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Impact Assessment, Inc.

Economic, Social, Psychological Impacts
of the *Exxon Valdez* Oil Spill

INTERIM REPORT #1

ANALYSIS OF FISCAL IMPACTS TO LOCAL JURISDICTIONS

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710 Upper Mill Bay Rd.
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March 1, 1990

Grant #AK-OSG 90-5
Socioeconomic Impact Study

Interim Report #1: Group A Fiscal Impact Assessment Template Summary

Dear Mr. Gould:

This document is the first of two Interim Reports to be submitted in progress toward completion of the final report for the "Economic, Social, and Psycological Impacts of the *Exxon Valdez* Oil Spill." The focus of this Interim Report is a preliminary assessment of the fiscal impacts of the oil spill on local governments (boroughs and cities).

This report is intended to summarize progress to date. It is not intended to be viewed as a final product -- the last completed Group A template was only just recieved three days ago, entered, and run for consistency. This does not mean, however, that the established schedule for completion of Task 1 elements has been significantly deferred by the delayed delivery of the primary data. We have proceeded as scheduled in the development of the framework, tables, and analytical approach to be applied to templates and are actually somewhat ahead of schedule with respect to the analysis itself. On the other hand, there is still considerable analytic work to be done and it is important to recognize that this is but an interim report on what will be a more extensive and detailed Task 1 product.

Second, in any report of this nature, there will inevitably be requests for clarification, additional information, and further analysis or interpretation. We will continue to work closely with the Oiled Mayors to either respond promptly to these requests or to arrange for a more extended examination of selected issues in subsequent reports. In addition, this is a particularly opportune time, during the early stages of the process, for reviewers to critique the objectives, direction, and content of the preliminary fiscal impact analysis and we particularly welcome review comments.

Finally I would like to take this opportunity to thank the finance directors of each of the affected Group A communities. This report could not have been attempted without their commitment to the process. Completion of the templates required long hours, often an additional burden to government, and in some cases during precisely the worst period of time (January) for finance directors. To a very real degree, the quality of the content of this report is due to their investment in configuring and completing the data collection templates. In addition to helping quantify impacts sustained to date, these templates will be invaluable in providing a consistent data collection methodology for documenting the longer-term impacts of the oil spill on local government.

Sincerely,

John S. Petterson, Ph.D.
President



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TABLE OF CONTENTS

page

EXECUTIVE SUMMARY

1.0 INTRODUCTION 1-1

1.1 Organization 1-2

1.2 Overview of Analytical Approach 1-2

1.3 Acknowledgements 1-4

2.0 LOCAL GOVERNMENT REVENUE 2-1

2.1 Introductions 2-1

2.2 Revenue Structure 2-1

2.3 Revenue Impacts 2-3

Impact Linkages 2-3

Overview of Impacts 2-4

Demographic & Private Sector Bus. Impacts 2-4

Local Gov't Revenue Impacts 2-5

Observation and Findings 2-7

Taxes 2-8

Charges for Services 2-11

Miscellaneous Revenues 2-13

Other Revenue Sources 2-13

2.4 Summary 2-25

Interpretation 2-25

Major Findings 2-26

3.0 LOCAL GOVERNMENT EXPENDITURES 3-1

3.1 Introduction 3-1

3.2 Recent Patterns in Local Government Spending 3-1

3.3 City of Cordova 3-4

3.4 City of Valdez 3-5

3.5 Kenai Peninsula Borough 3-5

3.6 City of Homer 3-6

3.7 City of Kenai 3-7

3.8 City of Seward 3-8

3.9 City of Soldotna 3-9

3.10 Kodiak Island Borough 3-9

3.11 City of Kodiak 3-10

3.12 Summary 3-29

4.0 SPILL RELATED REVENUES AND EXPENDITURES 4-1

4.1 Introduction 4-1

4.2 Quantified Oil Spill Revenues and Expenditures 4-2

4.3 Estimated Effect of Spill on 1989 and 1990 Revenues and Expenditures 4-4

5.0 FISH TAX ANALYSIS 5-1

5.1 Introduction 5-1

5.2 Simplifying Assumptions 5-2

5.3 Bases for Estimation 5-3

5.4 Analysis 5-5

5.5 Summary 5-12

APPENDIX A A-1

LIST OF REFERENCES R-1

LIST OF TABLES AND EXHIBITS

page

Table 2-1
Sales Tax Revenue by Local Government Jurisdiction 2-9

Table 2-2
Comparison of 1988 and 1989 Sales Tax Revenue by Local Government Jurisdiction 2-10

Table 2-3
Charges for Service Revenue by Local Government Jurisdiction 2-12

Table 2-4
License and Permit Revenue by Local Government Jurisdiction 2-14

Table 2-5
Fine and Forfeiture Revenue by Local Government Jurisdiction 2-15

Table 2-6
Template #2 for Community of Cordova: Revenues by Source 2-16

Table 2-7
Template #2 for Community of Valdez: Revenues by Source 2-17

Table 2-8
Template #2 for Kenai Peninsula Borough: Revenues by Source 2-18

Table 2-9
Template #2 for Community of Homer: Revenues by Source 2-17

Table 2-10
Template #2 for Community of Kenai: Revenues by Source 2-20

Table 2-11
Template #2 for Community of Seward: Revenues by Source 2-21

Table 2-12
Template #2 for Community of Soldotna: Revenues by Source 2-22

Table 2-13
Template #2 for Kodiak Island Borough: Revenues by Source 2-23

Table 2-14
Template #2 for Community of Kodiak: Revenues by Source 2-24

Table 3-1
Real Per Capita Local Government Expenditure 3-2

Table 3-2
Summary of Local Government Expenditures by Object Category 3-3

Table 3-3a
Personnel Expenditures by Service Function - Cordova 3-11

Table 3-3b
Operations & Maintenance Expenditures by Service Function - Cordova 3-12

Table 3-4a
Personnel Expenditures by Service Function - Valdez 3-13

Table 3-4b
Operations & Maintenance Expenditures by Service Function - Valdez 3-14

Table 3-5a
Personnel Expenditures by Service Function - Kenai Peninsula Borough 3-15

Table 3-5b
Operations & Maintenance Expenditures by Service Function - Kenai Peninsula Borough 3-16

Table 3-6a
Personnel Expenditures by Service Function - Homer 3-17

Table 3-6b
Operations & Maintenance Expenditures by Service Function - Homer 3-18

Table 3-7a
Personnel Expenditures by Service Function - Kenai City 3-19

Table 3-7b
Operations & Maintenance Expenditures by Service Function - Kenai City 3-20

Table 3-8a
Personnel Expenditures by Service Function - Seward 3-21

Table 3-8b
Operations & Maintenance Expenditures by Service Function - Seward ... 3-22

Table 3-9b
Personnel Expenditures by Service Function - Soldotna 3-23

Table 3-9a
Operations & Maintenance Expenditures by Service Function - Soldotna 3-24

Table 3-10a
Personnel Expenditures by Service Function - Kodiak Borough 3-25

Table 3-10b
Operations & Maintenance Expenditures by Service Function - Kodiak Borough 3-26

Table 3-11a
Personnel Expenditures by Service Function - Kodiak City 3-27

Table 3-11b
Operations & Maintenance Expenditures by Service Function - Kodiak City 3-28

Table 4-1
Oil Spill Related Revenues and Expenditures by Local Government Jurisdiction 4-3

Table 4-2
Estimated Spill Related Changes in Revenues and Expenditures by Local Government Jurisdiction 4-6

Exhibit 1
Local Government Fish Tax Earnings (1986-1988) 5-6

Exhibit 2
Value of 1988 Salmon Harvests 5-8

Exhibit 3
Value of Projected 1989 Salmon Harvests 5-9

Exhibit 4
Projection of 1989 Fish Tax Distribution by Fishery Area 5-10

Exhibit 5
Local Government Fish Tax Earnings (1986-1988, 1989 projection) 5-11

Appendix A
Local Government Demographic and Tax Data A-1

EXECUTIVE SUMMARY

Introduction

This report is the first in a series of interim reports prepared for the Oiled Mayors by Impact Assessment, Inc. It is part of a larger ongoing study of the economic, social, and psychological impacts of the *Exxon-Valdez* oil spill and cleanup. The primary objective of this first interim report is to provide a preliminary assessment of how the oil spill and cleanup affected the fiscal position of nine local government entities addressed by this component of the study: seven larger (Group A) cities (Valdez, Cordova, Seward, Kenai, Soldotna, Homer, and Kodiak) and the Kenai Peninsula, and Kodiak Island Boroughs. In presenting this information, this interim report summarizes on-going analysis of the effects of the oil spill and cleanup on: (1) local government revenues; (2) local government expenditures; (3) oil spill related expenditures and revenues; and (4) fish taxes.

Local Government Revenues

The Exxon-Valdez oil spill on March 24, 1989 led to two major sources of impact: (1) the oil spill cleanup activity and (2) fishery closures. These events continue to have concurrent positive and negative effects on specific revenue sources. In general, one preliminary finding emerges from this examination of local government revenues in 1989: seven out of nine jurisdictions received more total revenue in 1989 than in 1988, with one exception where a large state capital grant was received in 1988.

Examination of historical data indicates there are four major sources of revenues for the local jurisdictions discussed in this report: charges for services, taxes, inter-governmental revenues, and miscellaneous revenues. In each of the jurisdictions examined, there is variation in the significance of each of these revenue sources in the total pattern of government revenues. In the aggregate these four sources should be an indicator of the over-all impacts of the oil spill on local government revenues. However, since some of the inter-governmental revenues and miscellaneous revenues result from lagged payments that are not yet available for inclusion in this analysis, this interim report only develops the revenues from charges for services and certain taxes.

Charges for services vary by service and by jurisdiction. Consequently, a complex picture emerges regarding service related income. Water and sewer revenues appeared to exceed 1988 revenues during the post-spill months in three jurisdictions but tended to follow the 1988 pattern in others. Harbor and port revenues increased 22 percent from FY 1988 to FY 1989. This increase was more than double the average annual growth rate observed in earlier years. Revenues during the post-spill months tended to exceed the 1988 revenues in most jurisdictions. Of the three jurisdictions reporting airport revenues (Valdez, Soldotna and the City of Kenai), a comparison with comparable 1988 revenues indicates that Valdez had a 7-percent increase in revenues, Soldotna a 1-percent increase and Kenai an 18-percent decrease. Among the jurisdictions reporting hospital revenues all reported increases ranging from 1-to-9 percent. The "All Other" category of expenditures reported by eight of the jurisdictions indicates n increase in this revenue source among seven of these government entities.

There are several sources of tax revenue among the nine jurisdictions examined: sales, hotel/motel, property, and fish tax. Technically the fish tax is an intergovernmental transfer and consequently it is not reflected in tax revenues. However, given the importance of this "tax" issues regarding 1989 fish tax are summarized as a separate section of this report.

Sales tax revenues are a direct reflection of private sector business activity. Therefore, the sales tax impact of the oil spill may be positive, negative or neutral, depending upon the timing and mix of spill cleanup and fisheries activity. Sales tax revenues in 1989 reflect sales activity in the post-spill months of April through September. They were 49 percent above the revenues representing the two pre-spill quarters. This compares with a 39 percent increase for comparable time periods in 1988.

Hotel/motel tax revenues reflect in-migration of short-term and transitory residents. Beyond the normal impacts of tourism, these revenues should increase with the spill cleanup activity and be adversely affected by fisheries decline and cleanup shutdown. Hotel/motel taxes were also higher in 1989 than in 1988. Much of this increase is observed in the post-spill months.

Revenues from property taxes that would reflect 1989 impacts will not be received until calendar year 1990. Consequently, this revenue source is not reflected in the fiscal data reported by local jurisdictions for this analysis.

Local Government Expenditures

In general, per-capita local government spending among jurisdictions examined in this study exhibited a pattern of real (inflation-adjusted) decline in recent years. Five out of nine jurisdictions experienced real, per-capita decline between fiscal years 1986 and 1988. The number of jurisdictions that exhibited decline in real, per-capita total spending increased to seven out of nine between fiscal years 1988 and 1989. This real, per-capita decline occurs in connection with rising absolute levels of government spending among local government jurisdictions. Strong population growth in 1989 (as reported by the Alaska Department of Community and Regional Affairs) among several study jurisdictions underscore the per-capita decline in government spending. Observed population expansion may reflect oil-spill cleanup population movement and settlement into the study region.

Increases in Personnel and Operations & Maintenance (O&M) expenditures from fiscal 1988 to fiscal 1989 were concentrated in five important service function categories, not directly related to oil spill cleanup. Ranked in order of the incidence of expenditure increase, these five service functions are:

- Public Works
- Public Safety
- Port/Harbor
- Health & Hospital
- General Government

These five service function categories account for the bulk of local government expenditure increases for the personnel and O&M object categories. Furthermore, they represent the kind of public service functions most likely to be impacted by an event like the *Exxon-Valdez* oil spill and cleanup. However, further analysis is required to investigate possible indirect connections between observed patterns of local government spending increases and the oil spill and cleanup events of 1989.

Concerning direct oil spill cleanup expenditures, eight out of nine local government jurisdictions reported direct personnel and O&M expenditures for oil spill cleanup during fiscal year 1989 and the first six months of fiscal year 1990.

Oil Spill Related Revenues and Expenditures

All boroughs and cities within the oil spill area, except Soldotna, were directly affected by the Exxon Valdez oil spill. Total spill-related revenue reported by all nine local government jurisdictions through the end of calendar year 1989 was $6,136,000. Of this amount, $131,000 or two percent of the total is in outstanding invoices. Due to differences in accounting treatment, this $6,136,000 may also include advances of funds made by Exxon or the State which may be applied to continuing oil spill response expenditures. Total expenditures to date are reported at $6,091,000. Of this amount, $5,562,000 has been billed and/or reported as expended to date, leaving $529,000 as unbilled or unreported. The most current information provided by local jurisdictions suggests that of the amounts billed for reimbursement, less than one percent of the total was deleted from payments by Exxon Corporation.

Kenai Peninsula Borough was advanced $2,000,000 by Exxon Company, USA, to finance oil spill response activities within the borough. Under this borough's accounting system, this money was treated as an advance. Funds applied to offset expenditures are taken as revenue at the time the expenditure is incurred, and the outstanding balance of the advance is then reduced. As of December 31, 1989, approximately $387,000 is being held for continuing oil response costs. Of the $1,612,000 expended, the borough reports that $661,000 was passed through to other agencies ($432,000 to Group A cities, approximately $180,000 to U.S. Parks Service, and $50,000 to Seldovia). All applicable expenditures within the Borough have been reported to Exxon as drawdowns from the $2,000,000 advance.

Kodiak Island Borough reports they have received $1,730,000 from Exxon of which $99,000 was passed through to the City of Kodiak. To date the borough has reported $1,455,000 being invoiced, of which $354,000 was to the State of Alaska and $1,101,000 was billed to Exxon. Based on the information provided and taking into account $326,000 in unbilled or unreported expenditures, the Borough has $204,000 in unapplied funds remaining. It is unknown whether these are for expenditures in other operating accounts which have not yet been included, or whether the entire amount is available for continuing oil spill response.

The local government jurisdictions in this report were requested to quantify their estimates as to how the oil spill affected revenues and expenditures for 1989, and to estimate how they would be affected during 1990. A review of the general financial information submitted reveals that in most coastal areas there were substantial increases in sales taxes, business licenses, fines, and enterprise fees and charges. It must be assumed, where otherwise not reported, these increases resulted primarily from oil spill cleanup response. The increases were sufficient in size to offset losses in the same revenue sources resulting from decreased fishing and tourist activity. Increases due to oil spill response are of a one time nature affecting only the entity's economy during 1989, while losses from commercial fishing activities resulting from the spill may well continue into future years.

Sales taxes were strongly impacted. The influx of large numbers of people required for the massive cleanup efforts created increased consumer purchases. At the same time, a substantial amount of the materials and supply purchases by Exxon, or their contractors, were channeled through local merchants. The resulting increase in taxable sales was more than sufficient to offset short-term loss of sales taxes due to declines in business resulting from commercial fishing closures. Also, as fisherman gear up early in the year, the gear purchased for 1989 due to this spill, may not have been used, making it available for the 1990 fishing season. This may materially reduce the need to purchase new gear in the spring of 1990. Such loss of business will be reflected in 1990 sales tax collections. In addition, if further major fishing closures are required, this will have a further deleterious effect on local businesses, causing further reductions in sales tax collection.

A decline in one aspect of a local economy tends to have a domino effect on other sections. Thus, such a decline can also adversely affect other revenues dependent on the economic well being of the area. Contending with this loss of revenue may require that the jurisdiction either reduce the quality of services to its residents or that the loss be made up by increasing property tax rates, which in turn would increase property revenue.

Raw Fish Tax Impacts

Fish tax represents an important revenue source for local governments; there is a high probability that this revenue source was affected by the *Exxon Valdez* oil spill. Unfortunately, changes in raw fish taxes are not reflected in the completed fiscal impact assessment templates because fish taxes paid by processors to the State of Alaska during 1989 are not redistributed to local jurisdictions until mid-1990. Thus, in order to quantify any loss of fish tax resulting from the *Exxon Valdez* oil spill it is necessary to (1) project the value of fish that would have been landed in 1989 had the fisheries been conducted under normal conditions, (2) place a value on these fish, and (3) then derive an appropriate "without oil-spill" distribution of those revenues among the affected communities.

Information provided in the templates and the Alaska Department of Revenue, the total fish tax distribution to the affected boroughs and communities was $3,242,572 for the 1986 fishing season, $4,158,836 for the 1987 season, and $8,640,153 for the 1988 season. Our projection of what the total fish tax distribution would have been for 1989 is $9,218,674. Provisional community and borough entitlements are then derived on the basis of post-season appraisals of actual fish runs and likely harvest levels.

The 1988 distribution formed the basis for computing the relationship between total salmon harvest values in 1988 and total projected salmon harvests by fishery area in 1989. This ratio, in turn, was applied to the total projected value of the 1989 season to derive the relative distribution among jurisdictions.

1.0 INTRODUCTION

This interim report was prepared for the Oiled Mayors'. It is part of a larger ongoing study of the economic, social, and psychological impacts of the *Exxon Valdez* oil spill and cleanup. The fiscal analysis contained here is the first in a series of interim reports prepared by Impact Assessment, Inc.

During the period of massive oil-spill cleanup, local governments responded to the disaster. They committed community facilities, equipment, and personnel to help coordinate cleanup operations and to address sudden shifts in demand for local public services. The mayors in affected communities in Prince William Sound, the Kenai Peninsula, Kodiak Island, and the Alaska Peninsula joined forces and formed the "Oiled Mayors'" Subcommittee of the Alaska Conference of Mayors. On behalf of the Oiled Mayors', the City of Kodiak issued a Request for Proposals calling for an integrated study of the economic, social, and psychological impacts of the oil spill and its cleanup. Four technical objectives are contained in the Scope of Work. They are:

- Task 1: Fiscal Impact Assessment
- Task 2: Business Impact Assessment
- Task 3: Psychosocial Impact Assessment
- Task 4: Final Technical Report

Work on Task 1 involved a series of meetings with participating Finance Directors of the larger (Group-A) local government jurisdictions to develop a fiscal assessment data collection instrument. A final set of "Fiscal Templates" were prepared and distributed to local government finance officers in Group-A communities in mid January 1990. This interim report is based largely on the results of the completed Fiscal Templates submitted by nine participating local government jurisdictions:

Kenai Peninsula Borough	Kodiak Island Borough	Cordova
Homer	Kodiak City	Valdez
Kenai City		
Seward		
Soldotna		

The goal of this ongoing study is to provide the Oil Mayors' with a comprehensive and systematic assessment of what happened to their communities as a result of the oil spill and cleanup. The results will be used to enhance oil spill impact mitigation, to plan and protect against future recurrences, and to inform appropriate legislative action.

The objective of this first interim report is to provide a preliminary examination of how the oil spill affected the fiscal position of the cities and boroughs of Prince William Sound, Kenai Peninsula, and Kodiak Island.

1.1 Organization

This report is organized into five sections, plus an Executive Summary. Section 1.0, this introduction, provides an overview of how this report fits into to overall study. Section 2.0 examines local government revenues. It provides an overview of the revenue structure of the affected jurisdictions before and during the oil spill and cleanup, and investigates the extent and magnitude of local government revenue impacts from the events surrounding the oil spill. Section 3.0 reviews local government expenditures over recent years to quantify the nature and extent of direct oil spill expenditures and to probe for evidence of expenditure patterns that may be indirectly related to the oil spill and cleanup. In Section 4.0, spill-related revenues and expenditures are compiled for each local government jurisdiction. This section summarizes reimbursements received and claims submitted by local government jurisdictions for expenditures made as a direct result of the oil spill and cleanup activities. Section 5.0 provides a preliminary baseline assessment of what raw state fish tax receipts would have been had the oil spill not occurred. Special attention was given to raw state fish tax revenues for several reasons. First, fish tax revenues represent an important and growing source of revenues to local government jurisdictions. Second, this revenue source represents a direct link between the local economy and government operations. Third, redistribution of the state raw fish tax to local governments lags substantially behind actual fish harvesting and processing activity. Final fish tax revenue disbursements for fish processed in 1989 may not occur until June or July of 1990.

1.2 Overview of Analytical Approach

The trend-analysis approach was used in Sections 2.0 and 3.0 tracks revenue and expenditure levels for several years to observe whether the fiscal pattern during the impact year differs from a baseline of prior years. Since most of the local governments report on a fiscal year basis, the most recent fiscal year data available was for that ending June 30, 1989. Unfortunately, FY 1989 covers only three and one-half months of the post-spill impact period, and can provide only a glimpse of possible impacts beyond those identified by the documentation of reimbursement and claims. This interim report includes observations about these impacts. Data from FY 1986, FY 1987, FY 1988 and FY 1989, however, also provide essential components of a baseline for evaluating impacts during the post-spill period and in the future.

In some cases, the trend analysis approach was applied to monthly data for selected revenue sources. Similar comparisons can also be made for selected expenditure categories (e.g., personnel and operations/maintenance). A basic assumption in this approach is that the "no-spill" baseline revenues and expenditures in 1989 are closely aligned with the composition and magnitude of revenue patterns in 1988. This ignores special circumstances that may influence the magnitude of revenue sources in any particular year, as well as patterns observed in earlier years. A preferred approach is to develop a no-spill, 1989 baseline estimate for selected revenues and expenditures by adjusting the 1988 calendar year data to reflect both historic patterns and special circumstances, and then to compare that baseline with the actual 1989 calendar year data to derive the revenue and expenditure impacts. This kind of approach will be included in the fiscal baseline analysis in the final report.

Section 4.0 incorporates an approach that documents the spill-related reimbursements received and claims made by the jurisdictions. These include the revenues received from Exxon, other private parties and the state and federal government as reported in the jurisdiction's oil-spill account. While this approach provides a useful preliminary assessment of impacts, it is incomplete on at least two grounds. First, it reflects only those costs perceived by local officials and recognized by the reimbursement entity as valid spill-related claims; therefore, some costs related to clean-up activity may not be included. Second, it reflects, at best, only those costs and reimbursement revenues related to the clean-up activity, and does not take into account the fiscal impacts related to either the closure or dislocation of the fishing industry or the subsequent shut-down of the spill cleanup activity.

The above approaches capture only quantitative impacts for 1989 that can be discerned from the jurisdiction's financial statements. Not accounted for in these approaches are the costs of increased service demands for specific service functions, the costs of added capacity or the costs resulting from resources diverted within the local government to cleanup activity or diverted from personal use to expanded responsibility. Additional quantitative data as well as information about how the oil spill affected the structure and process of local government service delivery are now being collected. In the Final Report, quantitative analysis will be supplemented with understandings about "what the numbers mean" gleaned from the process information regarding local government service delivery.

Finally, these approaches capture only those impacts accrued to the local governments in 1989. They do not take into account any impacts extending into 1990 or beyond. Nor do they reflect impacts in other sectors of the local or regional economy. Many important revenue sources have a time lag between the time an event occurs and the time the revenue is actually received by the local government. As noted above, the impact of the 1989 fisheries closure on state fish tax revenues will not be observed by the jurisdictions until June 1990 and the effect of fluctuating property values due to the 1989 fisheries closure and the boom and bust nature of the cleanup activity may not be reflected in property tax revenues until after July 1990; that is, in fiscal year 1991. These delayed impacts are noted in this report. However, it is obvious that fiscal impacts tied to the events of March 24 will continue into the future. A quantitative assessment of longer-term impacts is beyond the scope of this study. However, this preliminary assessment is sufficient to indicate the need for an on-going monitoring program to assess impacts that accrue to local governments in future years.

1.3 Acknowledgements

The scope of work call for a data collection effort that may be unprecedented in its depth and breadth for fiscal impact analysis. We emphasized in the template instructions that "the quality of the study and the usefulness of the results to affected communities will depend primarily on the accuracy and detail of the information provided by each jurisdiction included in the study." The effort committed to the development and completion of the Fiscal Templates and, therefore, the quality of data on which this analysis is based is a credit to the finance officers and staff of each local government.

2.0 LOCAL GOVERNMENT REVENUES

2.1 Introduction

The first part of this section presents an overview of the pre-spill revenue structure of the local governments affected by the oil spill. Major sources of revenue are identified and ranked by order of importance for FY 1986. Significant changes in the order of importance for the period FY 1986 to FY 1989 are noted. The second part examines revenue sources most likely to be impacted by the oil spill and cleanup events. Observations about revenue trends are made from a preliminary analysis of the data that has been received.

2.2 Revenue Structure

Local governments receive their revenues from six sources, which vary in order of importance among the jurisdictions impacted by the oil spill. Four sources: taxes, intergovernmental revenues, charges for services, and miscellaneous, provide at least 97 percent of the revenues in each of the nine jurisdictions studied. Two sources, licenses & permits and fines & forfeitures, account for even less than one percent of total revenue in many jurisdictions.

Charges for services was the leading revenue source of four entities (Cordova, Homer, Seward and City of Kodiak) in FY 1986. It ranked second, third or fourth in five jurisdictions. From FY 1986 to FY 1989, this source dropped in ranking in two entities. The major charges for services were for hospital (Cordova, Kenai Peninsula Borough, Seward, and Kodiak Island Borough), water and sewer (all but Kenai Peninsula Borough), and harbor and port (all but Kenai Peninsula Borough, Soldotna and Kodiak Island Borough).

Taxes ranked as the leading source for FY 1986 in three jurisdictions, was second-, third-, fourth-ranked in six entities. From FY 1986 to FY 1989, this source dropped in ranking in three jurisdictions and increased its ranking in one. Property taxes are collected in all jurisdictions and were the major source of FY 1986 tax revenue in four (Valdez, Kenai Peninsula Borough, Seward, and Kodiak Island Borough). Sales taxes provided the most FY 1986 tax revenue in five entities (Cordova, Homer, City of Kenai, Soldotna, and City of Kodiak) and are not a revenue source for Valdez or Kodiak Island Borough. Sales tax replaced property tax as the major source of FY 1989 tax revenue in Seward.

Intergovernmental revenues was the major source of FY 1986 revenue for three jurisdictions (Kenai Peninsula Borough, City of Kenai, and Kodiak Island Borough). It ranked second or third in six entities. From FY 1986 to FY 1989, this source increased from third to second place in Cordova, and dropped from second to third in Valdez and Homer.

Three jurisdictions (Valdez, Kenai Peninsula Borough, and Kodiak Island Borough) received state school revenues which was their highest or second high source of intergovernmental revenues.

All jurisdictions except Cordova received state capital grants, which ranked as the highest source of FY 1986 intergovernmental revenue for four entities (Valdez, Homer, City of Kenai, and Soldotna), and ranked second in two jurisdictions.

All nine local governments received state municipal assistance, which was the second largest source of FY 1986 intergovernmental revenue for five entities, and was first place in one (City of Kodiak).

State general revenue sharing was the third place source of FY 1986 intergovernmental revenues in five jurisdictions, and ranked first or second in two.

State operating grants were received by seven entities, and it ranked as third, fourth or fifth highest source of FY 1986 intergovernmental revenue in five.

Other state shared revenues ranked in fifth, sixth or seventh place among FY 1986 intergovernmental revenues in six of the eight jurisdictions receiving this source.

Eight entities received state raw fish tax in FY 1986; all nine received state raw fish tax in FY 1989. This source increased its ranking as a source of intergovernmental revenue from FY 1986 to FY 1989 in eight of the nine jurisdictions; the exception was Cordova where it ranked as the top source in FY 86 and FY 89.

Miscellaneous revenues was the fourth ranked source of FY 1986 total revenue in six jurisdictions, but ranked second or third in three entities. By FY 1989 it increased its ranking in three entities. Investment income was the leading source of miscellaneous income in seven jurisdictions and was the second leading source in the other two (Seward and City of Kodiak) behind other miscellaneous. Rents and leases were sources of miscellaneous income in six entities.

Licenses and permits were the fifth ranked source of FY 1986 revenue for eight jurisdictions, and not reported as a source by Kenai Peninsula Borough.

Fines and forfeitures ranked as the lowest source of FY 1986 revenue in seven jurisdictions, and were not a source in Kenai Peninsula Borough or City of Kodiak. These two sources switched fifth and sixth place rankings in FY 1989 in Cordova, Homer, City of Kenai, and City of Kodiak.

2.3 Revenue Impacts

This section examines patterns of change among revenue sources most likely to be impacted by the oil spill. Special attention is given to the timing of impacts, i.e., when the revenues were likely to be reflected in local government revenues. Some impacts may be observed during the year of impact while others are characterized by time lags in receipt of revenue. Several observations and tentative conclusions about oil spill cleanup impacts are drawn from these revenue data. Also, we suggest some precautions on interpreting these data in light of the differential timing of impacts.

Impact Linkages

The Exxon-Valdez oil spill on March 24, 1989 led to two major sources of impact: 1) the oil spill cleanup activity and 2) closure of the fisheries. Each has positive and negative effects on specific revenue sources which may be acting concurrently or at different times. The boom and bust nature of the spill cleanup activity and the fisheries closure affected communities differently. Consequently, revenue impacts were likely to have been distributed unevenly across time and among affected communities. The following discussion establishes how two sources of impact are linked to changes in population and business activity and ultimately to changes in selected sources of revenue.

These linkages are derived from a model in which the sources of impact (Cleanup and fishery closures) and characteristics of the affected communities interact to influence economic and demographic conditions, public service demand, and local government costs and revenues. Key characteristics include: (1) total work force requirements and local availability of labor which affect the amount and timing of population influx or out-migration, which in turn affect the nature and magnitude of public service demands; (2) resource requirements and linkages with other economic sectors which are key determinants of private sector economic impacts; and (3) the level of investment in project or event-related facilities. All of these characteristics may be factors in the local public sector revenues generated by the event.

Overview of Impacts

Demographic impacts are influenced by local community characteristics in several ways. First, the size of the local population, resident's skill levels, and the extent of underemployment and unemployment may determine the number of workers hired locally, and conversely, on the number who will be in-migrants. Second, local characteristics have a substantial influence on the settlement patterns of in-migrating workers and their families, as well as the number of workers who bring their families to the area. (City and Borough employment and population estimates, as well as other tax data, are summarized in Appendix A of this report.)

Private sector business impacts are influenced substantially by the local economic structure, which will affect the source of impact's ability to purchase supplies and materials locally and may influence the propensity of project workers to purchase goods and services locally.

Public service impacts are influenced by any excess capacity in the local public infrastructure, which will affect its ability to absorb new populations and the cost of meeting growing demands for services.

Fiscal impacts are also influenced substantially by local community characteristics. Differences in local tax structures can greatly affect the magnitude and timing of revenues derived from a source of impact and the accompanying population growth and related business activity. In addition, the arrangement of jurisdictional boundaries in relation to the places of changed economic activity and location of worker's residences can, in some cases, lead to substantial mismatches of cost and revenue impacts.

Demographic and Private Sector Business Impacts

Many in-migrants were attracted to the impacted communities in search of employment in clean-up activities. The closure of the fisheries also caused resident workers to be dislocated from the fishing industry to the cleanup effort and supporting service activity. Further demographic shifts, including out-migration, were reported after the September phaseout of clean-up activity; such as residents using their savings and money earned from the oil spill cleanup to buy property in and relocate to other Alaskan or outside communities.

Private sector business impacts include changes in jobs, payrolls and sales in the community due to the source of impact, plus investment or disinvestment in plant facilities, business enterprises and/or housing, and changes in the local cost of living. These business impacts of the oil spill contain both boom and bust components, occurring simultaneously in some communities. On one hand, local economies could expect to benefit from: 1) the clean-up activity payrolls spent on purchases of consumer goods and services; 2) direct purchases by the clean-up operation of goods and services; and 3) potential investment in property & new construction by clean-up industry, local business expansion, and in-migrating workers.

On the other hand, the economic boom from clean-up activity could be expected to be offset in some communities by loss of fishing and fish processing, resulting in decreased purchases of goods & services by local consumers and by the fishing industry for inputs or processing, as well as decreased investment by the fishing sector in plant and equipment, and by workers and support service businesses in property and construction. Many adverse impacts may be long-term, extending beyond the summer of 1989. For example, because many fishing supplies purchased last spring never got used, the spill's effect on support services may not be apparent until well into 1990. Similar economic decline in the local communities could be expected due to the September phaseout of clean-up activity and uncertainty over the status of continued cleanup in 1990.

Local Government Revenue Impacts

The timing of revenue receipts vary substantially by type of revenue source. Changes in some revenue sources might be received almost immediately and thus could be reflected in the revenue figures for FY 1989 ending June 1989. However, revenue impacts associated with the oil spill and cleanup activity during for the April - June 1989 period as well for the July - December 1989 period may not be reported until late FY90 or early FY91. Furthermore, some revenue sources (e.g., property tax and raw fish tax) are lagged such that the increased revenue will not be received by the local government until 1990 or even after July 1, 1990 in FY91.

Charges for Services. Local government services and infrastructure were subjected to a barrage of simultaneous expectations which should be reflected to some extent in revenues received as charges for services. These impacts include, for example: 1) direct demands on public services by the clean-up operation; 2) demands on public services by increased population with increased income; and 3) demands on public services by people dislocated from the fishing industry and from the subsequent phaseout of the cleanup effort.

The clean-up operation directly placed added demands on water and sewer harbor and port, and airport services, which should be reflected in increased charges for services in some jurisdictions. Concurrently, these service functions may have faced decreased demand and received declining revenues due to the closure of fisheries and/or fish processing.

The added population with increased income placed such demands on public services as: 1) social services, police and fire services, and other city or borough services; 2) school changes resulting from short-term increases in population, shifting work loads, cancellations of classes, and other shifts in school-related activities resulting from the oil spill; 3) public health services related to coping with increases in population, including wastewater, drinking water, and infectious disease issues related to population increase; and 4) costs related to changes in use-patterns of city facilities, including changes in maintenance and utility costs. Changed demand for some of these services impact the charges for services revenue source.

Not to be overlooked are demands placed on public services such as health and social services, public safety, and general government during severe economic decline by people dislocated from the fishing industry and from the subsequent phaseout of the cleanup effort. The linkage between changes in economic activity and public service impacts is asymmetric. Local governments face increasing service demands in response to times of economic boom and bust. Increased service demand would be reflected in increased charges for services only to the extent of peoples' ability to pay.

Taxes. Sales tax revenues are a direct reflection of private sector business activity. They can be expected to increase due to injection of new dollars spent on purchase of local taxable goods and services from increased payrolls or direct purchases from clean-up activity. Concurrently, sales tax revenues can decrease due to declining purchases from decreased payroll and/or direct purchases from loss of fishing and subsequent phaseout of cleanup activity. Therefore, the sales tax impact of the oil spill may be positive, negative or neutral, depending upon the timing and mix of spill cleanup and fisheries activity. Furthermore, there is a lag of several months between date of sale and the receipt of sales tax revenue.

Property tax revenues are directly related to the assessed valuation of property, which also reflects the level of private sector business activity. This revenue source can be expected to increase with new investment and new construction during economic expansion and in-migration, to decrease with economic decline and out-migration, or to show no change if the increase in one type of business activity is offset by decrease in another business sector. Property tax revenues are lagged due to the assessment, collection and distribution process. For example, new construction taking place in 1989 will be entered on the assessment rolls on April 1, 1990; thus the increased revenue will not be received by the local government until after July 1, 1990. Changes in property value due to either inflated or declining markets may take even longer to work through the assessment cycle and distribution of tax revenue.

Hotel/motel tax revenues reflect in-migration of short-term and transitory residents. Beyond the normal impacts of tourism, these revenues should increase with the spill cleanup activity and be adversely affected by fisheries decline and cleanup shutdown. Like the sales tax, the hotel/motel tax revenues are distributed with a three-month time lag.

Intergovernmental Revenues. State raw fish tax is recorded not as a source of tax revenue but as an intergovernmental revenue because local governments receive it from the state government. The level of this source is directly related to the sales volume of raw fish processed by facilities located within the local jurisdiction. Because of the time lag in distribution, impacts of 1989 fisheries closures will be reflected in revenues received by local governments in June 1990.

Some intergovernmental revenues may be directly related to the oil spill to the extent that population is a factor in the allocation formula for distribution to local governments. Such revenue impacts of population change, however, would likely not show up as revenues until 1990 due to the population estimate as of July 1, 1989 and the time lag in the distribution of funds. Other intergovernmental revenues, such as state or federal grants, with the exception of specific state grants directly related to the spill, would depend on decisions by higher levels of government and be only indirectly related to the oil spill, if at all, and not likely be received in 1989.

Other Revenue Sources. Two revenues sources, while providing a very small portion of total local government revenues, are potential indicators of oil spill impact. Licenses and permits is a source that is sensitive to changes in both business activity and population, and fines and forfeitures is a source reflecting population change.

Three sources of miscellaneous revenues may also indicate oil spill impact. Rents and leases would likely increase with expanded business activity and decrease with business decline. Valdez Oil Spill revenues represent spill-related payments from Exxon, VECO or other private parties. Investment income might increase or decrease depending upon the cash-flow situation created by the timing of spill-related revenues and expenditures.

Observations and Findings

Some preliminary observations about selected revenue impacts can be drawn from the revenue data that has been examined to date. These are based on partial analysis of fiscal year data from 1986 through 1989, augmented by an initial comparison of the available monthly data for the 1988 and 1989 calendar years, and reinforced by opinions expressed by the local finance directors about spill-related changes in 1989 revenues.

Taxes

Two sources of tax revenue should reflect oil spill impacts during calendar year 1989. These are sales tax and hotel/motel tax.

Sales tax impacts of events after March 24, 1989 could not be expected to be observed in FY 1989, however, due to the lag between sales and receipt of revenue. On the other hand, Homer reports on a calendar year basis and their data on the sales tax table shows 1989 sales tax revenues to be significantly higher than their 1986-88 trend, as shown in Table 2-1. Their 1988-89 increase of 35 percent exceeded their three percent average annual growth rate for 1986-88.

Preliminary comparison of 1989 and 1988 monthly sales tax revenues reported by five jurisdictions confirms that revenues increased following the spill, as shown in Table 2-2. The $11 million total sales tax received by those entities during the second half of 1989 representing the post-spill period was 49 percent higher than what they received during the first half of 1989 representing the pre-spill period. This increase was more than the 39 percent increase for the 1988 second half over the 1988 first half. The second half total of 1989 also exceeded the $9.4 million second half total of 1988 by 18 percent; in contrast, the total sales tax revenues received by those same jurisdictions during the first half of 1989 exceeded the $6.8 million first half of 1988 total by only ten percent. Each entity reporting these data showed total July to December 1989 sales tax revenues greater than for the comparable 1988 period and for the first half of both years. Monthly sales tax revenues tended to be lower in 1989 than in 1988 for the six months representing the pre-spill period, and tended to be higher more often in 1989 during the six post-spill months.

To the extent this increase resulted from direct purchases of spill cleanup equipment, goods and services as well as purchases of consumer goods by people employed in cleanup activity, local jurisdictions should anticipate a dramatic reduction in sales tax revenues in 1990 coincident with the phase-out of the cleanup activity in fall 1989.

Hotel/motel tax revenues were reported separately by the Valdez and City of Kodiak, and included in sales tax revenues by other entities. Calendar year 1989 revenues from this source in Valdez, which keeps their financial records on a calendar year basis, were 64 percent higher than for CY 1988, while the average annual rate of change from CY 1986 to CY 1988 showed a ten percent decline. Comparison of the 1988 and 1989 monthly data appear to show total July to December 1989 revenues for this source considerably higher than for either the second half of 1988 or the first half of both years. Revenue from this source is also likely to decline in 1990 reflecting the late 1989 cutback in spill cleanup activity.

TABLE 2-1 SALES TAX REVENUES BY LOCAL GOVERNMENT JURISDICTION
Fiscal Year 1986 - Fiscal Year 1990 (First Six Months)
(Thousands of Dollars)

YEAR	CORDOVA	VALDEZ	KENAI BOROUGH	HOMER	CITY OF KENAI	SEWARD	SOLDOTNA	KODIAK BOROUGH	CITY OF KODIAK	TOTALS
FY 86	$1,171	$0	6,961	$1,297	$2,152	$234	$2,635	$0	$3,792	$18,242
FY 87	1,142	0	6,589	1,124	1,978	448	2,509	0	3,776	17,566
FY 88	1,208	0	6,614	1,378	2,127	783	2,396	0	3,325	17,831
FY 89	1,444	0	7,114	1,859	2,277	918	2,522	0	3,657	19,791
FY 90			4,635		1,253		1,451		2,758	10,097

SOURCE OF DATA: Template # 2 for all communities

TABLE 2-2 COMPARISON OF 1989 AND 1988 SALES TAX REVENUES BY LOCAL GOVERNMENT JURISDICTION
By Six Month Periods
(Thousands of Dollars)

	CITY OF CORDOVA	KENAI BOROUGH	CITY OF HOMER	CITY OF KENAI	CITY OF KODIAK	TOTAL
JULY - DEC. 89	1092	4635	1284	1253	2758	11022
JAN. - JUNE 89	426	3226	575	1065	2128	7420
DIFFERENCE	666	1409	709	188	630	3602
PERCENT CHANGE	156%	44%	123%	18%	30%	49%
JULY - DEC. 88	922	3888	924	1212	2436	9382
JAN. - JUNE 88	414	2950	454	1039	1899	5756
DIFFERENCE	508	938	470	173	537	2625
PERCENT CHANGE	123%	32%	104%	17%	28%	39%
JAN. - JUNE 89	426	3226	575	1065	2128	7420
JAN. - JUNE 88	414	2950	454	1039	1899	5756
DIFFERENCE	12	276	121	26	229	664
PERCENT CHANGE	3%	9%	27%	3%	12%	10%
JULY - DEC. 89	1092	4635	1284	1253	2758	11022
JULY - DEC. 88	922	3888	924	1212	2436	9382
DIFFERENCE	170	747	360	41	322	1640
PERCENT CHANGE	18%	19%	39%	3%	13%	17%

SOURCE OF DATA: Templates # 3a and # 3b for all communities

Charges for Services

Water/sewer revenues were reported by eight jurisdictions, as shown in Table 2-3. The $6.1 million FY 1989 total was four percent higher than their $5.9 million FY 1988 total; however this growth was less than the FY 1986-88 average annual rate of growth of nine percent. Five entities showed FY 1988-89 increases. Preliminary comparison of monthly data reported by six jurisdictions suggest that 1989 water/sewer revenues may have exceeded 1988 revenues during some post-spill months in Cordova, Valdez and City of Kodiak. The 1989 monthly revenues appear to reflect the 1988 pattern in Homer, City of Kenai and Kodiak Island Borough.

Harbor/port revenues were reported by six entities (Table 2-3). Their $6.3 million percent FY 1989 total was 22 percent higher than their $5.2 million FY 1988 total. This growth exceeded the ten percent FY 1986-88 average annual rate of growth. Five of the six entities had FY 1988-89 increases, which the changes ranging from a 110 percent increase in Valdez to a two percent decrease in City of Kodiak. The monthly data for harbor/port revenues reported by four jurisdictions appear to suggest increased use activity during the post-spill months in each entity.

Airport revenues were reported by three jurisdictions (Table 2-3). Their $322,000 FY 1989 total was four percent less than their $334,000 FY 1988 total, which had remained fairly level since FY 1986. Valdez had a FY 1988-89 increase of 73 percent and Soldotna had a one percent increase, while City of Kenai had an 18 percent FY 1988-89 decrease.

Hospital revenues were reported by four jurisdictions in FY 1989 (Valdez showed hospital revenues in the previous years.) All four showed FY 1988-89 increases in revenues ranging from nine percent in Cordova to less than one percent in Kodiak Island Borough. However, the monthly data reported by Kodiak Island Borough shows a 27 percent increase for CY89, with ten months where revenues in 1989 exceeded those in 1988 in both the pre-spill and post-spill months.

Eight jurisdictions reported charges for services in the "All Other" category. These totaled $10.4 million in FY 1989 which was four percent higher than their $9.9 million total in FY 1988, compared with a nine percent average annual FY 1986-88 growth rate. Seven entities showed an FY 1988-89 increase in this revenue source. Five jurisdictions reported 1988 and 1989 monthly data for this category. It appears that the 1989 revenues were higher than those in 1988 during most months in all five entities, but to a greater extent during the post-spill months in most jurisdictions.

TABLE 2-3 CHARGES FOR SERVICE REVENUES BY LOCAL GOVERNMENT JURISDICTION
Fiscal Year 1986 - Fiscal Year 1990 (First Six Months)
(Thousands of Dollars)

	CORDOVA	VALDEZ	KENAI BOROUGH	HOMER	CITY OF KENAI	SEWARD	SOLDOTNA	KODIAK BOROUGH	CITY OF KODIAK	TOTALS
FY 86										
WATER/SEWER	$399	$238	$0	$830	$678	$603	$424	$190	$1,636	$4,998
HARBOR/PORT	506	204	0	1,398	0	793	0	0	1,396	4,297
AIRPORT	0	29	0	0	233	0	66	0	0	328
HOSPITAL	1,445	616	13,755	0	0	1,552	0	5,261	0	22,629
ALL OTHER	410	0	283	1,049	90	5,244	477	105	721	8,379
TOTAL	$2,759	$1,086	$14,038	$3,276	$1,001	$8,192	$967	$5,655	$3,753	$40,727
FY 87										
WATER/SEWER	$408	$256	$0	$885	$711	$625	$432	$436	$1,763	$5,516
HARBOR/PORT	448	227	0	1,597	1	834	0	0	1,551	4,658
AIRPORT	0	40	0	0	224	0	76	0	0	340
HOSPITAL	1,735	731	13,730	0	0	1,612	0	5,009	0	22,817
ALL OTHER	148	0	1,782	571	78	5,042	613	258	650	9,142
TOTAL	$2,740	$1,254	$15,511	$3,054	$1,014	$8,113	$1,120	$5,703	$3,964	$42,473
FY 88										
WATER/SEWER	$418	$242	$0	$958	$709	$648	$519	$422	$1,966	$5,882
HARBOR/PORT	519	303	0	1,722	91	885	0	0	1,648	5,168
AIRPORT	0	37	0	0	226	0	71	0	0	334
HOSPITAL	1,848	818	14,173	0	0	1,488	0	6,088	0	24,415
ALL OTHER	357	0	1,850	572	60	5,263	676	553	611	9,942
TOTAL	$3,143	$1,400	$16,023	$3,253	$1,085	$8,284	$1,266	$7,062	$4,225	$45,742
FY 89										
WATER/SEWER	$437	$384	$0	$937	$691	$713	$523	$415	$2,003	$6,103
HARBOR/PORT	538	637	0	2,324	205	986	0	0	1,620	6,310
AIRPORT	0	64	0	0	186	0	72	0	0	322
HOSPITAL	2,018	0	15,492	0	0	1,590	0	6,106	0	25,206
ALL OTHER	361	0	296	1,679	66	5,609	848	873	644	10,376
TOTAL	$3,354	$1,085	$15,787	$4,977	$1,149	$8,898	$1,444	$7,393	$4,267	$48,354
FY 90										
WATER/SEWER					$351		$211	$220	$1,113	$1,395
HARBOR/PORT					76		0	0	753	829
AIRPORT					89		48	0	0	137
HOSPITAL					0		0	3,503	0	3,503
ALL OTHER			382		72		294	809	305	1,862
TOTAL			$382		$588		$552	$4,532	$2,171	$8,225

SOURCE OF DATA: Template # 2 for all communities

Miscellaneous Revenues

Rents & leases revenues were reported by five jurisdictions, of which three showed a FY 1988-89 increase. The FY 1988-89 changes ranged from a 59 percent increase by the Valdez to a 96 percent decrease by the City of Soldotna. The five jurisdictions reporting monthly data showed a 1989 second half total of $1 million, which was a 15 percent increase over the 1989 first half total of $873,000. The 1989 second half total was nine percent less than the $1.1 million second half total of 1988, while the 1989 first half total was 23 percent less than the $1.14 million first half total for 1988. To the extent the 1989 second half increases were related to spill cleanup activity, the jurisdictions might expect this revenue source to decline in 1990.

Investment income revenues were reported by all nine jurisdictions, of which seven showed FY 1988-89 increases. The FY 1988-89 changes ranged from a 48 percent increase in the City of Kodiak to a 24 percent decrease in Kodiak Island Borough. Seven jurisdictions reported monthly data on investment income. Preliminary comparison of these monthly data indicate that during the nine post-spill months, 1989 investment income tended to exceed that for the 1988 months in four jurisdictions, but not during the three pre-spill months. In three other entities, 1989 investment income appeared to be higher in 1989 than in 1988 during the pre-spill months and to be lower during the post-spill months in 1989 than in 1988.

Other Revenue Sources

Licenses and permits revenues reported by eight jurisdictions totaled $1.1 million in 1989, a 16 percent increase over their $977,000 total for 1988, which compared with a 19 percent average annual rate of decline for the 1986-88 period, as shown in Table 2-4. Only four entities showed increases in 1989 over 1988, and the percentage increase for each exceeded their average annual rate of growth for 1986-88. In addition, the 1988-89 declines for two entities were less than their average annual rate of decline for 1986-88. Initial comparison of the 1988 and 1989 monthly data reported by five entities show monthly revenues tended to be lower in 1989 than in 1988 for the three months representing the pre-spill period, but tended to be lower less often in 1989 during the nine post-spill months. Three of the entities showed total April - December 1989 licenses and permits revenues higher than for the comparable 1988 period.

TABLE 2-4 LICENSE AND PERMIT REVENUE BY LOCAL GOVERNMENT JURISDICTION
Fiscal Year 1986 - Fiscal Year 1990 (First Six Months)
(Thousands of Dollars)

YEAR	CORDOVA	VALDEZ	KENAI BOROUGH	HOMER	CITY OF KENAI	SEWARD	SOLDOTNA	KODIAK BOROUGH	CITY OF KODIAK	TOTALS
FY 86	$35	$27	$0	$99	$52	$187	$90	$957	$38	$1,485
FY 87	36	25	0	36	36	62	40	1,803	41	2079
FY 88	47	35	0	45	16	73	39	677	45	977
FY 89	0	83	0	41	15	132	40	779	41	1131
FY 90					7		5	59	34	105

SORCE OF DATA: Template # 2 for all communities

Fines and forfeitures revenues reported by seven jurisdictions totaled $276,000 in 1989, 26 percent less than the 1988 total of $375,000, which compared with a 49 percent average annual rate of growth for the 1986-88 period, as shown in Table 2-5. Much of this decrease was in by Homer which reported a 58 percent decline in CY89 from their CY88 total of $228,000. On the other hand, four jurisdictions had 1988-89 increases, each of which also exceeded their average annual percentage growth rate for 1986-88. Quick comparison of the 1988 and 1989 monthly data reported by four entities show that monthly revenues tended to be higher in 1989 than in 1988 more often during the post-spill period than prior to the spill. Three jurisdictions showed total April - December 1989 fines and forfeitures revenues to be higher than during the comparable 1988 period.

Tables 2-6 through 2-15, below, provide a more detailed picture of the magnitude and composition of local government revenue sources by jurisdiction for the period FY 1986 through FY 1989. These table are reproductions of Fiscal Template No. 2 results, modified to depict changing grow rate patterns for various revenue sources.

TABLE 2-5 FINE AND FORFEITURE REVENUE BY LOCAL GOVERNMENT JURISDICTION
Fiscal Year 1986 - Fiscal Year 1990 (First Six Months)
(Thousands of Dollars)

	CORDOVA	VALDEZ	KENAI BOROUGH	HOMER	KENAI	SEWARD	SOLDOTNA	KODIAK BOROUGH	KODIAK	TOTALS
YEAR										
FY 86	$4	$17	$0	$61	$27	$9	$19	$0	$33	$170
FY 87	6	18	0	199	28	13	16	0	77	357
FY 88	11	21	0	228	36	14	16	0	49	375
FY 89	9	34	0	97	33	27	19	0	57	276
FY 90					33		18	1	26	78

SORCE OF DATA: Template # 2 for all communities

TABLE 2-6. TEMPLATE #2 FOR COMMUNITY OF CORDOVA
REVENUES BY SOURCE FOR FY 86, FY 87, FY 88 FY 89, AND FY 90
(Dollars)

SOURCE OF REVENUE	FY 86 Actual	FY 87 Actual	FY 88 Actual	FY89 Actual	FIRST HALF FY90 Actual	Average Annual Rate of Growth (Percent) FY86-FY88	FY88-FY89
TAXES							
Property	187,559	195,313	189,587	495,520	0	1%	161%
Sales	1,171,270	1,142,235	1,207,722	1,443,784	0	2%	20%
Hotel/Motel	0	0	0	0	0		
Other	0	0	0	0	0		
SUBTOTAL TAXES	1,358,829	1,337,548	1,397,309	1,939,304	0	1%	39%
LICENSES AND PERMITS	35,486	35,517	46,909	0	0	15%	-100%
INTERGOVERNMENTAL REVENUES							
State General Revenue Sharing	220,583	213,152	259,539	255,258	0	8%	-2%
State School Revenues	0	0	0	0	0		
State Raw Fish Tax	434,403	434,742	570,574	1,294,707	0	15%	127%
State Municipal Assistance	317,156	294,861	256,488	256,037	0	-10%	0%
Other State Shared Revenues	52,764	322,714	64,173	40,184	0	10%	-37%
State Grants - Capital	0	0	0	0	0		
State Grants - Operating	282,917	204,518	111,711	105,615	0	-37%	-5%
State Oil Spill	0	0	0	0	0		
Federal Grants - School	0	0	0	0	0		
Federal Grants - Capital	0	0	0	0	0		
Federal Grants - Operating	0	0	0	0	0		
SUBTOTAL INTERGOVERNMENTAL	1,307,823	1,469,987	1,262,485	1,951,801	0	-2%	55%
CHARGES FOR SERVICES							
Water/Sewer	398,929	408,330	417,851	437,131	0	2%	5%
Harbor/Port	505,926	448,259	519,138	538,457	0	1%	4%
Airport	0	0	0	0	0		
Hospital	1,444,556	1,735,439	1,848,362	2,018,223	0	13%	9%
All Other	410,015	148,370	357,490	360,675	0	-7%	1%
SUBTOTAL CHARGES FOR SERVICES	2,759,426	2,740,398	3,142,841	3,354,486	0	7%	7%
FINES AND FOREITURES	4,030	5,698	11,308	8,676	0	68%	-23%
MISCELLANEOUS							
Rents and Leases	50,198	109,613	60,262	65,597	0	10%	9%
Investment Income	467,021	229,908	292,590	344,490	0	-21%	18%
Valdez Oil Spill - Exxon	0	0	0	188,000	0		
Valdez Oil Spill - VECO	0	0	0	35,750	0		
Valdez Oil Spill - Other Private	0	0	0	4,446	0		
Other Miscellaneous	0	0	0	0	0		
SUBTOTAL MISCELLANEOUS	517,219	339,521	352,852	638,283	0	-17%	81%
TOTAL REVENUES	5,982,813	5,928,669	6,213,704	7,892,550	0	2%	27%
COMMUNITY POPULATION	2,053	NA	2,048	2,619	NA	0%	28%
PER CAPITA REVENUES	$2,914		$3,034	$3,014		2%	-1%
PER CAPITA REVENUES IN CONSTANT 1989 DOLLARS	$3,019		$3,122	$3,014		2%	-3%

TABLE 2-7. TEMPLATE #2 FOR COMMUNITY OF VALDEZ
REVENUES BY SOURCE FOR CY 86, CY 87, CY 88, AND CY 89
(Dollars)

SOURCE OF REVENUE	CY 86 Actual	CY 87 Actual	CY 88 Actual	CY89 Actual	Average Annual Rate of Growth (Percent) FY86-FY88	FY88-FY89
TAXES						
Property	27,878,579	27,161,321	25,692,433	25,417,854	-4%	-1%
Sales	0	0	0	0		
Hotel/Motel	153,272	135,899	123,174	201,799	10%	64%
Other	0	3,237	0	0		
SUBTOTAL TAXES	28,031,851	27,300,457	25,815,607	25,619,653	-4%	-1%
LICENSES AND PERMITS	27,039	25,091	35,077	83,223	14%	137%
INTERGOVERNMENTAL REVENUES						
State General Revenue Sharing	284,353	686,071	582,115	331,949	43%	-43%
State School Revenues	2,519,497	2,668,900	3,353,538	2,705,487	2%	-19%
State Raw Fish Tax	100,153	79,137	121,317	294,382	10%	143%
State Municipal Assistance	845,040	733,414	669,416	668,774	-11%	0%
Other State Shared Revenues	168,505	88,776	91,976	70,961	-26%	-23%
State Grants - Capital	2,531,560	1,018,124	1,015,219	1,629,788	-14%	61%
State Grants - Operating	595,559	1,691,889	439,730	516,953	-14%	18%
State Oil Spill	0	0	0	0		
Federal Grants - School	0	0	0	0		
Federal Grants - Capital	0	0	0	0		
Federal Grants - Operating	152,427	4,139	0	0		
SUBTOTAL INTERGOVERNMENTAL	7,197,099	6,968,450	6,273,311	6,218,294	-7%	-1%
CHARGES FOR SERVICES						
Water/Sewer	238,052	255,836	241,704	384,339	1%	59%
Harbor/Port	203,708	227,222	303,085	637,322	22%	110%
Airport	28,782	40,429	36,974	63,817	30%	73%
Hospital	615,538	730,898	818,025	0	15%	
All Other	0	0	0	0		
SUBTOTAL CHARGES FOR SERVICES	1,086,080	1,254,385	1,399,788	1,085,478	14%	-22%
FINES AND FOREITURES	17,331	17,844	21,284	33,781	11%	59%
MISCELLANEOUS						
Rents and Leases	100,825	152,365	137,929	219,829	17%	59%
Investment Income	5,139,055	5,740,000	4,957,022	5,903,696	-2%	19%
Valdez Oil Spill - Exxon	0	0	0	1,373,381		
Valdez Oil Spill - VECO	0	0	0	0		
Valdez Oil Spill - Other Private	0	0	0	0		
Other Miscellaneous	231,120	116,040	196,989	427,354	23%	117%
SUBTOTAL MISCELLANEOUS	5,471,000	6,008,405	5,291,940	7,924,260	-2%	50%
TOTAL REVENUES	41,830,400	41,574,632	38,837,007	40,964,689	-4%	5%
COMMUNITY POPULATION	3,263	NA	3,313	7,193	1%	117%
PER CAPITA REVENUE	$12,820		$11,723	$5,695	-4%	-51%
PER CAPITA REVENUE IN CONSTANT 1989 DOLLARS	$13,281		$12,063	$5,895	-5%	-53%

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TABLE 2-8. TEMPLATE #2 FOR KENAI PENINSULA BOROUGH
REVENUES BY SOURCE FOR FY 86, FY 87, FY 88 FY 89, AND FY 90
(Dollars)

SOURCE OF REVENUE	FY 86 Actual	FY 87 Actual	FY 88 Actual	FY89 Actual	FIRST HALF FY90 Actual	Average Annual Rate of Growth (Percent) FY86-FY88	FY88-FY89
TAXES							
Property	12,866,927	23,325,702	28,377,486	24,606,751	24,450,351	49%	-13%
Sales	6,960,999	6,588,619	6,613,622	7,114,238	4,635,307	-3%	
Hotel/Motel	0	0	0	0	0		
Other	0	0	0	0	0		
SUBTOTAL TAXES	19,827,926	29,914,321	34,991,108	31,720,989	29,085,658	33%	-9%
LICENSES AND PERMITS	0	0	0	0	0		
INTERGOVERNMENTAL REVENUES							
State General Revenue Sharing	3,128,012	2,985,799	3,121,211	2,803,630	2,615,101	0%	-10%
State School Revenues	54,735,164	57,134,772	56,114,034	56,849,761	8,232,464		
State Raw Fish Tax	538,703	683,847	1,087,437	1,975,001	0	42%	82%
State Municipal Assistance	3,191,859	2,939,051	2,489,847	2,485,275	0	-12%	0%
Other State Shared Revenues	385,122	473,095	500,923	161,296	0	14%	
State Grants - Capital	3,125,624	4,023,124	602,832	2,707,069	190,475	-5%	349%
State Grants - Operating	671,499	833,787	656,105	255,685	1,807	-1%	
State Oil Spill	0	0	0	0	0		
Federal Grants - School	1,032,529	404,490	694,493	376,272	0	-29%	-46%
Federal Grants - Capital	0	0	0	0	0		
Federal Grants - Operating	1,741,490	1,090,818	972,403	1,022,546	935,290	-16%	5%
SUBTOTAL INTERGOVERNMENTAL	68,550,002	70,568,783	66,239,285	68,636,535	11,975,097	-2%	4%
CHARGES FOR SERVICES							
Water/Sewer	0	0	0	0	0		
Harbor/Port	0	0	0	0	0		
Airport	0	0	0	0	0		
Hospital	13,754,863	13,729,617	14,173,020	15,491,686	0	2%	
All Other	282,738	1,781,776	1,850,037	295,794	382,238	156%	-84%
SUBTOTAL CHARGES FOR SERVICES	14,037,601	15,511,393	16,023,057	15,787,480	382,238	7%	-1%
FINES AND FOREITURES	0	0	0	0	0		
MISCELLANEOUS							
Rents and Leases	0	0	0	0	290,483		
Investment Income	5,158,401	7,832,977	4,526,101	5,759,979	2,047,021	-6%	27%
Valdez Oil Spill - Exxon	0	0	0	1,545,926	0		
Valdez Oil Spill - VECO	0	0	0	0	0		
Valdez Oil Spill - Other Private	0	0	0	0	0		
Other Miscellaneous	2,382,809	1,488,298	1,400,979	3,039,128	222,401	8%	117%
SUBTOTAL MISCELLANEOUS	7,541,210	9,321,275	5,927,080	10,345,033	2,559,905	-11%	75%
TOTAL REVENUES	109,956,739	125,315,772	123,180,530	126,490,037	44,002,898	6%	3%
COMMUNITY POPULATION	40,414	39,170	39,949	40,312	NA	-1%	1%
PER CAPITA REVENUES	$2,721		$3,083	$3,138		6%	2%
PER CAPITA REVENUES IN CONSTANT 1989 DOLLARS	$2,819		$3,173	$3,138		6%	-1%

TABLE 2-9. TEMPLATE #2 FOR COMMUNITY OF HOMER
REVENUES BY SOURCE FOR CY 86, CY 87, CY 88, AND CY 89
(Dollars)

SOURCE OF REVENUE	CY 86 Actual	CY 87 Actual	CY 88 Actual	CY89 Actual	Average Annual Rate of Growth (Percent) FY86-FY88	FY88-FY89
TAXES						
Property	1,040,570	1,060,022	929,372	961,920	-5%	4%
Sales	1,29[illegible],100	1,124,369	1,378,052	1,858,985	3%	35%
Hotel/Motel	0	0	0	0		
Other	14,513	7,142	7,119	15,976	3%	124%
SUBTOTAL TAXES	2,352,183	2,191,533	2,314,543	2,836,881	-1%	23%
LICENSES AND PERMITS	99,086	36,209	44,904	40,536	-33%	-10%
INTERGOVERNMENTAL REVENUES						
State General Revenue Sharing	435,807	327,351	388,408	231,045	-6%	-41%
State School Revenues	0	0	0	0		
State Raw Fish Tax	87,034	89,375	126,220	290,153	20%	130%
State Municipal Assistance	555,680	460,224	390,536	389,835	-16%	0%
Other State Shared Revenues	52,378	34,621	64,379	35,425	11%	-45%
State Grants - Capital	1,150,919	82,327	737	56,800	-63%	7607%
State Grants - Operating	105,446	121,770	157,738	88,560	22%	-44%
State Oil Spill	0	0	0	0		
Federal Grants - School	0	0	0	0		
Federal Grants - Capital	142,807	3,922	0	0		
Federal Grants - Operating	0	0	0	0		
SUBTOTAL INTERGOVERNMENTAL	2,530,072	1,119,590	1,127,978	1,091,818	-33%	-3%
CHARGES FOR SERVICES						
Water/Sewer	829,652	885,456	958,359	973,494	7%	2%
Harbor/Port	1,310,844	1,507,995	1,596,014	2,084,074	10%	31%
Airport	0	0	0	0		
Hospital	0	0	0	0		
All Other	1,048,540	571,211	571,957	1,679,393	-26%	194%
SUBTOTAL CHARGES FOR SERVICES	3,189,036	2,964,662	3,126,330	4,736,961	-1%	52%
FINES AND FOREITURES	60,875	198,967	227,732	97,479	93%	-57%
MISCELLANEOUS						
Rents and Leases	0	0	0	0		
Investment Income	649,753	220,090	203,453	210,539	-44%	3%
Valdez Oil Spill - Exxon	0	0	0	321,557		
Valdez Oil Spill - VECO	0	0	0	0		
Valdez Oil Spill - Other Private	0	0	0	225,442		
Other Miscellaneous	0	1,758,572	44,404	0		-100%
SUBTOTAL MISCELLANEOUS	649,753	1,978,662	247,857	757,538	-38%	206%
TOTAL REVENUES	8,881,005	8,489,623	7,[illegible]	9,561,213	-11%	35%
COMMUNITY POPULATION	3,706	NA	4,338	4,338	8%	0%
PER CAPITA REVENUES	$2,396		$1,634	$2,204	-17%	35%
PER CAPITA REVENUES IN CONSTANT 1989 DOLLARS	$2,483		$1,682	$2,204	-18%	31%

TABLE 2-10. TEMPLATE #2 FOR COMMUNITY OF KENAI
REVENUES BY SOURCE FOR FY 86, FY 87, FY 88 FY 89, AND FY 90
(Dollars)

SOURCE OF REVENUE	FY 86 Actual	FY 87 Actual	FY 88 Actual	FY89 Actual	FIRST HALF FY90 Actual	Average Annual Rate of Growth (Percent) FY86-FY88	FY88-FY89
TAXES							
Property	549,992	911,534	867,629	748,874	675,096	26%	-14%
Sales	2,152,418	1,978,328	2,127,338	2,276,884	1,253,442	-1%	7%
Hotel/Motel	0	0	0	0	0		
Other	23,179	26,836	30,795	38,518	0	18%	25%
SUBTOTAL TAXES	2,725,589	2,916,698	3,025,762	3,064,276	1,928,538	5%	1%
LICENSES AND PERMITS	51,639	35,618	16,364	15,309	7,407	-44%	-6%
INTERGOVERNMENTAL REVENUES							
State General Revenue Sharing	613,616	453,308	353,111	349,674	348,432	-24%	-1%
State School Revenues	0	0	0	0	0		
State Raw Fish Tax	217,159	187,244	253,329	587,009	340	8%	132%
State Municipal Assistance	378,048	794,345	680,868	679,726	0	-17%	0%
Other State Shared Revenues	56,415	48,436	49,429	50,594	(435)	-6%	2%
State Grants - Capital	3,938,804	3,599,624	1,237,743	1,045,863	975,483	-40%	-16%
State Grants - Operating	225,989	263,489	322,054	440,010	125,459	19%	37%
State Oil Spill	0	0	0	0	0		
Federal Grants - School	62,586	34,476	37,606	122,606	25,156	25%	226%
Federal Grants - Capital	66,923	638,645	587,220	470,288	471,215	92%	-20%
Federal Grants - Operating	251,844	48,805	10,993	12,695	9,565	-63%	15%
SUBTOTAL INTERGOVERNMENTAL	7,431,382	6,069,372	3,532,353	3,758,465	1,955,215	-31%	6%
CHARGES FOR SERVICES							
Water/Sewer	678,101	711,114	708,966	691,438	351,108	2%	-2%
Harbor/Port	0	595	90,580	205,392	76,219		127%
Airport	232,963	224,195	226,067	186,428	89,498	-7%	-18%
Hospital	0	0	0	0	0		
All Other	90,215	78,172	59,869	66,059	71,572	-19%	10%
SUBTOTAL CHARGES FOR SERVICES	1,001,279	1,014,076	1,085,482	1,149,317	588,397	4%	6%
FINES AND FOREITURES	27,002	28,184	35,899	32,824	32,929	15%	-9%
MISCELLANEOUS							
Rents and Leases	527,022	502,274	497,992	495,136	269,003	-3%	-1%
Investment Income	1,845,520	1,421,548	1,512,590	1,858,361	930,716	-9%	23%
Valdez Oil Spill - Exxon	0	0	0	0	32,264		
Valdez Oil Spill - VECO	0	0	0	0	0		
Valdez Oil Spill - Other Private	0	0	0	0	4,044		
Other Miscellaneous	210,001	453,386	626,552	710,802	143,258	50%	13%
SUBTOTAL MISCELLANEOUS	2,582,543	2,377,206	2,637,134	3,064,299	1,379,285	1%	16%
TOTAL REVENUES	13,819,434	12,441,154	10,332,994	11,084,490	5,891,771	-14%	7%
COMMUNITY POPULATION	6,647	NA	6,543	6,543	NA	-1%	0%
PER CAPITA REVENUE	$2,079		$1,579	$1,694		-13%	7%
PER CAPITA REVENUE IN CONSTANT 1989 DOLLARS	$2,154		$1,625	$1,694		-13%	4%

TABLE 2-11. TEMPLATE #2 FOR COMMUNITY OF SEWARD
REVENUES BY SOURCE FOR FY 86, FY 87, FY 88 FY 89, AND FY 90
(Dollars)

SOURCE OF REVENUE	FY 86 Actual	FY 87 Actual	FY 88 Actual	FY89 Actual	FIRST HALF FY90 Actual	Average Annual Rate of Growth (Percent) FY86-FY88	FY88-FY89
TAXES							
Property	565,720	393,815	535,312	452,319		-3%	-16%
Sales	233,843	448,304	783,122	918,470		83%	17%
Hotel/Motel	0	0	0	0			
Other	0	0	0	0			
SUBTOTAL TAXES	799,563	842,119	1,318,434	1,370,789		28%	4%
LICENSES AND PERMITS	187,393	62,029	72,681	132,059		-38%	82%
INTERGOVERNMENTAL REVENUES							
State General Revenue Sharing	653,679	591,008	422,139	420,061		-20%	0%
State School Revenues	0	0	0	0			
State Raw Fish Tax	107,947	151,669	166,778	270,699		24%	62%
State Municipal Assistance	313,596	271,368	231,861	231,464		-14%	0%
Other State Shared Revenues	19,636	16,297	23,001	20,814		8%	-10%
State Grants - Capital	567,690	1,419,505	1,941,732	420,746		-10%	-78%
State Grants - Operating	336,762	281,445	501,127	119,369		22%	-76%
State Oil Spill	0	0	0	0			
Federal Grants - School	0	0	0	0			
Federal Grants - Capital	0	0	555,329	44,671			-92%
Federal Grants - Operating	91,248	13,550	0	0			
SUBTOTAL INTERGOVERNMENTAL	2,090,558	2,744,842	3,841,967	1,527,824		36%	-60%
CHARGES FOR SERVICES							
Water/Sewer	603,265	624,529	647,848	713,001		4%	10%
Harbor/Port	792,658	834,284	885,240	986,149		6%	11%
Airport	0	0	0	0			
Hospital	1,552,000	1,612,174	1,488,348	1,589,980		-2%	
All Other	5,244,134	5,042,296	5,263,045	5,608,957		0%	7%
SUBTOTAL CHARGES FOR SERVICES	8,192,257	8,113,283	8,284,481	8,898,087		1%	7%
FINES AND FOREITURES	9,152	13,495	14,465	28,729		26%	99%
MISCELLANEOUS							
Rents and Leases	369,009	294,583	301,402	348,700		-10%	16%
Investment Income	393,550	203,410	227,522	291,282		-24%	28%
Valdez Oil Spill - Exxon	0	0	0	163,347			
Valdez Oil Spill - VECO	0	0	0	0			
Valdez Oil Spill - Other Private	0	0	0	0			
Other Miscellaneous	2,322,638	171,423	1,039,920	823,471		-29%	-21%
SUBTOTAL MISCELLANEOUS	3,085,197	669,416	1,568,844	1,626,800		-29%	4%
TOTAL REVENUES	14,364,120	12,445,184	15,100,872	13,582,288		3%	-10%
COMMUNITY POPULATION	2,072	NA	2,463	2,400		9%	-3%
PER CAPITA REVENUE	$6,932		$6,131	$5,659		-6%	-8%
PER CAPITA REVENUE IN CONSTANT 1989 DOLLARS	$7,182		$6,309	$5,659		-6%	-10%

TABLE 2-12. TEMPLATE #2 FOR COMMUNITY OF SOLDOTNA
REVENUES BY SOURCE FOR FY 86, FY 87, FY 88 FY 89, AND FY 90
(Dollars)

SOURCE OF REVENUE	FY 86 Actual	FY 87 Actual	FY 88 Actual	FY89 Actual	FIRST HALF FY90 Actual	Average Annual Rate of Growth (Percent) FY86-FY88	FY88-FY89
TAXES							
Property	698,095	815,939	812,900	658,386	495,267	8%	-19%
Sales	2,635,186	2,396,051	2,509,320	2,521,867	1,450,894	-2%	1%
Motel/Motel	0	0	0	0	0		
Other	0	0	0	0	0		
SUBTOTAL TAXES	3,333,281	3,211,990	3,322,220	3,180,253	1,946,161	0%	-4%
LICENSES AND PERMITS	89,654	38,742	39,822	40,366	5,443	-33%	1%
INTERGOVERNMENTAL REVENUES							
State General Revenue Sharing	326,056	305,101	298,035	302,126	221,973	-4%	1%
State School Revenues	0	0	0	0	0		
State Raw Fish Tax	0	0	0	1,881	(75)		
State Municipal Assistance	568,208	415,010	459,306	414,344	34,605	-10%	-10%
Other State Shared Revenues	51,992	208,797	194,564	161,351	107,151	93%	-17%
State Grants - Capital	638,042	1,666,178	1,749,925	795,843	241,911	8%	-55%
State Grants - Operating	0	0	0	0	0		
State Oil Spill	0	0	0	0	0		
Federal Grants - School	0	0	0	0	0		
Federal Grants - Capital	203,377	200,000	4,114	0	0		
Federal Grants - Operating	0	0	0	0	0		
SUBTOTAL INTERGOVERNMENTAL	1,787,675	2,795,086	2,705,944	1,675,545	605,565	23%	-38%
CHARGES FOR SERVICES							
Water/Sewer	423,639	518,585	432,094	523,285	211,332	1%	21%
Harbor/Port	0	0	0	0	0		
Airport	66,042	71,457	75,564	72,344	47,522	3%	-4%
Hospital	0	0	0	0	0		
All Other	477,413	676,317	612,699	848,218	293,540	13%	38%
SUBTOTAL CHARGES FOR SERVICES	967,094	1,266,359	1,120,357	1,443,847	552,394	8%	29%
FINES AND FOREITURES	18,887	16,203	15,713	18,598	17,740	-9%	18%
MISCELLANEOUS							
Rents and Leases	0	143,225	144,033	5,270	0		-96%
Investment Income	577,664	512,845	678,489	648,142	250,008	12%	-4%
Valdez Oil Spill - Exxon	0	0	0	0	0		
Valdez Oil Spill - VECO	0	0	0	0	0		
Valdez Oil Spill - Other Private	0	0	0	0	0		
Other Miscellaneous	40,342	545,915	197,520	873,129	56,068	179%	342%
SUBTOTAL MISCELLANEOUS	578,006	1,201,985	1,020,042	1,527,541	306,076	33%	50%
TOTAL REVENUES	6,774,597	8,530,365	8,224,098	7,886,150	3,433,379	10%	-4%
COMMUNITY POPULATION	4,021	NA	3,733	3,668	NA	-4%	-2%
PER CAPITA REVENUE	$1,685		$2,203	$2,150		14%	-2%
PER CAPITA REVENUE IN CONSTANT 1989 DOLLARS	$1,745		$2,267	$2,150		14%	-5%

TABLE 2-13. TEMPLATE #2 FOR KODIAK ISLAND BOROUGH
REVENUES BY SOURCE FOR FY 86, FY 87, FY 88 FY 89, AND FY 90
(Dollars)

SOURCE OF REVENUE	FY 86 Actual	FY 87 Actual	FY 88 Actual	FY89 Actual	FIRST HALF FY90 Actual	Average Annual Rate of Growth (Percent) FY86-FY88	FY88-FY89
TAXES							
Property	2,227,944	2,384,653	2,672,156	2,725,708	2,841,196	10%	2%
Sales	0	0	0	0	0		
Hotel/Motel	0	0	0	0	0		
Other	0	0	0	0	0		
SUBTOTAL TAXES	2,227,944	2,384,653	2,672,156	2,725,708	2,841,196	10%	2%
LICENSES AND PERMITS	957,058	1,802,531	676,699	779,306	58,808	-16%	15%
INTERGOVERNMENTAL REVENUES							
State General Revenue Sharing	1,827,894	1,476,743	1,897,745	2,126,287	865,595	2%	12%
State School Revenues	19,968,064	17,396,012	17,423,440	17,546,005	8,195,128		
State Raw Fish Tax	647,057	871,703	875,085	2,044,881	0	16%	134%
State Municipal Assistance	791,596	621,255	527,690	526,608	0	-18%	0%
Other State Shared Revenues	0	0	0	0	9,987		
State Grants - Capital	4,606,720	6,419,199	1,280,557	957,200	346,286	-41%	-25%
State Grants - Operating	0	0	0	0	565,140		
State Oil Spill	0	0	0	0	173,324		
Federal Grants - School	795,632	582,850	788,491	1,005,261	0	8%	27%
Federal Grants - Capital	83,361	311,639	0	0	0	-100%	
Federal Grants - Operating	184,166	41,346	1,620	5,036	144,723	-70%	211%
SUBTOTAL INTERGOVERNMENTAL	28,884,490	27,720,747	22,794,628	24,211,278	10,300,183	-11%	6%
CHARGES FOR SERVICES							
Water/Sewer	289,711	436,126	422,014	414,546	219,719	21%	-2%
Harbor/Port	0	0	0	0	0		
Airport	0	0	0	0	0		
Hospital	5,261,182	5,009,194	6,087,580	6,105,723	3,503,197	8%	
All Other	104,551	258,130	552,821	872,853	809,427	130%	58%
SUBTOTAL CHARGES FOR SERVICES	5,655,444	5,703,450	7,062,415	7,393,122	4,532,343	12%	5%
FINES AND FOREITURES	0	0	1	0	650		
MISCELLANEOUS							
Rents and Leases	0	0	0	0	187,182		
Investment Income	1,581,641	2,210,335	1,943,025	1,469,534	548,833	11%	-24%
Valdez Oil Spill - Exxon	0	0	0	1,013,079	726,620		
Valdez Oil Spill - VECO	0	0	0	0	0		
Valdez Oil Spill - Other Private	0	0	0	0	0		
Other Miscellaneous	535,223	493,230	588,547	1,391,970	861,175	38%	137%
SUBTOTAL MISCELLANEOUS	2,116,864	2,703,565	2,531,572	3,874,583	2,324,810	9%	53%
TOTAL REVENUES	39,841,800	40,314,946	35,737,470	38,983,997	20,057,990	-5%	9%
COMMUNITY POPULATION	11,846	13,658	13,669	15,558	NA	7%	14%
PER CAPITA REVENUE	$3,363		$2,614	$2,506		-12%	-4%
PER CAPITA REVENUE IN CONSTANT 1989 DOLLARS	$3,484		$2,690	$2,506		-12%	-7%

TABLE 2-14. TEMPLATE #2 FOR COMMUNITY OF KODIAK CITY
REVENUES BY SOURCE FOR FY 86, FY 87, FY 88 FY 89, AND FY 90
(Dollars)

	FY 86 Actual	FY 87 Actual	FY 88 Actual	FY89 Actual	FIRST HALF FY90 Actual	Average Annual Rate of Growth (Percent) FY86-FY88	FY88-FY89
TAXES							
Property	437,777	447,941	441,429	463,777	478,199	0%	5%
Sales	3,791,598	3,776,303	3,325,342	3,657,343	2,757,610	-6%	10%
Hotel/Motel	52,381	53,067	69,949	86,151	71,710		
Other	0	0	0	0	0		
SUBTOTAL TAXES	4,281,756	4,277,311	3,836,720	4,207,271	3,307,519	-5%	10%
LICENSES AND PERMITS	38,475	41,140	45,140	40,785	33,760	8%	-10%
INTERGOVERNMENTAL REVENUES							
State General Revenue Sharing	706,974	726,063	499,591	491,720	349,693	-16%	-2%
State School Revenues	0	0	0	0	0		
State Raw Fish Tax	469,833	550,663	664,548	880,678	906,924	19%	33%
State Municipal Assistance	1,016,322	822,979	708,448	707,283	0	-17%	0%
Other State Shared Revenues	49,677	61,506	55,340	75,257	40,106	6%	36%
State Grants - Capital	575,028	668,851	483,796	813,412	46,344	12%	68%
State Grants - Operating	7,899	11,137	46,682	38,536	17,169	143%	-17%
State Oil Spill	0	0	0	0	134,000		
Federal Grants - School	0	0	0	0	0		
Federal Grants - Capital	0	0	0	0	0		
Federal Grants - Operating	0	0	0	0	0		
SUBTOTAL INTERGOVERNMENTAL	2,825,733	2,841,199	2,458,405	3,006,886	1,494,236	-7%	22%
CHARGES FOR SERVICES							
Water/Sewer	1,636,005	1,763,292	1,966,450	2,003,068	1,113,146	10%	2%
Harbor/Port	1,395,966	1,551,114	1,648,119	1,620,085	752,540	9%	-2%
Airport	0	0	0	0	0		
Hospital	0	0	0	0	0		
All Other	721,138	650,007	611,279	643,525	305,157	-8%	5%
SUBTOTAL CHARGES FOR SERVICES	3,753,109	3,964,413	4,225,848	4,266,678	2,170,843	6%	1%
FINES AND FOREITURES	33,095	77,080	48,841	56,649	25,908	21%	16%
MISCELLANEOUS							
Rents and Leases	202,489	178,091	155,621	157,877	156,936	-12%	1%
Investment Income	845,532	669,119	764,308	1,127,655	189,872	-5%	48%
Valdez Oil Spill - Exxon	0	0	0	0	26,028		
Valdez Oil Spill - VECO	0	0	0	0	0		
Valdez Oil Spill - Other Private	0	0	0	0	0		
Other Miscellaneous	1,502,093	2,495,135	1,435,105	2,110,765	494,768	12%	47%
SUBTOTAL MISCELLANEOUS	2,550,114	3,342,345	2,355,034	3,396,297	867,604	-4%	44%
TOTAL REVENUES	13,482,282	14,543,488	12,969,988	14,974,566	7,899,870	-2%	15%
COMMUNITY POPULATION	6,619	NA	6,651	6,774	NA	0%	2%
PER CAPITA REVENUE	$2,037		$1,950	$2,211		-2%	13%
PER CAPITA REVENUE IN CONSTANT 1989 DOLLARS	$2,110		$2,007	$2,211		-2%	10%

2.4 Summary

Interpretation

Several precautions must be reemphasized when interpreting data from financial statements and drawing fiscal impact implications.

1. The FY 1989 data covers the period July 1, 1988 through June 30, 1989, reflecting only the earliest three and one-half months of the post-spill impact period.

2. Different revenue sources have different time lags between dates of the impacting event and receipt of revenue by the local entity. Therefore, many changes in some revenues sources observed in 1989 may well have been triggered by event(s) some months (or even one or two years) prior to the change in revenue received, and may thus be unrelated to the oil spill.

3. Therefore, this analysis has focused only on those revenue sources which in 1989 would have likely been affected by the two sources of impact of the oil spill event. Excluded are sources of revenues for which 1989 receipts reflect events or decisions occurring in 1988 or prior years.

4. Monthly comparisons of 1988 and 1989 revenues are suggestive of fiscal impact, but not conclusive. Using 1988 revenue as a proxy for 1989 no-spill baseline revenue estimates does not control for the effects of inflation or other factors that might effect certain revenue sources.

Major Findings

The Exxon-Valdez oil spill on March 24, 1989 led to two major sources of impact: (1) the oil spill cleanup activity and (2) fishery closures. These events continue to have concurrent positive and negative effects on specific revenue sources. The boom and bust nature of the spill cleanup activity and the fisheries closure has affected and will continue to affect different communities in different ways and at different times. Thus revenue impacts are being distributed unevenly among affected communities and across fiscal years. We explained how these two sources of impact are logically linked to changes in population and business activity, and then to changes in selected sources of revenue.

Many in-migrants were attracted to the impacted communities in search of employment in clean-up activities. The closure of the fisheries also caused resident workers to be dislocated from the fishing industry to the cleanup effort and supporting service activity. Out-migration of population and wealth was reported after the September phaseout of clean-up activity. The business impacts of the oil spill contain both boom and bust components, occurring simultaneously in some communities. Local economies could expect to benefit from: 1) the clean-up activity payrolls spent on purchases of consumer goods and services; 2) direct purchases by the clean-up operation of goods and services; and 3) potential investment in property & new construction by clean-up industry, local business expansion, and in-migrating workers. This boom could also be offset in some communities by loss of fishing and fish processing, resulting in decreased purchases of goods & services by local consumers and by the fishing industry for inputs or processing, as well as decreased investment by the fishing sector in plant and equipment, and by workers and support service businesses in property and construction. Many adverse impacts may be long-term, extending beyond the summer of 1989. Similar economic decline in the local communities could be expected due to the September phaseout of clean-up activity and uncertainty over the status of continued cleanup in 1990.

Local governments receive most of their revenues from four major sources: charges for services, taxes, intergovernmental revenues, and miscellaneous revenues. These sources vary in order of importance by jurisdiction. Property and sales taxes are the primary sources of tax revenue. Most of the intergovernmental revenue is provided by the State of Alaska through several programs. State raw fish tax has become a more important source of intergovernmental revenue in recent years. Investment income and rents/leases are the major sources of miscellaneous revenues. We have focused only on those revenue sources which in 1989 would have been affected by the two sources of impact of the oil spill event. Excluded are sources of revenues for which 1989 receipts reflect events or decisions occurring in 1988 or prior years.

Preliminary observations about selected revenue impacts are based on partial analysis of the trend data for fiscal years 1986 through 1989, and augmented by initial comparison of monthly data for the 1988 and 1989 calendar years, to the extent it was available. Seven of the nine jurisdictions provided data for the full 1989 calendar year. The most dramatic observation is that each of these jurisdictions received more total revenue in 1989 than in 1988, with one exception where a large state capital grant was received in 1988.

Sales tax revenues are a direct reflection of private sector business activity. Therefore, the sales tax impact of the oil spill may be positive, negative or neutral, depending upon the timing and mix of spill cleanup and fisheries activity. Sales tax revenues in 1989 reflect sales activity in the post-spill months of April through September. They were 49 percent above the revenues representing the two pre-spill quarters. This compares with a 39 percent increase for comparable time periods in 1988.

Hotel/motel tax revenues reflect in-migration of short-term and transitory residents. Beyond the normal impacts of tourism, these revenues should increase with the spill cleanup activity and be adversely affected by fisheries decline and cleanup shutdown. Hotel/motel taxes were also higher in 1989 than in 1988. Much of this increase is observed in the post-spill months.

Impacts on charges for services revenues varied by service and by jurisdiction. Water and sewer revenues appeared to exceed 1988 revenues during the post-spill months in three jurisdictions, but tended to follow the 1988 pattern in three others. Harbor and port revenues increased 22 percent from FY 1988 to Fy 1989. This increase was more than double the average annual growth rate observed in earlier years. Revenues during the post-spill months tended to exceed the 1988 revenues in most jurisdictions.

Three sources of miscellaneous revenues may also indicate oil spill impact. Rents and leases would likely increase with expanded business activity and decrease with business decline. Rents and leases revenue for the second half of 1989 appeared to be higher than for the first half; however, both halves of 1989 showed lower amounts than in 1988. Investment income might increase or decrease depending upon the cash-flow situation created by the timing of spill-related revenues and expenditures. Investment income revenues were generally stronger in 1989 than in 1988; however the pre-spill and post-spill pattern was mixed among jurisdictions. Valdez Oil Spill revenues represent spill-related payments from Exxon, VECO or other private parties, and are covered in the reimbursements and claims section of this report.

While providing only a very small portion of total local government revenues, two other revenue sources are potential indicators of oil spill impact. Licenses and permits is a source that is sensitive to changes in both business activity and population. Licenses and permits revenues showed a 16 percent FY 1988-89 increase and monthly comparisons of 1988 and 1989 revenues suggest weak a positive impact on this source during the post-spill months. Fines and forfeitures is also a source generally reflecting population change. Fines and forfeitures revenues were 26 percent less in FY 1989 than in FY 1988, with a 58 percent decrease in Homer offsetting increases in four entities that generally carried through the post-spill months.

3.0 LOCAL GOVERNMENT EXPENDITURES

3.1 Introduction

This section examines local government expenditures over recent years. The objective is to quantify the nature and extent of direct oil spill expenditures by local government jurisdictions. Furthermore, the analysis will probe for evidence of expenditure patterns that indirectly may be related to the oil spill and cleanup.

3.2 Recent Patterns in Local Government Spending

In general, the pattern of real (inflation-adjusted), per-capita local government spending among study jurisdictions is somewhat mixed, but appears to be in decline. Table 3-1 shows real, per-capita total expenditures for the nine local government jurisdictions. Taken together, all nine jurisdictions exhibited real (inflation adjusted) per-capita spending increased from $3,833 to $3,920 between 1986 and 1988. Real, per-capita local government fell sharply to $3,590 in fiscal year (FY) 1989. In part, this later-period spending decline is explained by population expansion. According to records with the Alaska Department of Community and Regional Affairs (ADCRA) and the Alaska Department of Labor (ADOL), between 1988 and 1989 the collective population with in the nine jurisdictions increased more than 11 percent, from 58,979 to 65,682 people. Population expansion in Valdez accounts for a major portion of this overall growth. Valdez population more than doubled from 3,313 to 7,193 between 1988 and 1989. Most local government population figures are based on July estimates and therefore reflect the influence of oil spill clean-up immigration into study communities. Valdez, Cordova, and the Kodiak Island Borough registered the strongest gains from 1988 to 1989.

The figures in Table 3-1 indicate that between 1986 and 1988, five out of nine jurisdictions experienced real, per capita decline in total spending. The number of jurisdictions that exhibited decline in real, per capita total spending increased to seven out of nine between 1988 and 1989. These figures suggest an overall setting of economic decline in study area local government operations, in spite of an observed increase in absolute spending levels among collective study-area jurisdictions. This decline is largely population driven. For example, if Valdez population expanded at a rate more consistent with recent historic trends from FY 1986 to FY 1988, then local-government spending in FY 1989 would have remained constant in real, per-capita terms,

Table 3-2 summarizes total local government expenditures over the period FY 86 through FY 89 for each local government jurisdiction. Also shown in Table 3-2 is the breakdown of total local government expenditures by five major object categories: personnel, operations and maintenance (O&M), depreciation, capital outlay, and debt service. Figures for the first six months of FY 90 are shown in some cases. A number of findings emerge from this table.

First, personnel and O&M account for the bulk of local government spending. With few exceptions, personnel and O&M account for more than half of total local government spending across each of the nine jurisdictions from 1986 to 1989. In general, personnel and O&M spending account for about two-thirds of total local government spending.

Second, the level of spending in the remaining three object categories vary considerably across study communities. As a proportion of total spending, capital outlays vary from five percent or less to more than 25 percent across jurisdictions. The City of Kenai exhibited consistently high capital outlay expenditures between 1986 and 1989; ranging from 26-to-53 percent of total spending.

Third, the figures in Table 3-2 indicate that personnel and O&M spending is a fairly stable element in the local government budget process. In contrast, the three remaining object categories appear to be subject to greater variation within and across communities. Observed patterns may be consistent with the notion that, where as personnel and O&M spending is governed by factors closely linked to local economic conditions, local government expenditures for the remaining object categories tend to be driven by factors determined outside of the local economy such as legislative intent and export-market economic development priorities. Events or factors that effect the local economy in the short run are more likely to effect personnel and O&M object categories as compared with capital outlay, depreciation, and debt service.

Thus, the analysis of local government spending in this interim report focuses on personnel and O&M expenditures. A set of summary tables were constructed for each community from Fiscal Templates Number 5 (1986 through 1990). These summary tables depict personnel and O&M expenditures by service function (General Government, Public Safely, Social Services, Schools, Public Works, etc.) in each study community for the period FY 86 through FY 89. The first six months of FY 90 are included in some cases.

TABLE 3-1. REAL PER CAPITA LOCAL GOVERNMENT EXPENDITURES
Fiscal Year 1986 - Fiscal Year 1989 (1989 Dollars)

	CORDOVA	VALDEZ	KENAI BOROUGH	HOMER	CITY OF KENAI	SEWARD	SOLDOTNA	KODIAK BOROUGH	CITY OF KODIAK
FY 86	$2,802	$3,016	$2,878	$2,860	$2,302	$6,301	$1,634	$3,656	$2,102
FY 87			$4,440					$3,146	
FY 88	$3,042	$2,866	$3,378	$2,252	$1,615	$6,745		$3,166	$1,974
FY 89	$2,396	$1,258	$3,262	$2,666	$1,698	$6,038	$2,127	$2,822	$1,827

Sources: Fiscal Templates Number 5 (1986 - 1990).
Appendix A.

TABLE 3-2. SUMMARY OF LOCAL GOVERNMENT EXPENDITURES BY OBJECT CATEGORY
Fiscal Year 1986 - Fiscal Year 1990 (First Six Months)
(Thousands of Dollars)

	CORDOVA	VALDEZ	KENAI BOROUGH	HOMER	CITY OF KENAI	SEWARD	SOLDOTNA	KODIAK BOROUGH	CITY OF KODIAK	TOTALS
FY 86										
PERSONNEL	1,943	6,375	51328	3,516	4,073	3,248	2,373	10,311	5,035	88,202
O & M	2,878	2,739	37350	2,522	1,948	6,320	1,782	15,198	3,461	74,198
DEPRECIATION	672	0	0	861	110	807	356	369	448	3,633
CAPTIAL OUTLAY	58	383	6491	2,829	7,899	1,930	1,609	9,109	3,825	34,133
DEBT SERVICE	0	0	17065	502	740	295	212	6,808	659	26,281
TOTAL	5,551	9,497	112,234	10,230	14,770	12,600	6,342	41,795	13,428	226,447
FY 87										
PERSONNEL	1,955	5,750	50024	2,588	4,044	4,416	2,063	12,011	4,927	87,878
O & M	3,069	2,899	37228	2,400	2,049	5,135	2,262	13,459	7,336	76,837
DEPRECIATION	1,115	0	0	1,209	111	1,356	73	446	437	4,747
CAPTIAL OUTLAY	130	242	60459	1,754	6,758	1,837	3,617	10,518	207	85,522
DEBT SERVICE	5	0	26203	422	844	445	1,089	6,538	541	36,087
TOTAL	6,274	8,891	173,914	9,473	13,806	13,189	9,104	42,972	13,448	291,071
FY 88										
PERSONNEL	2,052	5,623	48430	2,915	4,144	4,703	NA	11,482	5,254	84,603
O & M	3,126	3,275	37070	3,257	2,487	6,162	NA	14,941	3,656	73,974
DEPRECIATION	820	0	0	1,346	157	1,392	NA	626	484	4,825
CAPTIAL OUTLAY	53	333	18603	1,475	2,643	3,282	NA	9,544	2,832	38,765
DEBT SERVICE	6	0	27096	506	840	614	NA	5,481	540	35,083
TOTAL	6,057	9,231	131,199	9,499	10,271	16,153	NA	42,074	12,766	237,250
FY 89										
PERSONNEL	2,026	5,564	52789	3,478	4,330	4,998	2,117	12,151	5,373	92,826
O & M	3,508	2,818	41303	3,724	2,670	6,358	2,626	17,053	4,291	84,351
DEPRECIATION	528	0	0	1,346	161	1,430	105	718	535	4,823
CAPTIAL OUTLAY	183	668	10429	2,475	3,122	1,077	1,879	7,404	1,946	29,183
DEBT SERVICE	30	0	26968	540	825	627	1,074	6,585	230	36,879
TOTAL	6,275	9,050	131,489	11,563	11,108	14,490	7,801	43,911	12,375	248,062
FY 90 (First 6 Months)										
PERSONNEL			5729		2,173		1,358	220	2,993	
O & M			5122		1,345		850	0	3,033	
DEPRECIATION			0		0		0	0	0	
CAPTIAL OUTLAY			3518		2,431		944	3,503	3,023	
DEBT SERVICE			11693		528		262	809	461	
TOTAL			26,062		6,477		3,412	4,532	9,510	

3.3 City of Cordova

Personnel Expenditures (Table 3-3a). Total personnel spending by the City of Cordova remained constant at an absolute level of just over $2 millions in FY 1989. This represents a real decrease per-employee of six percent since 1988 and reverses a pattern of constant-dollar spending stability in earlier years. Cordova allocated a total of $51,000 for oil spill disaster response coordination. Oil Spill Cleanup spending was larger than all other service function increases in FY 1989. Other service function categories that exhibited spending increases in FY 1989 are:

Service Function	Change from FY 88 to FY 89
Oil Spill Cleanup	+$51,000
Public Safety	+$47,000
Port/Harbor	+$34,000
Public Works	+$35,000
Libraries & Museums	+$24,000

Collectively, these personnel-expenditure increases were sufficient to more than offset a $221,000 absolute decline in personnel spending for general government.

Operation and Maintenance Expenditures (Table 3-3b). Cordova's O&M budget increased 13 percent from $3.1 to $3.5 million in FY 1989. However, the 28 percent increase in community population contributed to an overall real, per capita O&M spending decline of 14 percent ($1,561 in 1988 to $1,339 in 1989). The service function categories that contributed most to the absolute increase in O&M expenditures include:

Service Function	Change from FY 88 to FY 89
General Government	+$510,000
Oil Spill Cleanup	+$462,000
Libraries & Museums	+$91,000
Port/Harbor	+$28,000

O&M oil spill cleanup expenditures ($462,000) include city expenditures for legal fees, Oil Spill Disaster Response Office operations, meetings and travel, and oil spill cleanup supplies.

3.4 City of Valdez

Personnel Expenditures (Table 3-4a). Total spending on city personnel exhibited a modest but steady decline from calendar year (CY) 1986 and CY 1989. Between 1988 and 1989, personnel spending declined by about $59,000. This represents a real (inflation-adjusted) decline of seven percent per city employee. Service function categories that exhibited the greatest decline include Health and Hospitals and Public Safety. (Note, the Valdez hospital operates as a separate entity; figures not available.) General government personnel expenditures declined in CY 1989, reversing a pattern of steady growth over the previous three fiscal years. Personnel spending for oil spill cleanup was $753,565 in CY 1989. This represents the largest increase among all service function categories from CY 1988 and FY 1989.

Operation and Maintenance Expenditures (Table 3-4b). Valdez total O&M spending exhibited a strong 14-percent decline in FY 1989, following a three-year period of modest, but steady growth. A major factor in this decline was the reduction in O&M spending for General Government (down $261,000 from CY 1988) and Hospital (separate entity). Valdez City O&M spending for Oil Spill Cleanup was $250,000 in CY 1989.

3.5 Kenai Peninsula Borough

Personnel Expenditures (Table 3-5a). Kenai Peninsula Borough personnel spending increased nine percent from FY 1988 to FY 1989, reversing a pattern of gradual but steady decline in previous years. Real personnel spending per employee fell as a consequence of strong local government employment growth (13 percent). Nevertheless, Kenai Borough spending per employee was highest of all nine jurisdictions during the four-year period from FY 1986 to FY 1989. Factors that contributed most to the increase in personnel spending include:

Service Function	Change from FY 88 to FY 89
School	+$3,789,000
Public Works	+$225,000
Public Safety	+$190,000
Oil Spill Cleanup	+$28,000

Also, as shown in Table 3-5a, the Kenai Borough spent personnel funds on oil spill cleanup in the first six months of FY 1990.

Operation and Maintenance Expenditures (Table 3-5b). As with personnel expenditures, O&M spending exhibited strong 11-percent growth from FY 1988 to FY 1989. Viewed in terms of real, per capita growth, Kenai Borough spending increased by seven percent from FY 1988 to FY 1989. The service function categories that contributed most to rising O&M spending include:

Service Function	Change from FY 88 to FY 89
Hospital	+$1,988,000
School	+$1,664,000
Oil Spill Cleanup	+$1,468,000

Oil spill O&M cleanup expenditures of $1,468,000 in FY 1989 include pass-through expenditures to other jurisdictions ($660,000), as well as contractual services, beach patrol, and other cleanup operations. The Kenai Peninsula Borough also spent an additional $130,000 on oil spill O&M in the first six months of FY 1990. Oil spill expenditures for Kenai Peninsula Borough and other jurisdictions are reviewed in greater detail in Section 4.0 of this interim report.

3.6 City of Homer

Personnel Expenditures (Table 3-6a). The City of Homer increased personnel spending by 19 percent in Calendar Year (CY) 1989. This overall personnel spending increase was sufficient to produce a real gain of four percent per local government employee from 1988 to 1989. Personnel spending for Oil Spill Cleanup ranked highest among factors contributing to increased personnel expenditures. Other service function categories that exhibited the strong increases included Public Works and Port/Harbor, as shown below:

Service Function	Change from CY 88 to CY 89
Oil Spill Cleanup	+$184,000
Public Works	+$170,000
Port/Harbor	+$90,000

Operation and Maintenance Expenditures (Table 3-6b). City of Homer O&M spending also exhibited growth from CY 1988-to-1989 sufficient to sustain a real per capita gain of 11 percent. Service function categories that contributed most to O&M spending increase were:

Service Function	Change from CY 88 to CY 89
Port/Harbor	+$245,000
Public Safety	+$112,000
Oil Spill Cleanup	+$90,000

3.7 City of Kenai

Personnel Expenditures (Table 3-7a). Kenai City personnel expenditures increased four percent from $4.1 to $4.3 millions in FY 1989. This represents a continued pattern of gradual but steady growth in absolute spending over the previous four years. Real, per capita personnel expenditures increased more dramatically as a result of a steady reduction in the total number of local government employees in Kenai City. Factors that contributed most to this increase include:

Service Function	Change from FY 88 to FY 89
General Government	+$81,000
Public Safety	+$53,000
Public Works	+$35,000

Operation and Maintenance Expenditures (Table 3-7b). Kenai City O&M expenditures increased steadily from FY 1986 to 1989. General Government and Public Works accounted for most the overall seven-percent increase exhibited from FY 1988 to FY 1989. With the exception of about $4,000 in oil spill O&M expenditures, Kenai City did not report any other direct oil spill spending for O&M or personnel object categories.

3.8 City of Seward

Personnel Expenditures (Table 3-8a). Total personnel expenditures in Seward exhibited steady growth throughout the later 1980s. Viewed from the stand point of real spending per employee, Seward personnel expenditures declined from FY 1988 to FY 1989. This occurred, in part because of a 13-percent increase in local government employment during same period. Direct Oil Spill Cleanup expenditures totaled about $23,000 in FY 1989. Other factors that contributed most to increases in absolute personnel spending in 1989 include:

Service Function	Change from FY 88 to FY 89
Port/Harbor	+$108,000
Public Safety	+$84,000
General Government	+$65,000
Parks & Rec.	+$59,000
Oil Spill Cleanup	+$23,000

Operation and Maintenance Expenditures (Table 3-8b). O&M spending increased by three percent in both absolute and real, per-capita terms from FY 1988 to FY 1989. Several service function categories exhibited a down turn between FY 1988 and 1989. These include General Government, Planning, Public Safety, Health and Hospitals, Social Services. Reduced O&M expenditures for these categories was offset by increases in the following service function categories:

Service Function	Change from FY 88 to FY 89
Harbor	+$384,000
Oil Spill Cleanup	+$140,000

Oil Spill cleanup O&M spending ($140,000) covers beach operations, cleanup supplies, and contractual services. It is likely that the increase in harbor O&M spending is partially related to the oil spill cleanup activity.

3.9 City of Soldotna

Personnel Expenditures (Table 3-9a). Total personnel spending increased at an average rate of about two percent per year from FY 1987 to FY 1989. However, real personnel spending per employee decrease over the same two-year period. Spending increases were distributed somewhat evenly across service function categories. The City of Soldotna reported zero personnel expenditures for the Oil Spill Cleanup service function.

Operation and Maintenance Expenditures (Table 3-9b). Total O&M spending between 1987 and 1989 increased more strongly than did personnel spending during the same period. Real, per-capita spending in 1989 was sharply higher that in 1986; suggesting real, per-capita growth of 16 percent per year. Increased O&M spending in Public Works ($211,000) contributed most to overall O&M increases in FY 1989. The City of Soldotna reported zero Oil Spill Cleanup O&M expenditures in FY 1989.

3.10 Kodiak Island Borough

Personnel Expenditures (Table 3-10a). Kodiak Island Borough personnel expenditures increased six percent from $11.5 to $12.2 million in FY 1989. Viewed from the stand point of real personnel spending per employee, this represents a four-percent increase. Factors that contributed most to overall personnel spending growth include:

Service Function	Change from FY 88 to FY 89
Public Works	+$267,000
Oil Spill Cleanup	+$175,000
Health & Hospitals	+$127,000

Note that, in addition to $175,000 in direct oil spill personnel expenditures in FY 1989, Kodiak Island Borough report $224,000 in oil spill personnel spending during the first six months of FY 1990. Personnel spending increases in the Public Works service function are associated with solid waste operations.

Operation and Maintenance Expenditures (Table 3-10b). Kodiak Island Borough O&M expenditures exhibited strong 14-percent growth from FY 1988 to FY 1989. In absolute terms this represents an increase of about $2.1 million dollars. O&M spending declined a modest three percent from FY 1988 to 1989, when expressed in real, per-capita terms. This real, per-capita decline is largely a result of dramatic borough-wide population expansion between 1988 and 1989. Service function categories that contributed most to overall O&M expenditure growth include:

Service Function	Change from FY 88 to FY 89
Health & Hospitals	+$967,000
Oil Spill Cleanup	+$890,000
Public Works	+$170,000

Direct, oil spill cleanup spending in FY 1989 represents nearly half of the overall O&M expenditure increase in that fiscal year. Kodiak Island Borough reported an additional $543,000 in direct oil spill O&M expenditures in the first six months of FY 1990.

3.11 City of Kodiak

Personnel Expenditures (Table 3-11a). Total personnel expenditures for Kodiak City increased two percent to $5.4 millions in FY 1989. Growth in personnel expenditures was concentrated in the following service function categories:

Service Function	Change from FY 88 to FY 89
Planning/Land-use	+$78,000
Public Works	+$26,000

Kodiak City reported zero Oil Spill Cleanup personnel expenditures in FY 1989. However, $23,000 in personnel spending was reported for oil spill cleanup in the first six months of FY 1990.

Operation and Maintenance Expenditures (Table 3-11b). Total O&M spending for the City of Kodiak increased in both absolute and real, per-capita terms in FY 1989. Service function categories that exhibited the strongest growth during FY 1989 include:

Service Function	Change from FY 88 to FY 89
Port	+$376,000
Public Works	+$267,000

Kodiak City reported zero oil spill O&M expenditures in FY 1989. In the first six months of FY 1990, O&M spending for Oil Spill Cleanup was reported to be over $600,000.

TABLE 3-3a. PERSONNEL EXPENDITURES BY SERVICE FUNCTION - CORDOVA
Fiscal Year 1986 - Fiscal Year 1989
(Dollars)

SERVICE FUNCTION	FY 1986	FY 1987	FY 1988	FY 1989	FY 1990	Average Annual Rate of Growth (Percent) FY86-FY88	FY88-FY89
GENERAL GOVERNMENT	$320,377	$320,550	$350,873	$130,128		5%	-63%
PLANNING/LAND USE/BLDG.INSP.	62,301	14,068	94,837	89,572		23%	-6%
PUBLIC SAFETY-POLICE/FIRE/EMS	551,271	595,078	618,757	666,072		6%	8%
HEALTH AND HOSPITALS							
Hospitals	0	0	0	0			
Mental Health	0	0	0	0			
Alcoholism	0	0	0	0			
Other	0	0	0	0			
SUBTOTAL HEALTH AND HOSPITALS	0	0	0	0			
SOCIAL SERVICES							
Child Care	0	0	0	0			
Senior Citizens	32,061	49,199	0	0			
Family Planning	0	0	0	0			
Other - Shelters, etc.	0	0	0	0			
Other	0	0	0	0			
SUBTOTAL SOCIAL SERVICES	32,061	49,199	0	0			
PARKS & RECREATIONAL							
Parks	13,760	16,072	12,277	21,054		-6%	
Campground	0	0	0	0			
Teen Center	0	0	0	0			
Swimming Pool	0	0	0	0			
Other	0	0	159	182			
SUBTOTAL PARKS & RECREATIONAL	13,760	16,072	12,436	21,236		-5%	71%
LIBRARIES & MUSEUMS	84,614	90,734	89,819	113,889		3%	27%
SCHOOLS	0	0	0	0			
PUBLIC WORKS							
Administration/Engineering	0	61,881	0	0			
Maintenance/Shop	0	0	87,761	111,158			
Public Buildings	22,216	25,513	38,546	34,300			
Streets/Roads	342,507	306,163	178,739	237,233			
Solid Waste	67,346	20,258	107,933	17,190			
Water/Sewer	211,312	188,140	204,721	253,499			
Power/Electric Utility	0	0	0	0			
Airport	0	0	0	0			
SUBTOTAL PUBLIC WORKS	643,381	601,955	617,700	653,380		-2%	6%
PORT	58,079	59,006	98,759	300,723		30%	205%
HARBOR	177,103	208,183	168,430	0		-2%	-100%
DEBT SERVICE	0	0	0	0			
OIL SPILL CLEANUP	0	0	0	50,980			
OTHER	0	0	0	0			
TOTAL PERSONNEL EXPENDITURES	1,942,947	1,954,845	2,051,611	2,025,980	NA	3%	-1%
TOTAL LOCAL GOV'T EMPLOYMENT	166	162	174	178	NA	2%	2%
TOTAL SPENDING PER EMPLOYEE	$11,705	$12,067	$11,791	$11,382		0%	-3%
TOTAL SPENDING PER EMPLOYEE IN CONSTANT 1989 DOLLARS	$12,126	$12,453	$12,133	$11,382		0%	-6%

TABLE 3-3b. OPERATIONS & MAINTENANCE EXPENDITURES BY SERVICE FUNCTION - CORDOVA
Fiscal Year 1986 - Fiscal Year 1989
(Dollars)

SERVICE FUNCTION	FY 1986	FY 1987	FY 1988	FY 1989	FY 1990	Average Annual Rate of Growth (Percent) FY86-FY88	FY88-FY89
GENERAL GOVERNMENT	374,980	277,616	238,599	749,076		-20%	214%
PLANNING/LAND USE/BLDG.INSP.	14,496	49,874	21,508	20,675		22%	-4%
PUBLIC SAFETY-POLICE/FIRE/EMS	130,393	120,905	96,671	140,733		-14%	46%
HEALTH AND HOSPITALS							
Hospitals	1,614,809	1,780,724	1,962,967	1,338,495			
Mental Health	0	0	0	0			
Alcoholism	0	0	0	0			
Other	0	0	0	0			
SUBTOTAL HEALTH AND HOSPITALS	1,614,809	1,780,724	1,962,967	1,338,495		10%	-32%
SOCIAL SERVICES							
Child Care	2,742	2,567	0	0			
Senior Citizens	100,729	63,138	0	0			
Family Planning	0	0	0	0			
Other - Shelters, etc.	0	0	0	0			
Other	0	0	0	0			
SUBTOTAL SOCIAL SERVICES	103,471	65,705	0	0			
PARKS & RECREATIONAL							
Parks	3,947	5,987	5,701	7,462			
Campground	0	0	0	0			
Teen Center	121,780	122,000	0	0			
Swimming Pool	0	0	0	0			
Other	8,092	15,722	24,894	21,611			
SUBTOTAL PARKS & RECREATIONAL	133,819	143,709	30,595	29,073		-52%	-5%
LIBRARIES & MUSEUMS	62,897	59,699	23,267	113,945		-39%	390%
SCHOOLS	9,949	11,776	100,826	0		218%	-100%
PUBLIC WORKS							
Administration/Engineering	0	9,857	0	0			
Maintenance/Shop	0	0	43,124	57,102			
Public Buildings	(22,216)	(3,671)	60,451	78,624			
Streets/Roads	103,221	77,715	115,802	125,520			
Solid Waste	22,769	132,615	28,118	33,726			
Water/Sewer	184,199	236,017	248,046	194,211			
Power/Electric Utility	0	0	0	0			
Airport	0	0	0	0			
SUBTOTAL PUBLIC WORKS	287,973	452,533	495,541	489,183		31%	-1%
PORT	33,953	29,753	41,645	164,343		11%	295%
HARBOR	102,543	76,692	94,449	0		-4%	-100%
DEBT SERVICE	0	0	0	0			
OIL SPILL CLEANUP	0	0	0	462,047			
OTHER	8,425	0	0	0			
TOTAL O&M EXPENDITURES ($)	2,677,708	3,068,986	3,106,068	3,507,570	NA	4%	13%
COMMUNITY POPULATION	2,053	NA	2,048	2,619	NA	0%	28%
PER CAPITA O&M SPENDING	$1,402		$1,517	$1,339		4%	-12%
PER CAPITA O&M SPENDING IN CONSTANT 1989 DOLLARS	$1,452		$1,561	$1,339		4%	-14%

TABLE 3-4a. PERSONNEL EXPENDITURES BY SERVICE FUNCTION - VALDEZ
Calendar Year 1986 - Calendar Year 1989
(Dollars)

SERVICE FUNCTION	CY 1986	CY 1987	CY 1988	CY 1989	CY 1990	Average Annual Rate of Growth (Percent) CY86-CY88	CY88-CY89
GENERAL GOVERNMENT	539,416	567,003	612,371	585,354		7%	-4%
PLANNING/LAND USE/BLDG.INSP.	189,344	92,775	29,266	136,679		-61%	367%
PUBLIC SAFETY-POLICE/FIRE/EMS	2,150,614	2,023,448	1,735,724	1,638,152		-10%	-6%
HEALTH AND HOSPITALS							
Hospitals	888,511	722,318	860,378	0			
Mental Health	78,815	71,772	85,649	135,913			
Alcoholism	72,135	66,879	67,958	80,404			
Other	0	0	0	0			
SUBTOTAL HEALTH AND HOSPITALS	1,039,461	860,969	1,013,983	216,317		-1%	-79%
SOCIAL SERVICES							
Child Care	0	0	0	0			
Senior Citizens	0	0	0	0			
Family Planning	0	0	0	0			
Other - Shelters, etc.	149,458	124,958	105,956	123,596			
Other	0	0	0	0			
SUBTOTAL SOCIAL SERVICES	149,458	124,958	105,956	123,596		-16%	17%
PARKS & RECREATIONAL							
Parks	175,467	163,148	172,632	158,233			
Campground	0	0	0	13,721			
Teen Center	44,569	35,772	33,506	32,949			
Swimming Pool	77,224	35,340	34,481	32,434			
Other	35,309	35,730	31,455	34,617			
SUBTOTAL PARKS & RECREATIONAL	332,569	269,990	272,074	271,954		-10%	0%
LIBRARIES & MUSEUMS	326,285	333,821	361,625	350,689		5%	-3%
SCHOOLS	0	0	0	0			
PUBLIC WORKS							
Administration/Engineering	230,711	182,167	208,077	189,012			
Maintenance/Shop	166,989	116,390	105,943	101,350			
Public Buildings	258,602	198,190	210,003	199,686			
Streets/Roads	336,010	389,828	344,805	336,446			
Solid Waste	197,600	188,664	156,398	162,073			
Water/Sewer	207,132	224,414	197,262	207,055			
Power/Electric Utility	0	0	0	0			
Airport	25,874	0	0	0			
SUBTOTAL PUBLIC WORKS	1,422,918	1,299,653	1,222,488	1,195,622		-7%	-2%
PORT	75,428	12,713	93,867	110,020		12%	17%
HARBOR	149,843	165,162	175,985	182,513		8%	4%
DEBT SERVICE	0	0	0	0			
OIL SPILL CLEANUP	0	0	0	753,565			
OTHER	0	0	0	0			
TOTAL PERSONNEL EXPENDITURES	6,375,336	5,750,492	5,623,339	5,564,461	NA	-6%	-1%
TOTAL LOCAL GOV'T EMPLOYMENT	286	288	280	291	NA	-1%	4%
TOTAL SPENDING PER EMPLOYEE	$22,291	$19,967	$20,083	$19,122		-5%	-5%
TOTAL SPENDING PER EMPLOYEE IN CONSTANT 1989 DOLLARS	$23,094	$20,606	$20,666	$19,122		-5%	-7%

TABLE 3-4b. OPERATIONS & MAINTENANCE EXPENDITURES BY SERVICE FUNCTION - VALDEZ
Calendar Year 1986 - Calendar Year 1989
(Dollars)

SERVICE FUNCTION	CY 1986	CY 1987	CY 1988	CY 1989	CY 1990	Average Annual Rate of Growth (Percent) FY86-FY88	FY88-FY89
GENERAL GOVERNMENT	471,034	512,228	866,617	605,814		36%	-30%
PLANNING/LAND USE/BLDG.INSP.	62,519	22,203	5,256	27,199		-71%	417%
PUBLIC SAFETY-POLICE/FIRE/EMS	197,472	134,504	147,268	174,944		-14%	19%
HEALTH AND HOSPITALS							
Hospitals	379,501	581,162	520,688	0			
Mental Health	28,044	28,043	25,412	45,644			
Alcoholism	12,952	12,588	14,730	14,571			
Other	0	0	0	0			
SUBTOTAL HEALTH AND HOSPITALS	420,497	621,793	560,830	60,215	0	15%	-89%
SOCIAL SERVICES							
Child Care	0	0	0	0			
Senior Citizens	52,310	55,226	71,052	49,308			
Family Planning	0	0	0	0			
Other - Shelters, etc.	96,474	82,009	79,432	72,828			
Other	0	0	0	0			
SUBTOTAL SOCIAL SERVICES	148,784	137,235	150,484	122,136	0	1%	-19%
PARKS & RECREATIONAL							
Parks	41,013	32,099	29,975	30,478			
Campground	0	0	0	1,083			
Teen Center	18,251	21,007	20,204	15,908			
Swimming Pool	1,558	1,996	1,563	1,875			
Other	9,248	10,527	8,690	11,672			
SUBTOTAL PARKS & RECREATIONAL	70,070	65,629	60,432	61,016	0	-7%	1%
LIBRARIES & MUSEUMS	111,581	120,524	128,899	127,498		7%	-1%
SCHOOLS	0	0	0	0			
PUBLIC WORKS							
Administration/Engineering	17,326	22,208	81,022	72,352			
Maintenance/Shop	154,056	167,042	177,356	174,156			
Public Buildings	85,278	84,482	107,334	150,975			
Streets/Roads	247,094	251,582	240,796	201,553			
Solid Waste	25,881	19,267	16,351	21,799			
Water/Sewer	299,879	309,508	302,683	299,836			
Power/Electric Utility	0	0	0	0			
Airport	87,939	99,234	86,771	110,937			
SUBTOTAL PUBLIC WORKS	917,453	953,323	1,012,313	1,031,608	0	5%	2%
PORT	257,264	240,779	230,280	234,852		-5%	2%
HARBOR	82,440	90,411	113,025	123,214		17%	9%
DEBT SERVICE	0	0	0	0			
OIL SPILL CLEANUP	0	0	0	249,598			
OTHER	0	0	0	0			
TOTAL O&M EXPENDITURES ($)	2,739,114	2,898,829	3,275,404	2,818,094	0	9%	-14%
COMMUNITY POPULATION	3,263	NA	3,313	7,193	NA	1%	117%
PER CAPITA O&M SPENDING	$839		$989	$392		9%	-60%
PER CAPITA O&M SPENDING IN CONSTANT 1989 DOLLARS	$870		$1,017	$392		8%	-61%

TABLE 3-5a. PERSONNEL EXPENDITURES BY SERVICE FUNCTION - KENAI PENINSULA BOROUGH
Fiscal Year 1986 - Fiscal Year 1990 (First 6 Months)
(Dollars)

SERVICE FUNCTION	FY 1986	FY 1987	FY 1988	FY 1989	FIRST HALF FY 1990	Average Annual Rate of Growth (Percent) FY86-FY88	FY88-FY89
GENERAL GOVERNMENT	3,921,471	3,785,042	3,508,887	3,605,440	2,178,698	-5%	3%
PLANNING/LAND USE/BLDG.INSP.	701,920	682,698	667,582	712,082	369,541	-2%	7%
PUBLIC SAFETY-POLICE/FIRE/EMS	2,034,160	2,470,208	2,387,319	2,576,917	1,376,112	8%	8%
HEALTH AND HOSPITALS							
Hospitals	0	0	0	0	0		
Mental Health	0	0	0	0	0		
Alcoholism	0	0	0	0	0		
Other	0	0	0	0	0		
SUBTOTAL HEALTH AND HOSPITALS	0	0	0	0	0		
SOCIAL SERVICES							
Child Care	0	0	0	0	0		
Senior Citizens	0	0	0	0	0		
Family Planning	0	0	0	0	0		
Other - Shelters, etc.	0	0	0	0	0		
Other	0	0	0	0	0		
SUBTOTAL SOCIAL SERVICES	0	0	0	0	0		
PARKS & RECREATIONAL							
Parks	0	0	0	0	0		
Campground	0	0	0	0	0		
Teen Center	0	0	0	0	0		
Swimming Pool	254,634	217,498	233,434	218,315	128,956		
Other	0	0	0	0	0		
SUBTOTAL PARKS & RECREATIONAL	254,634	217,498	233,434	218,315	128,956	-4%	
LIBRARIES & MUSEUMS	0	0	0	0	0		
SCHOOLS	41,507,393	40,366,698	39,014,097	42,802,825	0	-3%	10%
PUBLIC WORKS							
Administration/Engineering	657,765	467,759	447,878	566,587	119,879		
Maintenance/Shop	2,250,180	2,033,805	2,170,975	2,277,662	1,217,782		
Public Buildings	0	0	0	0	67,956		
Streets/Roads	0	0	0	0	93,622		
Solid Waste	0	0	0	0	147,081		
Water/Sewer	0	0	0	0	0		
Power/Electric Utility	0	0	0	0	0		
Airport	0	0	0	0	0		
SUBTOTAL PUBLIC WORKS	2,907,945	2,501,564	2,618,853	2,844,249	1,646,320	-5%	9%
PORT	0	0	0	0	0		
HARBOR	0	0	0	0	0		
DEBT SERVICE	0	0	0	0	0		
OIL SPILL CLEANUP	0	0	0	28,188	29,655		
OTHER	0	0	0	0	0		
TOTAL PERSONNEL EXPENDITURES	51,327,523	50,023,708	48,430,172	52,788,616	5,729,282	-3%	9%
TOTAL LOCAL GOV'T EMPLOYMENT	2,016	1,948	1,860	2,096	NA	-4%	13%
TOTAL SPENDING PER EMPLOYEE	$25,460	$25,680	$26,038	$25,185		1%	-3%
TOTAL SPENDING PER EMPLOYEE IN CONSTANT 1989 DOLLARS	$26,377	$26,501	$26,793	$25,185		1%	-6%

TABLE 3-5b. OPERATIONS & MAINTENANCE EXPENDITURES BY SERVICE FUNCTION - KENAI PENINSULA BOROUGH
Fiscal Year 1986 - Fiscal Year 1989
(Dollars)

SERVICE FUNCTION	FY 1986	FY 1987	FY 1988	FY 1989	FIRST HALF FY 1990	Average Annual Rate of Growth (Percent) FY86-FY88	FY88-FY89
GENERAL GOVERNMENT	2,304,733	1,664,325	1,938,067	1,610,757	1,997,282	-8%	-17%
PLANNING/LAND USE/BLDG.INSP.	527,641	532,529	578,409	767,441	198,533	5%	33%
PUBLIC SAFETY-POLICE/FIRE/EMS	551,873	611,798	742,806	842,014	370,192	16%	13%
HEALTH AND HOSPITALS							
Hospitals	16,560,848	17,361,468	17,703,234	19,691,528	0		
Mental Health	0	0	0	0	0		
Alcoholism	0	0	0	0	0		
Other	0	0	0	0	0		
SUBTOTAL HEALTH AND HOSPITALS	16,560,848	17,361,468	17,703,234	19,691,528	0	3%	11%
SOCIAL SERVICES							
Child Care	0	0	0	0	0		
Senior Citizens	121,138	130,321	115,772	118,721	62,480		
Family Planning	0	0	0	0	0		
Other - Shelters, etc.	0	0	0	0	0		
Other	0	0	0	0	0		
SUBTOTAL SOCIAL SERVICES	121,138	130,321	115,772	118,721	62,480	-2%	3%
PARKS & RECREATIONAL							
Parks	0	0	0	0	0		
Campground	0	0	0	0	0		
Teen Center	0	0	0	0	0		
Swimming Pool	162,075	113,218	129,262	124,606	60,844		
Other	0	0	0	0	0		
SUBTOTAL PARKS & RECREATIONAL	162,075	113,218	129,262	124,606	60,844	-11%	5%
LIBRARIES & MUSEUMS	0	0	0	0	0		
SCHOOLS	10,916,091	9,985,542	8,848,287	10,512,071	0	-10%	19%
PUBLIC WORKS							
Administration/Engineering	1,601,947	1,831,423	1,554,936	1,643,837	31,466		
Maintenance/Shop	1,757,460	1,885,120	2,123,958	1,896,849	980,727		
Public Buildings	0	0	0	0	344,567		
Streets/Roads	1,255,943	1,072,614	1,032,621	765,682	317,390		
Solid Waste	0	0	0	0	628,164		
Water/Sewer	0	0	0	0	0		
Power/Electric Utility	0	0	0	0	0		
Airport	0	0	0	0	0		
SUBTOTAL PUBLIC WORKS	4,615,350	4,789,157	4,711,515	4,306,368	2,302,314	1%	-9%
PORT	0	0	0	0	0		
HARBOR	0	0	0	0	0		
DEBT SERVICE	0	0	0	0	747		
OIL SPILL CLEANUP	0	0	0	1,467,880	129,936		
OTHER	1,590,222	2,039,486	2,302,173	1,861,498	0		
TOTAL O&M EXPENDITURES ($)	37,349,971	37,227,844	37,069,525	41,302,884	5,122,328	0%	11%
COMMUNITY POPULATION	40,414	39,170	39,949	40,312	NA	-1%	1%
PER CAPITA O&M SPENDING	$924		$928	$1,025		0%	10%
PER CAPITA O&M SPENDING IN CONSTANT 1989 DOLLARS	$957		$955	$1,025		0%	7%

TABLE 3-6a. PERSONNEL EXPENDITURES BY SERVICE FUNCTION - HOMER
Calendar Year 1986 - Calendar Year 1989
(Dollars)

SERVICE FUNCTION	CY 1986	CY 1987	CY 1988	CY 1989	CY 1990	Average Annual Rate of Growth (Percent) CY86-CY88	CY88-CY89
GENERAL GOVERNMENT	666,414	445,755	480,360	527,288			10%
PLANNING/LAND USE/BLDG.INSP.	0	0	0	0			
PUBLIC SAFETY-POLICE/FIRE/EMS	978,900	998,938	1,004,909	1,079,961			7%
HEALTH AND HOSPITALS							
Hospitals	0	0	0	0			
Mental Health	0	0	0	0			
Alcoholism	0	0	0	0			
Other	0	0	0	0			
SUBTOTAL HEALTH AND HOSPITALS	0	0	0	0			
SOCIAL SERVICES							
Child Care	0	0	0	0			
Senior Citizens	0	0	0	0			
Family Planning	0	0	0	0			
Other - Shelters, etc.	0	0	0	0			
Other	0	0	0	0			
SUBTOTAL SOCIAL SERVICES	0	0	0	0			
PARKS & RECREATIONAL							
Parks	21,305	32,940	32,416	28,833			
Campground	0	0	0	0			
Teen Center	0	0	0	0			
Swimming Pool	0	0	0	0			
Other	0	0	0	0			
SUBTOTAL PARKS & RECREATIONAL	21,305	32,940	32,416	28,833		23%	-11%
LIBRARIES & MUSEUMS	164,016	160,201	167,388	170,482		1%	2%
SCHOOLS	0	0	0	0			
PUBLIC WORKS							
Administration/Engineering	3,129	3,840	3,907	1,970			
Maintenance/Shop	0	0	0	0			
Public Buildings	0	0	0	0			
Streets/Roads	691,438	171,919	303,810	509,153			
Solid Waste	0	0	0	0			
Water/Sewer	209,715	196,480	194,224	159,109			
Power/Electric Utility	0	0	0	0			
Airport	0	0	0	0			
SUBTOTAL PUBLIC WORKS	904,282	372,239	501,941	670,232		-25%	34%
PORT	274,685	197,393	289,407	225,097		3%	-22%
HARBOR	506,403	480,396	438,409	591,796		-7%	35%
DEBT SERVICE	0	0	0	0			
OIL SPILL CLEANUP	0	0	0	184,449			
OTHER	0	0	0	0			
TOTAL PERSONNEL EXPENDITURES	3,515,985	2,687,862	2,914,830	3,478,138	NA	-9%	19%
TOTAL LOCAL GOV'T EMPLOYMENT	351	347	336	376	NA	-2%	12%
TOTAL SPENDING PER EMPLOYEE	$10,017	$7,746	$8,675	$9,250		-7%	7%
TOTAL SPENDING PER EMPLOYEE IN CONSTANT '89 DOLLARS	$10,378	$7,994	$8,927	$9,250		-7%	4%

TABLE 3-6b. OPERATIONS & MAINTENANCE EXPENDITURES BY SERVICE FUNCTION - HOMER
Calendar Year 1986 - Calendar Year 1989
(Dollars)

SERVICE FUNCTION	CY 1986	CY 1987	CY 1988	CY 1989	CY 1990	Average Annual Rate of Growth (Percent) CY86-CY88	CY88-CY89
GENERAL GOVERNMENT	(76,577)	301,222	336,495	346,458			3%
PLANNING/LAND USE/BLDG.INSP.	0	0	0	0			
PUBLIC SAFETY-POLICE/FIRE/EMS	514,775	489,732	493,131	605,383		-2%	23%
HEALTH AND HOSPITALS							
Hospitals	0	0	0	0			
Mental Health	0	0	0	0			
Alcoholism	0	0	0	0			
Other	0	0	0	0			
SUBTOTAL HEALTH AND HOSPITALS	0	0	0	0	0		
SOCIAL SERVICES							
Child Care	0	0	0	0			
Senior Citizens	0	0	0	0			
Family Planning	0	0	0	0			
Other - Shelters, etc.	0	0	0	0			
Other	240,080	157,561	240,698	247,695			
SUBTOTAL SOCIAL SERVICES	240,080	157,561	240,698	247,695	0	0%	3%
PARKS & RECREATIONAL							
Parks	83,837	46,360	80,222	82,505			
Campground	0	0	0	0			
Teen Center	0	0	0	0			
Swimming Pool	0	0	0	0			
Other	0	0	0	0			
SUBTOTAL PARKS & RECREATIONAL	83,837	46,360	80,222	82,505	0	-2%	3%
LIBRARIES & MUSEUMS	52,861	66,844	58,330	50,336		5%	-14%
SCHOOLS	0	0	0				
PUBLIC WORKS							
Administration/Engineering	2,728	2,859	4,441	10,9		28%	
Maintenance/Shop	0	0	0				
Public Buildings	0	0	0				
Streets/Roads	253,724	652,711	523,174	440,915		44%	
Solid Waste	0	0	0	0			
Water/Sewer	646,461	767,020	795,526	880,086		11%	
Power/Electric Utility	0	0	0	0			
Airport	0	0	0	0			
SUBTOTAL PUBLIC WORKS	902,913	1,422,590	1,323,141	1,331,959	0	21%	1%
PORT	692,727	334,999	635,462	277,772		-4%	-56%
HARBOR	111,275	581,063	89,113	691,176		-11%	676%
DEBT SERVICE	0	0	0	0			
OIL SPILL CLEANUP	0	0	0	90,289			
OTHER	0	0	0	0			
TOTAL O&M EXPENDITURES ($)	2,521,891	3,400,371	3,256,592	3,723,573	0	14%	14%
COMMUNITY POPULATION	3,706	NA	4,338	4,338	NA	8%	0%
PER CAPITA O&M SPENDING	$680		$751	$858		5%	14%
PER CAPITA O&M SPENDING IN CONSTANT 1989 DOLLARS	$705		$772	$858		5%	11%

TABLE 3-7a. FISCAL YEAR PERSONNEL EXPENDITURES BY SERVICE FUNCTION - KENAI CITY
Fiscal Year 1986 - Fiscal Year 1990 (First 6 Months)
(Dollars)

SERVICE FUNCTION	FY 1986	FY 1987	FY 1988	FY 1989	FIRST HALF FY 1990	Average Annual Rate of Growth (Percent) FY86-FY88	FY88-FY89
GENERAL GOVERNMENT	619,027	565,213	573,854	654,792	306,501	-4%	14%
PLANNING/LAND USE/BLDG.INSP.	409	35,352	36,278	37,579	18,305	842%	4%
PUBLIC SAFETY-POLICE/FIRE/EMS	1,976,165	1,939,949	1,962,871	2,016,208	1,025,080	0%	3%
HEALTH AND HOSPITALS							
Hospitals	0	0	0	0	0		
Mental Health	0	0	0	0	0		
Alcoholism	0	0	0	0	0		
Other	0	0	0	0	0		
SUBTOTAL HEALTH AND HOSPITALS	0	0	0	0	0		
SOCIAL SERVICES							
Child Care	0	0	0	0	0		
Senior Citizens	170,530	201,355	217,879	227,325	113,508		
Family Planning	0	0	0	0	0		
Other - Shelters, etc.	0	0	0	0	0		
Other	0	0	0	0	0		
SUBTOTAL SOCIAL SERVICES	170,530	201,355	217,879	227,325	113,508	13%	4%
PARKS & RECREATIONAL							
Parks	70,103	67,223	78,809	60,531	42,500		
Campground	0	0	0	0	0		
Teen Center	176,772	195,208	212,032	210,139	99,292		
Swimming Pool	0	0	0	0	0		
Other	12,079	9,211	13,747	17,482	5,593		
SUBTOTAL PARKS & RECREATIONAL	258,954	271,642	304,588	288,152	147,385	8%	-5%
LIBRARIES & MUSEUMS	122,773	117,302	123,057	127,839	72,593	0%	4%
SCHOOLS	0	0	0	0	0		
PUBLIC WORKS							
Administration/Engineering	176,317	173,564	175,768	178,219	100,847		
Maintenance/Shop	123,202	136,287	132,856	130,776	67,480		
Public Buildings	91,037	87,568	91,562	94,763	44,333		
Streets/Roads	198,399	187,284	179,374	201,340	94,892		
Solid Waste	0	0	0	0	0		
Water/Sewer	218,577	207,960	204,660	211,886	101,511		
Power/Electric Utility	0	0	0	0	0		
Airport	117,457	120,925	127,538	129,716	66,451		
SUBTOTAL PUBLIC WORKS	924,989	913,588	911,758	946,700	475,514	-1%	4%
PORT	0	0	0	0	0		
HARBOR	0	0	14,037	31,734	13,618		126%
DEBT SERVICE	0	0	0	0	0		
OIL SPILL CLEANUP	0	0	0	0	0		
OTHER	0	0	0	0	0		
TOTAL PERSONNEL EXPENDITURES	$4,072,847	$4,044,401	$4,144,322	$4,330,329	$2,172,504	1%	4%
TOTAL LOCAL GOV'T EMPLOYMENT	851	823	786	685	NA	-4%	-13%
TOTAL SPENDING PER EMPLOYEE	$4,786	$4,914	$5,273	$6,322		5%	20%
TOTAL SPENDING PER EMPLOYEE IN CONSTANT 1989 DOLLARS	$4,958	$5,071	$5,426	$6,322		5%	17%

TABLE 3-7b. OPERATIONS & MAINTENANCE EXPENDITURES BY SERVICE FUNCTION - KENAI CITY
Fiscal Year 1986 - Fiscal Year 1989
(Dollars)

SERVICE FUNCTION	FY 1986	FY 1987	FY 1988	FY 1989	FY 1990	Average Annual Rate of Growth (Percent) FY86-FY88	FY88-FY89
GENERAL GOVERNMENT	657,027	705,100	724,248	926,377	516,738	5%	28%
PLANNING/LAND USE/BLDG.INSP.	1,406	3,726	3,097	2,846	1,496	48%	-8%
PUBLIC SAFETY-POLICE/FIRE/EMS	194,646	208,195	183,101	186,854	102,668	-3%	2%
HEALTH AND HOSPITALS							
Hospitals	0	0	0	0	0		
Mental Health	0	0	0	0	0		
Alcoholism	0	0	0	0	0		
Other	0	0	0	0	0		
SUBTOTAL HEALTH AND HOSPITALS	0	0	0	0	0		
SOCIAL SERVICES							
Child Care	0	0	0	0	0		
Senior Citizens	124,099	111,780	134,141	127,641	64,447		
Family Planning	0	0	0	0	0		
Other - Shelters, etc.	0	0	0	0	0		
Other	0	0	0	0	0		
SUBTOTAL SOCIAL SERVICES	124,099	111,780	134,141	127,641	64,447	4%	-5%
PARKS & RECREATIONAL							
Parks	17,261	21,007	17,694	15,809	7,252		
Campground	0	0	0	0	0		
Teen Center	54,948	66,008	67,029	74,001	50,153		
Swimming Pool	0	0	0	0	0		
Other	37,026	14,621	13,803	18,185	3,986		
SUBTOTAL PARKS & RECREATIONAL	109,235	101,636	98,526	107,995	61,391	-5%	10%
LIBRARIES & MUSEUMS	92,736	96,413	108,589	110,155	66,009	8%	1%
SCHOOLS	0	0	0	0	0		
PUBLIC WORKS							
Administration/Engineering	14,669	10,764	10,559	12,852	6,243		
Maintenance/Shop	190,293	164,974	151,350	189,409	100,005		
Public Buildings	4,052	5,230	5,360	34,630	16,507		
Streets/Roads	94,233	200,436	126,248	188,273	35,984		
Solid Waste	0	0	0	0	0		
Water/Sewer	243,288	250,753	245,805	232,682	186,318		
Power/Electric Utility	0	0	0	0	0		
Airport	222,248	189,198	188,451	207,596	157,290		
SUBTOTAL PUBLIC WORKS	768,783	821,355	737,773	865,438	502,347	-2%	17%
PORT	0	0	0	0	0		
HARBOR	248	399	35,595	80,892	29,700		127%
DEBT SERVICE	0	0	461,717	257,635	0		-44%
OIL SPILL CLEANUP	0	0	0	3,931	113		
OTHER	0	0	0	0	0		
TOTAL O&M EXPENDITURES ($)	1,948,180	2,048,604	2,486,787	2,669,764	1,344,909	13%	7%
COMMUNITY POPULATION	6,647	NA	6,543	6,543	NA	-1%	0%
PER CAPITA O&M SPENDING	$293		$380	$408		14%	7%
PER CAPITA O&M SPENDING IN CONSTANT 1989 DOLLARS	$304		$391	$408		13%	4%

TABLE 3-8a. PERSONNEL EXPENDITURES BY SERVICE FUNCTION - SEWARD
Fiscal Year 1986 - Fiscal Year 1990 (First 6 Months)
(Dollars)

	FY 1986	FY 1987	FY 1988	FY 1989	FIRST HALF FY 1990	Average Annual Rate of Growth (Percent) FY86-FY88	FY88-FY89
GENERAL GOVERNMENT	566,911	557,287	524,935	590,395		-4%	12%
PLANNING/LAND USE/BLDG.INSP.	56,657	57,538	52,230	52,755		-4%	1%
PUBLIC SAFETY-POLICE/FIRE/EMS	1,006,724	969,477	963,450	1,047,239		-2%	9%
HEALTH AND HOSPITALS							
Hospitals	0	1,299,641	1,423,406	1,431,387			
Mental Health	0	0	0	0			
Alcoholism	0	0	0	0			
Other	0	0	0	0			
SUBTOTAL HEALTH AND HOSPITALS	0	1,299,641	1,423,406	1,431,387			
SOCIAL SERVICES							
Child Care	0	0	0	0			
Senior Citizens	0	0	0	0			
Family Planning	0	0	0	0			
Other - Shelters, etc.	0	0	0	0			
Other	0	0	0	0			
SUBTOTAL SOCIAL SERVICES	0	0	0	0			
PARKS & RECREATIONAL							
Parks	109,867	99,246	134,129	193,794			
Campground	0	0	0	0			
Teen Center	43,294	35,023	41,231	40,322			
Swimming Pool	0	0	0	0			
Other	0	0	0	0			
SUBTOTAL PARKS & RECREATIONAL	153,161	134,269	175,360	234,116		7%	34%
LIBRARIES & MUSEUMS	0	0	0	86,086			
SCHOOLS	0	0	0	0			
PUBLIC WORKS							
Administration/Engineering	241,508	173,850	167,693	180,495			
Maintenance/Shop	157,319	159,615	132,061	107,987			
Public Buildings	46,494	44,963	45,912	30,222			
Streets/Roads	217,745	235,261	205,224	200,803			
Solid Waste	0	0	0	0			
Water/Sewer	102,140	102,360	104,988	142,430			
Power/Electric Utility	403,093	491,017	496,819	394,841			
Airport	0	0	0	0			
SUBTOTAL PUBLIC WORKS	1,168,299	1,207,066	1,152,697	1,056,758		-1%	-8%
PORT	0	0	0	0			
HARBOR	296,375	190,793	326,283	434,188		5%	33%
DEBT SERVICE	0	0	0	0			
OIL SPILL CLEANUP	0	0	0	23,025			-73%
OTHER	0	0	84,336	42,175			
TOTAL PERSONNEL EXPENDITURES	3,248,127	4,416,071	4,702,697	4,998,124		20%	6%
TOTAL LOCAL GOV'T EMPLOYMENT	169	175	174	197	NA	1%	13%
TOTAL SPENDING PER EMPLOYEE	$19,220	$25,235	$27,027	$25,371		19%	-6%
TOTAL SPENDING PER EMPLOYEE IN CONSTANT 1989 DOLLARS	$19,912	$26,042	$27,811	$25,371		18%	-9%

TABLE 3-8b. OPERATIONS & MAINTENANCE EXPENDITURES BY SERVICE FUNCTION - SEWARD
Fiscal Year 1986 - Fiscal Year 1989
(Dollars)

SERVICE FUNCTION	FY 1986	FY 1987	FY 1988	FY 1989	FIRST HALF FY 1990	Average Annual Rate of Growth (Percent) FY86-FY88	FY88-FY89
GENERAL GOVERNMENT	724,869	515,489	746,075	669,154		1%	-10%
PLANNING/LAND USE/BLDG.INSP.	73,594	53,586	47,656	20,586		-20%	-57%
PUBLIC SAFETY-POLICE/FIRE/EMS	191,063	157,520	194,235	179,074		1%	-8%
HEALTH AND HOSPITALS							
Hospitals	1,848,090	811,891	845,539	773,513			
Mental Health	0	0	0	0			
Alcoholism	0	0	0	0			
Other	0	0	0	0			
SUBTOTAL HEALTH AND HOSPITALS	1,848,090	811,891	845,539	773,513		-32%	-9%
SOCIAL SERVICES							
Child Care	58,288	41,445	58,779	56,254			
Senior Citizens	2,469	0	4,461	2,088			
Family Planning	0	0	0	0			
Other - Shelters, etc.	0	0	0	0			
Other	0	0	0	0			
SUBTOTAL SOCIAL SERVICES	60,757	41,445	63,240	58,342		2%	-8%
PARKS & RECREATIONAL							
Parks	27,776	51,572	85,806	104,903			
Campground	0	0	0	0			
Teen Center	1,803	6,155	14,007	12,387			
Swimming Pool	0	0	0	0			
Other	0	0	0	0			
SUBTOTAL PARKS & RECREATIONAL	29,579	57,727	99,813	117,290		84%	18%
LIBRARIES & MUSEUMS	35,044	32,471	34,011	51,044		-1%	50%
SCHOOLS	0	0	0	0			
PUBLIC WORKS							
Administration/Engineering	235,504	7,185	24,216	30,587			
Maintenance/Shop	19,156	21,767	34,902	43,464			
Public Buildings	45,636	39,901	56,983	52,326			
Streets/Roads	54,269	14,452	214,800	105,637			
Solid Waste	0	0	0	0			
Water/Sewer	370,381	364,479	431,299	523,879			
Power/Electric Utility	2,182,158	2,247,810	2,365,603	2,344,480			
Airport	0	0	0	0			
SUBTOTAL PUBLIC WORKS	2,907,104	2,695,594	3,127,793	3,100,173		4%	-1%
PORT	0	0	0	0			
HARBOR	450,327	769,184	716,399	1,100,015		26%	54%
DEBT SERVICE	0	0	0	0			
OIL SPILL CLEANUP	0	0		140,322			-51%
OTHER	0	0	287,055	148,283			
TOTAL O&M EXPENDITURES ($)	6,320,427	5,134,907	6,161,816	6,357,796	NA	-1%	3%
COMMUNITY POPULATION	2,072	NA	2,463	2,400	NA	9%	-3%
PER CAPITA O&M SPENDING	$3,050		$2,502	$2,649		-9%	6%
PER CAPITA O&M SPENDING IN CONSTANT 1989 DOLLARS	$3,150		$2,574	$2,649		-10%	3%

TABLE 3-9b. OPERATIONS & MAINTENANCE EXPENDITURES BY SERVICE FUNCTION - SOLDOTNA
Fiscal Year 1986 - Fiscal Year 1989
(Dollars)

SERVICE FUNCTION	FY 1986	FY 1987	FY 1988	FY 1989	FIRST HALF FY 1990	Average Annual Rate of Growth (Percent) FY86-FY87	FY87-FY89
GENERAL GOVERNMENT	59,212	157,008	NA	171,289	92,592	165%	4%
PLANNING/LAND USE/BLDG.INSP.	0	0		0	0		
PUBLIC SAFETY-POLICE/FIRE/EMS	251,958	456,879		425,744	185,049	81%	-3%
HEALTH AND HOSPITALS							
Hospitals	0	0		0	0		
Mental Health	0	0		0	0		
Alcoholism	0	0		0	0		
Other	0	0		0	0		
SUBTOTAL HEALTH AND HOSPITALS	0	0	0	0	0		
SOCIAL SERVICES							
Child Care	0	0		0	0		
Senior Citizens	0	0		0	0		
Family Planning	0	0		0	0		
Other - Shelters, etc.	0	0		0	0		
Other	0	0		0	0		
SUBTOTAL SOCIAL SERVICES	0	0	0	0	0		
PARKS & RECREATIONAL							
Parks	33,670	78,340		100,197	61,879		
Campground	0	0		0	0		
Teen Center	0	0		0	0		
Swimming Pool	0	0		0	0		
Other	194,936	261,380		243,775	60,640		
SUBTOTAL PARKS & RECREATIONAL	228,606	339,720	0	343,972	122,519	49%	1%
LIBRARIES & MUSEUMS	40,599	41,329		41,846	24,279	2%	1%
SCHOOLS	0	0		0	0		
PUBLIC WORKS							
Administration/Engineering	12,808	15,300		17,968	7,535		
Maintenance/Shop	6,343	7,275		9,498	86,934		
Public Buildings	46,756	26,693		38,673	19,954		
Streets/Roads	158,114	257,592		297,996	127,423		
Solid Waste	0	0		0	0		
Water/Sewer	154,352	270,895		449,187	116,673		
Power/Electric Utility	0	0		0	0		
Airport	65,153	195,677		171,238	63,012		
SUBTOTAL PUBLIC WORKS	443,526	773,432	0	984,560	421,531	74%	13%
PORT	0	0		0	0		
HARBOR	0	0		0	0		
DEBT SERVICE	0	0		0	130		
OIL SPILL CLEANUP	0	0		0	0		
OTHER	757,878	493,762		658,401	3,090		
TOTAL O&M EXPENDITURES ($)	1,781,777	2,262,130	NA	2,625,812	849,990	27%	8%
COMMUNITY POPULATION	4,021	NA	3,733	3,668	NA		
PER CAPITA O&M SPENDING	$443			$716			
PER CAPITA O&M SPENDING IN CONSTANT 1989 DOLLARS	$459			$716			

TABLE 3-9a. PERSONNEL EXPENDITURES BY SERVICE FUNCTION - SOLDOTNA
Fiscal Year 1986 - Fiscal Year 1990 (First 6 Months)

SERVICE FUNCTION	FY 1986	FY 1987	FY 1988	FY 1989	FIRST HALF FY 1990	Average Annual Rate of Growth (Percent) FY86-FY87	FY87-FY89
GENERAL GOVERNMENT	361,544	303,137	NA	320,300	140,200	-16%	3%
PLANNING/LAND USE/BLDG.INSP.	0	0		0	0		
PUBLIC SAFETY-POLICE/FIRE/EMS	910,912	601,656		620,906	297,904	-34%	2%
HEALTH AND HOSPITALS							
Hospitals	0	0		0	0		
Mental Health	0	0		0	0		
Alcoholism	0	0		0	0		
Other	0	0		0	0		
SUBTOTAL HEALTH AND HOSPITALS	0	0	0	0	0		
SOCIAL SERVICES							
Child Care	0	0		0	0		
Senior Citizens	0	0		0	0		
Family Planning	0	0		0	0		
Other - Shelters, etc.	0	0		0	0		
Other	0	0		0	0		
SUBTOTAL SOCIAL SERVICES	0	0	0	0	0		
PARKS & RECREATIONAL							
Parks	28,678	33,209		30,036	17,981		
Campground	0	0		0	0		
Teen Center	0	0		0	0		
Swimming Pool	0	0		0	0		
Other	114,320	145,429		149,330	60,739		
SUBTOTAL PARKS & RECREATIONAL	142,998	178,638	0	179,366	78,720	25%	0%
LIBRARIES & MUSEUMS	69,290	73,827		82,705	37,767	7%	6%
SCHOOLS	0	0	0	0	0		
PUBLIC WORKS							
Administration/Engineering	239,192	170,554		183,996	101,647		
Maintenance/Shop	106,228	108,234		108,119	92,653		
Public Buildings	42,384	33,050		30,540	15,933		
Streets/Roads	99,798	152,754		143,497	82,376		
Solid Waste	0	0		0	0		
Water/Sewer	221,296	248,355		255,859	122,877		
Power/Electric Utility	0	0		0	0		
Airport	43,130	42,260		42,932	24,907		
SUBTOTAL PUBLIC WORKS	752,028	755,207	0	764,943	440,393	0%	1%
PORT	0	0		0	0		
HARBOR	0	0		0	0		
DEBT SERVICE	0	0		0	0		
OIL SPILL CLEANUP	0	0		0	0		
OTHER	136,607	150,861		148,340	360,682		
TOTAL PERSONNEL EXPENDITURES	2,373,379	2,063,328	NA	2,116,560	1,355,666	-13%	1%
TOTAL LOCAL GOV'T EMPLOYMENT	286	382	349	406	NA	34%	3%
TOTAL SPENDING PER EMPLOYEE	$8,299	$5,401		$5,213		-35%	-2%
TOTAL SPENDING PER EMPLOYEE IN CONSTANT 1989 DOLLARS	$8,597	$5,574		$5,213		-35%	-3%

TABLE 3-10a. PERSONNEL EXPENDITURES BY SERVICE FUNCTION - KODIAK BOROUGH
Fiscal Year 1986 - Fiscal Year 1990 (First 6 Months)
(Dollars)

SERVICE FUNCTION	FY 1986	FY 1987	FY 1988	FY 1989	FIRST HALF FY 1990	Average Annual Rate of Growth (Percent) FY86-FY88	FY88-FY89
GENERAL GOVERNMENT	858,352	920,960	962,985	972,439	466,807	6%	1%
PLANNING/LAND USE/BLDG.INSP.	294,844	286,876	318,162	244,891	150,904	4%	-23%
PUBLIC SAFETY-POLICE/FIRE/EMS	72,579	67,030	69,888	64,074	35,991	-2%	-8%
HEALTH AND HOSPITALS							
Hospitals	0	0	0	0	0		
Mental Health	716,433	749,626	869,079	996,353	583,890		
Alcoholism	0	0	0	0	0		
Other	0	0	0	0	0		
SUBTOTAL HEALTH AND HOSPITALS	716,433	749,626	869,079	996,353	583,890	10%	15%
SOCIAL SERVICES							
Child Care	0	0	0	0	0		
Senior Citizens	0	0	0	0	0		
Family Planning	0	0	0	0	0		
Other - Shelters, etc.	0	0	0	0	0		
Other	0	0	0	0	0		
SUBTOTAL SOCIAL SERVICES	0	0	0	0	0		
PARKS & RECREATIONAL							
Parks	0	0	0	0	29,166		
Campground	0	0	0	0	0		
Teen Center	0	0	0	0	0		
Swimming Pool	0	0	0	0	0		
Other	0	0	0	0	0		
SUBTOTAL PARKS & RECREATIONAL	0	0	0	0	29,166		
LIBRARIES & MUSEUMS	0	0	0	0	0		
SCHOOLS	8,159,987	9,782,920	9,083,422	9,252,676	4,762,415	6%	2%
PUBLIC WORKS							
Administration/Engineering	208,803	203,732	178,904	222,238	139,422		
Maintenance/Shop	0	0	0	0	0		
Public Buildings	0	0	0	0	4,222		
Streets/Roads	0	0	0	0	2,097		
Solid Waste	0	0	0	223,343	90,783		
Water/Sewer	0	0	0	0	17,173		
Power/Electric Utility	0	0	0	0	0		
Airport	0	0	0	0	0		
SUBTOTAL PUBLIC WORKS	208,803	203,732	178,904	445,581	253,697	-7%	149%
PORT	0	0	0	0	0		
HARBOR	0	0	0	0	0		
DEBT SERVICE	0	0	0	0	0		
OIL SPILL CLEANUP	0	0	0	175,028	223,919		
OTHER	0	0	0	0	0		
TOTAL PERSONNEL EXPENDITURES	10,310,998	12,011,144	11,482,440	12,151,040	6,506,789	6%	6%
TOTAL LOCAL GOV'T EMPLOYMENT	700	610	671	661	NA	-2%	-1%
TOTAL SPENDING PER EMPLOYEE	$14,730	$19,690	$17,112	$18,383		8%	7%
TOTAL SPENDING PER EMPLOYEE IN CONSTANT 1989 DOLLARS	$15,260	$20,320	$17,609	$18,383		7%	4%

TABLE 3-10b. OPERATIONS & MAINTENANCE EXPENDITURES BY SERVICE FUNCTION - KODIAK BOROUGH
Fiscal Year 1986 - Fiscal Year 1989
(Dollars)

SERVICE FUNCTION	FY 1986	FY 1987	FY 1988	FY 1989	FIRST HALF FY 1990	Average Annual Rate of Growth (Percent) FY86-FY88	FY88-FY89
GENERAL GOVERNMENT	550,719	607,465	451,469	424,149	404,499	-9%	-6%
PLANNING/LAND USE/BLDG.INSP.	95,909	73,197	70,340	160,141	40,040	-14%	128%
PUBLIC SAFETY-POLICE/FIRE/EMS	49,016	60,028	71,595	54,085	136,455	21%	-24%
HEALTH AND HOSPITALS							
Hospitals	4,838,558	5,208,417	5,416,197	6,235,027	3,827,379		
Mental Health	275,108	265,038	267,697	354,198	158,028		
Alcoholism	50,000	60,500	56,800	56,300	60,000		
Other	115,799	31,965	46,800	108,662	0		
SUBTOTAL HEALTH AND HOSPITALS	5,279,465	5,565,920	5,787,494	6,754,187	4,045,407	5%	17%
SOCIAL SERVICES							
Child Care	229,676	188,682	225,215	261,949	107,037		
Senior Citizens	14,000	20,000	20,000	20,000	20,000		
Family Planning	0	0	0	0	0		
Other - Shelters, etc.	36,000	34,250	35,400	34,900	110,900		
Other	90,000	101,900	177,388	115,350	0		
SUBTOTAL SOCIAL SERVICES	369,676	344,832	458,003	432,199	237,937	11%	-6%
PARKS & RECREATIONAL							
Parks	0	0	0	0	10,834		
Campground	0	0	0	0	0		
Teen Center	0	0	0	0	0		
Swimming Pool	0	0	0	0	0		
Other	0	0	0	0	0		
SUBTOTAL PARKS & RECREATIONAL	0	0	0	0	10,834		
LIBRARIES & MUSEUMS	84,500	84,500	80,990	80,960	41,000	-2%	0%
SCHOOLS	8,179,811	5,817,425	6,728,036	6,824,218	1,796,122	-9%	1%
PUBLIC WORKS							
Administration/Engineering	(136,176)	(71,701)	(119,208)	(138,059)	(514)		
Maintenance/Shop	0	0	0	0	0		
Public Buildings	326,118	282,541	211,600	300,406	445,754		
Streets/Roads	135,062	96,425	131,240	119,596	46,824		
Solid Waste	0	148,890	680,843	721,514	451,853		
Water/Sewer	264,177	408,938	350,251	429,542	146,408		
Power/Electric Utility	0	0	0	0	0		
Airport	0	0	0	0	0		
SUBTOTAL PUBLIC WORKS	589,181	865,093	1,262,726	1,432,999	1,090,325	46%	13%
PORT	0	0	0	0	0		
HARBOR	0	0	0	0	0		
DEBT SERVICE	0	0	0	0	0		
OIL SPILL CLEANUP	0	0	0	890,039	542,582		
OTHER	0	40,065	30,000	0	0		
TOTAL O&M EXPENDITURES ($)	15,198,277	13,458,525	14,940,653	17,052,977	8,345,201	-1%	14%
COMMUNITY POPULATION	11,846	13,658	13,669	15,558	NA	7%	14%
PER CAPITA O&M SPENDING	$1,283		$1,093	$1,096		-8%	0%
PER CAPITA O&M SPENDING IN CONSTANT 1989 DOLLARS	$1,329		$1,125	$1,096		-8%	-3%

TABLE 3-11a. PERSONNEL EXPENDITURES BY SERVICE FUNCTION - KODIAK CITY
Fiscal Year 1986 - Fiscal Year 1990 (First 6 Months)
(Dollars)

SERVICE FUNCTION	FY 1986	FY 1987	FY 1988	FY 1989	FIRST HALF FY 1990	Average Annual Rate of Growth (Percent) FY86-FY88	FY88-FY89
GENERAL GOVERNMENT	491,802	484,894	532,823	531,543	271,226	4%	0%
PLANNING/LAND USE/BLDG.INSP.	0	0	23,644	101,677	58,390		330%
PUBLIC SAFETY-POLICE/FIRE/EMS	2,150,849	2,220,609	2,384,900	2,398,086	1,335,641	5%	1%
HEALTH AND HOSPITALS							
Hospitals	0	0	0	0	0		
Mental Health	0	0	0	0	0		
Alcoholism	0	0	0	0	0		
Other	0	0	0	0	0		
SUBTOTAL HEALTH AND HOSPITALS	0	0	0	0	0		
SOCIAL SERVICES							
Child Care	0	0	0	0	0		
Senior Citizens	0	0	0	0	0		
Family Planning	0	0	0	0	0		
Other - Shelters, etc.	0	0	0	0	0		
Other	0	0	0	0	0		
SUBTOTAL SOCIAL SERVICES	0	0	0	0	0		
PARKS & RECREATIONAL							
Parks	75,816	86,737	103,138	119,926	74,570		
Campground	0	0	0	0	0		
Teen Center	90,247	76,183	89,065	79,321	41,722		
Swimming Pool	88,051	80,854	93,512	73,500	40,887		
Other	0	0	0	0	0		
SUBTOTAL PARKS & RECREATIONAL	254,114	243,774	285,715	272,747	157,179	6%	-5%
LIBRARIES & MUSEUMS	282,650	286,970	319,600	330,353	180,839	6%	3%
SCHOOLS	0	0	0	0	0		
PUBLIC WORKS							
Administration/Engineering	379,377	324,761	271,830	210,597	123,521		
Maintenance/Shop	102,238	91,737	109,082	111,125	59,564		
Public Buildings	0	0	0	0	0		
Streets/Roads	186,287	150,874	211,760	223,106	116,641		
Solid Waste	0	0	0	0	0		
Water/Sewer	544,043	463,684	476,300	549,728	310,368		
Power/Electric Utility	0	0	0	0	0		
Airport	0	0	0	0	0		
SUBTOTAL PUBLIC WORKS	1,211,945	1,031,056	1,068,972	1,094,556	610,094	-6%	2%
PORT	93,520	85,750	86,373	89,331	53,784	-4%	3%
HARBOR	549,684	524,229	552,266	554,474	295,437	0%	0%
DEBT SERVICE	0	0	0	0	0		
OIL SPILL CLEANUP	0	0	0	0	22,843		
OTHER	0	50,150	0		7,385		
TOTAL PERSONNEL EXPENDITURES	5,034,564	4,927,381	5,254,293	5,372,767	2,992,818	2%	2%
TOTAL LOCAL GOV'T EMPLOYMENT	NA	NA	530	567	NA		7%
TOTAL SPENDING PER EMPLOYEE			$9,914	$9,476			-4%
TOTAL SPENDING PER EMPLOYEE IN CONSTANT 1989 DOLLARS			$10,201	$9,476			-7%

TABLE 3-11b. OPERATIONS & MAINTENANCE EXPENDITURES BY SERVICE FUNCTION - KODIAK CITY
Fiscal Year 1986 - Fiscal Year 1989
(Dollars)

SERVICE FUNCTION	FY 1986	FY 1987	FY 1988	FY 1989	FIRST HALF FY 1990	Average Annual Rate of Growth (Percent) FY86-FY88	FY88-FY89
GENERAL GOVERNMENT	258,654	216,334	195,102	170,806	122,401	-13%	-12%
PLANNING/LAND USE/BLDG.INSP.	0	0	2,149	9,462	12,377		340%
PUBLIC SAFETY-POLICE/FIRE/EMS	406,252	424,362	422,069	404,955	198,884	2%	-4%
HEALTH AND HOSPITALS							
Hospitals	0	0	0	0	0		
Mental Health	0	0	0	0	0		
Alcoholism	0	0	0	0	0		
Other	0	0	0	0	0		
SUBTOTAL HEALTH AND HOSPITALS	0	0	0	0	0		
SOCIAL SERVICES							
Child Care	0	0	0	0	0		
Senior Citizens	0	0	0	0	0		
Family Planning	0	0	0	0	0		
Other - Shelters, etc.	0	0	0	0	0		
Other	0	0	0	0	0		
SUBTOTAL SOCIAL SERVICES	0	0	0	0	0		
PARKS & RECREATIONAL							
Parks	39,444	31,551	32,324	49,294	15,259		
Campground	0	0	0	6,055	4,487		
Teen Center	43,712	35,423	23,641	25,918	11,770		
Swimming Pool	983	1,231	772	1,724	104		
Other	0	0	0	0	0		
SUBTOTAL PARKS & RECREATIONAL	84,139	68,205	56,737	82,991	31,620	-18%	46%
LIBRARIES & MUSEUMS	127,134	138,799	153,706	145,211	72,342	10%	-6%
SCHOOLS	0	0	0	0	0		
PUBLIC WORKS							
Administration/Engineering	112,205	29,922	32,350	51,411	12,082		
Maintenance/Shop	38,232	34,617	33,859	44,975	16,738		
Public Buildings	0	0	0	0	0		
Streets/Roads	109,389	1,098,486	105,466	121,260	129,383		
Solid Waste	0	0	0	0	0		
Water/Sewer	712,952	748,010	821,360	1,042,727	504,231		
Power/Electric Utility	0	0	0	0	0		
Airport	0	0	0	0	0		
SUBTOTAL PUBLIC WORKS	972,778	1,911,035	993,035	1,260,373	662,434	1%	27%
PORT	389,736	392,547	451,701	827,949	301,949	8%	83%
HARBOR	352,167	429,701	395,515	400,766	222,532	6%	1%
DEBT SERVICE	0	0	0	0	0		
OIL SPILL CLEANUP	0	0	0	0	602,339		
OTHER	869,827	3,755,509	986,212	988,680	806,172		
TOTAL O&M EXPENDITURES ($)	3,460,697	7,336,492	3,656,226	4,291,193	3,033,050	3%	17%
COMMUNITY POPULATION	6,619	NA	6,651	6,774	NA	0%	2%
PER CAPITA O&M SPENDING	$523		$550	$633		3%	15%
PER CAPITA O&M SPENDING IN CONSTANT 1989 DOLLARS	$542		$566	$633		2%	12%

3.12 Summary

During FY 1989, a total of $4.5 million in personnel and O&M expenditures were directly allocated to oil spill cleanup by the nine local government jurisdictions reviewed in this interim report. An additional $1.6 million in personnel and O&M funds were spent for oil spill cleanup in the first six months of FY 1990. The O&M object category accounts for 80 percent of total personnel and O&M oil spill cleanup expenditures. Eight out of nine local government jurisdictions reported direct personnel or O&M expenditures for oil spill cleanup during FY 1989 or the first six months of FY 1990. These expenditures are summarized by local government jurisdiction in Table 3-12, below.

Table 3-12. Summary of Direct Oil Spill Cleanup Expenditures
Fiscal Year 1989 and First Half Fiscal Year 1990

Local Government Jurisdiction	Fiscal 1989		Fiscal 1990	
	Personnel	O&M	Personnel	O&M
Cordova	$51,000	$462,000		
Valdez	754,000	250,000		
Kenai Borough	28,000	1,468,000	$30,000	$130,000
Homer	184,000	90,000		
Kenai City	-0-	4,000		
Seward	23,000	140,000		
Soldotna	-0-	-0-		
Kodiak Island Borough	175,000	890,000	224,000	543,000
Kodiak City	-0-	-0-	23,000	602,000
	$1,215,000	**$3,304,000**	**$277,000**	**$1,275,000**

This examination of local government expenditures did not reveal systematic spending patterns that might be conclusively linked to the oil spill and cleanup events of 1989 other than the direct oil-spill cleanup expenditures outlined above. However, if the type of service function was ranked according to frequency in which they were reported to increase, then a pattern in local government spending increases did emerge during 1989. Local governments reported spending increases in the Public Works service function category most frequently. Public Safety and Port/Harbor service functions were ranked equally in second place, in terms of the incidence of reported spending increases. Health and Hospital, followed by General Government, were the next highest-ranking service functions categories for which spending increases were reported across the nine local government jurisdictions. Taken together, these five service function categories account for the bulk of local government expenditure increases for the personnel and O&M object categories. Furthermore, they represent the kind of public service functions that would most likely be impacted by an event like the *Exxon-Valdez* oil spill and cleanup. A question for further analysis is whether or not this service-function ranking is markedly different from patterns observed in earlier years.

4.0 SPILL RELATED REVENUES AND EXPENDITURES

4.1 Introduction

All boroughs and cities within the oil spill area, except Soldotna, were directly affected by the *Exxon Valdez* oil spill. This section summarizes the direct fiscal impact each city or borough sustained in coping with the spill. It also includes community estimates of the effect of the spill on future revenues and expenditures.

The fiscal reports reveal that, except for Cordova, the direct costs of the oil spill response generally have been met. However, there may be further losses which would occur in future years. The financial information submitted quantifies, in dollars, the results of activities carried out prior to and during the spill response period. A review of this data shows distortion in revenues and expenditures which may be a result of the spill. This distortion points to possible long-term losses in revenues and possible increases in expenditures.

"Oil Spill" expenditures for purposes of this section are incremental increases in general governmental costs resulting from increased workloads, as well as direct expenditures incurred in assisting with the cleanup. "Oil Spill" revenues include funds made available by the State of Alaska or Exxon Corporation to finance expected increases in costs and/or funds received to reimburse the entity for incurred expenses directly attributable to the spill. It should be noted that due to differences in accounting treatment of such revenues and expenditures, the reports submitted are not uniform. For instance, in some jurisdictions, all costs were collected in a special revenue fund, while in others additional personnel expenses and related costs were recorded in the department normally charged within the general ledger. Also, most invoices to Exxon included a ten percent overhead charge. As a result, comparing only reported revenues and expenditures would have produced inaccuracies and was judged to be impractical. The comparison of revenues and expenditures is based on use of the greatest amounts reported, whether taken from the financial templates, invoices, or other information submitted to Impact Assessment, Inc.

Participating local government jurisdictions were requested to estimate how the spill affected 1989 fiscal year revenues and expenditures and, in their judgement, how 1990 would be affected. The estimates made were sketchy, at best, and are subjective in nature. Little or no estimating was done as to how revenues and expenditures would be affected for all of the 1990 fiscal year. It should be noted there was insufficient time for each entity to gather all facts necessary to make objective estimates of future events due to the time limits placed on the entities to complete their report.

Interest has been shown in quantifying oil spill related expenditures by local government service function, e.g., Public Safety, General Government, etc. Neither the information provided in responding to the templates nor the copies of the invoices provided this information. For the most part, jurisdictions, due to the sudden increase in workloads in responding to the spill, had little chance to modify their accounting systems to process the mass of detail produced into meaningful information categorized by service function.

4.2 Quantified Oil Spill Revenues and Expenditures.

Table 4-1 summarizes the *Exxon Valdez* oil spill related revenues, expenditures, and invoicing through December 31, 1989, by both borough and city. Total spill-related revenue reported is $6,293,000. Of this amount, $131,000 or two percent of the total is in outstanding invoices. Due to differences in accounting treatment, this $6,293,000 may also include advances of funds made by Exxon or the State which may be applied to continuing oil spill response expenditures. Total expenditures to date are reported at $6,183,000. Of this amount, $5,310,000 has been billed and/or reported as expended to date, leaving $873,000 as unbilled or unreported. As near as can be determined, of amounts billed for reimbursement, less than one percent of the total was deleted from payments by Exxon Corporation.

Kenai Peninsula Borough was advanced $2,000,000 by Exxon Company, USA, to finance oil spill response activities within the Borough. Under their accounting system, this money was treated as an advance. Funds applied to offset expenditures are taken as revenue at the time the expenditure is incurred, and the outstanding balance of the advance is then reduced. As of December 31, 1989, approximately $387,000 was being held for continuing oil response costs. Of the $1,612,000 expended, they report that $661,000 was passed through to other agencies ($432,000 to Group A cities, approximately $180,000 to U.S. Parks Service, and $50,000 to Seldovia). All applicable expenditures within the Borough have been reported to Exxon as drawdowns from the $2,000,000 advance.

Kodiak Island Borough reports they have received $1,730,000 from Exxon of which $99,000 was passed through to the City of Kodiak. To date they have reported $1,455,000 being invoiced, of which $354,000 was to the State of Alaska and $1,101,000 was billed to Exxon. Based on information provided and taking into account $326,000 in unbilled or unreported expenditures, the Borough has $204,000 in unapplied funds remaining. It is unknown whether these are for expenditures in other operating accounts which have not yet been included, or whether the entire amount is available for continuing oil spill response.

TABLE 4-1 OIL SPILL RELATED REVENUES AND EXPENDITURES BY LOCAL GOVERNMENT JURISDICTION
March 24, Through December 31, 1989
(Thousands of Dollars)

	CORDOVA [a]	VALDEZ [b]	KENAI BOROUGH [d]	HOMER [d]	CITY OF KENAI [d]	SEWARD [g]	SOLDOTNA [i]	KODIAK BOROUGH [i]	CITY OF KODIAK [d]	TOTALS
REVENUES										
STATE OF ALASKA	$226	$0		$37	$0	$0		$173		$436
BOROUGHS (Pass Through)			(432)	225	4	203		(99)	99	0
EXXON CORPORATION	477	1373c	1612	322	32	88h		1730	26	5,660
EXXON CONTRACTORS	40									40
TOTAL REVENUES	$743	$1373	$1180	$584	$36	$291	$0	$1804	$125	$6,136
EXPENDITURES										
PERSONNEL COSTS	$115	$790	$38	$186		$64		$399	$103	$1,695
OPERATION/MAINTENANCE	836	500	1087e	177	4	189		1282e	18	4,091
CAPITAL EXPENDITURES		105	50					48		203
LEGAL COSTS			5			40		52	5	102
TOTAL EXPENDITURES	$951	$1395	$1180	$363	$4	$292	$0	$1781	$125	$6,091
REVENUE EXCESS (DEFICIENCY)	$(208)	$(22)	$0	$221	$32f	$(1)		$23	$0	$45
AMOUNT BILLED/REPORTED	$748	$1395	$1180	$363	$4	$292	$0	$1455	$125	$5,562
UNBILLED/NOT REPORTED	$203	$0	$0	$0	$0	$0		$326	$0	$529

NOTES ON DATA:

(a) SOURCE: Revenues from Template # 3b Expenditures Template 5-89 and Dale Daigger by telephone
(b) SOURCE: Revenue Template # 2 Expenditures from Billings to EXXON
(c) Includes $94 thousand accrued and billed to EXXON, but not yet paid
(d) SOURCE: Template # 8
(e) Reduced for "Pass Through" Expenditures, only for cities included in this report
(f) Contribution to mitigate loss of Dock Revenues
(g) SOURCE: Billings to EXXON and Kenai Peninsula Borough
(h) Includes $37 thousand accrued but not billed to EXXON until February 6, 1990
(i) SOURCE: Revenues from Template # 2 Expenditures from Templates 5-89, 5-90

SLIGHT DIFFERENCES DUE TO ROUNDING

Cities reporting reimbursements less than expenditures include:

	Revenue	Expenditure	Shortfall
Cordova	$743,000	$951,000	$208,000
Valdez	1,373,000	1,395,000	22,000
Seward	291,000	292,000	1,000
Total	$2,407,000	$2,638,000	$231,000

Both Valdez and Seward reported invoice amounts being reduced by Exxon. The reduction was less than two percent of the totals submitted. Cordova reported that they were told by Exxon that invoices for services after their September billing would not be honored. They have made no billings for services after September 8, 1989. Valdez and Seward have made $131,000 in claims for services performed after that date. It is not known if these claims have been honored.

Only the City of Kenai has reported receiving funds from Exxon for loss of revenues. They requested $41,900 due to loss of dock revenues and fuel oil sales during July and August. This claim was settled for $32,264, taking into account a reduction in dock expenses due to the decrease in dock activities. Other coastal communities report increased harbor/dock revenues apparently due to the spill response efforts.

The City of Soldotna reported no oil spill-related expenditures or revenues. The City Manager, Richard Underkofler, stated that it may have helped their economy due to the increased sports fishing opportunities resulting from commercial fishing closures.

4.3 Estimated Effect of Spill on 1989 and 1990 Revenues and Expenditures.

The entities in this report were requested to quantify their estimates as to how the oil spill affected revenues and expenditures for 1989, and to estimate how they would be affected during 1990. As previously discussed, this is a subjective area, and although the accuracy of such estimates for 1989 may be fairly reliable, the 1990 estimates must take into account factors over which the estimator has no control. Further, the estimates as submitted by the entities were sketchy or almost non-existent. A review of the general financial information submitted reveals that in most coastal areas there were substantial increases in sales taxes, business licenses, fines, and enterprise fees and charges. It must be assumed, where otherwise not reported, these increases resulted primarily from oil spill cleanup response. The increases were sufficient in size to offset losses in the same revenue sources resulting from decreased fishing and tourist activity. Increases due to oil spill response are of a one time nature affecting only the entity's economy during 1989, while losses from commercial fishing activities resulting from the spill may well continue into future years.

Sales taxes were strongly impacted, as reported above in Section 2, Local Government Revenues. The influx of large numbers of people required for the massive cleanup efforts created increased consumer purchases. At the same time, a substantial amount of the materials and supply purchases by Exxon, or their contractors, were channeled through local merchants. The resulting increase in taxable sales was more than sufficient to offset short-term loss of sales taxes due to declines in business resulting from commercial fishing closures. Also, as fisherman gear up early in the year, the gear purchased for 1989 due to this spill, may not have been used, making it available for the 1990 fishing season. This may materially reduce the need to purchase new gear in the spring of 1990. Such loss of business will be reflected in 1990 sales tax collections. In addition, if further major fishing closures are required, this will have a further deleterious effect on local businesses, causing further reductions in sales tax collection.

A slowdown in one facet of the local economy tends to have a domino effect on other sections of the economy. Thus, such a slowdown can have also adversely affect other revenues dependent on the economic well being of the area. Coping for this loss of revenue may require that the jurisdiction either reduce the quality of services to its residents or that the loss be made up by increasing property tax rates, which in turn would increase property revenue.

The immensity of the oil spill diverted management from planning and initiating normal construction and maintenance projects to crisis management of oil spill response. The cleanup also absorbed much of the labor, materials, and equipment which would normally have been available to meet planned maintenance and construction, causing such projects to be delayed to future years. As a result, these delays will cause increased costs not only from inflation, but also by having to increase the scope of a project. For instance, if a street which was scheduled to have a minimal repaving job done to prevent water from destroying the sub-grade was delayed until the next year, this delay could cause the sub-grade to be damaged sufficiently to require a complete reconstruction, and this would materially increase the repair cost. Again, it must be emphasized that such adverse financial impacts will not be revealed using current financial information.

Table 4-2 summarizes estimated spill-related revenues and expenditures by type for each local government jurisdiction in fiscal year 1989 and fiscal year 1990. The estimates as shown reflect the thinking of the reporting local government jurisdiction, and in no way reflect the opinion of Impact Assessment, Inc.

No "In Kind" transactions were reported by any local government jurisdiction. Although most entities recognize there was volunteer labor used and materials were sometimes furnished by Exxon contractors, there was no documentation of such transactions in the financial records. As a result, any amounts reported would be of very limited value for financial analysis purposes.

TABLE 4-2 ESTIMATED SPILL RELATED CHANGES IN REVENUES AND EXPENDITURES BY LOCAL GOVERNMENT JURISDICTION
FISCAL YEAR 1989 AND FISCAL YEAR 1990 (First Six Months)
(Thousands of Dollars)
PAGE 1 OF 3

	FY 1989	AMOUNT ALLOCATED TO SPILL	FY 1990	AMOUNT ALLOCATED TO SPILL
CORDOVA	NOTHING REPORTED		NOTHING REPORTED	
VALDEZ				
REVENUES				
HOTEL MOTEL TAX	$79	ALL TO SPILL	NO ESTIMATES MADE	
LICENSES AND PERMITS	48	PARTIALLY TO SPILL		
MENTAL HEALTH GRANT	77	ALL TO SPILL		
WATER/SEWER CHARGES	143	ALL TO SPILL		
HARBOR/PORT FEES	334	ALL TO SPILL		
FINES AND FORFEITURES	12	ALL TO SPILL		
RENTS AND LEASES	82	ALL TO SPILL		
OIL SPILL	1373a	ALL TO SPILL		
MISCELLANEOUS	230	LARGELY TO SPILL		
TOTAL REVENUE	$2378			
EXPENDITURES	$86	ALL TO SPILL		
MENTAL HEALTH/ALCOHOL	5	ALL TO SPILL		
PARKS AND RECREATION	24	ALL TO SPILL		
AIRPORT	85	ALL TO SPILL		
HARBOR/PORT	1395a	ALL TO SPILL		
OIL SPILL				
TOTAL EXPENDITURES	$1595			

NOTES ON DATA:
(a) Adjusted to Actual Reported Revenue

TABLE 4-2 ESTIMATED SPILL RELATED CHANGES IN REVENUES AND EXPENDITURES BY LOCAL GOVERNMENT JURISDICTION
FISCAL YEAR 1989 AND FISCAL YEAR 1990 (First Six Months)
(Thousands of Dollars)
PAGE 2 OF 3

	FY 1989	AMOUNT ALLOCATED TO SPILL	FY 1990	AMOUNT ALLOCATED TO SPILL
KENAI PENINSULA BOROUGH				
REVENUES				
SALES TAX			$2,331	ALL FOR SPILL
VALDEZ OIL SPILL-EXXON	$1,546	ALL TO SPILL		
STATE OIL SPILL			600	2nd and 3rd QUARTERS OF 1989 ADDITIONAL REVENUE
TOTAL REVENUE	$1,546		$2,931	
EXPENDITURES				
OIL SPILL CLEANUP	$1,546	ALL TO SPILL	$2,931	ALL TO SPILL
HOMER				
REVENUES				
SALES TAX	$481	PARTIALLY TO SPILL		
HARBOR/PORT	602	ALL TO SPILL		
VALDEZ OIL SPILL-EXXON	322	ALL TO SPILL		
VALDEZ OIL SPILL-KENAI BOROUGH	225	ALL TO SPILL		
TOTAL REVENUE	$1,630			
EXPENDITURES				
PUBLIC SAFETY	$177	PARTIALLY TO SPILL		
PORT	245	PARTIALLY TO SPILL		
OIL SPILL CLEANUP	275	ALL TO SPILL		
TOTAL EXPENDITURES	$697			
CITY OF KENAI				
REVENUES				
HARBOR/PORT	$0		$42	REIMBURSEMENT FOR LOST WHORFAGE AND PETROLEUM SALES
EXPENDITURES				
HARBOR			$9	REDUCED PERSONNEL COSTS
OIL SPILL CLEANUP	$4	MAYOR'S MEETING COSTS		
TOTAL EXPENDITURES	$4		$9	
SEWARD	NOTHING REPORTED			
SOLDOTNA	NOTHING REPORTED			

TABLE 4-2 ESTIMATED SPILL RELATED CHANGES IN REVENUES AND EXPENDITURES BY LOCAL GOVERNMENT JURISDICTION
FISCAL YEAR 1989 AND FISCAL YEAR 1990 (First Six Months)
(Thousands of Dollars)
PAGE 3 OF 3

	FY 1989	AMOUNT ALLOCATED TO SPILL	FY 1990	AMOUNT ALLOCATED TO SPILL
KODIAK ISLAND BOROUGH				
REVENUES				
STATE RAW FISH TAX			($1,200)	CLOSURE OF COMMERCIAL FISHING
STATE OIL SPILL	500	ALL TO SPILL	500	ALL TO SPILL
VALDEZ OIL SPILL-EXXON	500	GRANT FOR SPILL	1,500	ADDITIONAL GRANT FOR SPILL
TOTAL REVENUE	$1,000		$800	
EXPENDITURES				
OIL SPILL CLEANUP	$1,000	ALL TO SPILL	$2,000	ALL TO SPILL
CITY OF KODIAK				
REVENUES	NO ESTIMATES MADE			
EXPENDITURES				
GENERAL GOVERNMENT	$63	OVERTIME AND ADDITIONAL PERSONNEL	$33	ADDITIONAL PERSONNEL

SOURCE OF DATA: Templates # 4 and # 7

5.0 FISH TAX ANALYSIS

5.1 Introduction

This section addresses issues in the estimation of fish tax revenues for 1989. The analysis focuses on estimation because actual fish tax revenues for 1989 will not be allocated until the summer of 1990. Thus the possible effects of the *Exxon Valdez* oil spill on fish tax revenues cannot be included using the actual fish tax data. However, given the importance of fish tax revenues for many of the affected communities, there must be consideration of potential impacts on this revenue source. Consequently, we briefly develop the basic issues for estimating any lost fish tax revenues in the affected communities; and we present a preliminary analysis of what these revenues would have been if the *Exxon Valdez* oil spill had not occurred.

Unfortunately, changes in fish taxes resulting from the oil spill are not reflected in the completed fiscal impact assessment templates because processors are not required to file fish taxes with the state until March 30 of the following year. Thus, fish tax receipts recorded for 1989 were actually earned in 1988, and the actual fish tax generated in 1989 will not be known until mid-1990. More importantly, fish taxes, unlike most other sources of municipal revenue, are not based on population, property values, sales receipts or other formula-based relationships that remain relatively constant from one year to the next. They are based solely on the value of fish landed within any particular jurisdiction, and this value varies from year to year. Thus, in order to quantify the loss of fish tax resulting from the *Exxon Valdez* oil spill we must first project the value of fish that would have been landed in 1989 had the fisheries been conducted under normal conditions.

While such an assessment is beyond the scope of the present report on the Group-A template information, it is nevertheless our belief that without some general sense of the scale of these losses in fish tax revenue, the report would lack a critical dimension of fiscal impacts.

There are, however, a number of factors which add complexity to such an analysis. Our objectives in the following discussion, then, are: (1) to present the set of simplifying assumptions which can used to quantify the loss of fish taxes to local communities as a result of the spill; (2) to describe the analytic procedures employed to generate ranges of impacts; and (3) to provide a description of the some of the factors that must be taken into consideration in establishing this range.

5.2 Simplifying Assumptions

A number of assumptions have been used to simplify our analysis: (1) that the distribution of the shared fish tax revenue remains constant between the state and affected local jurisdictions (boroughs and cities); (2) that the portion allocated to communities (and boroughs) is distributed in a manner consistent with the projected harvest levels for that jurisdiction; (3) that the most recent ADF&G harvest projections for 1989 are accurate; and (4) that the price paid per pound of fish landed is calculated on the basis of rates established in the preceding uninterrupted fishing year (i.e., 1988). Since these assumptions will have a significant impact on the outcome of the analysis, the rationale for each is described in some detail below.

First, we have assumed that the affected jurisdictions would have received their accustomed percentage of the raw fish tax revenue collected by the state. Alaska cities are entitled to no less than one half of the fish tax collected from onshore processors. The exception to this rule is that cities that are also part of boroughs are entitled to 25% of the tax collected, with the remaining 25% going to the borough. This is not likely to change as a result of the spill.

The second assumption, that the portion of fish tax allocated to affected communities (and boroughs) is distributed in a manner consistent with projected fish harvests for their fishery area, is somewhat more problematic. First, some communities, or local processors, may have been better prepared than others for the events of 1989. Second, fish runs could have been better or worse than anticipated in particular fishing areas. Third, off-shore processors or fish buyers could have targeted certain specific fisheries. Some processors were anticipating boom conditions in certain fisheries, while others may not have planned or been able to respond in a timely manner to changing conditions. There is, invariably, a great deal of uncertainty to every fishing season. Thus, the actual fish taxes generated could be expected to show considerable inter-annual and inter-community variation.

The third assumption is that the ADF&G revised estimates for actual salmon harvests for 1989 are accurate. We are also assuming that there is no significant change in the relative role of salmon to the value of the combined fisheries of the region.

The fourth assumption is that all fish prices remain unchanged from 1988. This is the most problematic assumption because, at any particular point in the season, a multitude of conflicting variables simultaneously affect price -- for example, the kind of gear employed (e.g., seine vs. gill net), the location of the harvest, the developmental stage of the fish, etc. In addition, a unique set of market conditions affect the price of each fish product (e.g., the five varieties of salmon, five or six sources of herring, halibut, crab, shrimp, etc.) These include, for example, the level of stocks on hand, the availability of competing stocks from other regions or nations, total anticipated harvest levels, actual harvests to date, product transportation (tenders, lighterage, etc.) costs, as well as numerous others. These are in addition to processor and fish buyer strategies to convince fishermen that they should accept

lower prices. In addition, fisherman/processor negotiation strategies have evolved that use as a basis the price of canned product, or the wholesale prices of fish, and involve post-season percentage bonuses based on these differences. Such strategies make it all the more difficult to establish the ultimate price actually received for the fish until well after the season.

5.3 Bases for Estimation

It is not our intention in this Interim Report on the fiscal impact assessment templates to conduct a complex and detailed analysis of fish tax impacts by species, by fishery, by gear, and by community. There are, however, three relatively straight-forward bases for estimating what fish prices would have been for 1989. These include: (1) the actual price received for the fisheries that were ultimately opened during 1989; (2) the price received during the preceding normal fishing year (i.e., 1988); and (3) the pre-season anticipated price.

We begin with a brief discussion of the actual price paid during the 1989 season, focussing on pink salmon as the key species in terms of inter-seasonal variability. The fishermen who ultimately participated in the much delayed, on-again, off-again, 1989 terminal pink salmon season received approximately $.35 per pound for their catch. The unpredictable and problematic conditions of this terminal fishery, the direct influence of the oil spill on fishing openings, the induced effects of the cleanup contracting process, and the presence of competing economic opportunity in the form of contract cleanup support for vessel owners may have served to limit lost fishery claims and the vigor with which fishermen pursued more equitable fish prices. In addition to the direct physical oil contamination of fisheries, the perception of possible contamination, fear of potential contamination, and market manipulations by wholesale middlemen effectively served to diminish the price per pound paid for virtually all species harvested in the affected region during 1989. It should therefore not be seen as surprising that the ultimate fish prices negotiated with fishermen for 1989 were less than half the prices established in 1988 (e.g., $3.28 vs. $1.25 for Chinook, $3.07 vs. $1.60 for Sockeye, $2.01 vs. $.60 for Coho, $.84 vs. $.35 for Pink, and $1.08 vs. $.40 for Chum).

Given all of the above factors, the rates ultimately negotiated in 1989 must be discarded as irrelevant to the estimation of what an appropriate price for pink salmon should have been in 1989. It might be possible, though again problematic, to use the price paid for Prince William Sound Aquaculture Corporation (PWSAC) hatchery pink salmon (i.e., about $.61 per pound compared with $.35 for the wild fishery), as the lowest appropriate base rate. Since there was no way that these reared fish could have been physically affected by the spill, the assumption might be that their price was unaffected. This would not necessarily be true, however, since fish buyers would have employed many tactics to insure that the perception of association between these fish and potentially tainted fish was applied to lowering the negotiated price for the fish. Thus, $.61 per pound for pink salmon must be viewed as the absolute minimum price that could be considered applicable for computing lost fish tax.

A second basis for estimating the price per pound for pink salmon would be the pre-spill projected settlement price for the 1989 harvest. While acknowledging that the 1988 season saw prices as high as $1.12 per pound, fishermen contacted in preparation of this report agree that the actual pre- season estimate of "settlement" prices ranged between $.62-$.65. There is, of course, a close correspondence between the PWSAC price ($.61/lb.) discussed above and the lower end of anticipated settlement price ($.62/lb).

The third potential basis for computing the 1989 fish prices assumes no change in price per pound from the previous year (1988). Under this assumption, the total projected harvest of pink salmon (46 million fish), could be multiplied by historical average weight (3.6 lbs.), times an average of $.84 per pound, to derive total pink salmon harvest values. This computation would yield over 3.4 times the total ex-vessel value of the 1989 pink salmon harvest over the 1988 harvest, and would have generated a major increase in fish tax for the affected communities. This must be tempered, however by the fact that most fishermen and processors agree that pink salmon prices in excess of $1.00 per pound, as occurred during the later phases of the 1988 season, could not have been expected for 1989. As one fisherman put it, "I doubt that any processor would have paid a dollar a pound for pinks regardless of whether the *Exxon Valdez* oil spill had occurred or not." It must also be acknowledged that extraordinarily high harvest levels in combination with limited processing capacity, have a generally negative effect on markets, and, ultimately, on ex-vessel price. On the other hand, a number of important factors support the idea of a relatively high price per pound for pink salmon in 1989, including the high price placed on existing reserves and canned product, the early absence of competing international sources, and unusually strong domestic and overseas demand. With minor exceptions, the same could be said for all of the salmon species. While recognizing all the weaknesses, we believe the 1988 fish prices are the most accurate indicators of the actual value of the 1989 fisheries.

The problem of computing the loss sustained by each individual community is even more complex. First, the anticipated harvest of any particular species cannot be converted directly to fish tax. This is because only fish processed within a particular jurisdiction are subject to payment of such a tax. Floating processors and fish buyers, which pay no fish tax to the state, purchase a significant portion of each year's harvest. Second, the allocation between processors and, thus, between jurisdictions is highly variable from year to year. Third, the number of processors may vary at any particular point in the season, or particular fishery, from 10 to more than 50. Fourth, while fish processors are required to submit to the state a standardized report, with their annual fish tax payment, that documents the pounds landed, the species, and the total amount paid to fishermen, the state of Alaska Department of Revenue only records the total amount of taxes paid. The remaining entries identifying individual species and quantities, which could have been used to compute the relative role of each particular species in determining fish tax payments, have not been entered into the department's data base. We could, of course, compute total harvests of all species, compute relative prices, and so on, but we would still be left with the problem of allocating the catch to particular processing areas and even individual processors in order to come up with the relative role of individual species in affecting total fish tax.

An even more complex, but quantitatively more precise, approach would involve computing the returns from each of previous year's fisheries, by fishery area, by level of effort, by kind of fish (salmon, herring, sac roe, etc.), by price for fish ultimately negotiated between fishermen and processors, developing a trend analysis for each element, entering in anticipated harvests and prices for 1989, and computing changes likely to result in the distribution of fish taxes among affected communities (processor locations) as a consequence of changes in relative prices of various harvested species. This would be a complicated process that would result in little more than a larger range (high and low) of potential impacts.

An alternative approach is to take the rate of annual increase by community and compute a trend line to estimate, on the basis of historical change, the corresponding fish tax for 1989. This approach, however, yields total production and price levels that exceed even the most optimistic projections for 1989. We do not believe that assumptions of this nature provide the most direct and defensible basis for computing community and borough fish tax entitlements.

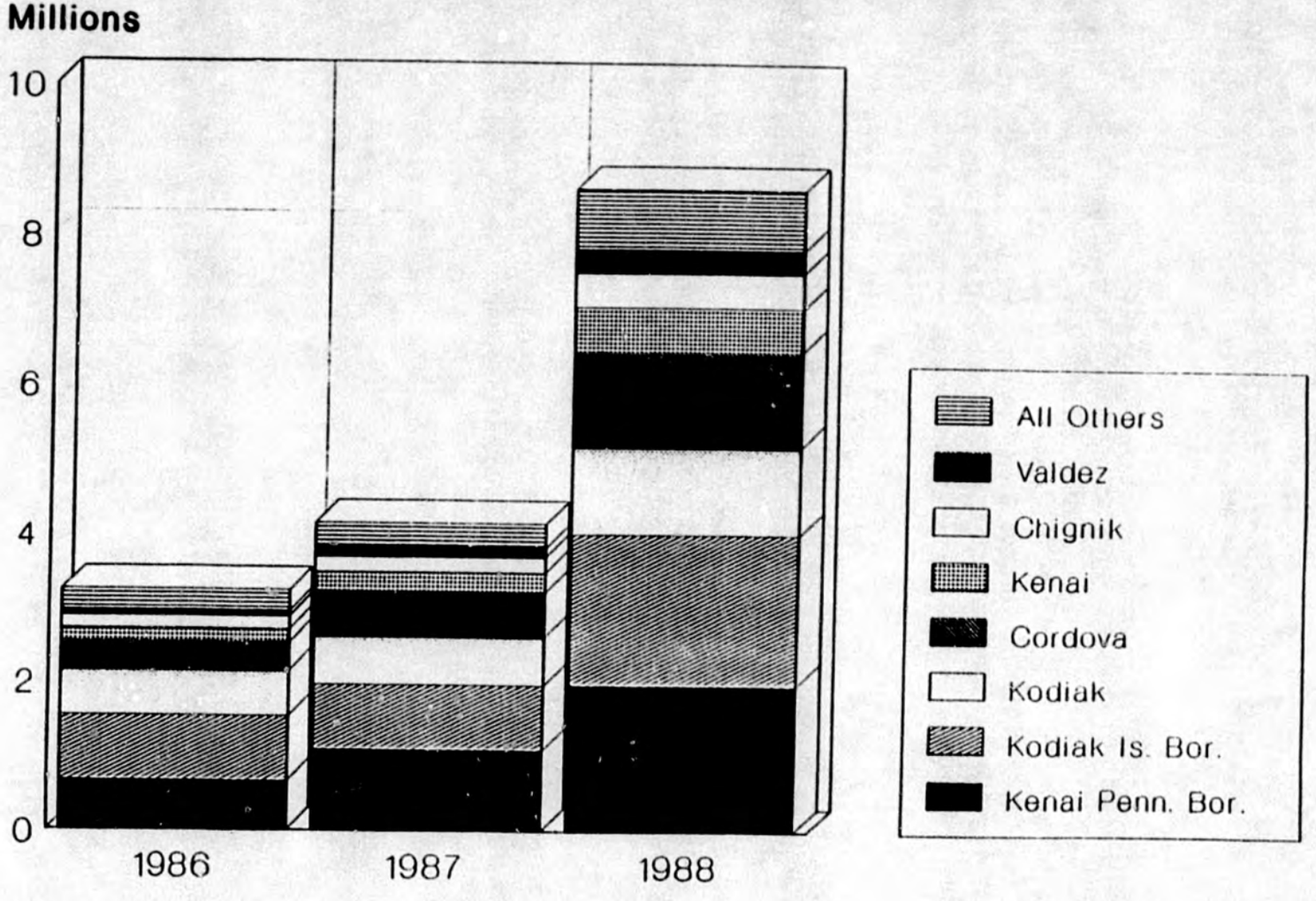
5.4 Analysis

The steps required to carry out an analysis of lost fish tax are: (1) determine the total fish tax distributed to communities as a result of the 1988 fishing season; (2) examine projected fish run and harvest levels for 1989; (3) compute total value of fish that would have been landed in 1989; (4) establish the traditional distribution by community or borough of the 2% portion allocated to local governments; (5) compute the amount of fish tax due each local jurisdiction; and (6) subtract each community's fish tax entitlement (derived from the actual 1989 season) from the amount to which it would have been entitled in the absence of the oil spill. All of these steps have been completed, with the exception of step 6, which must await the state's raw fish tax disbursements.

First, on the basis of information provided by the Alaska Department of Revenue, the aggregate fish tax distributed to all affected communities (i.e., the 13 communities and 2 boroughs entitled to fish tax revenues) was $3,242,572 for the 1986 season, $4,158,836 for the 1987 season, and $8,640,153 for the 1988 season. The estimated 1989 aggregate fish tax that would have accrued to affected communities under no-spill conditions is $9,218,674.

The following figure (Exhibit 1) provides a graphic presentation of the actual proportion of total fish tax distribution received by each jurisdiction during the period 1986-1988.

Exhibit 1: Local Government Fish Tax Earnings (1986-1988)



Impact Assessment, Inc. Feb. 1990

In order to estimate the loss of fish tax for 1989, it is first necessary to compute the actual fish tax paid in 1988, and its relationship to our indicator species (i.e., salmon). The following table (Exhibit 2), then, is based on CFEC data for each of the five species of salmon in 1988 and demonstrates both the distribution of salmon among the various fisheries, as well as the ex-vessel value for each species and fishery.

The retrospective projection of harvest levels for 1989 is potentially complex. We have elected to reduce this complexity by simply accepting the most up-to-date ADF&G projections for the number of fish that would have been harvested in all fisheries in 1989. The following table (Exhibit 3) presents the relevant information for the five directly affected salmon fisheries: Cordova Area, Upper Cook Inlet, Lower Cook Inlet, Kodiak Area, and Chignik Area. As noted earlier, we have adopted as the basis for our analysis the price per pound for each species established in the prior year (i.e., 1988).

This table is essentially a duplicate of the preceding table, only based on the most current estimates of probable 1989 harvest levels. In order to compute the total ex-vessel value of each species, we have multiplied average price per pound times the CFEC estimate of average fish weight for each species, times the 1988 per pound value for each species.

The 1988 distribution formed the basis for computing the relationship between total salmon harvest values in 1988 and total projected salmon harvests by fishery area in 1989. This ratio, in turn, was applied the total projected value of the 1989 season to derive the relative distribution between jurisdictions. This relationship is depicted in the following figure (Exhibit 4).

The final graphic (Exhibit 5) converts the above projected harvest and value information into the format of Exhibit 1 in order to portray the relative changes in distributions that would likely have resulted had the 1989 fishing season proceeded unaffected by the *Exxon Valdez* oil spill.

EXHIBIT 2:

VALUE OF 1988 SALMON HARVESTS*

(1000s of fish)

Species	Chinook	Sockeye	Coho	Pink	Chum	Total Value (by $1000)
Cordova Area	32	768	478	11736	1841	77,562
Upper Cook Inlet	29	6805	559	470	707	154,340
Lower Cook Inlet	2	319	8	921	322	12,437
Kodiak Area	22	2700	303	14600	1400	117,282
Chignik	7	796	370	3000	267	33,785
Totals	92	11388	1718	30727	4537	
Average Weight	14.9	6.5	8	3.6	8.8	
Total Weight (X 1000 lbs)	1371	74022	13744	110617	39926	
Price per lb. 1988 ($)	$3.28	$3.07	$2.01	$0.84	$1.08	
Total Value (X $1000)	$4,496	$227,248	$27,625	$92,918	$43,120	$395,407

* Based on CFEC records of actual prices paid per pound.

Note: Price varies by gear employed. For example, CFEC reports seine caught sockeye at $2.62/lb. and $3.07/lb. for drift gill net.

We have utilized only the rates for fish harvested by drift gill net.

EXHIBIT 3:

VALUE OF PROJECTED 1989 SALMON HARVESTS*

(1000s of fish)

Species / Fishery	Chinook	Sockeye	Coho	Pink	Chum	Total Value (by $1000)
Cordova Area	42	1314	440	46000	1149	185,373
Upper Cook Inlet	30	2500	400	100	800	65,691
Lower Cook Inlet	1	425	10	900	130	12,648
Kodiak Area	4.8	2628	141	22548	836	131,074
Chignik	3	1150	100	448	120	27,198
Totals	80.8	8017	1091	69996	3035	
Average Weight	14.9	6.5	8	3.6	8.8	
Total Weight (X 1000 lbs)	1204	52111	8728	251986	26708	
Price per lb. 1988 ($)	$3.28	$3.07	$2.01	$0.84	$1.08	
Total Value (X $1000)	$3,949	$159,979	$17,543	$211,668	$28,845	$421,984

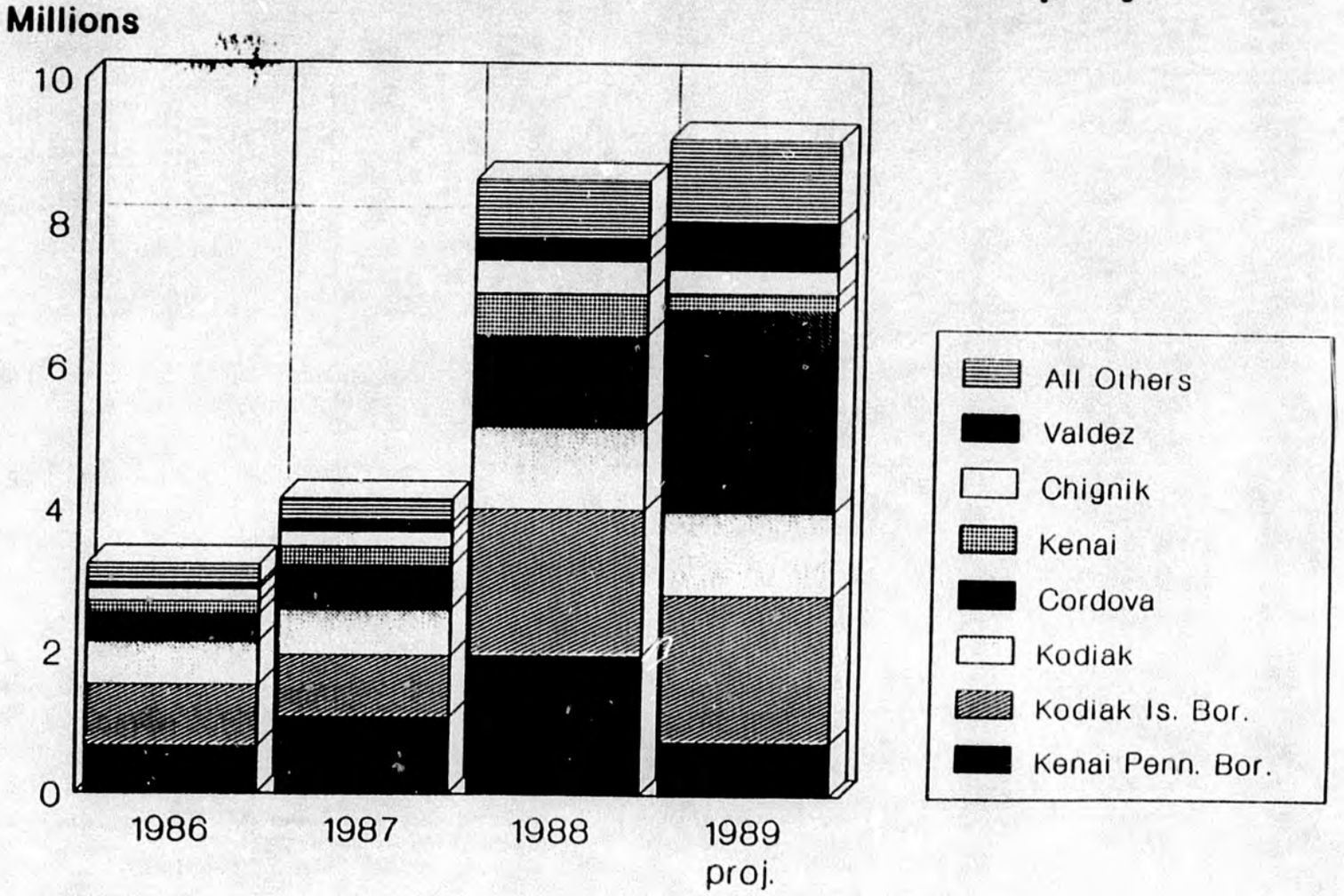
* Using 1988 price per pound and latest available ADF&G projections for 1989.

EXHIBIT 4:
PROJECTION OF 1989 FISH TAX DISTRIBUTION BY FISHERY AREA *

Community or Borough	*1988 Salmon Harvest Value ($1000)*	*Fishery Percent*	*1988 Fish Tax*	*% of Total*	*1989 Projected Salmon Value ($1000)*	*Fishery Percent*	*1989 Projected Fish Tax*	*% of Total*
Kenai Peninsula Borough			1,975,001	22.9%			748,889	8.1%
Kenai			583,068	6.7%			223,695	2.4%
Homer			240,153	2.8%			200,170	2.2%
Seldovia			45,116	0.5%			46,100	0.5%
Total Cook Inlet	166,777	42.2%		32.9%	78,339	18.6%	1,218,854	13.2%
Kodiak Island Borough			2,044,869	23.7%			2,084,675	22.6%
Kodiak			1,167,693	13.5%			1,181,316	12.8%
Larsen Bay			194,034	2.2%			208,468	2.3%
Total Kodiak Area	117,282	29.7%		39.4%	131,074	31.1%	3,474,459	37.7%
Cordova			1,294,703	15.0%			2,841,210	30.8%
Valdez			294,382	3.4%			626,737	6.8%
Seward			270,699	3.1%			584,957	6.3%
Whittier			55,864	0.6%			125,347	1.4%
Total Cordova Area	77,562	19.6%		22.2%	185,373	43.9%	4,178,251	45.3%
Chignik								
Total Chignik Area	33,785	8.5%	472,468	5.5%	27,198	6.4%	347,110	3.8%
	$395,406	100.0%	$8,638,050		$421,984	100.0%	$9,218,674	

* Post season summaries of all fishery areas, available in March, may require an adjustment in these distributions.

Exhibit 5: Local Government Fish Tax Earnings (1986-1988, 1989 proj.)



Impact Assessment, Inc. Feb. 1990

5.5 Summary

The determination of fish tax revenues lost, of course, cannot be completed until it is known just how much fish tax has actually been distributed to the affected communities for the 1989 terminal fishery. Once this figure is determined, only the simple task of subtracting actual from projected distributions remains to establish actual loss.

Finally, a note of caution should be raised. The same perceptions and beliefs that effectively depressed returns from the 1989 fishery will be used to depress the price per pound paid to fisherman during the 1990 season as well. Since many fishermen will be financially "up" from the proceeds of the previous year's cleanup contracts, this could also contribute toward a greater willingness to settle early and low. These additional losses should also be taken into consideration in computing appropriate fish tax distributions for the upcoming 1990 season and beyond.

APPENDIX A
LOCAL GOVERNMENT DEMOGRAPHIC AND TAX DATA

ADOL SUBAREA NUMBER	CORDOVA 761	VALDEZ 752	KENAI BOROUGH 122	HOMER 716	KENAI 712	SEWARD 721	SOLDOTNA 713	KODIAK BOROUGH 150	KODIAK 741
POPULATION									
1986	2,053	3,263	40,414	3,706	6,647	2,072	4,021	11,846	6,619
1987	NA	NA	39,170	NA	NA	NA	NA	13,658	NA
1988	2,048	3,313	39,949	4,338	6,543	2,463	3,733	13,669	6,651
1989	2,619	7,193	40,312	4,338	6,543	2,400	3,668	15,559	6,774
LOCAL GOV'T EMPLOYMENT									
1986	166	286	2,016	351	851	169	286	700	NA
1987	162	288	1,948	347	823	175	382	610	NA
1988	174	280	1,860	336	786	174	349	671	530
1989 (Estimate)	178	291	2,096	376	685	197	406	661	567
SALES TAX RATE									
1986	4%	-0-	2%	4%	5%	3%	5%	-0-	5%
1987	4%	-0-	2%	4%	5%	5%	5%	-0-	5%
1988	4%	-0-	2%	5%	5%	5%	5%	-0-	5%
1989	4%	-0-	2%	3%	5%	3%	3%	-0-	5%
PROPERTY TAX RATE (Mills)									
1986	3.00	13.57	4.00	12.32	7.62	7.00	9.10	3.75	5.75
1987	3.00	13.71	5.75	13.06	9.15	8.75	10.58	4.51	6.51
1988	7.90	14.16	5.75	12.65	9.15	8.75	10.58	4.50	6.50
1989	NA	NA	NA	NA	NA	NA	NA	NA	NA

ANCHORAGE CONSUMER PRICE INDEX (CPI)	
1985	105.8
1986	107.8
1987	108.2
1988	108.6
1989	111.7

Sources: (1) Population: ADCRA, "1990 Community/Borough Map" for 1989 figures.
ADOL, "Population Estimates for Boroughs, Census Areas and Places," 1988.
ADOL, "Population Overview" for 1986 and 1987.

(2) Local Gov't Employment: ADOL, Special tabulations of ES-202 Quarterly Employment 1st Q. 1986 through 2nd Q. 1989.
Estimates for 1989 based on trends in 1988 and in first six months of 1989.

(3) Sales Taxes: ADCRA, Alaska Taxable, 1987 and 1988.

(4) Property Taxes: ADCRA, Alaska Taxable, 1987 and 1988.

(5) CPI: ADOL, Special tabulations.

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Many in-migrants were attracted to the impacted communities in search of employment in clean-up activities. The closure of the fisheries also caused resident workers to be dislocated from the fishing industry to the cleanup effort and supporting service activity. Out-migration of population and wealth was reported after the September phaseout of clean-up activity. The business impacts of the oil spill contain both boom and bust components, occurring simultaneously in some communities. Local economies could expect to benefit from: 1) the clean-up activity payrolls spent on purchases of consumer goods and services; 2) direct purchases by the clean-up operation of goods and services; and 3) potential investment in property & new construction by clean-up industry, local business expansion, and in-migrating workers. This boom could also be offset in some communities by loss of fishing and fish processing, resulting in decreased purchases of goods & services by local consumers and by the fishing industry for inputs or processing, as well as decreased investment by the fishing sector in plant and equipment, and by workers and support service businesses in property and construction. Many adverse impacts may be long-term, extending beyond the summer of 1989. Similar economic decline in the local communities could be expected due to the September phaseout of clean-up activity and uncertainty over the status of continued cleanup in 1990.

Local governments receive most of their revenues from four major sources: charges for services, taxes, intergovernmental revenues, and miscellaneous revenues. These sources vary in order of importance by jurisdiction. Property and sales taxes are the primary sources of tax revenue. Most of the intergovernmental revenue is provided by the State of Alaska through several programs. State raw fish tax has become a more important source of intergovernmental revenue in recent years. Investment income and rents/leases are the major sources of miscellaneous revenues. We have focused only on those revenue sources which in 1989 would have been affected by the two sources of impact of the oil spill event. Excluded are sources of revenues for which 1989 receipts reflect events or decisions occurring in 1988 or prior years.

Preliminary observations about selected revenue impacts are based on partial analysis of the trend data for fiscal years 1986 through 1989, and augmented by initial comparison of monthly data for the 1988 and 1989 calendar years, to the extent it was available. Seven of the nine jurisdictions provided data for the full 1989 calendar year. The most dramatic observation is that each of these jurisdictions received more total revenue in 1989 than in 1988, with one exception where a large state capital grant was received in 1988.

Sales tax revenues are a direct reflection of private sector business activity. Therefore, the sales tax impact of the oil spill may be positive, negative or neutral, depending upon the timing and mix of spill cleanup and fisheries activity. Sales tax revenues in 1989 reflect sales activity in the post-spill months of April through September. They were 49 percent above the revenues representing the two pre-spill quarters. This compares with a 39 percent increase for comparable time periods in 1988.

Hotel/motel tax revenues reflect in-migration of short-term and transitory residents. Beyond the normal impacts of tourism, these revenues should increase with the spill cleanup activity and be adversely affected by fisheries decline and cleanup shutdown. Hotel/motel taxes were also higher in 1989 than in 1988. Much of this increase is observed in the post-spill months.

Impacts on charges for services revenues varied by service and by jurisdiction. Water and sewer revenues appeared to exceed 1988 revenues during the post-spill months in three jurisdictions, but tended to follow the 1988 pattern in three others. Harbor and port revenues increased 22 percent from FY 1988 to Fy 1989. This increase was more than double the average annual growth rate observed in earlier years. Revenues during the post-spill months tended to exceed the 1988 revenues in most jurisdictions.

Three sources of miscellaneous revenues may also indicate oil spill impact. Rents and leases would likely increase with expanded business activity and decrease with business decline. Rents and leases revenue for the second half of 1989 appeared to be higher than for the first half; however, both halves of 1989 showed lower amounts than in 1988. Investment income might increase or decrease depending upon the cash-flow situation created by the timing of spill-related revenues and expenditures. Investment income revenues were generally stronger in 1989 than in 1988; however the pre-spill and post-spill pattern was mixed among jurisdictions. Valdez Oil Spill revenues represent spill-related payments from Exxon, VECO or other private parties, and are covered in the reimbursements and claims section of this report.

While providing only a very small portion of total local government revenues, two other revenue sources are potential indicators of oil spill impact. Licenses and permits is a source that is sensitive to changes in both business activity and population. Licenses and permits revenues showed a 16 percent FY 1988-89 increase and monthly comparisons of 1988 and 1989 revenues suggest weak a positive impact on this source during the post-spill months. Fines and forfeitures is also a source generally reflecting population change. Fines and forfeitures revenues were 26 percent less in FY 1989 than in FY 1988, with a 58 percent decrease in Homer offsetting increases in four entities that generally carried through the post-spill months.

3.0 LOCAL GOVERNMENT EXPENDITURES

3.1 Introduction

This section examines local government expenditures over recent years. The objective is to quantify the nature and extent of direct oil spill expenditures by local government jurisdictions. Furthermore, the analysis will probe for evidence of expenditure patterns that indirectly may be related to the oil spill and cleanup.

3.2 Recent Patterns in Local Government Spending

In general, the pattern of real (inflation-adjusted), per-capita local government spending among study jurisdictions is somewhat mixed, but appears to be in decline. Table 3-1 shows real, per-capita total expenditures for the nine local government jurisdictions. Taken together, all nine jurisdictions exhibited real (inflation adjusted) per-capita spending increased from $3,833 to $3,920 between 1986 and 1988. Real, per-capita local government fell sharply to $3,590 in fiscal year (FY) 1989. In part, this later-period spending decline is explained by population expansion. According to records with the Alaska Department of Community and Regional Affairs (ADCRA) and the Alaska Department of Labor (ADOL), between 1988 and 1989 the collective population with in the nine jurisdictions increased more than 11 percent, from 58,979 to 65,682 people. Population expansion in Valdez accounts for a major portion of this overall growth. Valdez population more than doubled from 3,313 to 7,193 between 1988 and 1989. Most local government population figures are based on July estimates and therefore reflect the influence of oil spill clean-up immigration into study communities. Valdez, Cordova, and the Kodiak Island Borough registered the strongest gains from 1988 to 1989.

The figures in Table 3-1 indicate that between 1986 and 1988, five out of nine jurisdictions experienced real, per capita decline in total spending. The number of jurisdictions that exhibited decline in real, per capita total spending increased to seven out of nine between 1988 and 1989. These figures suggest an overall setting of economic decline in study area local government operations, in spite of an observed increase in absolute spending levels among collective study-area jurisdictions. This decline is largely population driven. For example, if Valdez population expanded at a rate more consistent with recent historic trends from FY 1986 to FY 1988, then local-government spending in FY 1989 would have remained constant in real, per-capita terms,

Table 3-2 summarizes total local government expenditures over the period FY 86 through FY 89 for each local government jurisdiction. Also shown in Table 3-2 is the breakdown of total local government expenditures by five major object categories: personnel, operations and maintenance (O&M), depreciation, capital outlay, and debt service. Figures for the first six months of FY 90 are shown in some cases. A number of findings emerge from this table.

First, personnel and O&M account for the bulk of local government spending. With few exceptions, personnel and O&M account for more than half of total local government spending across each of the nine jurisdictions from 1986 to 1989. In general, personnel and O&M spending account for about two-thirds of total local government spending.

Second, the level of spending in the remaining three object categories vary considerably across study communities. As a proportion of total spending, capital outlays vary from five percent or less to more than 25 percent across jurisdictions. The City of Kenai exhibited consistently high capital outlay expenditures between 1986 and 1989; ranging from 26-to-53 percent of total spending.

Third, the figures in Table 3-2 indicate that personnel and O&M spending is a fairly stable element in the local government budget process. In contrast, the three remaining object categories appear to be subject to greater variation within and across communities. Observed patterns may be consistent with the notion that, where as personnel and O&M spending is governed by factors closely linked to local economic conditions, local government expenditures for the remaining object categories tend to be driven by factors determined outside of the local economy such as legislative intent and export-market economic development priorities. Events or factors that effect the local economy in the short run are more likely to effect personnel and O&M object categories as compared with capital outlay, depreciation, and debt service.

Thus, the analysis of local government spending in this interim report focuses on personnel and O&M expenditures. A set of summary tables were constructed for each community from Fiscal Templates Number 5 (1986 through 1990). These summary tables depict personnel and O&M expenditures by service function (General Government, Public Safely, Social Services, Schools, Public Works, etc.) in each study community for the period FY 86 through FY 89. The first six months of FY 90 are included in some cases.

TABLE 3-1. REAL PER CAPITA LOCAL GOVERNMENT EXPENDITURES
Fiscal Year 1986 - Fiscal Year 1989 (1989 Dollars)

	CORDOVA	VALDEZ	KENAI BOROUGH	HOMER	CITY OF KENAI	SEWARD	SOLDOTNA	KODIAK BOROUGH	CITY OF KODIAK
FY 86	$2,802	$3,018	$2,878	$2,860	$2,302	$6,301	$1,634	$3,656	$2,102
FY 87			$4,440					$3,146	
FY 88	$3,042	$2,866	$3,378	$2,252	$1,615	$6,745		$3,166	$1,974
FY 89	$2,396	$1,258	$3,262	$2,666	$1,698	$6,038	$2,127	$2,822	$1,827

Sources: Fiscal Templates Number 5 (1986 - 1990).
Appendix A.

TABLE 3-2. SUMMARY OF LOCAL GOVERNMENT EXPENDITURES BY OBJECT CATEGORY
Fiscal Year 1986 - Fiscal Year 1990 (First Six Months)
(Thousands of Dollars)

	CORDOVA	VALDEZ	KENAI BOROUGH	HOMER	CITY OF KENAI	SEWARD	SOLDOTNA	KODIAK BOROUGH	CITY OF KODIAK	TOTALS
FY 86										
PERSONNEL	1,943	6,375	51328	3,516	4,073	3,248	2,373	10,311	5,035	88,202
O & M	2,878	2,739	37350	2,522	1,948	6,320	1,782	15,198	3,461	74,198
DEPRECIATION	672	0	0	861	110	807	366	369	448	3,633
CAPTIAL OUTLAY	58	383	6491	2,829	7,899	1,930	1,609	9,109	3,825	34,133
DEBT SERVICE	0	0	17065	502	740	295	212	6,808	659	26,281
TOTAL	5,551	9,497	112,234	10,230	14,770	12,600	6,342	41,795	13,428	226,447
FY 87										
PERSONNEL	1,955	5,750	50024	2,688	4,044	4,416	2,063	12,011	4,927	87,878
O & M	3,069	2,899	37228	3,400	2,049	5,135	2,262	13,459	7,336	76,837
DEPRECIATION	1,115	0	0	1,209	111	1,356	73	446	437	4,747
CAPTIAL OUTLAY	130	242	60459	1,754	6,758	1,837	3,617	10,518	207	85,522
DEBT SERVICE	5	0	26203	422	844	445	1,089	6,538	541	36,087
TOTAL	6,274	8,891	173,914	9,473	13,806	13,189	9,104	42,972	13,448	291,071
FY 88										
PERSONNEL	2,052	5,623	48430	2,915	4,144	4,703	NA	11,482	5,254	84,603
O & M	3,126	3,275	37070	3,257	2,487	6,162	NA	14,941	3,656	73,974
DEPRECIATION	820	0	0	1,346	157	1,392	NA	626	484	4,825
CAPTIAL OUTLAY	53	333	18603	1,475	2,643	3,282	NA	9,544	2,832	38,765
DEBT SERVICE	6	0	2/096	506	840	614	NA	5,481	540	35,083
TOTAL	6,057	9,231	131,199	9,499	10,271	16,153	NA	42,074	12,766	237,250
FY 89										
PERSONNEL	2,026	5,564	52789	3,478	4,330	4,998	2,117	12,151	5,373	92,826
O & M	3,508	2,818	41303	3,724	2,670	6,358	2,626	17,053	4,291	84,351
DEPRECIATION	528	0	0	1,346	161	1,430	105	718	535	4,823
CAPTIAL OUTLAY	183	668	10429	2,475	3,122	1,077	1,879	7,404	1,946	29,183
DEBT SERVICE	30	0	26968	540	825	627	1,074	6,585	230	36,879
TOTAL	6,275	9,050	131,489	11,563	11,108	14,490	7,801	43,911	12,375	248,062
FY 90 (First 6 Months)										
PERSONNEL			5729		2,173		1,358	220	2,993	
O & M			5122		1,345		850	0	3,033	
DEPRECIATION			0		0		0	0	0	
CAPTIAL OUTLAY			3518		2,431		944	3,503	3,023	
DEBT SERVICE			11693		528		262	809	461	
TOTAL			26,062		6,477		3,412	4,532	9,510	

3.3 City of Cordova

Personnel Expenditures (Table 3-3a). Total personnel spending by the City of Cordova remained constant at an absolute level of just over $2 millions in FY 1989. This represents a real decrease per-employee of six percent since 1988 and reverses a pattern of constant-dollar spending stability in earlier years. Cordova allocated a total of $51,000 for oil spill disaster response coordination. Oil Spill Cleanup spending was larger than all other service function increases in FY 1989. Other service function categories that exhibited spending increases in FY 1989 are:

Service Function	Change from FY 88 to FY 89
Oil Spill Cleanup	+$51,000
Public Safety	+$47,000
Port/Harbor	+$34,000
Public Works	+$35,000
Libraries & Museums	+$24,000

Collectively, these personnel-expenditure increases were sufficient to more than offset a $221,000 absolute decline in personnel spending for general government.

Operation and Maintenance Expenditures (Table 3-3b). Cordova's O&M budget increased 13 percent from $3.1 to $3.5 million in FY 1989. However, the 28 percent increase in community population contributed to an overall real, per capita O&M spending decline of 14 percent ($1,561 in 1988 to $1,339 in 1989). The service function categories that contributed most to the absolute increase in O&M expenditures include:

Service Function	Change from FY 88 to FY 89
General Government	+$510,000
Oil Spill Cleanup	+$462,000
Libraries & Museums	+$91,000
Port/Harbor	+$28,000

O&M oil spill cleanup expenditures ($462,000) include city expenditures for legal fees, Oil Spill Disaster Response Office operations, meetings and travel, and oil spill cleanup supplies.

3.4 City of Valdez

Personnel Expenditures (Table 3-4a). Total spending on city personnel exhibited a modest but steady decline from calendar year (CY) 1986 and CY 1989. Between 1988 and 1989, personnel spending declined by about $59,000. This represents a real (inflation-adjusted) decline of seven percent per city employee. Service function categories that exhibited the greatest decline include Health and Hospitals and Public Safety. (Note, the Valdez hospital operates as a separate entity; figures not available.) General government personnel expenditures declined in CY 1989, reversing a pattern of steady growth over the previous three fiscal years. Personnel spending for oil spill cleanup was $753,565 in CY 1989. This represents the largest increase among all service function categories from CY 1988 and FY 1989.

Operation and Maintenance Expenditures (Table 3-4b). Valdez total O&M spending exhibited a strong 14-percent decline in FY 1989, following a three-year period of modest, but steady growth. A major factor in this decline was the reduction in O&M spending for General Government (down $261,000 from CY 1988) and Hospital (separate entity). Valdez City O&M spending for Oil Spill Cleanup was $250,000 in CY 1989.

3.5 Kenai Peninsula Borough

Personnel Expenditures (Table 3-5a). Kenai Peninsula Borough personnel spending increased nine percent from FY 1988 to FY 1989, reversing a pattern of gradual but steady decline in previous years. Real personnel spending per employee fell as a consequence of strong local government employment growth (13 percent). Nevertheless, Kenai Borough spending per employee was highest of all nine jurisdictions during the four-year period from FY 1986 to FY 1989. Factors that contributed most to the increase in personnel spending include:

Service Function	Change from FY 88 to FY 89
School	+$3,789,000
Public Works	+$225,000
Public Safety	+$190,000
Oil Spill Cleanup	+$28,000

Also, as shown in Table 3-5a, the Kenai Borough spent personnel funds on oil spill cleanup in the first six months of FY 1990.

Operation and Maintenance Expenditures (Table 3-5b). As with personnel expenditures, O&M spending exhibited strong 11-percent growth from FY 1988 to FY 1989. Viewed in terms of real, per capita growth, Kenai Borough spending increased by seven percent from FY 1988 to FY 1989. The service function categories that contributed most to rising O&M spending include:

Service Function	Change from FY 88 to FY 89
Hospital	+$1,988,000
School	+$1,664,000
Oil Spill Cleanup	+$1,468,000

Oil spill O&M cleanup expenditures of $1,468,000 in FY 1989 include pass-through expenditures to other jurisdictions ($660,000), as well as contractual services, beach patrol, and other cleanup operations. The Kenai Peninsula Borough also spent an additional $130,000 on oil spill O&M in the first six months of FY 1990. Oil spill expenditures for Kenai Peninsula Borough and other jurisdictions are reviewed in greater detail in Section 4.0 of this interim report.

3.6 City of Homer

Personnel Expenditures (Table 3-6a). The City of Homer increased personnel spending by 19 percent in Calendar Year (CY) 1989. This overall personnel spending increase was sufficient to produce a real gain of four percent per local government employee from 1988 to 1989. Personnel spending for Oil Spill Cleanup ranked highest among factors contributing to increased personnel expenditures. Other service function categories that exhibited the strong increases included Public Works and Port/Harbor, as shown below:

Service Function	Change from CY 88 to CY 89
Oil Spill Cleanup	+$184,000
Public Works	+$170,000
Port/Harbor	+$90,000

Operation and Maintenance Expenditures (Table 3-6b). City of Homer O&M spending also exhibited growth from CY 1988-to-1989 sufficient to sustain a real per capita gain of 11 percent. Service function categories that contributed most to O&M spending increase were:

Service Function	Change from CY 88 to CY 89
Port/Harbor	+$245,000
Public Safety	+$112,000
Oil Spill Cleanup	+$90,000

3.7 City of Kenai

Personnel Expenditures (Table 3-7a). Kenai City personnel expenditures increased four percent from $4.1 to $4.3 millions in FY 1989. This represents a continued pattern of gradual but steady growth in absolute spending over the previous four years. Real, per capita personnel expenditures increased more dramatically as a result of a steady reduction in the total number of local government employees in Kenai City. Factors that contributed most to this increase include:

Service Function	Change from FY 88 to FY 89
General Government	+$81,000
Public Safety	+$53,000
Public Works	+$35,000

Operation and Maintenance Expenditures (Table 3-7b). Kenai City O&M expenditures increased steadily from FY 1986 to 1989. General Government and Public Works accounted for most the overall seven-percent increase exhibited from FY 1988 to FY 1989. With the exception of about $4,000 in oil spill O&M expenditures, Kenai City did not report any other direct oil spill spending for O&M or personnel object categories.

3.8 City of Seward

Personnel Expenditures (Table 3-8a). Total personnel expenditures in Seward exhibited steady growth throughout the later 1980s. Viewed from the stand point of real spending per employee, Seward personnel expenditures declined from FY 1988 to FY 1989. This occurred, in part because of a 13-percent increase in local government employment during same period. Direct Oil Spill Cleanup expenditures totaled about $23,000 in FY 1989. Other factors that contributed most to increases in absolute personnel spending in 1989 include:

Service Function	Change from FY 88 to FY 89
Port/Harbor	+$108,000
Public Safety	+$84,000
General Government	+$65,000
Parks & Rec.	+$59,000
Oil Spill Cleanup	+$23,000

Operation and Maintenance Expenditures (Table 3-8b). O&M spending increased by three percent in both absolute and real, per-capita terms from FY 1988 to FY 1989. Several service function categories exhibited a down turn between FY 1988 and 1989. These include General Government, Planning, Public Safety, Health and Hospitals, Social Services. Reduced O&M expenditures for these categories was offset by increases in the following service function categories:

Service Function	Change from FY 88 to FY 89
Harbor	+$384,000
Oil Spill Cleanup	+$140,000

Oil Spill cleanup O&M spending ($140,000) covers beach operations, cleanup supplies, and contractual services. It is likely that the increase in harbor O&M spending is partially related to the oil spill cleanup activity.

3.9 City of Soldotna

Personnel Expenditures (Table 3-9a). Total personnel spending increased at an average rate of about two percent per year from FY 1987 to FY 1989. However, real personnel spending per employee decrease over the same two-year period. Spending increases were distributed somewhat evenly across service function categories. The City of Soldotna reported zero personnel expenditures for the Oil Spill Cleanup service function.

Operation and Maintenance Expenditures (Table 3-9b). Total O&M spending between 1987 and 1989 increased more strongly than did personnel spending during the same period. Real, per-capita spending in 1989 was sharply higher that in 1986; suggesting real, per-capita growth of 16 percent per year. Increased O&M spending in Public Works ($211,000) contributed most to overall O&M increases in FY 1989. The City of Soldotna reported zero Oil Spill Cleanup O&M expenditures in FY 1989.

3.10 Kodiak Island Borough

Personnel Expenditures (Table 3-10a). Kodiak Island Borough personnel expenditures increased six percent from $11.5 to $12.2 million in FY 1989. Viewed from the stand point of real personnel spending per employee, this represents a four-percent increase. Factors that contributed most to overall personnel spending growth include:

Service Function	Change from FY 88 to FY 89
Public Works	+$267,000
Oil Spill Cleanup	+$175,000
Health & Hospitals	+$127,000

Note that, in addition to $175,000 in direct oil spill personnel expenditures in FY 1989, Kodiak Island Borough report $224,000 in oil spill personnel spending during the first six months of FY 1990. Personnel spending increases in the Public Works service function are associated with solid waste operations.

Operation and Maintenance Expenditures (Table 3-10b). Kodiak Island Borough O&M expenditures exhibited strong 14-percent growth from FY 1988 to FY 1989. In absolute terms this represents an increase of about $2.1 million dollars. O&M spending declined a modest three percent from FY 1988 to 1989, when expressed in real, per-capita terms. This real, per-capita decline is largely a result of dramatic borough-wide population expansion between 1988 and 1989. Service function categories that contributed most to overall O&M expenditure growth include:

Service Function	Change from FY 88 to FY 89
Health & Hospitals	+$967,000
Oil Spill Cleanup	+$890,000
Public Works	+$170,000

Direct, oil spill cleanup spending in FY 1989 represents nearly half of the overall O&M expenditure increase in that fiscal year. Kodiak Island Borough reported an additional $543,000 in direct oil spill O&M expenditures in the first six months of FY 1990.

3.11 City of Kodiak

Personnel Expenditures (Table 3-11a). Total personnel expenditures for Kodiak City increased two percent to $5.4 millions in FY 1989. Growth in personnel expenditures was concentrated in the following service function categories:

Service Function	Change from FY 88 to FY 89
Planning/Land-use	+$78,000
Public Works	+$26,000

Kodiak City reported zero Oil Spill Cleanup personnel expenditures in FY 1989. However, $23,000 in personnel spending was reported for oil spill cleanup in the first six months of FY 1990.

Operation and Maintenance Expenditures (Table 3-11b). Total O&M spending for the City of Kodiak increased in both absolute and real, per-capita terms in FY 1989. Service function categories that exhibited the strongest growth during FY 1989 include:

Service Function	Change from FY 88 to FY 89
Port	+$376,000
Public Works	+$267,000

Kodiak City reported zero oil spill O&M expenditures in FY 1989. In the first six months of FY 1990, O&M spending for Oil Spill Cleanup was reported to be over $600,000.

TABLE 3-3a. PERSONNEL EXPENDITURES BY SERVICE FUNCTION - CORDOVA
Fiscal Year 1986 - Fiscal Year 1989
(Dollars)

SERVICE FUNCTION	FY 1986	FY 1987	FY 1988	FY 1989	FY 1990	Average Annual Rate of Growth (Percent) FY86-FY88	FY88-FY89
GENERAL GOVERNMENT	$320,377	$320,550	$350,873	$130,128		5%	-63%
PLANNING/LAND USE/BLDG.INSP.	62,301	14,068	94,85.	89,572		23%	-6%
PUBLIC SAFETY-POLICE/FIRE/EMS	551,271	595,078	618,757	666,072		6%	8%
HEALTH AND HOSPITALS							
Hospitals	0	0	0	0			
Mental Health	0	0	0	0			
Alcoholism	0	0	0	0			
Other	0	0	0	0			
SUBTOTAL HEALTH AND HOSPITALS	0	0	0	0			
SOCIAL SERVICES							
Child Care	0	0	0	0			
Senior Citizens	32,061	49,199	0	0			
Family Planning	0	0	0	0			
Other - Shelters, etc.	0	0	0	0			
Other	0	0	0	0			
SUBTOTAL SOCIAL SERVICES	32,061	49,199	0	0			
PARKS & RECREATIONAL							
Parks	13,760	16,072	12,277	21,054		-6%	
Campground	0	0	0	0			
Teen Center	0	0	0	0			
Swimming Pool	0	0	0	0			
Other	0	0	159	182			
SUBTOTAL PARKS & RECREATIONAL	13,760	16,072	12,436	21,236		-5%	71%
LIBRARIES & MUSEUMS	84,614	90,734	89,819	113,889		3%	27%
SCHOOLS	0	0	0	0			
PUBLIC WORKS							
Administration/Engineering	0	61,881	0	0			
Maintenance/Shop	0	0	87,761	111,158			
Public Buildings	22,216	25,513	38,546	34,300			
Streets/Roads	342,507	306,163	178,739	237,233			
Solid Waste	67,346	20,258	107,933	17,190			
Water/Sewer	211,312	188,140	204,721	253,499			
Power/Electric Utility	0	0	0	0			
Airport	0	0	0	0			
SUBTOTAL PUBLIC WORKS	643,381	601,955	617,700	653,380		-2%	6%
PORT	58,079	59,000	98,759	300,723		30%	205%
HARBOR	177,103	208,183	168,430	0		-2%	-100%
DEBT SERVICE	0	0	0	0			
OIL SPILL CLEANUP	0	0	0	50,980			
OTHER	0	0	0	0			
TOTAL PERSONNEL EXPENDITURES	1,942,947	1,954,845	2,051,611	2,025,980	NA	3%	-1%
TOTAL LOCAL GOV'T EMPLOYMENT	166	162	174	178	NA	2%	2%
TOTAL SPENDING PER EMPLOYEE	$11,705	$12,067	$11,791	$11,382		0%	-3%
TOTAL SPENDING PER EMPLOYEE IN CONSTANT 1989 DOLLARS	$12,126	$12,453	$12,133	$11,382		0%	-6%

TABLE 3-3b. OPERATIONS & MAINTENANCE EXPENDITURES BY SERVICE FUNCTION - CORDOVA
Fiscal Year 1986 - Fiscal Year 1989
(Dollars)

SERVICE FUNCTION	FY 1986	FY 1987	FY 1988	FY 1989	FY 1990	Average Annual Rate of Growth (Percent) FY86-FY88	FY88-FY89
GENERAL GOVERNMENT	374,980	277,616	238,599	749,076		-20%	214%
PLANNING/LAND USE/BLDG.INSP.	14,496	49,874	21,508	20,675		22%	-4%
PUBLIC SAFETY-POLICE/FIRE/EMS	130,393	120,905	96,671	140,733		-14%	46%
HEALTH AND HOSPITALS							
Hospitals	1,614,809	1,780,724	1,962,967	1,338,495			
Mental Health	0	0	0	0			
Alcoholism	0	0	0	0			
Other	0	0	0	0			
SUBTOTAL HEALTH AND HOSPITALS	1,614,809	1,780,724	1,962,967	1,338,495		10%	-32%
SOCIAL SERVICES							
Child Care	2,742	2,567	0	0			
Senior Citizens	100,729	63,138	0	0			
Family Planning	0	0	0	0			
Other - Shelters, etc.	0	0	0	0			
Other	0	0	0	0			
SUBTOTAL SOCIAL SERVICES	103,471	65,705	0	0			
PARKS & RECREATIONAL							
Parks	3,947	5,987	5,701	7,462			
Campground	0	0	0	0			
Teen Center	121,780	122,000	0	0			
Swimming Pool	0	0	0	0			
Other	8,092	15,722	24,894	21,611			
SUBTOTAL PARKS & RECREATIONAL	133,819	143,709	30,595	29,073		-52%	-5%
LIBRARIES & MUSEUMS	62,897	59,699	23,267	113,945		-39%	390%
SCHOOLS	9,949	11,776	100,826	0		218%	-100%
PUBLIC WORKS							
Administration/Engineering	0	9,857	0	0			
Maintenance/Shop	0	0	43,124	57,102			
Public Buildings	(22,216)	(3,671)	60,451	78,624			
Streets/Roads	103,221	77,715	115,802	125,520			
Solid Waste	22,769	132,615	28,118	33,726			
Water/Sewer	184,199	236,017	248,046	194,211			
Power/Electric Utility	0	0	0	0			
Airport	0	0	0	0			
SUBTOTAL PUBLIC WORKS	287,973	452,533	495,541	489,183		31%	-1%
PORT	33,953	29,753	41,645	164,343		11%	295%
HARBOR	102,543	76,692	94,449	0		-4%	-100%
DEBT SERVICE	0	0	0	0			
OIL SPILL CLEANUP	0	0	0	462,047			
OTHER	8,425	0	0	0			
TOTAL O&M EXPENDITURES ($)	2,877,708	3,068,986	3,106,068	3,507,570	NA	4%	13%
COMMUNITY POPULATION	2,053	NA	2,048	2,619	NA	0%	28%
PER CAPITA O&M SPENDING	$1,402		$1,517	$1,339		4%	-12%
PER CAPITA O&M SPENDING IN CONSTANT 1989 DOLLARS	$1,452		$1,561	$1,339		4%	-14%

TABLE 3-4a. PERSONNEL EXPENDITURES BY SERVICE FUNCTION - VALDEZ
Calendar Year 1986 - Calendar Year 1989
(Dollars)

SERVICE FUNCTION	CY 1986	CY 1987	CY 1988	CY 1989	CY 1990	Average Annual Rate of Growth (Percent) CY86-CY88	CY88-CY89
GENERAL GOVERNMENT	539,416	567,003	612,371	585,354		7%	-4%
PLANNING/LAND USE/BLDG.INSP.	189,344	92,775	29,266	136,679		-61%	367%
PUBLIC SAFETY-POLICE/FIRE/EMS	2,150,614	2,023,448	1,735,724	1,638,152		-10%	-6%
HEALTH AND HOSPITALS							
Hospitals	888,511	722,318	860,378	0			
Mental Health	78,815	71,772	85,649	135,913			
Alcoholism	72,135	66,879	67,956	80,404			
Other	0	0	0	0			
SUBTOTAL HEALTH AND HOSPITALS	1,039,461	860,969	1,013,983	216,317		-1%	-79%
SOCIAL SERVICES							
Child Care	0	0	0	0			
Senior Citizens	0	0	0	0			
Family Planning	0	0	0	0			
Other - Shelters, etc.	149,458	124,958	105,956	123,596			
Other	0	0	0	0			
SUBTOTAL SOCIAL SERVICES	149,458	124,958	105,956	123,596		-16%	17%
PARKS & RECREATIONAL							
Parks	175,467	163,148	172,632	158,233			
Campground	0	0	0	13,721			
Teen Center	44,569	35,772	33,506	32,949			
Swimming Pool	77,224	35,340	34,481	32,434			
Other	35,309	35,730	31,455	34,617			
SUBTOTAL PARKS & RECREATIONAL	332,569	269,990	272,074	271,954		-10%	0%
LIBRARIES & MUSEUMS	326,285	333,821	361,625	350,689		5%	-3%
SCHOOLS	0	0	0	0			
PUBLIC WORKS							
Administration/Engineering	230,711	182,167	208,077	189,012			
Maintenance/Shop	166,989	116,390	105,943	101,350			
Public Buildings	258,602	198,190	210,003	199,686			
Streets/Roads	336,010	389,828	344,805	336,446			
Solid Waste	197,600	188,664	156,398	162,073			
Water/Sewer	207,132	224,414	197,262	207,055			
Power/Electric Utility	0	0	0	0			
Airport	25,874	0	0	0			
SUBTOTAL PUBLIC WORKS	1,422,918	1,299,653	1,222,488	1,195,622		-7%	-2%
PORT	75,428	12,713	93,867	110,020		12%	17%
HARBOR	149,843	165,162	175,985	182,513		8%	4%
DEBT SERVICE	0	0	0	0			
OIL SPILL CLEANUP	0	0	0	753,565			
OTHER	0	0	0	0			
TOTAL PERSONNEL EXPENDITURES	6,375,336	5,750,492	5,623,339	5,564,461	NA	-6%	-1%
TOTAL LOCAL GOV'T EMPLOYMENT	286	288	280	291	NA	-1%	4%
TOTAL SPENDING PER EMPLOYEE	$22,291	$19,967	$20,083	$19,122		-5%	-5%
TOTAL SPENDING PER EMPLOYEE IN CONSTANT 1989 DOLLARS	$23,094	$20,606	$20,666	$19,122		-5%	-7%

TABLE 3-4b. OPERATIONS & MAINTENANCE EXPENDITURES BY SERVICE FUNCTION - VALDEZ
Calendar Year 1986 - Calendar Year 1989
(Dollars)

SERVICE FUNCTION	CY 1986	CY 1987	CY 1988	CY 1989	CY 1990	Average Annual Rate of Growth (Percent) FY86-FY88	FY88-FY89
GENERAL GOVERNMENT	471,034	512,228	866,617	605,814		36%	-30%
PLANNING/LAND USE/BLDG.INSP.	62,519	22,203	5,256	27,199		-71%	417%
PUBLIC SAFETY-POLICE/FIRE/EMS	197,472	134,504	147,268	174,944		-14%	19%
HEALTH AND HOSPITALS							
Hospitals	379,501	581,162	520,688	0			
Mental Health	28,044	28,043	25,412	45,644			
Alcoholism	12,952	12,588	14,730	14,571			
Other	0	0	0	0			
SUBTOTAL HEALTH AND HOSPITALS	420,497	621,793	560,830	60,215	0	15%	-89%
SOCIAL SERVICES							
Child Care	0	0	0	0			
Senior Citizens	52,310	55,226	71,052	49,308			
Family Planning	0	0	0	0			
Other - Shelters, etc.	96,474	82,009	79,432	72,828			
Other	0	0	0	0			
SUBTOTAL SOCIAL SERVICES	148,784	137,235	150,484	122,136	0	1%	-19%
PARKS & RECREATIONAL							
Parks	41,013	32,099	29,975	30,478			
Campground	0	0	0	1,083			
Teen Center	18,251	21,007	20,204	15,908			
Swimming Pool	1,558	1,996	1,563	1,875			
Other	9,248	10,527	8,690	11,672			
SUBTOTAL PARKS & RECREATIONAL	70,070	65,629	60,432	61,016	0	-7%	1%
LIBRARIES & MUSEUMS	111,581	120,524	128,899	127,498		7%	-1%
SCHOOLS	0	0	0	0			
PUBLIC WORKS							
Administration/Engineering	17,326	22,208	81,022	72,352			
Maintenance/Shop	154,056	167,042	177,356	174,156			
Public Buildings	85,278	84,482	107,334	150,975			
Streets/Roads	247,094	251,582	240,796	201,553			
Solid Waste	25,881	19,267	16,351	21,799			
Water/Sewer	299,879	309,508	302,683	299,836			
Power/Electric Utility	0	0	0	0			
Airport	87,939	99,234	86,771	110,937			
SUBTOTAL PUBLIC WORKS	917,453	953,323	1,012,313	1,031,608	0	5%	2%
PORT	257,264	240,779	230,280	234,852		-5%	2%
HARBOR	82,440	90,411	113,025	123,214		17%	9%
DEBT SERVICE	0	0	0	0			
OIL SPILL CLEANUP	0	0	0	249,598			
OTHER	0	0	0	0			
TOTAL O&M EXPENDITURES ($)	2,739,114	2,898,629	3,275,404	2,818,094	0	9%	-14%
COMMUNITY POPULATION	3,263	NA	3,313	7,193	NA	1%	117%
PER CAPITA O&M SPENDING	$839		$989	$392		9%	-60%
PER CAPITA O&M SPENDING IN CONSTANT 1989 DOLLARS	$870		$1,017	$392		8%	-61%

TABLE 3-5a. PERSONNEL EXPENDITURES BY SERVICE FUNCTION - KENAI PENINSULA BOROUGH
Fiscal Year 1986 - Fiscal Year 1990 (First 6 Months)
(Dollars)

SERVICE FUNCTION	FY 1986	FY 1987	FY 1988	FY 1989	FIRST HALF FY 1990	Average Annual Rate of Growth (Percent) FY86-FY88	FY88-FY89
GENERAL GOVERNMENT	3,921,471	3,785,042	3,508,887	3,605,440	2,178,698	-5%	3%
PLANNING/LAND USE/BLDG.INSP.	701,920	682,698	667,582	712,682	369,541	-2%	7%
PUBLIC SAFETY-POLICE/FIRE/EMS	2,034,160	2,470,208	2,387,319	2,576,917	1,376,112	8%	8%
HEALTH AND HOSPITALS							
Hospitals	0	0	0	0	0		
Mental Health	0	0	0	0	0		
Alcoholism	0	0	0	0	0		
Other	0	0	0	0	0		
SUBTOTAL HEALTH AND HOSPITALS	0	0	0	0	0		
SOCIAL SERVICES							
Child Care	0	0	0	0	0		
Senior Citizens	0	0	0	0	0		
Family Planning	0	0	0	0	0		
Other - Shelters, etc.	0	0	0	0	0		
Other	0	0	0	0	0		
SUBTOTAL SOCIAL SERVICES	0	0	0	0	0		
PARKS & RECREATIONAL							
Parks	0	0	0	0	0		
Campground	0	0	0	0	0		
Teen Center	0	0	0	0	0		
Swimming Pool	254,634	217,498	233,434	218,315	128,956		
Other	0	0	0	0	0		
SUBTOTAL PARKS & RECREATIONAL	254,634	217,498	233,434	218,315	128,956	-4%	
LIBRARIES & MUSEUMS	0	0	0	0	0		
SCHOOLS	41,507,393	40,366,698	39,014,097	42,802,825	0	-3%	10%
PUBLIC WORKS							
Administration/Engineering	657,765	467,759	447,878	566,587	119,879		
Maintenance/Shop	2,250,180	2,033,805	2,170,975	2,277,662	1,217,782		
Public Buildings	0	0	0	0	67,956		
Streets/Roads	0	0	0	0	93,622		
Solid Waste	0	0	0	0	147,081		
Water/Sewer	0	0	0	0	0		
Power/Electric Utility	0	0	0	0	0		
Airport	0	0	0	0	0		
SUBTOTAL PUBLIC WORKS	2,907,945	2,501,564	2,618,853	2,844,249	1,646,320	-5%	9%
PORT	0	0	0	0	0		
HARBOR	0	0	0	0	0		
DEBT SERVICE	0	0	0	0	0		
OIL SPILL CLEANUP	0	0	0	28,188	29,655		
OTHER	0	0	0	0	0		
TOTAL PERSONNEL EXPENDITURES	51,327,523	50,023,708	48,430,172	52,788,616	5,729,282	-3%	9%
TOTAL LOCAL GOV'T EMPLOYMENT	2,016	1,948	1,860	2,096	NA	-4%	13%
TOTAL SPENDING PER EMPLOYEE	$25,460	$25,680	$26,038	$25,185		1%	-3%
TOTAL SPENDING PER EMPLOYEE IN CONSTANT 1985 DOLLARS	$26,377	$26,501	$26,793	$25,185		1%	-6%

TABLE 3-5b. OPERATIONS & MAINTENANCE EXPENDITURES BY SERVICE FUNCTION - KENAI PENINSULA BOROUGH
Fiscal Year 1986 - Fiscal Year 1989
(Dollars)

SERVICE FUNCTION	FY 1986	FY 1987	FY 1988	FY 1989	FIRST HALF FY 1990	Average Annual Rate of Growth (Percent) FY86-FY88	FY88-FY89
GENERAL GOVERNMENT	2,304,733	1,664,325	1,938,067	1,610,757	1,997,282	-8%	-17%
PLANNING/LAND USE/BLDG.INSP.	527,641	532,529	578,409	767,441	198,533	5%	33%
PUBLIC SAFETY-POLICE/FIRE/EMS	551,673	611,798	742,806	842,014	370,192	16%	13%
HEALTH AND HOSPITALS							
Hospitals	16,560,848	17,361,468	17,703,234	19,691,528	0		
Mental Health	0	0	0	0	0		
Alcoholism	0	0	0	0	0		
Other	0	0	0	0	0		
SUBTOTAL HEALTH AND HOSPITALS	16,560,848	17,361,468	17,703,234	19,691,528	0	3%	11%
SOCIAL SERVICES							
Child Care	0	0	0	0	0		
Senior Citizens	121,138	130,321	115,772	118,721	62,480		
Family Planning	0	0	0	0	0		
Other - Shelters, etc.	0	0	0	0	0		
Other	0	0	0	0	0		
SUBTOTAL SOCIAL SERVICES	121,138	130,321	115,772	118,721	62,480	-2%	3%
PARKS & RECREATIONAL							
Parks	0	0	0	0	0		
Campground	0	0	0	0	0		
Teen Center	0	0	0	0	0		
Swimming Pool	162,075	113,218	129,262	124,606	60,844		
Other	0	0	0	0	0		
SUBTOTAL PARKS & RECREATIONAL	162,075	113,218	129,262	124,606	60,844	-11%	5%
LIBRARIES & MUSEUMS	0	0	0	0	0		
SCHOOLS	10,916,091	9,985,542	8,848,287	10,512,071	0	-10%	19%
PUBLIC WORKS							
Administration/Engineering	1,601,947	1,831,423	1,554,936	1,643,837	31,466		
Maintenance/Shop	1,757,460	1,885,120	2,123,958	1,896,849	980,727		
Public Buildings	0	0	0	0	344,567		
Streets/Roads	1,255,943	1,072,614	1,032,621	765,682	317,390		
Solid Waste	0	0	0	0	628,164		
Water/Sewer	0	0	0	0	0		
Power/Electric Utility	0	0	0	0	0		
Airport	0	0	0	0	0		
SUBTOTAL PUBLIC WORKS	4,615,350	4,789,157	4,711,515	4,306,368	2,302,314	1%	-3%
PORT	0	0	0	0	0		
HARBOR	0	0	0	0	0		
DEBT SERVICE	0	0	0	0	747		
OIL SPILL CLEANUP	0	0	0	1,467,880	129,936		
OTHER	1,590,222	2,039,486	2,302,173	1,861,496	0		
TOTAL O&M EXPENDITURES ($)	37,349,971	37,227,844	37,069,525	41,302,884	5,122,328	0%	11%
COMMUNITY POPULATION	40,414	39,170	39,949	40,312	NA	-1%	1%
PER CAPITA O&M SPENDING	$924		$928	$1,025		0%	10%
PER CAPITA O&M SPENDING IN CONSTANT 1989 DOLLARS	$957		$955	$1,025		0%	7%

TABLE 3-6a. PERSONNEL EXPENDITURES BY SERVICE FUNCTION - HOMER
Calendar Year 1986 - Calendar Year 1989
(Dollars)

SERVICE FUNCTION	CY 1986	CY 1987	CY 1988	CY 1989	CY 1990	Average Annual Rate of Growth (Percent) CY86-CY88	CY88-CY89
GENERAL GOVERNMENT	666,414	445,755	480,360	527,288		-15%	10%
PLANNING/LAND USE/BLDG.INSP.	0	0	0	0			
PUBLIC SAFETY-POLICE/FIRE/EMS	978,900	998,938	1,004,909	1,079,961		1%	7%
HEALTH AND HOSPITALS							
Hospitals	0	0	0	0			
Mental Health	0	0	0	0			
Alcoholism	0	0	0	0			
Other	0	0	0	0			
SUBTOTAL HEALTH AND HOSPITALS	0	0	0	0			
SOCIAL SERVICES							
Child Care	0	0	0	0			
Senior Citizens	0	0	0	0			
Family Planning	0	0	0	0			
Other - Shelters, etc.	0	0	0	0			
Other	0	0	0	0			
SUBTOTAL SOCIAL SERVICES	0	0	0	0			
PARKS & RECREATIONAL							
Parks	21,305	32,940	32,416	28,833			
Campground	0	0	0	0			
Teen Center	0	0	0	0			
Swimming Pool	0	0	0	0			
Other	0	0	0	0			
SUBTOTAL PARKS & RECREATIONAL	21,305	32,940	32,416	28,833		23%	-11%
LIBRARIES & MUSEUMS	164,016	160,201	167,388	170,482		1%	2%
SCHOOLS	0	0	0	0			
PUBLIC WORKS							
Administration/Engineering	3,129	3,840	3,907	1,970			
Maintenance/Shop	0	0	0	0			
Public Buildings	0	0	0	0			
Streets/Roads	691,438	171,919	303,810	509,153			
Solid Waste	0	0	0	0			
Water/Sewer	209,715	196,480	194,224	159,109			
Power/Electric Utility	0	0	0	0			
Airport	0	0	0	0			
SUBTOTAL PUBLIC WORKS	904,282	372,239	501,941	670,232		-25%	34%
PORT	274,665	197,393	289,407	225,097		3%	-22%
HARBOR	506,403	480,396	438,409	591,796		-7%	35%
DEBT SERVICE	0	0	0	0			
OIL SPILL CLEANUP	0	0	0	184,449			
OTHER	0	0	0	0			
TOTAL PERSONNEL EXPENDITURES	3,515,985	2,687,862	2,914,830	3,478,138	NA	-9%	19%
TOTAL LOCAL GOV'T EMPLOYMENT	351	347	336	376	NA	-2%	12%
TOTAL SPENDING PER EMPLOYEE	$10,017	$7,746	$8,675	$9,250		-7%	7%
TOTAL SPENDING PER EMPLOYEE IN CONSTANT 1989 DOLLARS	$10,378	$7,994	$8,927	$9,250		-7%	4%