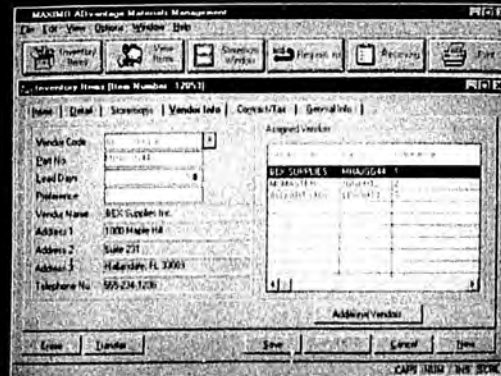
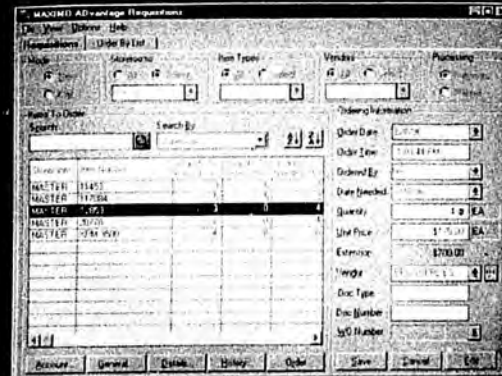
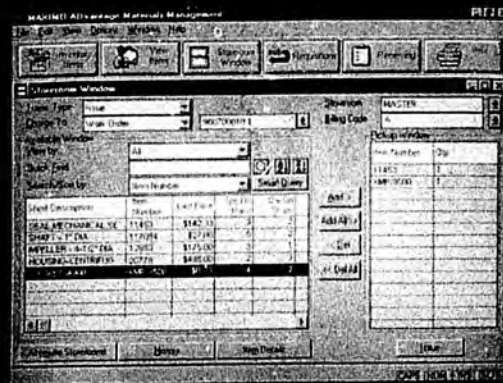
Inventory

Optimize it

AVOID stock-outs

Cut COSTS

- Complete inventory status instantly visible
- Automatic reorder capability
- Vendor preferences, prices and lead times facilitate purchase decisions
- Bar Code capability



Productivity

Increase it

REDUCE defects

Increase WRENCH time

- Complete library of ready-to-use reports
- Create custom reports in minutes
- Identify areas for improvement
- Establish performance benchmarks

Work Order Summary Report

All Open Work Orders Grouped by Shop, Trade, Employee

		Estimates			Actuals		
Code	Count	Hours	Materials	Labor	Hours	Materials	Labor
Main							
Mech							
EL	6	11.30	\$601.80	\$711.00	18.00	\$928.71	\$771.00
EH	1	11.00	\$166.64	\$193.00	18.30	\$141.00	\$290.00
IR	5	14.00	\$1,100.00	\$100.00	36.10	\$406.80	\$180.00
IS	1	11.10	\$110.00	\$160.00	14.70	\$160.00	\$160.00
Super	1	1.00	\$100.00	\$100.00	14.70	\$100.00	\$100.00
Mech	11	11.30	\$1,868.44	\$1,164.00	99.90	\$1,746.51	\$1,501.00
Sum	21	11.30	\$1,868.44	\$1,164.00	100.90	\$1,746.51	\$1,501.00

Labor Cost Difference: \$(61.00)

Labor Hours Difference: 43.01

Materials Cost Difference: \$(14.00)

Total Cost Difference: \$(75.00)

Control

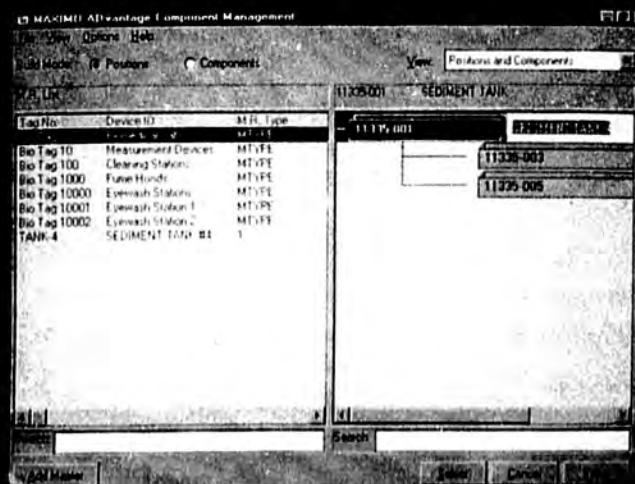
Take it

SOLVE problems

Prove YOUR POINT

BE PROACTIVE

- Complete, detailed data on all of your physical assets
- Perform life cycle and other analyses
- Extensive drill-down capabilities



Meet them

Interface

COMPLY

Charge-back

- Complete charge-back capability
- Can be customized to meet specific needs for automatic paging, telephone voice response, touch screens and integrated fax capability
- Runs on stand-alone PCs, LANs and WANs
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MAXIMO ADvantage

GET it

Use IT

WIN with it

Powerful

- View detailed work histories and jobs with a click of a button
- Work order entries automatically update inventory, accounting and productivity systems
- Extensive analysis and report capabilities

Easy to use

- Clear, readable screens
- Highlighted entry fields

Flexible

- Facilities or plant oriented; can handle service requests and request tracking as easily as equipment work orders
- Wide variety of rules and frequencies: calendar, fixed or floating, run time or event driven

Questions or Comments?

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111:2

ALASKA STATE LEGISLATURE

Rep. Eldon Mulder, Co-Chair
Rep. Kim Elton
Rep. Richard Foster
Rep. Jeannette James
Rep. Beverly Masek
Rep. Gail Phillips



Sen. Tim Kelly, Co-Chair
Sen. Loren Leman
Sen. Georgianna Lincoln
Sen. Robin Taylor
Sen. Gary Wilken
Sen. Mike Miller

DEFERRED MAINTENANCE TASK FORCE

Task Force Meetings					
	Meeting Dates		Place	Activity	General Focus
1	August	25 (Mon)	Kenai	Task Force Public Hearing	Schools, Roads, Harbors
2	September	8 to 12 (Mon to Fri)	Nome & Kotzebue Area	Task Force Public Hearing & Site Visits	Schools & Airports
3	September	29 (Mon)	Kodiak	Task Force Public Hearing & Site Visits	Docks & Harbors
4	October	1 (Wed)	Mat-Su	Task Force Public Hearing	Roads, Schools
5	October	2 (Thur)	Anchorage	Task Force Public Hearing	Schools, Roads
6	October	7 (Tue)	Ketchikan	Task Force Public Hearing & Site Visits	Docks, Harbors, Vessels
7	October	14 (Tue)	Fairbanks	Task Force Public Hearing & Site Visits	University
8	October	21 and 22 (Tue & Wed)	Anchorage	Task Force Public Hearing	Financing options
9	November	5 to 7 (Wed to Fri)	Anchorage	Task Force Public Hearing	Final meeting of Task Force and adoption of final report.

Deferred Maintenance Task Force

DRAFT

Task Force Travel Activities					
	Activity Dates		Place	Activity	Proposed Focus
1	June				
2	July	21 to 24	Anchorage	Staff work	Staff and Co-Chairs in Anchorage
3	August	11 to 13	Anchorage	Staff work	Staff and Co-Chairs in Anchorage
4	August	18	Anchorage	Staff work	TF Staff with U of A staff
5	August	25	Soldotna	Task Force Public Hearing	Schools, Roads, Harbors
6	September	week of 8th	Nome & Kotzebue Area	Task Force Public Hearing & Site Visits	Schools & Airports
7	September	29	Kodiak	Task Force Public Hearing & Site Visits	Docks & Harbors
8	October	1	Mat-Su	Task Force Public Hearing	Roads, Schools
9	October	2	Anchorage	Task Force Public Hearing	Schools, Roads
11	October	week of 6th	Ketchikan	Task Force Public Hearing & Site Visits	Docks, Harbors, Vessels
10	October	21	Fairbanks	Task Force Public Hearing & Site Visits	University
12	October	14 and 15	Anchorage	Task Force Public Hearing	Financing options
13	October	27 to 29	Anchorage	Staff work	Drafting session
14	November	5 to 7	Anchorage	Task Force Public Hearing	Final meeting of Task Force and adoption of final report.
15	December	week of 8th	Anchorage	Staff work	Staff & Co-Chairs final prep for printing

MEMORANDUM

DATE: July 17, 1997

TO: President Miller *468-3205* Speaker Phillips
Senator Pearce Representative Hanley
Senator Kelly Representative Mulder
Pam Varni, LAA

FROM: Denny DeWitt, Legislative Assistant *[Signature]*
Representative Mulder
Phone Juneau 465-2647 (Toll Free 888-465-2647) Fax 465-3518
Anchorage 258-8193 Fax 258-5511
E-Mail: Dennis_DeWitt@legis.state.ak.us

RE: Teleconference, Monday July 21, 1997, at 4:30 PM

Senator Pearce is not available until 4:30 PM so I took the liberty to move the teleconference back a half hour. All except Senator Miller and Pam Varni will be in Anchorage. We will meet at the LIO, but I have not been assigned a room yet. I will advise your office of the room on Monday.

Senator Miller and Pam Varni need to call the bridge at 4:30 PM. The number is 800-478-7612. Ask for the Deferred Maintenance Task Force. If Rep Hanley is not at the LIO, he should call 800-746-202.

I attached a proposed budget and schedule of Task Force meetings and staff activities. I would be happy to respond to any questions before or at the meeting. I will be in Juneau on Friday and In Anchorage on Monday.

There are two changes in the proposed schedule. First, the October dates for Fairbanks and Anchorage (meetings #7 and #8) are switched at Senator Wilken's request. Second, the trips to Kotzebue are combined to reduce the travel cost and the time needed for each trip. We will be in Kotzebue the first of the week then to Nome for the end of the week. I am trying to arrange visits to some villages during that week.

3 Attachments

ALASKA STATE LEGISLATURE

Rep. Eldon Mulder, Co-Chair
Rep. Kim Elton
Rep. Richard Foster
Rep. Jeannette James
Rep. Beverly Masek
Rep. Gail Phillips



Sen. Tim Kelly, Co-Chair
Sen. Loren Leman
Sen. Georgianna Lincoln
Sen. Robin Taylor
Sen. Gary Wilken
Sen. Mike Miller

DEFERRED MAINTENANCE TASK FORCE

Public Hearing

August 25, 1997

Kenai Council Chambers
210 Fidalgo, Suite 200
Kenai, Alaska
10:00 AM to 4:30 PM

Opening Remarks	Representative Eldon Mulder, CoChair Members Kenai Legislative Delegation
10:30 AM to Noon	Presentations by the Kenai Borough and Municipalities on the Kenai Peninsula
Noon to 1:00 PM	Lunch Break
1:30 PM to 2:30 PM	Presentation by the Alaska Municipal League
2:30 PM to 4:30 PM	Public Testimony
4:30 PM	Adjournment

**Alaska State Senate
Senate Finance Committee**

TELECOPY TRANSMITTAL SHEET

FROM: The Office of Senator Drue Pearce
Co-Chair, Senate Finance Committee

Telephone: (907) 465-3710
Fax: (907) 465-3872

**TO: Senator Tim Kelly Fax 258-4524
Representative Eldon Mulder Fax 258-5511
Co-chairs, Deferred Maintenance Task Force**

10/30

Dear Sirs:

On November 18, from 2:00 to 4:15 p.m., the Senate Finance Committee will hold a meeting, video conferenced from the Anchorage LIO. Senator Pearce would like to include in the agenda a 45 minute presentation and discussion of the final recommendations of the Deferred Maintenance Task Force, with a particular focus on the financing plan within the committee's report.

Senator Pearce has asked me to extend an invitation to both of you to attend the meeting and present the task force recommendations. This agenda item is tentatively scheduled for 3:00 p.m. After your fifteen minute joint review of the recommendations, the finance members will have about thirty minutes to discuss them with you.

Senator Wilken has been invited to give an update on the joint Senate Finance and HESS Public School Funding town meetings at 2:30, so I anticipate that he will be present for the Deferred Maintenance discussion as well. House Finance members will be invited to listen to the two presentations.

I look forward to hearing from you at your earliest convenience.

Llewellyn Lutchansky
Aid to Senator Drue Pearce

ALASKA STATE LEGISLATURE

Rep. Eldon Mulder, Co-Chair
Rep. Kim Elton
Rep. Richard Foster
Rep. Jeannette James
Rep. Beverly Masek
Rep. Gail Phillips



Sen. Tim Kelly, Co-Chair
Sen. Loren Leman
Sen. Georgianna Lincoln
Sen. Robin Taylor
Sen. Gary Wilken
Sen. Mike Miller

DEFERRED MAINTENANCE TASK FORCE

Capitol Building, Room 501 • Juneau, Alaska 99801 • Phone (907) 465-2647 • FAX (907) 465-3518

FAX

TO: Deferred Maintenance Task Force Members
FAX # 907-
FROM: Denny DeWitt, Legislative Assistant
Representative Eldon Mulder
Phone # 907-465-2647
FAX # 907-465-3518
E-mail: Dennis_DeWitt@legis.state.ak.us
DATE: November 10, 1997
PAGES: 9, including cover
SUBJECT: Press Packet from Friday Nov. 7

COMMENTS: I enclosed the press release we used on Friday, with updates on the spread sheets and criteria as requested at the meeting on Thursday.

Also, a reminder of our next meeting
Saturday, January 10, 1:30 PM, House Finance Room #519

Thank you for your cooperation and assistance on this project. I have enjoyed working with each of you.

ALASKA STATE LEGISLATURE

Rep. Eldon Mulder, Co-Chair
Rep. Kim Elton
Rep. Richard Foster 13/14
Rep. Jeannette James 14th
Rep. Beverly Masek 14th
Rep. Gail Phillips



Sen. Tim Kelly, Co-Chair
Sen. Loren Leman 14th
Sen. Georgianna Lincoln
Sen. Robin Taylor
Sen. Gary Wilken
Sen. Mike Miller

DEFERRED MAINTENANCE TASK FORCE

MEMORANDUM

DATE: April 16, 1997

TO: Suzanne Lowell
Chief Clerk of the House

FROM: Representative Eldon Mulder
Co-Chair

RE: Task Force Meeting

Nancy Quinto
Secretary of the Senate

Senator Tim Kelly
Co-Chair

The Deferred Maintenance Task Force will meet:

Friday May 2, 1997
Noon to 1:15 PM
Room 519

Topic:

Discussion of process to be used by Committee

Presentations by :

Alaska Court System
Department of Education
Department of Transportation and Public Facilities
University of Alaska

Review of Current Legislation affecting Deferred Maintenance

SCOMM

111:3

ALASKA STATE LEGISLATURE

News From The Senate and House Majorities

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Juneau, AK 99801

Ken Freeman (907) 465-3804
Wendy Lindskoog (907) 465-4582

Actuality line: 1-800-478-6540

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Deferred Maintenance Task Force Scheduled to Begin Work

For Immediate Release: May 5, 1997

Contact: Rep. Eldon Mulder (907) 465-2647

JUNEAU - The Deferred Maintenance Task Force will hold its first meeting to begin addressing Alaska's deferred maintenance needs. The meeting will take place at 9:00 a.m. Tuesday, May 6, 1997 in the Butrovich Room of the State Capitol Building - Room 205.

The task force was created by House Concurrent Resolution 8, sponsored by House Speaker Gail Phillips. The Task Force will be Co-Chaired by Representative Eldon Mulder and Senator Tim Kelly. Rep. Mulder will preside over Tuesday's meeting.

The Task Force will hear presentations from the University of Alaska, State Court System, Department of Education, and Department of Transportation and Public Facilities. The agencies have been asked to summarize the state of the buildings, roads, docks and other parts of Alaska's infrastructure as well as the current need for maintenance of those facilities.

In addition to the presentations, the Task Force will discuss the process it will use to develop recommendations for addressing the deferred maintenance needs it identifies.

"We need to focus on the needs of existing buildings. Our intention is to address leaking roofs, docks that are rotting, and structures that are marginally safe for occupancy," said Speaker Gail Phillips.

Phillips said the Task Force will be looking at University buildings, school buildings, National Guard buildings, docks, roads, and airports. She said the task force will make site visits throughout Alaska. "We need to see the problems and hear from citizens the suggestions they have for identifying and funding deferred maintenance needs," said Phillips.

"Part of our goal is to develop a process that will keep deferred maintenance from becoming a recurring problem," said Co-Chair Eldon Mulder. "This means that our real charge is not only developing a process that will identify, prioritize, and fund our current needs, but to prevent the need for another Task Force like this in the future."

The Task Force on Deferred Maintenance will:

- review and evaluate existing reports and publications about past deferred maintenance recommendations
- identify and evaluate all current and deferred maintenance needs
- solicit public comments on addressing the deferred maintenance problem
- submit a report of its findings and recommendations, including a plan for funding, by the convening of the 1998 Legislative Session.

The Task Force Members are Representatives Eldon Mulder, Co-Chair, Kim Elton, Richard Foster, Jeannette James, and Beverly Masek; and Senators Tim Kelly, Co-Chair, Loren Leman, Georgianna Lincoln, Robin Taylor, and Gary Wilken. House Speaker Gail Phillips and Senate President Mike Miller will also serve on the Task Force.

Deferred Maintenance Task Force Scheduled to begin Work

The Deferred Maintenance Task Force created by House Concurrent Resolution 8 Sponsored by Speaker Gail Phillips will hold its first meeting at 9:00 AM on Tuesday, May 6, 1997. The Task Force will meet in room 205 of the State Capitol Building, the Butrovich Room. The Task Force will be co-chaired by Representative Eldon Mulder and Senator Tim Kelly.

The Committee will hear presentations from the University of Alaska, the Court System, the Department of Education, and the Department of Transportation and Public Facilities. The agencies have been asked to summarize the state of the buildings, roads, docks and other parts of our infrastructure and the current need for maintenance of those facilities. In addition to the presentations, the Task Force will discuss the process it will use to develop recommendations to address the deferred maintenance needs it identifies.

"We need to focus on the needs of existing buildings. Our intention is to address leaking roofs, docks that are rotting, structured that are marginally safe for occupancy. We are not going to be looking at a sky walk between the Capitol Building and the Diamond Court House," said Co-Chair Eldon Mulder. "The Task Force will be looking at University buildings, school buildings, National Guard buildings, docks, roads, airports. It will require us to make site visits through out Alaska. We will need to see the problems and hear from citizen suggestions they have for identifying and funding the deferred maintenance needs."

"Part of our concern is to put in place a process that will help avoid deferred maintenance becoming a recurring problem," stated Mulder. "This means that our real charge is not only developing a process that will identify, prioritize, and fund our current needs. Our ultimate objective is to prevent the need for another Task Force like this in the future."

The Task Force on Deferred Maintenance will:

- review and evaluate existing reports and publications about deferred maintenance recommendations previously made
- identify and evaluate all current and deferred maintenance needs
- solicit public comments on addressing deferred maintenance
- submit a report of its findings and recommendations, including a plan for funding, by the convening of the 1998 Legislative Session.

The Task Force Members are Representatives Eldon Mulder, Co-Chair, Kim Elton, Richard Foster, Jeannette James, and Beverly Masek; and Senators Tim Kelly, Co-Chair, Loren Leman, Georgianna Lincoln, Robin Taylor, and Gary Wilken. House Speaker Gail Phillips and Senate President Mike Miller will also serve on the Task Force.

out beyond the Potomac that they had cut taxes for the poor, for the rich, for the in-between, for students, for one and all.

What they didn't do was make it simple.

In fact, they made things worse.

The new changes — hailed to high heaven by those who breathe the heady air of Washington — further complicate the business of filling out tax returns. Instead of simplifying things for everyone, the politicians — as usual — tried to craft language that appeals to certain special interest constituencies, cobbling together a special tax break here and there, all lathered with political rhetoric about which side was entering to which voters.

Knight-Ridder Newspapers reported the tax code now fills more than 8,000 pages. "It now has 484 forms," the report said. "It generates enough paper to circle the Earth 36 times at the Equator. All the forms devour enough paper to chop down 293,000 trees."

Steve Forbes, in his unsuccessful campaign for the Republican presidential nomination, had it right. A flat tax — the same for everybody — is the way to go. Not more tax laws. Not more exemptions for special groups. Not more regulations. Not more work for the accountants. Not more headaches for the average guy who worries and frets trying to figure out the correct way to do things.

That's what Americans want. Why can't members of Congress get the message?

Fixer-uppers

A NEW task force established by the Legislature begins an important statewide series of 10 public hearings later this month, looking for advice on how to deal with the lack of maintenance on state buildings and facilities.

The Deferred Maintenance Task Force is chaired by two Anchorage Republicans, Sen. Tim Kelly and Rep. Eldon Mulder. The hearings begin in Kenai on Aug. 25 and will be held in a number of other communities in the weeks that follow, including Anchorage on Oct. 2, 21-22 and Nov. 5-7.

Committee members undoubtedly will hear a lot about roads, schools, airports, harbors and state buildings that badly need upkeep. Gathering items for their list should be the easy part. Figuring out how to finance the work will be the challenge.

Wish them luck ... and watch your wallet.

A jobless timber worker heading south to find a new job can ill afford to take a wife, two kids and his vehicle to Bellingham on the ferry. That will cost \$1,101, plus the cost of meals, and \$210 for a four-berth stateroom.

That's more than \$1,300 for the two-day trip. Compare that to the \$90 fare from Ketchikan to Prince Rupert for a vehicle and \$38 per person or a total of \$212 for a family of four. (The six-hour ride is comfortable without a stateroom.) For the \$1,000 difference, a family can drive a lot of miles, even spend a few nights in motels and have money left over.

There is a less expensive alternative to Bellingham. Ferry system officials have set up extra runs to Hyder from Ketchikan. They should be more widely advertised. There was an extra run last Tuesday. There was a regular run Aug. 12, and possibly an extra run on Aug. 19.

There is another regular run on Aug. 26. In September, there will be runs to Hyder on the second and ninth. The highway out of Hyder is excellent and so is the fare from Ketchikan. It is \$40 for a passenger and \$60 for an average vehicle.

Those extra runs from Ketchikan to Hyder should be labeled back-to-school specials and promoted with advertising to let Alaskans (and stranded Alaska visitors) know that there is an affordable alternative to Bellingham with Prince Rupert out.

With the mainliners running from Ketchikan to Skagway, there is plenty of capacity from Juneau to Skagway and Haines so some Juneauites shocked by ferry fares are going to Haines and Skag-



Williams



way and driving down the highway long haul but beats the \$862 Juneau to Bellingham for a car or or \$1,510 for a family of four.

One of the best things the state does is run one of its ferries out of Hyder on a Ketchikan-and-return run twice a week at a special low attract capacity loads. Run the Med between Juneau and Skagway the fast, inexpensive travel. Then let remaining mainliners serve between Ketchikan and Juneau with stops. It may inconvenience passengers to change ferries in Ketchikan-Juneau, but there wouldn't be no wait. Cheaper fares and faster would offset the inconvenience.

Especially, the ferry system make more runs to Hyder. The boat out of there is great and open year. The only disadvantage this writer encountered when driving it was that Canadian Mounted Police patrolling that Alaskans know sign on the highway means 90 mph per hour, not 90 miles per hour. The speed limit is 54 miles per hour.

Some claim that the ferry run at 10 hours is a disadvantage. 6-hour run to Prince Rupert. But der Community Association to travelers that driving miles to the 48 are fewer via Hyder.

Juneau Mayor Dennis Egan & other Southeast mayors at a call in Juneau last week. Topics discussed without exception that the Forest Service engaged to get a plan for implement-

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The Northern LIGHT

Tuesday, June 17, 1997

Vol. XVII No. 2

New regular trail review
debuts
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JUNEAU AK 99801-1182

Step into summer



Lack of money prevents repair of UAA buildings

By Tara Sexton
Northern Light Copy Editor

UAA has its share of walls in need of a fresh coat of paint and carpet that has been trodden on one too many times. Several of the rest rooms have seen better days. According to the University of Alaska, these and many other deferred maintenance projects can be taken care of for just about \$38.6 million.

Deferred maintenance is the portion of campus upkeep that has not been covered by the university's budget. The entire UA system currently faces \$165 million in deferred maintenance costs.

UA's deferred maintenance handbook lists 237 different repairs at UAA alone. Among them are plans to paint

the exterior of the Allied Health Building, which will cost \$100,000; to replace carpet in the Engineering Building at a cost of \$98,000; and to repair saunas in the Sports Center, which will cost \$125,000. Various buildings around campus also require \$200,000 to "correct fire protection deficiencies."

Along with various other state groups, UA presented its pleas for maintenance needs to a new deferred maintenance task force. The task force was created by the Alaska Legislature to determine problems and solutions for the state's ailing infrastructure. It held its first meeting in Juneau on May 6.

The task force also heard presenta-

See Costs, page 5

Local students uncover fossil

Value of ancient turtle fossil not realized for two years

By Charles Adamson

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CORRECTION

**THE FOLLOWING DOCUMENT(S)
HAVE BEEN REFILMED TO
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Department of Education
State of Alaska

The Northern LIGHT

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Lack of money prompts repair of UAA buildings

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Engineering buildings. Anchorage and university police officers responded but were unable to locate the patient.

June 2

- An officer observed two people laying on the ground near North Drive. The officer stopped and talked to the individuals. He determined they were intoxicated and transported the individuals to a residence off Tudor Road.
- A UAA employee contacted university police to report she had lost a university cellular phone during a trip to Miami. The phone was lost when the airline lost the employee's luggage. The estimated value of the phone is \$325.
- A resident adviser requested assistance in the Templewood Apartments because a resident was smoking marijuana. An officer responded, but no controlled substances were found during a check of the premises.

breaking up a party in the Templewood Apartments. Two officers responded and found several individuals, but not the apartment residents. Everyone was instructed to leave the premises.

June 8

- UPD received reports of the sound of shots being fired to the east of student housing. An officer responded, but found nothing.
- Anchorage Fire Department advised UPD they were en route to a construction site near the Templewood Apartments after several reports of explosions. The officer found no evidence of explosions.
- A Campus Center employee advised UPD of a male starting a fire beneath the spine between the Campus Center and the Engineering Building. An officer extinguished the fire, but could not locate the man.

June 9

- Two officers observed a suspicious man carrying a

Costs

Continued from page 1

tions from the State Court System, the Department of Education and the Department of Transportation and Public Facilities.

House Speaker Gail Phillips, who sponsored the bill that created the task force, said it has two main goals: to identify the state's maintenance needs and to recommend how to pay for them. The committee will submit a report of its findings and recommendations sometime during the 1998 legislative session.

Overall, state structures require more than \$2 billion in repairs. To fund this, Phillips said the task force will consider several different avenues, including statewide bonding or taxes and tapping the Permanent Fund earnings reserve account.

"It's going to take a big, big amount of money," she said. "(The task force) is going to have to look very logically at how to do this."

The university could expect to see action as early as next summer. If legislators decide fund the maintenance with bonds, the bonds must be approved by voters in the 1998 fall election.

Phillips said the university will not necessarily receive more attention than other areas.

"I'm not going to classify one of them as more of a priority than another," she said.

Though no official tours have been planned, Phillips said many members of the task force have already visited the universities closest to where they live and have seen the problems.

Phillips said the task force will exist until all maintenance and funding needs have been taken care of. She said she would also like to see a law against state departments deferring maintenance. In the past, new structures have been built to accommodate growth, she said, while old ones have been ignored.

"When we build new buildings, there has to be a (part of the) budget (included for deferred maintenance)," she said.

Jerry Neubert, the UA architect who made the presentation on behalf of the university, could not be reached for comment.

Also serving on the task force are Representatives Eldon Mulder (co-chair), Kim Elton, Richard Foster, Jeannette James, and Beverly Masek; Senators Tim Kelly (co-chair), Loren Leman, Georgianna Lincoln, Robin Taylor, and Gary Wilken; and Senate President Mike Miller.

Police find dru

Northern Light Staff

A cocaine-related item was found university police in the student housing quad. The item, which university police Chief Bob Bachand described as a concealed cocaine spoon, was discovered by officer Dan Loy during a patrol of area June 4.

"ROCK"? "RAF

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OF

Deferred Maintenance Task Force Visits Martin L. Olson School in Golovin

By Leiloni Wardwell, Teacher
Martin L. Olson School

The high school students at Martin L. Olson School in Golovin had the privilege of experiencing the American government system first-hand. When the news came to Golovin that the Deferred Maintenance Task Force Committee would be visiting, the high school students wrote to their Representative, Richard Foster, about their excitement and concerns for their school. When the replies arrived, the letters were read aloud in several classes and saved in memorabilia boxes in students' homes. Posters were placed around town inviting the community to have coffee and rolls with members of the Deferred Maintenance Task Force Committee, staff from the Bering Strait School District and high school and middle school students.

The big day arrived, and the weather looked uncooperative, but planes started arriving before 8:00 am. By 10:00 am, everyone arrived and were assembled in our half-court gym. Assistant Superintendent, Sam Towarak gave formal introductions. The village of Golovin was fortunate to host Representative Richard Foster from District 23, the Chair of the Deferred Maintenance Task Force Committee Representative Eldon Mulder, his legislative Aide Denny DeWitt, Committee members Representative Jeannette James and Senator Gary Wilken, who is also Chair of the Health, Education and Social Ser-

vice Committee. The Bering Strait School District was well represented by Clifford Weyiouanna, School Board President, School Board Member Palmer Sagoonick representing Golovin, Sam Towarak, Assistant Superintendent, Associate Superintendent Harry Martin, Bob Dickens, Director of Facilities, and Ric Ried, Director of Maintenance. Thomas Punguk of the Chinik Traditional Council along with AEC president Carol Oliver were also present to hear from the Deferred Maintenance Task Force Committee.

The high school and middle school students witnessed this important part of how communities and committees work toward a common goal. This was a great example of the real adult world.

After introductions, the community members, as well as students, were able to speak with the Task Force.

As the adults mingled in the gym, one student spoke with Representative Foster. He asked, "What grade are you in?" To which she replied, "Tenth". Mr. Foster retorted, "the year 1999?"

"No, 2000." Richard Foster shook his head and said, "I'm getting old."

The visiting dignitaries were escorted by Principal Betty Wallace, and Golovin Maintenance Director, Chon Peterson



Dora Smith of Golovin, Rep. Jeannette James, Rep. Eldon Mulder, and Thomas Punguk of the Chinik Traditional Council discuss the Golovin School situation.

around the school and rented buildings. The Task Force was able to see the aging boiler and the overcrowded rooms. Representative Jeannette James coined the phrase "Toy School" because of the few number of students compared to the large student body populations in her district.

Before the Task Force left, they were able to make two quick visits to Maggie Olson's Store and the City Offices.

Many thanks to the Deferred Maintenance Task Force Committee, not only for taking the time to visit Golovin and hear our concerns, but for also allowing our students the privilege of seeing the positive side of working politics. □

Legislative Aide Denny DeWitt takes down information from Sen. Gary Wilken and BSSD Director of Facilities, Bob Dickens.



Rep. Richard Foster (in baseball cap), with townspeople from Golovin, take time to inspect the gymnasium.



SCHOOL BOARD ACTIVITIES

The 133rd Regular Session of the Bering Strait School District Board of Education, originally scheduled for Monday, June 2nd, was called to order in the Board Room of the BSSD District Office in Unalakleet, Alaska on Tuesday, June 3, 1997 at 2:12 pm by Board Chairman Clifford Weyiouanna.

The Board took the following **Action**:

- Approved the Minutes of the 132nd Regular Session of April 8, 1997.
- Confirmed the Telephone Poll of 5/12/97 regarding the 6-year CIP (Capital Improvement Plan) Grant Application Consultant. Action taken by the poll authorized the hiring of J.W. Shepherd Construction Mgt. Co. Inc. as consultants to improve the District's Six-Year CIP grant application. Source of funds for this project will be taken out of the fund balance for capital projects.
- Approved the firm of Altman, Rogers, and Company, Certified Public Accountants, as auditors for the Bering Strait School District for the 1996-97 school year.
- Approved the FY'98 Student Activity Proposal Revised Budget.
- Approved the FY'98 Reading Curriculum revision as presented.
- Approved FY'98 IASA Consolidated Plan of Service as follows:
 - Title VI Innovative Program Schools Proposal;
 - Title II Eisenhower Math and Science Program Proposal;
 - Migrant Education;
 - Title I Part A Plan of Service; and
 - Title IV Safe and Drug-Free Schools and Communities Act.
- Approved the FY'98 Community Education proposal as presented.
- Accepted the Alaska Science and Technology Foundation Internet Connectivity Project grant as presented.
- Approved the FY'98 BSSD School To Work Implementation Grant.
- Authorized Superintendent Bowling to approve the Savoonga Joint Utilities Water Agreement and to approve the City of St. Michael Water Agreement.
- Approved the annual 6-Year FY'99 CIP for the Bering Strait School District as presented with the ranking of:
 1. Golovin
 2. White Mountain
 3. Koyuk
 4. Elim
 5. Teller
- Approved Resolution 97-06-03-01 for Diomedede Structural Work and to request the funds from the Department of Education for the scope of work described in the capital budget.
- Approved the FY'98 Budget in 2nd Reading as amended to include the Student Activities Proposal.
- Approved the FY'98 Maintenance Service Plan.
- Adopted the certificated employee evaluation instruments as presented.

Personnel Actions:

- Approved the employment of 5 classified employees (from Brevig Mission, Savoonga, Shaktoolik, and White Mountain) for permanent status.
- Approved the employment of 2 classified employees (from Gambell and Unalakleet District Office) for probationary status.
- Approved the employment of 182 certified employees district-wide as professional staff members for the 1997-98 school year.

Reports:

- Cafeteria Benefit Plan
- FY'98 Gifted and Talented Report
- Strategic Plan and Site-Based Plans Update
- District Airplane Report

- NSBA Convention Report
 - Legislative Report
 - Site Educators of the Year and Longevity Awards
 - Who's Who Student Awards
 - Superintendent's Report
- The Board reviewed **Correspondence** and the **AEC Minutes**.

Public comments were received from Steve Ivanoff. Janet Stout, Special Ed. Coordinator, expressed appreciation for the good experiences during her seven years with BSSD. She stated that we should be proud of the progress being made in this district due largely in part to the support and action of the School Board. Tia Wilson thanked Janet for her work and presented her with a photo memento. Cliff Weyiouanna also thanked Janet for her services on behalf of the Board and also on behalf of his wife who had worked with her in Shishmaref. Weaver Ivanoff asked that congratulations be sent to fellow-Board member, Zoe Ivanoff, who just had a baby.

The 133rd Regular Session adjourned at 9:00 pm. □

*Administrative Assistant
Leona Grishkowsky accepts the BSSD
Educator of the Year from Board
President, Clifford Weyiouanna.*



July/August/September 1997

ALASKA STATE LEGISLATURE

Rep. Eldon Mulder, Co-Chair
Rep. Kim Elton
Rep. Richard Foster
Rep. Jeannette James
Rep. Beverly Masek
Rep. Gail Phillips



Sen. Tim Kelly, Co-Chair
Sen. Loren Leman
Sen. Georgianna Lincoln
Sen. Robin Taylor
Sen. Gary Wilken
Sen. Mike Miller

DEFERRED MAINTENANCE TASK FORCE

Building an Alaska for the 21st Century

Task Force Announces Hearings

For Immediate Release

Wednesday, July 31, 1997

Contact: Denny DeWitt
Legislative Assistant to Rep. Mulder
907 465-2647

(Juneau, AK) -- Representative Eldon Mulder and Senator Tim Kelly, the Deferred Maintenance Task Force Co-Chairs, announced a series of public hearings to review statewide problems associated with the lack of maintenance on state assets.

The Deferred Maintenance Task Force has scheduled 10 hearings to review the needed upgrades to roads, airports, harbors, public buildings, and schools in Alaska. The task force will listen as people throughout Alaska share their view of the need to repair and replace existing state owned facilities including proposals for how to finance the needed repairs. Hearings are planned in Anchorage, Fairbanks, Kenai, Ketchikan, Kodiak, Kotzebue, Nome, and the Mat-Su Borough.

"We have allowed our infrastructure to become worn, sometimes to the point of being dangerous," stated Representative Eldon Mulder. "We need to address the chronic needs of our existing buildings, harbors, roads and schools as we add new assets to Alaska's infrastructure. While we need many new parts of our infrastructure, we need to be aware of the ongoing need for maintenance. Our task is to look at the assets we have and prepare a plan to catch up with overdue maintenance and recommend a way to keep our facilities in properly maintained condition."

Deferred Maintenance Task Force Meetings

7/31/97

Page 2

"We need to address the deteriorating condition of our existing roads, tourist facilities, bridges, harbors, ferry's, schools, the University of Alaska buildings, and other public buildings. Then we can move aggressively forward to develop our infrastructure for the 21st century," commented Senator Tim Kelly. "As our population increases, the need for schools and roads increases. We need to get our house in order now so we can address new needs as they arise."

The legislative staff assigned to the task force is currently collecting information on the status of state owned facilities. The task force will review the lists of needs to understand the current state of unfunded and deferred or neglected maintenance and the needed maintenance yet to be completed.

Task force member Representative Gail Phillips noted, "Some cost estimates place Alaska's unmet needs at well over \$1 billion. Meeting our maintenance needs is not about building a sky walk from the court building to the capitol. It is about a capitol that leaks when it rains and ruins documents. It is about docks that are rotting and falling into harbors. It is about schools with inadequate fire protection."

"We need to have well maintained buildings if we expect teachers to be able to teach and state employees to carry out their program responsibilities," reflected Rep. Mulder. "We can save significant amounts of money over time if we maintain our current facilities. This long term savings will help us afford the needs we will have moving into the next century."

The Legislature established the Deferred Maintenance Task Force to assess the condition of public facilities and solicit input on needs. Further, and equally necessary, the task force is to evaluate various funding proposals to pay for the needed repair and replacement to state facilities. The task force will report back to Legislature in January of 1998.

end # end # end

Hearing schedule is attached

ALASKA STATE LEGISLATURE

Rep. Eldon Mulder, Co-Chair
Rep. Kim Elton
Rep. Richard Foster
Rep. Jeannette James
Rep. Beverly Masek
Rep. Gail Phillips



Sen. Tim Kelly, Co-Chair
Sen. Loren Leman
Sen. Georgianna Lincoln
Sen. Robin Taylor
Sen. Gary Wilken
Sen. Mike Miller

DEFERRED MAINTENANCE TASK FORCE

Building an Alaska for the 21st Century

Task Force Announces Kenai Hearing

For Immediate Release

Thursday, August 14, 1997

Contact: Denny DeWitt
Legislative Assistant to Rep. Mulder
907 465-2647

(Juneau, AK) -- Representative Eldon Mulder and Senator Tim Kelly, the Deferred Maintenance Task Force Co-Chairs, announced a Kenai public hearing to review problems associated with the lack of maintenance on state assets. The Hearing is scheduled for August 25, 1997, from 10:00 AM to 4:30 PM at the Kenai Council Chambers, 210 Fidalgo, Suite 200, in Kenai.

"We will hear from representatives of the borough and cities on the Kenai Peninsula, the Alaska Municipal League and have a time for citizens to share their concerns," stated Rep. Mulder. "We are looking forward to hearing what Alaskans see as the problems with our roads, schools, buildings, harbors and other state assets. We scheduled a time from 2:30 PM to 4:30 PM just for members of the public to speak. We need to know not only the problems, but suggestions on how to pay for the repairs."

The Deferred Maintenance Task Force has scheduled 10 hearings to review the needed upgrades to roads, airports, harbors, public buildings, and schools in Alaska. The task force will listen as people throughout Alaska share their view of the need to repair and replace existing state owned facilities including proposals for how to finance the needed

Deferred Maintenance Task Force
Kenai Meeting
8/14/97
Page 2

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Alaska Legislative Digest

An Inside View of Alaska Policy

PUBLISHERS: Mike Bradner

Business Office: 349-7711
3037 South Circle
Anchorage, AK 99507
Fax: (907) 522-1761

September 16, 1997
No. 20/97

Deferred maintenance: How should we maintain (and build) our infrastructure?

The Joint House/Senate Task Force on Deferred Maintenance opened its schedule of hearings in Kenai in late August, moved to Nome Sept. 11, and will next meet in Kodiak Sept. 29. But a lot more is on the table than catching up on some years of delayed maintenance. Cochaired by Sen. Tim Kelly and Rep. Eldon Mulder, both of Anchorage, the task force is initially charged with assessing the backlog of deferred maintenance around the state. This sounds simple, but the deferred maintenance issue brings some sticky political questions, as well as the whole question of financing the state's infrastructure, to the table.

The committee's up front task is to quantify the problem and assess alternatives for financing so-called deferred maintenance. Broadly, this includes schools, roads, bridges, airfields, harbors, and other facilities. But it can also include governments other than the state, meaning municipalities, schools, the university, some utilities, and other institutions with some claim of dependency on state funding.

Deferred maintenance drags up the whole issue of capital funding

Intended, or not, the deferred maintenance issue cannot escape the broader issues of the state capital budget, and how the state can finance capital needs, for new construction, replacement, and renewal, as well as keeping up with basic year-to-year repair of facilities.

Inherent in all this is the question of what facilities the state should be responsible for, and under what circumstances or conditions the state should be responsible for, or share in, the need of local governments and other institutions that might claim dependency. These are the sticky and difficult questions. Assessing the quantity of need is the simple part.

This isn't saying the task force will even come close to resolving these issues by January. They won't. At best they will likely manage a step along the way, but their effort should contribute to bringing the bigger issues to the political fry pan.

(Continued on page 2)

Some background: Why do we have deferred maintenance?

Our current deferred maintenance is largely a result of our budget squeeze, perhaps even a natural result. Ask a veteran government manager, or even a private manager, what happens in a prolonged budget squeeze and they'll likely tell you—maintenance budgets gradually lose out! Alaska has had one level of budget squeeze on since the 1986 oil price crash. We then instigated a new level in the period of the fiscal plan, which cranked up budget tightening. This created a succession of capital budgets in recent years held to roughly \$100 million.

Problem: \$100 million isn't enough!

In many respects, the deferred maintenance issue reflects an acknowledgment that a state dollar \$100 million capital budget isn't enough to meet directly administered state needs, and the needs of those dependent on state assistance. Remember, a large part of that \$100 million is taken up with basic boiler plate stuff, such as state match for federal dollars, as well as annual materials for state operations that technically fall under capital outlay, but which are really normal recurring type costs that are virtually operational expenses. This doesn't leave much out of \$100 million for major state maintenance, renewal, or replacement, much less new needs, or the needs of 'others' outside direct state operations.

However, escalating the \$100 million capital budget makes problems for the 'fiscal plan,' which has another three years ahead of it. This is one of the dilemmas the majority will have to wrestle with.

Problem: Alaska's problems are unusual!

The problem of capital needs and responsibilities is more unusual, complex, and acute than other states. One reason is geographic and demographic circumstance. Our large land mass, isolation of communities, and disparity in revenue ability, has always made us inefficient collections of population, and this then makes responsibilities difficult to easily allocate to different levels of government and institutions. Then, during our flush oil years, we further blurred the responsibility and funding relationship lines between the state, local governments, and others. In those years almost everything became politically eligible for state funding, regardless of need or local ability to pay. *One for me, one for you, - that was the rule. This rule of division of spoils still, rather rule of division by need and reasoned system.*

However, as we began to crank budgets back, the rules of capital funding were not only unclear, but also bad political habits learned during the flush years further contributed to confusion. Most of our present generation of lawmakers either grew up in, or inherited, a political culture where the lines of funding responsibility are blurred. The task of redefining fiscal responsibilities, and defining and stabilizing what assistance will be given, is not an easy task. It will take some years, and some trial and error.

Kenai maintenance hearing: Borough Mayor Mike Navarre and city mayors set the tone

Kenai was a good site for the Deferred Maintenance Committee to begin hearings since the Kenai Peninsula Borough is home to a large geographic school district, and made up of a five medium size cities. All have a fairly solid economic base, and carry out most of the directly delivered municipal services to residents within the borough, now numbering over 50,000. In addition, present to testify was a lineup of veteran Alaska public policy expertise, both local and state. They included former veteran state lawmaker Mike Navarre, now Kenai Peninsula Borough mayor, Seward City Manager Ron Garzini, a 25-year municipal veteran of state and municipal policy, Tom Boedeker, long time Soldotna city manager and past Municipal League Legislative Chair, Kenai Mayor John Williams, in office eleven years, and labor leader Don Velesco, Business Manager of Local 71, the union that represents most of the state's maintenance workers.

Kenai Mayor Mike Navarre — facility assistance confusing and uncertain

Navarre painted a picture of a large geographic (regional) borough government with an increasing property tax burden, as well as increasing population and economic growth, which maintains a sales tax of 2 percent, boroughwide on top of the property tax. Cities, which is where most taxpayers live, maintain a sales tax rate on top of the borough sales tax levy. The snapshot we got from what the mayor said is that of a fiscal relationship between the state and its local governments, (municipalities, schools, utilities, and others) that has become one of regression, confusion and uncertainty. The result has been increased local burdens, higher local taxes, local budget crises, and an environment where maintenance burdens pile up. Navarre presented materials showing that in the past 10 years state revenues to the borough have decreased from \$21.6 million to \$12.6 million, while borough taxes have increased by double that loss, increasing from \$30.8 million to \$50.3 million. State municipal assistance, a per capita state shared revenue allocation, declined from \$3 million in 1987 to a little over \$1.5 million in 1997, while state revenue sharing, a program based on a separate formula based on municipal responsibilities, declined from \$3.5 million to roughly \$2 million.

In five years only \$107,084 in state facility assistance

Navarre told lawmakers his borough operates 37 schools scattered over an extensive regional area in a population growth environment. Schools are the lion's share of the borough budget, because most direct services are carried out by the peninsula cities. Navarre, as other mayors and school officials are expected to do, stressed that funding for schools has been flat for a decade. Inflation provisions of state support are essentially capped, which means districts have gradually had to eat that cumulative impact. Navarre's presentation showed that state support for school maintenance and renovation has been nonexistent for Kenai the past three years, and minimal since 1992. Navarre said the borough since 1992 has received \$5.2 million in state assistance, mostly for a single project in 1993. Borough taxpayers have spent \$10.1 million of their tax dollars. However, for the past five budget years the borough has, or will, spend \$7.6 million with only \$107,084 from the state.

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Navarre: Next maintenance will compete with new needs!

Mayor Navarre assessed the 1998 deferred maintenance school needs, for things ranging from roofs, electrical, and pool repairs, to asbestos abatement at \$16.2 million. He also told lawmakers that boroughs like his, where historic rapid growth has required emergency portable classrooms, the result has been unfair treatment by the Department of Education (DOE), which classifies students in portables as 'housed students.' "The DOE system pushes us to get rid of portables and play the game of stuffing more kids into regular classrooms," Navarre said. He said they now presently have 775 students in 31 portables.

He also stressed that the borough is facing an accumulation of renovation needs for schools that is now pushing into a timeframe when there will be a need for new facilities, aggravating the problems of maintenance. Navarre also pointed out that schools, including renewal, once were funded through the state's former debt support program, repealed in 1989, a program under which the state shared debt costs with major local governments as they paid for locally issued school bonds. Now what districts face is uncertainty, a lack of continuity in support, and confusion about the process.

Funding problem: Options are captive of the fiscal plan

One problem out there is not that we don't have options. We have options other state's can only dream about. However, in the short run, our options appear to be held captive by the preestablished parameters of the legislative five year fiscal plan. We are now two years into the plan, with another three to run. Minimal \$100 million range capital budgets actually preceded the timeframe of the fiscal plan, but have become rule-of-thumb under the plan. Alaska has a \$22 billion Permanent Fund and has a Constitutional Budget Reserve (CBR) that may reach \$4 billion by the end of the five-year fiscal plan. But if "cash" funds are added to the capital budget from any "state source" it blows the political credibility of the five-year fiscal plan.

The high profile of the five-year fiscal plan, and the singular preoccupation with this goal, would appear to suggest difficulty with adding much "cash" to the capital budget from almost any source, either for deferred maintenance or other needs. This imposes a political constraint on lawmakers, generally obviating use of sources such as unallocated earnings of the Alaska Permanent Fund, or principal or earnings from the CBR. It also would appear to burden even new revenue (tax) proposals designed to support a capital need, either as a general allocation, or one that target revenue back to a user source that generated the new cash.

Unfortunately, the fiscal plan is always first viewed from the perspective of holding the budget's "total," rather than the size of the gap between spending and dependable recurring income. Lawmakers are also dealing with this on the operating budget side, regarding user fees for services. Options appear burdened by semantics on the political side, with politicians wary of leaving themselves vulnerable in the press release wars over the budget, which unfortunately gets reduced to sort of a school yard bantering of "yes, you did; no, you didn't" fight. Possibly, lawmakers might generate a one-year spike of cash and then retreat to the plan, but this then obviates progress towards refining state and local fiscal responsibility, and putting in place permanent solutions.

Next issue: Some of the "bottom line" options.

Seward's Garzini: "Understanding a problem exists puts us on the right path!"

Seward City Manager Ron Garzini, a veteran of a quarter century of municipal experience, transcending the era of oil affluence, told committee members, that many projects (built with past state assistance) are in serious disrepair. "The reduction of budgets and revenue sharing has effectively eliminated capital improvement funds," Garzini said. He pointed out that exacerbating the problem are shrinking budgets at all budget levels — federal, state, and local. "Understanding that the problem exists puts us on the right track . . . now it is the time for solutions," the Seward manager told lawmakers.

Garzini: People will pay for projects that make sense

Garzini stressed that the state was able to operate before the oil days, and pointed out that our oil money created confusion (regarding organized and stable revenue and capital facility support). He told the committee members that it is a misconception that people won't stand for taxes, "paying for something themselves instead of relying on whatever funds might be available from oil revenue. "Sure, taxes aren't popular," Garzini said. "But my experience suggests people will pay for projects which make sense." The Seward manager also said it is a misconception that every project (and funding scheme) has to be designed on a grand scale. He suggested that when projects become all inclusive they lose focus and cease to make sense. "The loss of specificity and sense is what leads to voter dissatisfaction," Garzini stressed.

The city manager said that in the late 1970s Seward needed an elementary school at a time when there where no other borough projects. "People told us we were nuts to think we could sell a single project to an areawide borough constituency," he explained. "But we had a clearly articulated need and a plan that made sense. The proposal eventually earned the support of the entire Kenai Peninsula." Garzini said that his city has its own deferred and capital projects issues, and its own budget constraints to grapple with, but after a tough budget process this year the community approved an additional seasonal sales tax.

Note: What we infer from Garzini's remarks is that solutions and funding schemes need not become overwhelming universal schemes that try to do something for everyone based on the assumption this is necessary for public support.

Towards solutions

Garzini: "Short term solutions deal with funding deferred maintenance, and there are options like bonds. Long term solutions deal with ensuring the right entity owns and operates the resource." The point the city manager was making on long-term solutions was that state programs and policy must fix ownership and responsibility locally, facilitating an environment where there is natural incentive to operate facilities on a businesslike basis and where maintenance becomes a matter of routine business.