

ALASKA LEGISLATURE COMMITTEE FILES 1985-1986 86/2

3214. 32 HCRA • HB 521 - HB 537 •

TABLE I

## VALUATION, POPULATION, AND G. O. BONDED DEBT

Per capita valuation, per capita general obligation bonded debt, and debt as a percent of valuation are reported in Table I. Included are organized boroughs and home rule and general law municipalities. Excluded are cities of the second class without debt or for which no valuation data is available. Data reported below for debt and population is as of July 1.

YEAR	MUNICIPALITIES DEBT	STATE OF ALASKA DEBT	TOTAL DEBT	POPULATION	PER CAPITA DEBT	$\frac{\% \text{ Debt}}{\text{Valuation}}$
1975	351,421,098	392,508,000	743,929,098	379,286	1,961	5.2%
1976	420,807,982	462,923,000	883,730,982	393,167	2,248	3.6
1977	519,599,526	530,008,000	1,049,607,526	398,983	2,631	3.0
1978	545,227,664	596,213,000	1,141,440,664	423,541	2,695	2.6
1979	768,508,903	670,503,000	1,439,011,903	429,649	3,349	3.1
1980	827,112,294	573,186,000	1,400,298,294	464,295	3,016	3.1
1981	1,091,019,504	701,178,000	1,792,197,504	422,187	4,245	3.7
1982	1,316,204,221	842,413,000	2,158,617,221	464,460	4,648	3.7
1983	1,619,154,450	946,183,000	2,565,332,450	516,324	4,968	4.1
1984	2,105,810,849	924,008,000	3,029,818,849	547,475	5,534	4.7
1985	2,084,098,600	816,100,000	2,900,198,600	566,657	5,118	4.3

TABLE 1.22 (continued)

<u>Cities</u>	<u>Full Value</u>	<u>Population</u>	<u>GO Debt Per Capita</u>	<u>Ratio of GO Debt to Full Value</u>	<u>Net GO Debt Per Capita<sup>1/</sup></u>	<u>Ratio of Net GO Debt to Full Value<sup>1/</sup></u>
Bethel	\$182,296,900	3,681	\$151	.31%	\$151	.31%
Cordova	120,673,900	2,520				
Craig	34,707,400	1,167	31	.10	31	.10
Delta Junction	30,870,500	1,207				
Dillingham	94,669,900	2,100				
Eagle	9,104,500	194				
Galena	19,149,500	942	955	4.70	955	4.70
Hoonah	27,845,200	906				
Hydaburg	12,688,900	463				
Take	11,608,000	633				
King Cove	23,230,800	547				
Klawock	5,563,000	600				
Kotzebue	93,245,100	2,981				
Nenana	12,881,500	542	733	3.08	383	2.10
Nome	116,712,900	3,876	558	1.85	558	1.85
Pelican	10,155,400	213				
Pecersburg	161,219,300	3,137	1,975	3.84	498	.97
St. Mary's	4,239,400	563				
Sand Point	71,086,800	900				
Skagway	58,447,100	790	1,038	1.40	1,038	1.40
Tanana	11,195,400	425				
Unalaska	105,309,400	1,922	1,716	3.13	1,283	2.34
Unalakleet	19,714,500	787				
Valdez		3,687	20,581		14,810	
AS 29.53.045(b) Tax Limit	1,740,431,900			4.36		3.14
AS 29.53.045(c) Tax Limit	716,105,732			10.59		7.63
Whittier	19,419,200	338				
Wrangell	111,757,000	2,376	4,524	9.62	1,285	2.73
Yakutat	17,679,400	462	509	1.33	509	1.33
TOTAL CITIES	3,125,901,900 <sup>2/</sup>	37,959	2,666	3.24	1,755	2.13
TOTAL MUNICIPALITIES	45,080,439,800	522,426	3,971	4.61	2,654	3.08
TOTAL STATEWIDE	48,915,237,900	566,657				

Source: Alaska Taxable 1985, Alaska Department of Community & Regional Affairs

<sup>1/</sup> Net of school debt.

<sup>2/</sup> Includes the total state

PROPOSED DRAFT LANGUAGE  
FOR MUNICIPAL SCHOOL DEBT SECTION OF  
ALASKA PUBLIC DEBT 1986

As of June 30, 1985, \$738 million of municipal school debt was outstanding. Under a program enacted in 1970 (Alaska Statutes 14.11.100) the State will reimburse the municipalities for debt service on certain portions of that debt. On June 30, 1985, the aggregate total percentage of municipal school debt to be reimbursed by the State was 93%. The State share of municipal school debt was thus \$687 million.

Because the statute which provides for reimbursement of a portion (100, 90 or 80 percent) of debt service on municipal school debt specifies a two year lag between payment by the municipality and reimbursement by the State for debt incurred prior to January 1, 1982, some principal and interest paid during the fiscal years ending June 30, 1984 and June 30, 1985 has not yet been reimbursed. The State share of municipal school debt outstanding on June 30, 1985 plus the State share of municipal school debt principal payments made by the municipalities during prior years but not yet reimbursed by the State amounted to a total of \$754 million. If added to the total of State and State supported debt, the amount of the State's principal outstanding on that debt would have been \$1,686 million.

On October 1, 1985 voters in six municipalities approved the issuance of an additional \$303 million of general obligation school debt. Most of that debt will have been issued by June 30, 1986. Voters in the City of Sitka approved the issuance of \$22.5 million of general obligation school debt in a special election on January 27, 1986. Voters in the Kodiak Island Borough will decide on the issuance of almost \$10 million of general obligation school debt in a special election on March 25, 1985. If issued, current statute provides for State reimbursement of up to eighty percent of the debt service on that debt during the year in which the payments are made.

TABLE I

Borough	Full Value	Population	General Obligation Debt	PER Capita Debt	PER Capita Value	DEBT % TO VALUATION
<b>Anchorage</b>						
City	\$4,982,502,900					
Other (includes State assessed)	\$8,216,852,900					
<b>TOTAL</b>	<b>\$13,199,355,800</b>	<b>244030</b>	<b>\$355,008,897</b>	<b>\$1,455</b>	<b>\$54,089</b>	<b>2.65%</b>
<b>Bristol Bay — TOTAL</b>						
	\$112,215,200	1271	\$3,665,000	\$2,884	\$88,289	3.27%
<b>Fairbanks</b>						
City	\$1,385,588,700	27103	\$10,590,000	\$391	\$51,123	0.76%
North Pole	\$119,049,000	1005	\$1,237,000	\$1,231	\$119,457	1.04%
Other (includes State assessed)	\$2,123,270,930		\$85,300,000			4.02%
<b>TOTAL</b>	<b>\$3,627,908,630</b>	<b>69633</b>	<b>\$97,127,000</b>	<b>\$1,395</b>	<b>\$52,100</b>	<b>2.68%</b>
<b>Haines</b>						
City	\$29,627,633	1079	\$765,000	\$709	\$27,458	2.58%
Other	\$59,255,267		\$555,000			0.94%
<b>TOTAL</b>	<b>\$88,882,900</b>	<b>1847</b>	<b>\$1,320,000</b>	<b>\$715</b>	<b>\$48,123</b>	<b>1.49%</b>
<b>Juneau</b>						
City	\$482,026,900					
Douglas	\$61,679,900					
Other	\$950,212,400					
<b>TOTAL</b>	<b>\$1,493,919,200</b>	<b>28941</b>	<b>\$51,761,000</b>	<b>\$1,789</b>	<b>\$51,619</b>	<b>3.46%</b>
<b>Kenai Peninsula</b>						
Homer	\$150,681,179	5432	\$2,677,000	\$493	\$27,740	1.78%
Kenai	\$179,859,530	6176	\$3,230,000	\$523	\$29,122	1.80%
Seldovia	\$20,224,597	678	\$397,000	\$586	\$29,830	1.96%
Seward	\$85,492,086	2072	\$2,609,000	\$1,259	\$41,261	3.05%
Soldotna	\$130,614,557	3597	\$2,326,653	\$647	\$36,320	1.78%
Other (includes State assessed)	\$2,535,736,051					
<b>TOTAL</b>	<b>\$3,102,640,000</b>	<b>38919</b>	<b>\$131,579,403</b>	<b>\$3,381</b>	<b>\$79,720</b>	<b>4.24%</b>
<b>Ketchikan Gateway</b>						
City	\$360,146,300	8414	\$11,305,000	\$1,344	\$42,803	3.14%
Other	\$351,195,300		\$22,490,000			6.40%
<b>TOTAL</b>	<b>\$711,341,600</b>	<b>14314</b>	<b>\$33,795,000</b>	<b>\$2,361</b>	<b>\$49,696</b>	<b>4.75%</b>
<b>Kodiak</b>						
City	\$459,473,500	6469	\$2,375,000	\$367	\$71,027	0.52%
Other	\$191,971,200		\$30,025,000			15.64%
<b>TOTAL</b>	<b>\$651,444,700</b>	<b>13479</b>	<b>\$32,400,000</b>	<b>\$2,403</b>	<b>\$48,330</b>	<b>4.97%</b>
<b>Mat-Su</b>						
Palmer	\$149,565,900	2792	\$2,048,000	\$734	\$53,569	1.37%
Houston	\$46,743,400	739		\$0	\$63,252	0.00%
Wasilla	\$219,402,800	3548		\$0	\$61,838	0.00%
Other (includes State assessed)	\$1,357,672,850		\$78,855,718			5.81%
<b>TOTAL</b>	<b>\$1,773,384,950</b>	<b>34030</b>	<b>\$80,903,718</b>	<b>\$2,377</b>	<b>\$52,112</b>	<b>4.56%</b>
<b>North Slope (includes State assessed)</b>						
<b>TOTAL</b>	<b>\$12,354,883,600</b>	<b>12359</b>	<b>\$1,203,440,000</b>	<b>\$97,373</b>	<b>\$999,667</b>	<b>9.74%</b>
<b>Sitka — TOTAL</b>						
	\$756,351,400	8221	\$13,220,000	\$1,608	\$92,002	1.75%
<b>Total Boroughs</b>						
	\$37,872,327,990	467044	\$2,004,220,018	\$4,291	\$81,089	5.29%

CITIES	Full Value	Population	General Obligation Debt	PER Capita Debt	PER Capita Value	DEBT % TO VALUATION
Bethel	\$170,370,900	3681	\$1,155,856	\$314	\$46,284	0.68%
Cordova	\$121,884,950	2520	\$1,434,800	\$569	\$48,367	1.18%
Craig	\$28,381,400	907	\$89,000	\$98	\$31,292	0.31%
Ellingsham	\$112,645,500	2026	\$68,000	\$34	\$55,600	0.06%
Galena	\$17,097,800	902	\$0	\$0	\$18,955	0.00%
Healy	\$26,023,600	865	\$0	\$0	\$20,085	0.00%
Hydaburg	\$11,858,800	429	\$0	\$0	\$27,643	0.00%
Kenai	\$10,848,600	631	\$90,000	\$143	\$17,193	0.83%
King Cove	\$21,711,000	521	\$0	\$0	\$41,672	0.00%
Klawock	\$5,199,100	542	\$0	\$0	\$9,592	0.00%
Kotzebue	\$5,041,480	2981	\$0	\$0	\$28,528	0.00%
Nenana	\$11,233,940	547	\$2,869,000	\$5,245	\$20,537	25.54%
Nome	\$207,050,000	3732	\$300,000	\$80	\$55,480	0.14%
Pelican	\$9,143,800	213	\$0	\$0	\$42,929	0.00%
Petersburg	\$161,660,700	3137	\$5,225,000	\$1,666	\$51,536	3.23%
St. Mary's	\$3,925,300	563	\$0	\$0	\$6,972	0.00%
Sand-Point	\$66,436,300	870	\$0	\$0	\$76,364	0.00%
Skagway	\$63,333,600	790	\$836,000	\$1,058	\$80,169	1.32%
Tanana	\$6,617,500	417	\$0	\$0	\$15,869	0.00%
Unalaska	\$95,670,900	1922	\$5,392,375	\$2,806	\$49,777	5.64%
Valdez (includes State assessed)	\$1,720,125,130	3687	\$80,497,000	\$21,833	\$466,538	4.65%
Whittier	\$18,510,280	273	\$0	\$0	\$67,803	0.00%
Wrangell	\$106,435,200	2376	\$3,395,000	\$1,429	\$44,796	3.19%
Yakutat (includes State assessed)	\$17,949,840	462	\$238,800	\$517	\$38,852	1.33%
Eagle	\$7,848,700	161	\$0	\$0	\$48,750	0.00%
<b>TOTAL CITIES</b>	<b>\$3,107,012,320</b>	<b>35155</b>	<b>\$101,590,831</b>	<b>\$2,890</b>	<b>\$88,380</b>	<b>3.27%</b>
<b>STATE</b>	<b>\$45,009,767,610</b>	<b>547475</b>	<b>\$924,008,000</b>	<b>\$1,688</b>	<b>\$82,213</b>	<b>2.05%</b>
<b>Total Boroughs</b>	<b>\$37,872,327,990</b>	<b>467044</b>	<b>\$2,004,220,018</b>	<b>\$4,291</b>	<b>\$81,089</b>	<b>5.29%</b>
<b>STATEWIDE TOTALS</b>	<b>\$45,009,767,610</b>	<b>547475</b>	<b>\$3,029,818,849</b>	<b>\$5,534</b>	<b>\$82,213</b>	<b>6.73%</b>

TABLE I

## VALUATION, POPULATION AND G.O. BONDED DEBT

BOROUGH	FULL VALUE DETERMINATION 1-1-83	POPULATION 7-1-83	G.O. BONDED DEBT 7-1-83	PER CAPITA DEBT	PER CAPITA VALUATION	DEBT % TO VALUATION
ANCHORAGE, MUNICIPALITY OF TOTAL	10,866,745,130	230,846	353,114,898	1,530	47,074	3.25
BRISTOL BAY TOTAL	103,818,800	1,271	3,785,000	2,978	81,683	3.65
FAIRBANKS NORTH STAR	3,356,789,390	65,311	61,575,000	1,249	51,197	2.43
Fairbanks City	2,715,947,100	27,103	11,915,000	440	100,208	0.44
North Pole	114,967,700	934	-0-	-0-	123,092	-0-
TOTAL	3,356,789,390	65,311	93,490,000	1,432	51,397	2.79
HAINES	84,508,200	1,847	660,000	357	45,754	.78
Haines City	40,740,800	1,079	849,710	788	37,752	2.09
TOTAL	84,508,200	1,847	1,509,710	817	45,754	1.79
JUNEAU, CITY & BOROUGH TOTAL	1,145,326,400	27,519	27,904,000	1,014	41,619	2.44
KENAI PENINSULA	3,906,130,750	35,769	169,180,024	3,024	109,204	2.77
Homer City	174,800,200	3,237	3,055,689	944	54,000	1.75
Kenai City	206,824,100	5,721	3,695,000	646	36,152	1.79
Seldovia City	18,246,100	510	430,000	843	35,777	2.36
Seward City	87,603,300	1,871	2,727,000	1,458	46,822	3.11
Soldotna City	132,734,800	3,353	2,294,000	684	39,587	1.73
TOTAL	3,906,130,750	32,769	120,381,713	3,366	109,204	3.08
KETCHIKAN GATEWAY	690,816,100	14,314	23,429,000	1,637	48,262	3.39
Ketchikan City	367,163,600	8,414	7,550,000	897	43,637	2.06
TOTAL	690,816,100	14,314	30,979,000	2,164	48,262	4.48
KODIAK ISLAND	541,882,100	13,079	22,275,000	1,703	41,432	4.11
Kodiak City	367,230,600	6,072	3,250,000	553	60,479	0.89
TOTAL	541,882,100	13,079	25,525,000	1,952	41,431	4.71
MATANUSKA-SUSITNA	1,421,820,060	30,568	83,304,989	2,725	46,514	5.86
Palmer City	91,963,800	2,738	2,128,000	-777	33,568	2.31
TOTAL	1,421,820,060	30,568	85,432,989	2,795	46,514	6.01
NORTH SLOPE BOROUGH TOTAL	10,059,361,780	7,721	755,700,000	97,876	1,302,857	7.51
SITKA, CITY & BOROUGH	439,486,500	8,221	16,488,419	2,006	53,459	3.75
TOTAL	32,616,691,210	433,466	1,514,310,729	3,493	75,246	4.64

## SEVEN PERCENT CAP

borough	FULL VALUE	G. G. DEBT	7% OF FULL VALUE	PERCENT OF G.G. DEBT/CAP	CURRENT PERCENT DEBT
Anchorage	\$15,755,411,000.00	\$352,759,900.00	\$1,102,878,770.00	32.53%	2.26%
Bristol Bay	\$101,798,800.00	\$3,335,000.00	\$7,125,916.00	47.61%	3.47%
Fairbanks	\$4,210,997,700.00	\$90,928,500.00	\$294,789,839.00	30.85%	2.16%
Maine	\$93,945,500.00	\$1,300,000.00	\$6,576,185.00	19.77%	1.78%
Juneau	\$1,613,368,900.00	\$47,631,000.00	\$112,937,223.00	42.19%	2.95%
Kenai Peninsula	\$3,290,219,200.00	\$137,929,000.00	\$230,315,344.00	59.89%	4.19%
Ketchikan Eastern	\$675,985,100.00	\$31,930,000.00	\$47,318,957.00	67.48%	4.72%
Kodiak	\$572,370,700.00	\$29,270,000.00	\$40,665,549.00	70.51%	4.94%
Mat-Su	\$2,367,406,200.00	\$112,209,000.00	\$165,718,434.00	67.71%	4.74%
North Slope	\$12,876,786,900.00	\$1,155,690,000.00	\$901,375,083.00	128.21%	9.97%
Sitka	\$396,227,900.00	\$12,400,000.00	\$27,735,953.00	44.71%	3.13%
<b>Total Boroughs</b>	<b>\$41,954,537,900.00</b>	<b>\$1,920,631,400.00</b>	<b>\$2,936,817,653.00</b>	<b>67.44%</b>	<b>4.72%</b>

## CITIES

Esthai	\$182,296,990.00	\$556,500.00	\$12,760,735.00	4.35%	0.31%
Gardova	\$120,673,000.00	\$0.00	\$8,447,110.00	0.00%	0.00%
Crat	\$34,707,400.00	\$0.00	\$3,429,518.00	0.00%	0.00%
Delta Junction	\$30,870,500	\$0	\$2,160,935.00	0.00%	0.00%
Dillingham	\$94,689,900.00	\$0.00	\$6,626,893.00	0.00%	0.00%
Esola	\$9,194,500.00	\$0.00	\$637,315.00	0.00%	0.00%
Gaiens	\$19,149,500.00	\$900,000.00	\$1,340,465.00	67.14%	4.70%
Hoonah	\$27,845,200.00	\$0.00	\$1,949,184.00	0.00%	0.00%
Hydaburg	\$12,669,900.00	\$0.00	\$398,223.00	0.00%	0.00%
Kake	\$11,609,000.00	\$0.00	\$812,560.00	0.00%	0.00%
King Cove	\$23,230,800.00	\$0.00	\$1,626,156.00	0.00%	0.00%
Klawock	\$5,563,000.00	\$0.00	\$389,410.00	0.00%	0.00%
Kotzebue	\$93,245,100.00	\$0.00	\$6,527,157.00	0.00%	0.00%
Kenena	\$12,631,500.00	\$395,300.00	\$901,705.00	43.95%	3.08%
Nome	\$116,712,900.00	\$2,161,200.00	\$8,169,903.00	26.45%	1.85%
Pelican	\$10,155,400.00	\$0.00	\$710,878.00	0.00%	0.00%
Petersburg	\$161,219,300.00	\$6,195,000.00	\$11,235,351.00	54.89%	3.84%
Sans Point	\$71,066,800.00	\$0.00	\$4,976,075.00	0.00%	0.00%
Skagway	\$52,447,100.00	\$820,000.00	\$3,091,297.00	20.04%	1.40%
St. Mary's	\$4,239,400.00	\$0.00	\$296,753.00	0.00%	0.00%
Tanana	\$11,195,400.00	\$0.00	\$783,678.00	0.00%	0.00%
Unalakleet	\$19,714,500	\$0	\$1,350,015.00	0.00%	0.00%
Unalaska	\$105,309,400.00	\$3,299,000.00	\$7,371,658.00	44.75%	3.13%
Valdez	\$1,740,431,900.00	\$75,833,000.00	\$121,830,233.00	62.24%	4.36%
Whittier	\$19,415,200.00	\$0.00	\$1,359,344.00	0.00%	0.00%
Wrangell	\$111,757,000.00	\$10,750,000.00	\$7,822,990.00	137.47%	9.62%
Yakutat	\$17,679,400.00	\$235,200.00	\$1,237,558.00	19.01%	1.33%
<b>TOTAL CITIES</b>	<b>\$3,125,901,900.00</b>	<b>\$101,146,200.00</b>	<b>\$218,817,133.00</b>	<b>46.22%</b>	<b>3.24%</b>

STATE	\$48,915,237,900.00	\$916,100,000.00	\$3,424,066,653.00	23.53%	1.67%
<b>Total Boroughs</b>	<b>\$41,954,537,900.00</b>	<b>\$1,960,631,400.00</b>	<b>\$2,936,817,653.00</b>	<b>67.44%</b>	<b>4.72%</b>

Alaska Municipalities  
Capacity to Issue Additional General Obligation Debt  
Under a 7% of Full Value Limit  
(\$ Millions)

	Full Value <u>January 1, 1985</u>	GO Debt Limit <u>at 7%</u>	GO Debt <u>Outstanding</u>	GO Debt <u>Capacity</u>
<u>Boroughs</u>				
Anchorage	15,755.4	1,102.9	358.8	744.1
Bristol Bay	101.8	7.1	3.5	3.6
Fairbanks	4,211.0	294.8	90.9	203.9
Haines	93.9	6.6	1.3	5.3
Juneau	1,613.4	112.9	47.7	65.2
Kenai	3,290.2	230.3	137.9	92.4
Ketchikan	676.0	47.3	31.9	15.4
Kodiak	572.4	40.1	28.3	11.8
Mat-Su	2,367.4	165.7	112.2	53.5
North Slope	12,876.8	901.4	1,155.7	-
Sitka	396.2	27.7	12.4	15.3
<u>Cities</u>				
Bethel	182.3	12.8	.6	12.2
Cordova	120.7	8.4	-	8.4
Craig	34.7	2.4	-	2.4
Delta Junction	30.9	2.2	-	2.2
Dillingham	94.7	6.6	-	6.6
Eagle	9.1	.6	-	.6
Galena	19.1	1.3	.9	.4
Hoonah	27.8	1.9	-	1.9
Hydaburg	12.7	.9	-	.9
Kake	11.6	.8	-	.8
King Cove	23.2	1.6	-	1.6
Klawock	5.6	.4	-	.4
Kotzebue	93.2	6.5	-	6.5
Nenana	12.9	.9	2.7	-
Nome	116.7	8.2	2.2	6.0
Pelican	10.2	.7	-	.7
Petersburg	161.2	11.3	6.2	5.1
St. Mary's	4.2	.3	-	.3
Sand Point	71.1	5.0	-	5.0
Skagway	58.4	4.1	.8	3.3
Tanana	11.2	.8	-	.8
Unalakleet	19.7	1.4	-	1.4
Unalaska	105.3	7.4	3.3	4.1
Valdez	1,740.4	121.8	75.8	46.0
Whittier	19.4	1.4	-	1.4
Wrangell	111.8	7.8	10.7	-
Yakutat	17.7	1.2	.2	1.0

TABLE 1.21 (DRAFT FOR ALASKA PUBLIC DEBT 1986)

Debt of Alaska Municipalities  
6-30-85  
(Dollars)

<u>Boroughs</u>	<u>G.O. Debt</u>	<u>Revenue Debt</u>	<u>Total Debt</u>	<u>School G.O. Debt</u>	<u>% of School Debt Paid by State</u>	<u>Net G.O. Debt</u>	<u>Total Net Debt</u>
ANCHORAGE, MUNICIPALITY OF	358,799,900	347,080,000	705,879,900	139,965,000	94 %	227,232,800	574,312,800
BRISTOL BAY	3,535,000	-	3,535,000	3,535,000	90	353,500	353,500
FAIRBANKS NORTH STAR	80,700,000	-	80,700,000	79,900,000	92	7,192,000	7,192,000
Fairbanks City	9,010,000	61,170,000	70,180,000	-	-	9,010,000	70,180,000
North Pole	1,218,550	-	1,218,550	-	-	1,218,550	1,218,550
TOTAL	90,928,500	61,170,000	152,098,500	79,900,000	92	17,420,550	78,591,050
HAINES	555,000	-	555,000	500,000	100	-	-
Haines City	745,000	-	745,000	-	-	745,000	745,000
TOTAL	1,300,000	-	1,300,000	500,000	100	800,000	800,000
UNEAU, CITY & BOROUGH	47,651,000	27,480,000	75,131,000	30,209,018	91	20,160,794	47,640,794
KENAI PENINSULA	119,324,005	-	119,324,005	100,120,000	90	29,216,005	29,216,005
Homer City	2,113,000	1,025,000	3,138,000	-	-	2,113,000	3,138,000
Kenai City	5,835,000	235,000	6,070,000	-	-	5,835,000	6,070,000
Seldovia City	378,000	43,000	421,000	-	-	378,000	421,000
Seward City	10,000	7,672,000	7,682,000	-	-	10,000	7,682,000
Soldotna City	2,800,000	-	2,800,000	-	-	2,800,000	2,800,000
TOTAL	130,460,005	8,975,000	139,435,005	100,120,000	90	40,352,005	49,327,005
KETCHIKAN GATEWAY	21,090,000	410,000	21,500,000	16,445,000	92	5,960,600	6,370,600
Ketchikan City	10,840,000	23,280,000	34,120,000	-	-	10,840,000	34,120,000
TOTAL	31,930,000	23,690,000	55,620,000	16,445,000	92	16,800,600	40,490,600
KODIAK ISLAND	25,815,000	-	25,815,000	25,515,000	91	2,596,350	2,596,350
Kodiak City	2,455,000	3,298,000	5,753,000	-	-	2,455,000	5,753,000
TOTAL	28,270,000	3,298,000	31,568,000	25,515,000	91	5,051,350	8,349,350
MATANUSKA-SUSITNA	110,160,000	-	110,160,000	95,120,000	90	24,552,000	24,552,000
Palmer City	2,048,000	290,000	2,338,000	-	-	2,048,000	2,338,000
TOTAL	112,208,000	290,000	112,498,000	95,120,000	90	26,600,000	26,890,000
NORTH SLOPE	1,155,680,000	-	1,155,680,000	207,220,000	97	954,676,600	954,676,600
SITKA, CITY & BOROUGH	12,400,000	53,675,000	66,075,000	2,052,258	100	10,347,742	64,022,742
 TOTAL BOROUGHS	 1,973,162,405	 525,658,000	 2,498,820,405	 700,581,276	 93 %	 1,319,795,941	 1,845,453,941

TABLE 1.21 (continued)

<u>Cities</u>	<u>G.O. Debt</u>	<u>Revenue Debt</u>	<u>Total Debt</u>	<u>School G.O. Debt</u>	<u>% of School Debt Paid by State</u>	<u>Net G.O. Debt</u>	<u>Total Net Debt</u>
Bethel	556,505	535,000	1,091,505	-	- %	556,505	1,091,508
Cordova	-	1,456,000	1,456,000	-	-	-	1,456,000
Craig	35,646	87,000	128,646	-	-	35,646	120,646
Dillingham	-	286,000	286,000	-	-	-	286,000
Galena	900,000	-	900,000	-	-	900,000	900,000
Hoonah	-	-	-	-	-	-	-
Hydaburg	-	-	-	-	-	-	-
Kake	-	86,000	86,000	-	-	-	86,000
King Cove	-	-	-	-	-	-	-
Klawock	-	-	-	-	-	-	-
Kotzebue	-	-	-	-	-	-	-
Nenana	397,356	2,320,000	2,717,356	190,000	100	207,356	2,527,356
Nome	2,161,250	-	2,161,250	-	-	2,161,250	2,161,250
Pelican	-	-	-	-	-	-	-
Petersburg	6,195,000	4,367,835	10,562,835	4,826,500	96	1,561,560	5,929,395
St. Mary's	-	-	-	-	-	-	-
Sand Point	-	-	-	-	-	-	-
Skagway	820,000	-	820,000	-	-	820,000	820,000
Tanana	-	-	-	-	-	-	-
Unalaska	3,299,032	429,216	3,728,248	925,000	90	2,466,532	2,895,748
Valdez	75,833,000	7,650,000	83,483,000	22,585,000	94	54,603,100	62,253,100
Whittier	-	-	-	-	-	-	-
Wrangell	10,750,000	812,600	11,562,600	9,385,777	82	3,053,663	3,866,263
Yakutat	235,193	490,476	725,669	-	-	235,193	725,669
<b>TOTAL CITIES</b>	<b>101,182,982</b>	<b>18,520,127</b>	<b>119,703,109</b>	<b>37,912,277</b>	<b>91</b>	<b>66,600,805</b>	<b>85,120,932</b>
<b>TOTAL MUNICIPALITIES</b>	<b>2,074,345,387</b>	<b>544,178,127</b>	<b>2,618,523,514</b>	<b>738,493,553</b>	<b>93 %</b>	<b>1,386,396,746</b>	<b>1,930,574,873</b>

Sources: Alaska Department of Education and Alaska Taxable 1985, Alaska Department of Community and Regional Affairs.

TABLE 1.22

Alaska Municipal Debt Ratios (DRAFT FOR ALASKA PUBLIC DEBT 1986)  
6-30-85

<u>Boroughs</u>	<u>Full Value</u>	<u>Population</u>	<u>GO Debt Per Capita</u>	<u>Ratio of GO Debt to Full Value</u>	<u>Net GO Debt Per Capita</u> <sup>1/</sup>	<u>Ratio of Net GO Debt to Full Value</u> <sup>1/</sup>
ANCHORAGE, MUNICIPALITY OF	\$15,755,411,000	248,263	\$1,445	2.28%	\$915	1.44%
BRISTOL BAY	101,798,800	1,271	2,781	3.47	278	.35
FAIRBANKS NORTH STAR	2,564,966,300	46,340				
Fairbanks City	1,458,574,300	27,099	332	.62	332	.62
North Pole	187,457,100	1,640	742	.65	742	.65
TOTAL	4,210,997,700	75,079	1,211	2.16	232	.41
HAINES	49,929,200	768				
Haines City	44,916,300	1,079	690	1.66	690	1.66
TOTAL	93,945,500	1,847	703	1.38	433	.85
JUNEAU, CITY & BOROUGH	1,613,388,900	29,370	1,622	2.95	686	1.25
KENAI PENINSULA	2,417,376,100	22,321				
Homer City	215,845,000	3,817	553	.98	553	.98
Kenai City	282,950,000	6,434	906	2.06	906	2.06
Seldovia City	16,451,300	678	557	2.30	557	2.30
Seward City	142,170,600	2,072	5	.01	5	.01
Soldotna City	215,425,400	3,597	778	1.30	778	1.30
TOTAL	3,290,219,200	38,919	3,352	3.97	1,037	1.23
KETCHIKAN GATEWAY	284,545,100	5,500				
Ketchikan City	391,440,000	8,414	1,288	3.81	1,288	3.81
TOTAL	675,985,100	14,314	2,230	4.72	1,174	2.49
KODIAK ISLAND	180,536,600	7,146				
Kodiak City	391,834,100	6,602	371	.63	371	.63
TOTAL	572,370,700	13,748	2,056	4.94	367	.88
MATANUSKA-SUSITNA	2,225,993,800	38,077				
Palmer City	141,412,400	3,016	679	1.45	679	1.45
TOTAL	2,367,406,200	41,093	2,730	4.74	647	1.12
NORTH SLOPE		12,342	93,638		77,352	
AS 29.53.045(b) Tax Limit	12,876,786,900			8.97		7.41
AS 29.53.045(c) Tax Limit	2,397,118,779			48.21		39.83
SITKA, CITY & BOROUGH	396,227,900	8,221	1,508	3.13	1,259	2.61
TOTAL BOROUGHs	41,954,537,900 <sup>2/</sup>	484,467	4,073	4.70	2,724	3.15



ALASKA STATE LEGISLATURE  
HOUSE OF REPRESENTATIVES  
RESEARCH AGENCY

Pouch Y, State Capitol  
Juneau, Alaska 99811  
(907) 465-3991

March 18, 1986

MEMORANDUM

TO: Representative Andre Marrou

ATTN: Jack Sanderson

FROM: Jay Livey *JL*  
Legislative Analyst

RE: Municipal General-Obligation Debt as a Percentage of Property  
Value  
Research Request 86-138

You asked that we research the general obligation (G.O.) debt of Alaska municipalities to determine the occasions in which that debt exceeded seven percent of each municipality's total assessed property value. Table 1 lists the assessed value, general obligation debt, population, debt per capita and debt as a percentage of assessed value for all of these instances since 1972.

The table indicates that 20 municipalities have had G.O. debt exceed seven percent of their assessed value at least once between 1972 and 1985. It should be noted that Table 1 includes all occasions in which any borough, city within a borough, area within a borough outside of a city, or the sum of debt within a borough exceeds the seven percent limit. Nenana had the highest percentage of debt to assessed value, 30.39 percent in 1982. The highest per capita debt, \$97,876, occurred in the North Slope Borough in 1983. This debt was equivalent to 7.51 percent of the North Slope Borough's assessed value.

I hope this information is useful. If you have any questions, please contact our agency.

JL

Attachments

TABLE 1

Municipal General Obligation Debt in Excess of Seven Percent of Assessed Value  
1972-1985

<u>Municipality</u>	<u>Full Value Determination</u>	<u>General Obligation Debt</u>	<u>Population</u>	<u>General Obligation Per Capita</u>	<u>G.O Debt as a Percent of Full Value Determination</u>
<u>1972</u>					
City & Borough of Juneau	\$ 174,419,620	\$ 13,738,000	13,895	\$ 989	7.88 percent
Anchorage Borough & Anchorage City	1,660,976,670	181,214,000	110,456	1,641	10.91
Anchorage Borough	1,660,976,670	135,104,000	110,456	1,223	8.13
Kenai Borough & Cities	272,688,505	19,142,670	15,856	1,207	7.02
Homer City	12,551,740	967,600	1,083	893	9.08
Kenai City	48,484,940	4,666,000	3,533	1,321	9.10
Seldovia City	2,476,795	514,000	437	1,176	20.75
Ketchikan Borough & Ketchikan City	130,541,405	14,527,000	10,041	929	7.14
Ketchikan Borough	130,541,405	9,327,000	10,041	1,447	11.13
Kodiak Borough & Kodiak City	75,956,680	7,489,000	6,357	1,178	9.85
Palmer	12,872,625	964,200	1,335	722	7.49
Cordova	11,265,740	994,000	1,164	854	8.82
Craig	1,677,060	139,000	272	511	8.29
Nenana	3,545,815	280,000	424	660	7.90
Petersburg	20,172,900	1,449,500	2,105	680	7.19

<u>Municipality</u>	<u>Full Value Determination</u>	<u>General Obligation Debt</u>	<u>Population</u>	<u>General Obligation Per Capita</u>	<u>G.O Debt as a Percent of Full Value Determination</u>
<u>1973</u>					
Anchorage Borough & Anchorage City	2,010,035,810	185,833,000	149,440	1,244	9.25
North Pole City	1,208,085	358,000	265	1,350	29.61
Seldovia	3,293,970	506,000	437	1,158	15.36
Ketchikan Borough & Ketchikan City	153,249,375	14,728,000	10,587	1,391	9.61
Kodiak Borough & City	75,323,490	8,125,000	6,567	1,237	10.78
Cordova	18,081,850	1,434,000	2,114	678	7.93
Nenana	3,758,520	275,000	416	661	7.32
<u>1974</u>					
Anchorage Borough & Anchorage City	2,301,938,225	215,014,000	162,499	1,323	9.34
North Pole	1,754,900	346,000	265	1,306	19.72
Haines Borough	23,529,062	1,688,965	1,980	853	7.18
Kenai City	49,425,190	5,410,000	4,028	1,343	10.95
Seldovia City	3,786,300	496,000	612	810	13.09
Ketchikan Borough & Ketchikan City	180,466,350	14,511,000	10,587	1,371	8.04
Kodiak Borough & Kodiak City	96,246,440	8,053,000	6,627	1,215	8.37
Nenana	3,056,285	270,000	469	576	3.84
Yakutat	1,020,000	100,000	351	285	9.81

<u>Municipality</u>	<u>Full Value Determination</u>	<u>General Obligation Debt</u>	<u>Population</u>	<u>General Obligation Per Capita</u>	<u>G.O Debt as a Percent of Full Value Determination</u>
<u>1975</u>					
Anchorage Municipality & Anchorage City	2,935,158,305	220,421,000	175,697	1,255	7.51
North Pole	3,053,415	347,000	461	753	11.37
Haines Borough & Haines City	30,177,406	2,513,038	1,980	1,269	8.33
Seldovia	3,778,740	533,000	612	871	14.11
Menana	3,549,395	265,000	486	545	7.46
<u>1976</u>					
Kenai City	62,934,420	7,559,707	1,447	5,223	12.01
Mat-Su Borough	453,284,865	17,395,000	14,606	1,191	8.65
Menana	3,563,695	259,000	493	525	7.26
Petersburg	33,067,805	3,808,737	2,126	1,760	11.52
<u>1977</u>					
Seldovia	6,733,035	505,000	612	825	7.50
King Cove	2,863,490	393,860	408	965	13.75
Petersburg	34,048,060	3,750,000	2,126	1,764	11.01
<u>1978</u>					
Klawock	1,168,065	128,000	323	396	10.95
Petersburg	41,742,285	3,725,000	3,197	1,165	8.92

<u>Municipality</u>	<u>Full Value Determination</u>	<u>General Obligation Debt</u>	<u>Population</u>	<u>General Obligation Per Capita</u>	<u>G.O Debt as a Percent of Full Value Determination</u>
<u>1979</u>					
Unalaska	33,331,900	3,519,594	768	4,583	10.56
<u>1980</u>					
Palmer	20,735,400	2,292,022	2,095	1,094	11.05
<u>1981</u>					
None					
<u>1982</u>					
North Slope Borough	8,268,630,720	587,400,000	7,552	77,781	7.10
Nenana	8,966,600	2,725,000	540	5,046	30.39
<u>1983</u>					
North Slope	10,059,361,780	755,700,000	7,721	97,876	7.51
Nenana	10,987,760	2,869,000	586	4,895	26.11
<u>1984</u>					
Kodiak Borough (Outside Kodiak City)	191,971,200	30,025,000	NA	NA	15.64
North Slope	12,354,883,600	1,203,440,000	12,359	97,373	9.74
Nenana	11,233,940	2,869,000	547	5,245	25.54

<u>Municipality</u>	<u>Full Value Determination</u>	<u>General Obligation Debt</u>	<u>Population</u>	<u>General Obligation Per Capita</u>	<u>G.O Debt as a Percent of Full Value Determination</u>
<u>1985</u>					
Ketchikan Borough (Out-side Ketchikan City)	284,545,100	21,090,000	5,900	3,574	7.41
Kodiak Borough (Out-side Kodiak City)	180,536,600	25,815,000	7,146	3,612	14.30
North Slope	12,876,768,900	1,155,680,000	12,342	93,637	8.97
Nenana	12,881,500	2,717,300	542	5,013	21.00
Wrangell	111,757,000	10,750,000	2,376	4,524	9.68

Source: Alaska Taxable, Department of Community and Regional Affairs

Prepared by the House Research Agency, March 1986.

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Briefing Materials

# Debt Management Plan

February, 1986

State of Alaska  
Office of the Governor

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February 1986

DEBT MANAGEMENT PLAN

Governor Bill Sheffield

Through careful management, the State of Alaska has maintained the best credit rating we've ever had. That AA rating, in turn, has allowed local governments across Alaska to keep their investment grade ratings as well. This good credit rating translates into lower property taxes for Alaskans.

With dropping world oil prices, however, Alaska's annual debt payments automatically become a larger part of our expenses.

So, I have asked the 14th Alaska Legislature to approve a package of new laws which, viewed as a whole, will give our young state a plan for comprehensive debt management for the first time. None of these proposed improvements in our laws is flashy or exciting, but as a package they are vital to the continued financial health of Alaska. I encourage you to read the enclosed information.

In short, the debt management plan I have placed before the Alaska Legislature will keep the commitments voters have made to our future, particularly in regards to local school construction. The plan also will guarantee we can continue to incur a reasonable amount of debt for school construction and other improvements in the future, while we preserve our good credit rating.

## DEBT MANAGEMENT PLAN

### An Overview

Without firm control of public debt the credit rating of all debt issuers in Alaska could be in jeopardy. Right now the State has an AA rating, the highest it's ever had, and all issuers within the State are rated as investment grade. But as oil prices decline, the share of revenues devoted to debt service will become an increasingly heavier burden. The State of Alaska cannot control the price of oil. What we can and must control is the amount of public debt.

Proper stewardship of public debt in Alaska can be accomplished through enactment of legislation covering four distinct needs. Taken separately, each of the four bills brings reasonableness to a different aspect of public debt. But viewed as a whole, this legislation provides a plan for comprehensive debt management for the first time. It assures that all State-supported debt, which is any debt paid from the State general fund, is subject to the control of the State Bond Committee. It is this total of State supported debt which the rating agencies look to in establishing the State's credit rating.

The first bill, House Bill 293, provides for orderly financial management in the event of a default by a municipality of its debt obligations. This legislation protects both issuers of public debt in Alaska and creditors.

House Bill 519 provides for the lease financing of public buildings through the Alaska State Housing Authority, acting as

the Alaska State Building Authority. The bill gives the State Bond Committee control over issuance of this debt as well as debt of the University of Alaska.

House Bill 520 gives the State Bond Committee control over the total amount and maturity of municipal school debt to be reimbursed by the State. The investment community needs to see some control on this fast-growing part of State supported debt.

The fourth bill, House Bill 521 places a limit on the issuance of general obligation debt by municipalities. Even with this limit some municipalities in Alaska will have some of the highest debt ratios in the United States. This legislation does not limit the ability to issue revenue bonds.

As background, Alaska's combined debt (State, municipal and school district) through the issuance of general obligation bonds was \$2.9 billion as of June 30, 1985. That amounts to about \$5,500 per Alaskan. When the amount of G.O. Bond debt for veterans' housing is included in the total, Alaska's per capita debt load is \$7,000.

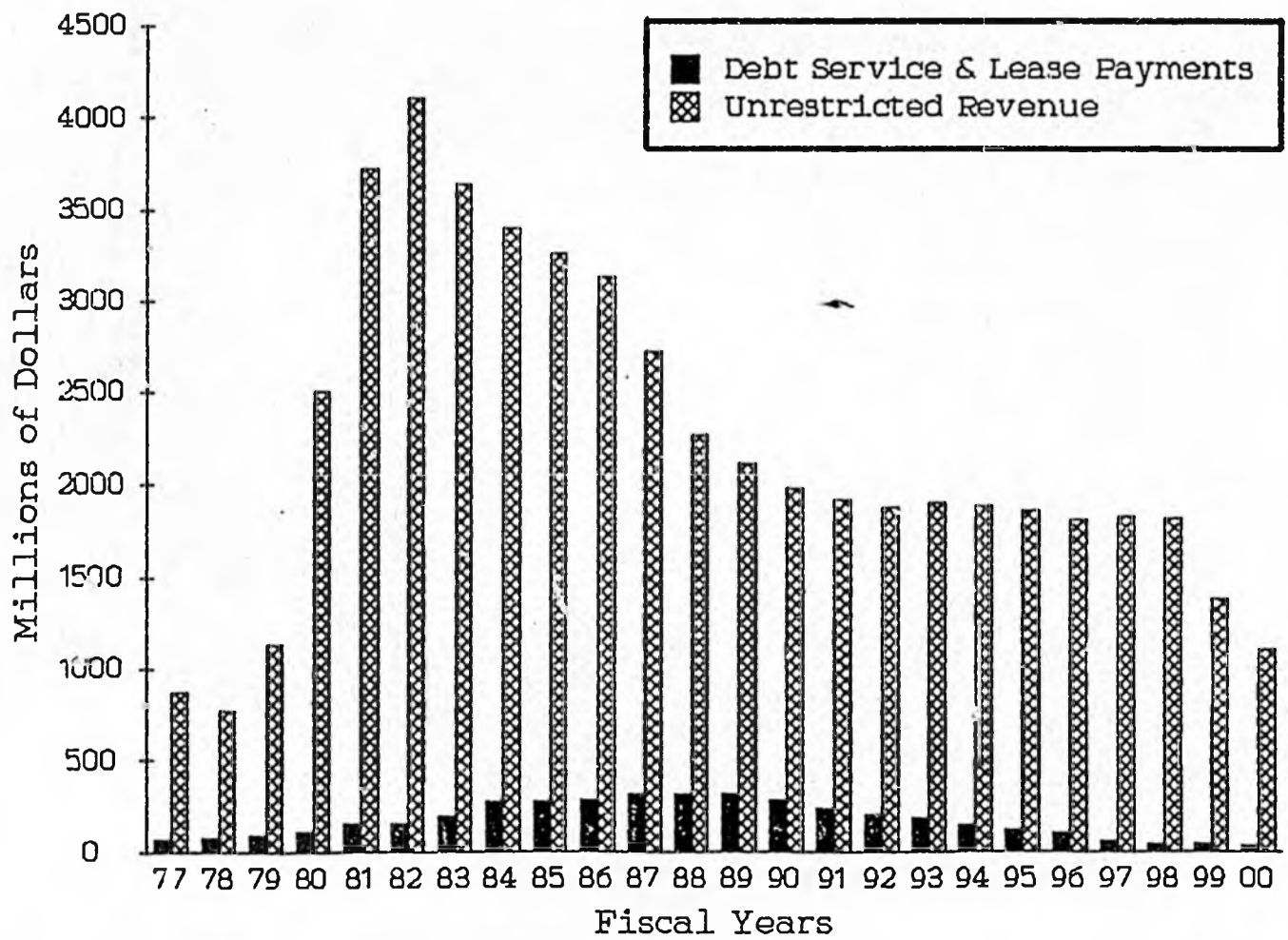
That debt is manageable, but it takes planning. The State of Alaska has not had a bond authorization since 1980. Yet, the per capita interest on the State's general obligation bond debt is 20 times the national average. State policy limits debt service to five percent of unrestricted revenues, but that ratio is about 10 percent now and could climb to 16 percent by fiscal year 1989.

Again, this is a result of a combination of factors. World oil markets have seriously eroded the revenue Alaska receives from oil and gas production. At the same time, Alaska voters have authorized new debts, including \$325.0 million in school construction bonds so far in fiscal year 1985 alone. That translates into a possible 30 percent increase in State

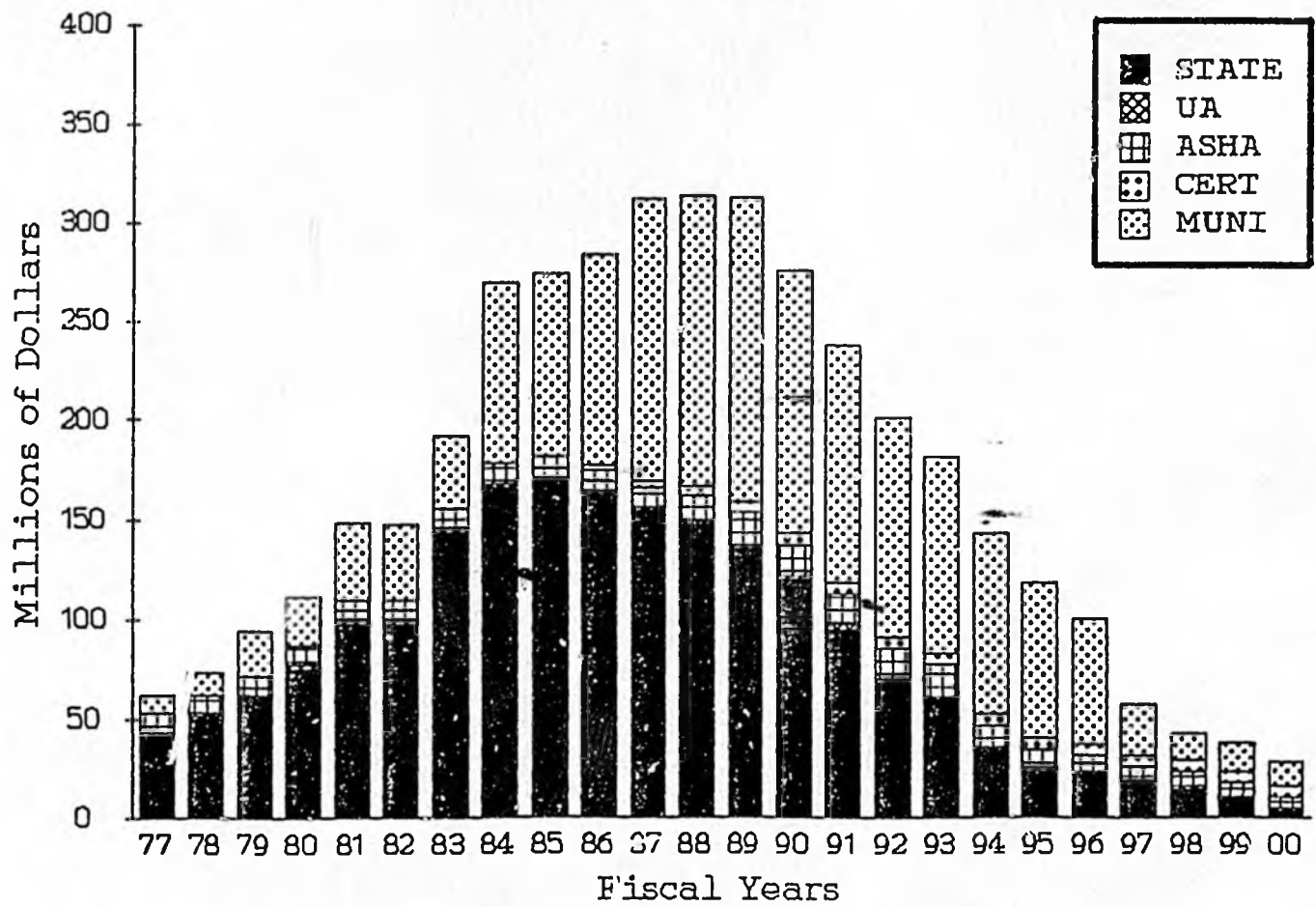
reimbursement for local school debt--added costs which show up in the State operating budget.

These and other construction commitments are viewed by the nation's financial markets in different ways. On one hand, Alaska's rating agencies know this is a unique state, with enormous potential for generating public revenues and a young, dynamic workforce; on the other hand, the rating agencies look at all of Alaska's debt together, and while they are concerned about how much we borrow, they are more concerned that Alaska have controls on the growth of debt statewide.

### Debt Service vs. Unrestricted Revenue



## Total Debt Service & Lease Payments (January 28, 1986)



DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS

SEVEN PERCENT CAP

Borough	FULL VALUE	G. O. DEBT	7% GF FULL VALUE	PERCENT OF G.O. DEBT/CAP	CURRENT PERCENT DEBT
Anchorage	\$15,755,411,000.00	\$358,779,900.00	\$1,102,878,770.00	32.53%	2.28%
Bristol Bay	\$101,798,890.00	\$3,535,000.00	\$7,125,916.00	49.61%	3.47%
Fairbanks	\$4,210,997,700.00	\$90,928,500.00	\$294,769,839.00	30.85%	2.16%
Haines	\$93,945,500.00	\$1,300,000.00	\$6,576,185.00	19.77%	1.38%
Juneau	\$1,613,388,900.00	\$47,651,000.00	\$112,937,223.00	42.19%	2.95%
Kenai Peninsula	\$3,290,219,200.00	\$137,929,000.00	\$230,315,344.00	59.89%	4.19%
Ketchikan Gateway	\$675,985,100.00	\$31,930,000.00	\$47,318,957.00	67.48%	4.72%
Kodiak	\$572,370,700.00	\$28,270,000.00	\$40,065,949.00	70.56%	4.94%
Mat-Su	\$2,357,406,200.00	\$112,295,000.00	\$165,718,434.00	67.71%	4.74%
North Slope	\$1,376,786,900.00	\$1,155,680,000.00	\$901,375,083.00	128.21%	8.97%
Sitka	\$396,227,900.00	\$12,400,000.00	\$27,735,953.00	44.71%	3.13%
<b>Total Boroughs</b>	<b>\$41,954,537,900.00</b>	<b>\$1,980,631,400.00</b>	<b>\$2,936,817,653.00</b>	<b>67.44%</b>	<b>4.72%</b>

CITIES

Bethel	\$182,296,900.00	\$556,500.00	\$12,760,783.00	4.36%	0.31%
Cordova	\$120,673,000.00	\$0.00	\$8,447,100.00	0.00%	0.00%
Craig	\$34,707,400.00	\$0.00	\$2,429,518.00	0.00%	0.00%
Delta Junction	\$30,870,500	\$0	\$2,160,935.00	0.00%	0.00%
Dillingham	\$94,669,900.00	\$0.00	\$6,626,893.00	0.00%	0.00%
Eagle	\$9,104,500.00	\$0.00	\$637,315.00	0.00%	0.00%
Galena	\$19,149,500.00	\$900,000.00	\$1,340,465.00	67.14%	4.70%
Hoonah	\$27,845,200.00	\$0.00	\$1,949,164.00	0.00%	0.00%
Hydaburg	\$12,688,900.00	\$0.00	\$888,223.00	0.00%	0.00%
Kake	\$11,608,000.00	\$0.00	\$812,560.00	0.00%	0.00%
King Cove	\$23,230,800.00	\$0.00	\$1,626,156.00	0.00%	0.00%
Klawock	\$5,563,000.00	\$0.00	\$389,410.00	0.00%	0.00%
Kotzebue	\$93,245,100.00	\$0.00	\$6,527,157.00	0.00%	0.00%
Nenana	\$12,881,500.00	\$2,717,300.00	\$901,705.00	301.35%	21.09%
Noze	\$116,712,900.00	\$2,161,200.00	\$8,169,903.00	26.45%	1.85%
Pelican	\$10,155,400.00	\$0.00	\$710,878.00	0.00%	0.00%
Petersburg	\$161,219,300.00	\$6,195,000.00	\$11,295,351.00	54.89%	3.84%
Sand Point	\$71,086,800.00	\$0.00	\$4,976,076.00	0.00%	0.00%
Skagway	\$58,447,100.00	\$820,000.00	\$4,091,297.00	20.04%	1.40%
St. Mary's	\$4,239,400.00	\$0.00	\$296,758.00	0.00%	0.00%
Tanana	\$11,195,400.00	\$0.00	\$783,678.00	0.00%	0.00%
Unalakleet	\$19,714,500	\$0	\$1,390,015.00	0.00%	0.00%
Unalaska	\$105,309,400.00	\$3,299,000.00	\$7,371,658.00	44.75%	3.13%
Valdez	\$1,740,431,900.00	\$75,833,000.00	\$121,830,233.00	62.24%	4.36%
Whittier	\$19,419,200.00	\$0.00	\$1,359,344.00	0.00%	0.00%
Wrangell	\$111,757,000.00	\$10,750,000.00	\$7,922,990.00	137.42%	9.62%
Yakutat	\$17,679,400.00	\$235,200.00	\$1,237,558.00	19.01%	1.33%

**TOTAL CITIES**                    **\$3,125,901,900.00**                    **\$103,467,200.00**                    **\$218,813,133.00**                    **47.29%**                    **3.31%**

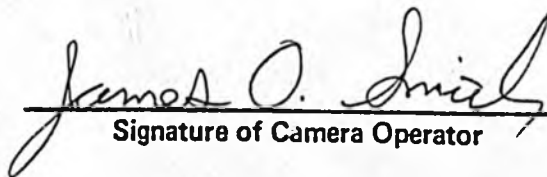
**STATE**                                    **\$48,915,237,900.00**                    **\$816,100,000.00**                    **\$3,424,066,653.00**                    **23.83%**                    **1.67%**

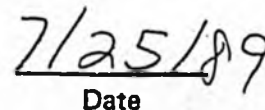
**Total Boroughs**                    **\$41,954,537,900.00**                    **\$1,980,631,400.00**                    **\$2,936,817,653.00**                    **67.44%**                    **4.72%**



# RECORDS CERTIFICATION

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Signature of Camera Operator

  
Date

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## Dept. of Transportation & Public Facilities

# Position Paper

BILL NO: SB 373

HB 528

TITLE: An Act Relating to Metropolitan  
Planning Organizations

APPROVED

*R. J. Knapp*  
Commissioner

DATE: February 11, 1986

In reviewing this bill, three key issues must be kept in mind: 1) the appropriateness of legislation to modify Policy Committee membership, 2) the desirability of including legislative and citizen representation on the committee and, 3) the technical aspects of the bill itself. This paper addresses these concerns.

### Need for Legislation to Modify Committee Membership

The first issue to examine is the need for the legislation. The Code of Federal Regulation (CFR) 23 450.106(a) states "MPOs shall be made by agreement among the units of general purpose local government and the Governor." The current Governor's designation dated April 8, 1976 (copy attached) establishes a "three-person Policy Committee with two elected representatives - the Mayor and a Municipal Councilman, and the third member is the Commissioner of Highways." Based on the CFR and the language in the Governor's designation, it appears legislation is not required to amend membership in the AMATS Policy Committee. An amended Governor's designation could be used to change the policy committee composition and would provide a more flexible mechanism for future modifications than specific enacted legislation.

A question has also been raised by CFR references which indicate local governments shall agree to MPO representation. This could be interpreted to mean the local government must be agreeable to any proposed changes. However, FHWA has verbally indicated that "agreement" in this context means that the views of the local government have been considered in any decision making.

### Desirability of Legislative/Citizen Representation

The second issue raised is the desirability of legislative and citizen representation. CFR 23 450.106(b) states "principal elected officials of general purpose local governments shall be represented on the MPO to the extent agreed to pursuant to paragraph (a) above". The intent of Congress when establishing MPO's was to provide local (city) governments a greater voice in the planning and programming of federal aid receipts. The addition of two legislators may be perceived by the local government as tipping the balance in the State's favor and outweighing local voices. However, proponents of legislative representation may argue legislators represent local interests as they are elected by a local constituency. The CFR only requires local government have a voice; voting control is not stipulated. Proponents may also argue state representation should be increased considering the number of state transportation facilities and the magnitude of State dollars appropriated to the Municipality. At present, only the State is authorized to construct facilities with federal aid dollars.

For further information call Susan Fleischauer at 465-3900.

Other distinct advantages and disadvantages of legislative membership on the Policy Committee are as follows.

#### Advantages

1. Current regulations require both the local government and the Legislature to ultimately approve the expenditure of federal funds within the urbanized area. The local government must approve the expenditure of federal dollars, however, the Legislature must also authorize the State to receive and expend federal funds. Therefore, mutual cooperation between the local government and Legislature is necessary. Legislative representation on the Policy Committee could facilitate legislative approval of transportation capital budgets by:
  - a. inducing closer legislative/local government cooperation
  - b. increasing legislative familiarity and support of projects and their priorities.
2. The current MPO designation by the Governor is dated 1976. Since then Anchorage has grown immensely in size and complexity. Increased membership may be more representative of the complexities of the community. Legislative participation would increase the membership and provide a different community perspective.

#### Disadvantages

1. The Legislature has existing power to approve/disapprove the capital budget request as discussed above. Therefore, representation on the Policy Committee would be a duplication of legislative effort and involvement. Additionally, the branches of government should be kept separate to provide a check and balance system. Legislators on the Policy Committee would have the dual roles of both approving the planning document at the local level and then acting on funding decisions at the legislative level.
2. Coordination/attendance of meetings, particularly when the Legislature is in session could be difficult. The MPO is required to produce specific planning documents. Policy Committee meetings in April through June are critical to the timely submission of the annual Transportation Improvement Program (TIP) and the Unified Work Program (UWP).
3. In light of reduced funding, the expenses incurred and who pays for legislative travel to attend meetings while the Legislature is in session must be addressed. If the MPO is expected to pay travel costs and/or per diem, it will decrease monies available for planning.
4. Partisan politics may be difficult to avoid, particularly during election years. Officials currently on the Policy Committee are elected in a non-partisan manner. Given the existing political structure, legislative representation could create decision making delays.

A representative of the citizen Transportation Advisory Committee is also proposed for Policy Committee membership. This proposal varies significantly from the rest of the committee representation in that a citizen member would not be accountable to an elective body or a government agency. The existing members and the proposed legislative members by mandate represent a broad perspective. CFR 23 450.106(b) requires "principal officials of general purpose governments shall be represented on the MPO..." Elected officials are chosen by the public to represent the general citizenry and are accountable to their constituencies. The existing Policy Committee may wish to evaluate the role of public involvement in the AMATS process. However, legislation is not required to achieve this end and the existing Policy Committee could direct increased public involvement efforts. Other MPO's generally do not have citizen representatives on their policy committees.

#### Technical Problems with the Bill as Proposed

The last issue this paper addresses is the technical problems with the bill itself. They are as follows:

Page 1, line 12: Population of 200,000 or more - should read population of 50,000 or more which is consistent with the federal definition of an "urbanized" area. The 200,000 population is an important distinction in the distribution and reporting requirements of Urban Mass Transportation Act (UMTA) funds utilized by the Municipal Department of Transit. The population figure is determined by the decennial census.

Page 1, lines 15-26: This section establishes a six-member policy committee. Six voting members will not allow resolution of a split vote.

Page 2, lines 4, 5: Committee shall adopt internal procedures to govern the conduct of business - should read shall amend the Transportation Planning Operating Agreement which will govern the conduct of business...

#### Conclusions

In summary, and in consideration of the foregoing we have two overriding reservations:

1. Inclusion of State Legislators on a Municipal planning organization puts them in the positions of both proposal and disposal.
2. Inclusion of a private citizen, accountable to no particular group of organization, could be counter-productive.

However should the Legislature elect to proceed, such action could, with the approval of the Governor, be accomplished administratively.



# Fairbanks North Star Borough

Mayor: Juanita Helms

## M E M O R A N D U M

TO: Linda Anderson, Legislative Liaison  
THRU: Pat Walsh, Special Assistant  
FROM: Ron Moore, Transportation Director

The Fairbanks North Star Borough's position on House Bill 528 and Senate Bill 373 is the following:

1. The Metropolitan Planning Organization (MPO) is mandated by the Federal Government in order to receive Federal funds for transportation purposes. The policy Committee members are determined by 23 USC 134 or 49 USC 1607.
2. The Policy Committee selection process is specifically designed to keep the decision-making process of setting priorities at the local level, not at the state level.
3. This bill would more than likely violate Federal law and would be challenged in court.
4. The present makeup of MPO's has worked fine nationwide, and the FNSB would not support a change that the Federal Government will not accept.

# Alaska State Legislature

CO-CHAIRMAN  
FINANCE COMMITTEE

907-465-3740



JAN FAIKS  
POUCH V  
CAPITOL BUILDING  
JUNEAU, ALASKA 99811

## Senate

February 11, 1986

### MEMORANDUM

TO: Members of the Senate Transportation Committee

FROM: Senator Jan Faiks *Jan Faiks*

SUBJECT: Background on Senate Bill 373, an Act Relating to Metropolitan Planning Organizations

As a condition of receiving Federal highway funds, urban areas with populations of 200,000 or more are required to establish a metropolitan planning organization. The purpose of this organization is to ensure that highway funds are spent according to a continuing, cooperative, and comprehensive transportation planning process.

Transportation in the Anchorage area is the responsibility of the Anchorage Metropolitan Area Transportation Study, or "AMATS". The AMATS consists of a policy committee which is comprised of the Mayor, the Commissioner of the Department of Transportation and Public Services, and one Assembly member. Although there is an advisory component through a subcommittee of the Planning and Zoning Commission, it appears that its ability to effectively represent public opinion before the policy committee is limited.

In the planning process, it is important that members of the planning organization represent a wide cross section of community interests. In addition, the organization should seek and be guided by public input. The planning of new road construction and improvement is too important to be delegated to a few administrators who may be insulated from the public's priorities.

Senate Bill 373 will require that the planning organization establish a policy committee and that this committee

OUT OF SESSION

1024 WEST SIXTH AVENUE, SUITE 302 ANCHORAGE, ALASKA 99501 907-274-6611

appoint a local citizen's advisory group. The six member committee will be composed of two representatives of local government, two local state legislators who are members of their respective finance or transportation committees, the Commissioner of Transportation and Public Facilities, and a member of the citizen's advisory group.

Finally, the bill requires that the policy committee adopt internal procedures which will insure that it solicits and considers public opinion when making policy or planning decisions.

Simply stated, Senate Bill 373 will insure that our transportation planning process responds to the people that it serves.

Thank you.

Introduced: 1/31/86  
Referred: Community & Regional  
Affairs, Transportation and  
Finance

1 IN THE HOUSE

BY SZYMANSKI

2

HOUSE BILL NO. 528

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6 For an Act entitled: "An Act relating to metropolitan planning organiza-  
7 tions."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 \* Section 1. AS 19.15 is amended by adding a new section to read:

10 Sec. 19.15.025. METROPOLITAN TRANSPORTATION PLANNING ORGANIZA-  
11 TIONS. (a) A metropolitan planning organization established in an  
12 urbanized area with a population of 200,000 or more as a condition of  
13 receiving federal capital or operating assistance under 23 U.S.C. 134  
14 or 49 U.S.C. 1607 shall include a policy committee.

15 (b) The policy committee consists of two members who are princi-  
16 pal elected officials of municipalities in the urbanized area; a  
17 legislator representing a district within the urbanized area who is a  
18 member of the house transportation committee or house finance commit-  
19 tee appointed by the speaker of the house of representatives; a legis-  
20 lator representing a district within the urbanized area who is a  
21 member of the senate transportation committee or senate finance com-  
22 mittee appointed by the president of the senate; the commissioner of  
23 the Department of Transportation and Public Facilities or the commis-  
24 sioner's designee; and one representative from the membership of the  
25 citizen transportation advisory committee selected by the citizen  
26 transportation advisory committee membership.

27 (c) The policy committee shall appoint a citizen transportation  
28 advisory committee of persons residing in the urbanized area subject  
29 to the metropolitan planning organization. The membership of the

1 citizen transportation advisory committee shall represent the breadth  
2 of community opinion on issues of urban transportation planning and  
3 development.

4 (d) The policy committee shall adopt internal procedures to  
5 govern the conduct of business by the municipal planning organization,  
6 including the procedure to solicit, receive, and consider comments  
7 from the public and the citizen transportation advisory committee on  
8 all issues, policies, plans, and programs addressed, prepared, or  
9 endorsed by the municipal planning organization.

# Alaska State Legislature

## House of Representatives

Representative Mike Szymanski

11920 Johns Road  
Anchorage, Alaska 99515  
Phone (907) 349-3373

While in Session:  
Pouch V

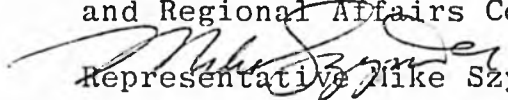
State Capitol  
Juneau, Alaska 99811  
(907) 465-4978/4979

Finance Committee  
Oil and Gas Committee

March 5, 1986

### MEMORANDUM

TO: Members of the House Community  
and Regional Affairs Committee

FROM:  Representative Mike Szymanski

SUBJECT: HB 528, relating to Metropolitan Planning  
Organizations

For your information, I am attaching some background information on this legislation which was prepared by Senator Faiks for SB 373, a bill which is identical to HB 528.

There are, however, two changes which I feel need to be made to the bill and I believe this will come before you in the form of a committee substitute:

- 1) The population level of 200,000 needs to be lowered to 50,000. At the 200,000 level, Anchorage would not be included; as a matter of fact, no community in Alaska would be covered. Furthermore, the figure of 50,000 will be consistent with the federal definition of an "urbanized" area. This was brought to my attention by the Department of Transportation.
- 2) Both the Municipality of Anchorage and the Department of Transportation have requested that we delete the requirement for a citizen representative. The rationale is that such a person, while having an equal voice, would not be accountable to an organization or group.

Thank you for your attention.

STATE OF ALASKA 1986 LEGISLATIVE SESSION  
FISCAL NOTE

Revision Date: \_\_\_\_\_

REQUEST  
Bill/Resolution No.: HB528 & SB373  
Title: Metropolitan Planning Organizations

FISCAL DETAIL  
Agency Affected: DOT&PF  
BRU: Planning, Design & Construction

Sponsor: \_\_\_\_\_  
Requestor: House C&RA  
Date of Request: 3/3/86

Components: \_\_\_\_\_

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES						
TRAVEL		1.424	1.424	1.424	1.424	1.424
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		1.424	1.424	1.424	1.424	1.424
CAPITAL						
REVENUE						

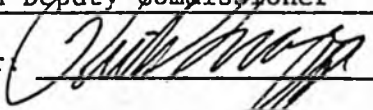
FUNDING: (Thousands of Dollars)

GENERAL FUND		1.424	1.424	1.424	1.424	1.424
FEDERAL FUNDS						
OTHER						
TOTAL		1.424	1.424	1.424	1.424	1.424

POSITIONS:

FULL-TIME		0.0	0.0	0.0	0.0	0.0
PART-TIME						
TEMPORARY						

ANALYSIS: See attached

Prepared By: William R. Snell (signed) Phone: 266-1440  
 Division: Central Region Deputy Commissioner Date: 3/4/86  
 Approved by Commissioner:  Date: 3/4/86  
 Agency: DOT&PF

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

# CONTINUATION of FISCAL NOTE ANALYSIS

For Bill/Resolution No. HB528 & SB373

Metropolitan Planning Organizations

3/4/86

The only identified fiscal impact of this bill is for legislative travel. It is estimated that each legislator would attend two Policy Committee meetings during the session; therefore, the costs are estimated as follows:

2 legislators x 2 trips x \$356 (airfare per trip) = \$1,424

It is assumed that there will be no per diem and that the airfare costs remain the same. Please note that the bill does not specify who is responsible for travel costs.

# Municipality of Anchorage



P.O. BOX 6-650  
ANCHORAGE, ALASKA 99502-0650  
(907) 264-4960

TONY KNOWLES,  
MAYOR

INTERGOVERNMENTAL AFFAIRS  
February 20, 1986

Sen. Jan Faiks  
Pouch V  
Juneau, Alaska 99811

Re: SB373, Metropolitan Planning Organizations

Dear Sen. Faiks:

This letter is a follow-up to our discussions regarding SB373 and my testimony on the bill in the Senate Transportation Committee. I have discussed with the Mayor the practical and policy implications of the legislation. As I said before the Committee, the legislation was reviewed from the perspective of constructive criticism, setting forth any problems perceived with the proposed approach, while recognizing that there is also benefit in the proposal. This is the spirit in which I offer the following comments:

. The need for the legislation. There are two important points here. First, I want to stress again that AMATS is working in its present form. While there is always room for improvement in any process, the proof is in the pavement. The systemwide approach which we have taken in AMATS over the past several years has resulted in an unprecedented transportation improvement program for the Anchorage area. Not only has this helped federal aid road construction. The process has helped us determine which roads should be more properly constructed with state and local dollars and where the local government should have project management authority. For the first time that I can recall, the Transportation Improvement Program for AMATS matches the Anchorage Assembly capital budget request, which also matches the Governor's proposed capital budget. This is the kind of consistency that results in effective transportation improvements and which can be understood by the public. The second point is that we do see merit in codifying metropolitan planning organizations in state law. Many other states have taken this step, and it would be appropriate for Alaska to do the same.

. Public Participation. This is one of the most important elements of the transportation planning process, and one which we have sought to improve over the past several years. Our major step in this regard has been to establish the AMATS Citizen Advisory Committee as a subcommittee of the Planning and Zoning Commission. This has proven to be a very effective step for several reasons. There is a strong relationship between transportation and land use. People

Sen. Jan Faiks  
February 20, 1986  
Page Two

view transportation improvement in terms of where a road will take them, and how that road may affect their own neighborhood. Citizens are used to discussing land and neighborhood issues in the Planning and Zoning Commission forum, and do not relate as well to a separate citizen committee. Citizen input to AMATS through the Planning and Zoning Commission model has been a more accurate and effective reflection of neighborhood concerns. In addition, the Urban Design Commission has recently been invited to participate in the AMATS Technical Committee forum. We feel strongly that these are the proper forums for direct citizen participation. Each of the members of the Policy Committee as presently constituted is an elected official or directly accountable to an elected official. Your bill proposes legislative representation on the Policy Committee. A legislator would also be directly accountable to the public at large as an elected official. An appointed citizen member would carry equal weight in the Policy Committee decisions, but not equal accountability. This is an imbalance. A separate appointed citizen should not be a member of the Policy Committee.

. Legislative Participation. This is a sensitive area, and there are pros and cons. Legislative participation varies among jurisdictions throughout the country. On the negative side, each of the members of the existing Policy Committee has the ability to plan and program federal funds, but does not participate in the appropriation process. The Legislature appropriates federal receipts. While this may appear awkward at times, it also represents an effective check-and-balance. If a legislator or legislators were to serve on the Policy Committee, that member or members would have the unique ability to operate in both worlds, participating in both the planning and appropriation decisions. In essence, they would have greater standing in the transportation program than other members of the Policy Committee. On the positive side, it could be helpful to have a member or members of the Legislature with detailed knowledge of the AMATS process and the decisions which led to the budgets ultimately proposed to the Legislature. This is a judgment call. While we feel AMATS works, we can accept some legislative participation. However, participation should be limited to one member of the Legislature. Membership should alternate between House and Senate. The legislator should be a member of the Transportation Committee of either the House or Senate. Under this arrangement, the Policy Committee would be constituted of four officials - one member of the local assembly, one member of the legislative delegation from the local planning area, the mayor, and the Governor's designee (Commissioner of the Department of Transportation). This would appear to represent a balance. Even numbers are not a problem. Tie votes would lose. One other point is significant. Many AMATS decisions are made in the spring while the Legislature is in session. It is essential that a legislative member of the Policy Committee be present personally, and not a substitute in the person of a staffer. Many of the major transportation decisions we face are sensitive. Rather than improving the public process in confidence, we would leave ourselves wide open for criticism if major policy votes were made in absentia.

Sen. Jan Faiks  
February 20, 1986  
Page Three

. Effect Upon Various Municipalities. As stated above, there is merit in codifying in state law the state/local planning process. There is legitimate debate concerning any change to the make-up of the present committees. However, it would be a serious mistake to codify the planning process in a way which separates Anchorage from the rest of the State. Any change in the make-up of local planning organization policy committees should at least apply to the major urban areas in the three transportation regions of the State (southern, central and north). On this point, we are firm. The federal government may have "cut-off numbers" which distinguish Anchorage or only Anchorage and Fairbanks as urban areas. This argument does not hold water in Alaska. As we often note, Alaska is unique. Alaska, in fact, has exemptions in federal highway law. Any legislation we craft should fit Alaska's situation, not be based on a cookie cutter from the Potomac, even though that's the source of the dough. Juneau, for example, receives FAUS funds, has a public transit system, and has an air quality plan. The State should not mandate a planning organization for its capital city differing from that mandated for other urban areas. In summary, while AMATS is working, we can support SB373 with certain amendments as recommended above.

Thank you for the opportunity to comment. I look forward to working with you. If you have any further questions, please call on me.

Sincerely,



Chip Dennerlein

cc: Mayor Tony Knowles  
Assemblyman Dana Brockway, Member, AMATS  
Commissioner Richard J. Knapp  
Deputy Commissioner Riley Snell  
Sen. Mitch Abood, Member, Senate Transportation Committee  
Sen. Joe Josephson, Member, Senate Transportation Committee  
Rep. Mike Szymanski, Member, House Transportation Committee

AMENDMENT #1

Offered in the HOUSE

by Gruenberg

TO: HB 528

Page 1, line 17;

Delete "who is a member of the house transportation  
committee or house finance committee"

AMENDMENT #2

Offered in the HOUSE

by Gruenberg

To: HB 528

Page 1, line 20:

Delete "who is a member of the senate transportation committee or senate finance committee appointed by the president of the senate".

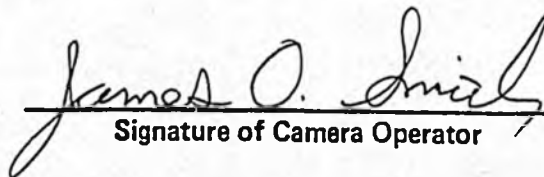


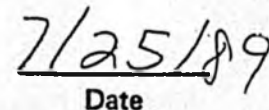
# RECORDS



# CERTIFICATION

I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.

  
Signature of Camera Operator

  
Date

H B

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Introduced: 2/3/86  
Referred: State Affairs,  
Community & Regional Affairs  
and Finance

BY KOPONEN, BOUCHER,  
GRUENBERG AND FURNACE

1 IN THE HOUSE

2

HOUSE BILL NO. 537

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6 For an Act entitled: "An Act relating to participation of municipalities

7 and political subdivisions in the Public Employment

8

Relations Act."

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

10 \* Section 1. AS 23.40 is amended by adding a new section to read:

11 Sec. 23.40.075. APPLICABILITY. AS 23.40.070 - 23.40.260 applies

12 to an organized borough or a political subdivision of the state unless

13 the borough or subdivision has adopted an ordinance that permits

14 collective bargaining for its employees with either the right to

15 strike or binding arbitration as the final step in the negotiation

16 process.

17 \* Sec. 2. Section 4, ch. 113, SLA 1972 is repealed.

HOUSE  
COMMITTEE REPORT

C & RA

(7)  
Date referred: 2/3/86

FURTHER REFERRALS: FINANCE

DATE: 4/2/86

The STATE AFFAIRS Committee has considered HB 537

"An Act relating to participation of municipalities and political subdivisions in the Public Employment Relations Act."

and recommends:

- do pass
- do not pass
- do pass with attached amendment(s)
- no recommendation
- replace with \_\_\_\_\_  same title
- new title

and recommends \_\_\_\_\_

further referral to the \_\_\_\_\_ Committee

- and attaches:
- letter of intent
  - first fiscal note w/analysis
  - new fiscal note
  - zero fiscal note

SIGNING DO PASS:

[Signature]  
Bette Cato  
[Signature]  
Katie Hurley

SIGNING OTHER RECOMMENDATIONS:

[Signature] No Rec  
[Signature] No Rec

Katie Hurley  
 Chairman

APR 4 RECD



# KENAI PENINSULA BOROUGH

BOX 850 • SOLDOTNA, ALASKA 99669  
PHONE 262-4441

STAN THOMPSON  
MAYOR

April 1, 1986

House of Representatives  
State Affairs Committee  
The Honorable Katie Hurley, Chairperson  
Pouch V  
Juneau, AK 99811

*by Koponen  
Extend P.E.R.A  
to municipalities  
C & RA*

Dear Representative Hurley:

This letter is to express our opposition to HB537. Quite simply, I feel that a local governmental entity should be allowed to formulate its own labor relations policy in accordance with the desires of its citizens. This bill would be an unnecessary intrusion of the state into a political subdivision's affairs and interests. Title 29 allows local governments to establish their own personnel policies and regulations. Labor relations should be no different.

I strongly recommend that HB537 not be passed.

Sincerely,

Stan Thompson  
Mayor

ST:cm

cc: Representatives Betty Cato  
Andre Marrou  
Mike Navarre  
Mike Szymanski  
Kay Wallis



\*  
\* DELIVER TO: TCJNU  
\*  
\* ORIGINAL  
\* SENT: 04/14/86 TIME: 16:36  
\* FROM: LICKOD  
\* SUBJECT: KODIAK FINAL STATS  
\* PRINT DATE: 04/14/86 TIME: 16:36  
\*

\*\*\*\*\*

\*\*\* FINAL T/C STATE \*\*\*

DATE: APRIL 14, 1986 MONDAY  
SITE: KODIAK L.I.C.  
SPONSOR: HOUSE COMMUNITY AND REGIONAL AFFAIRS  
SUBJECT: HB 537 - PUBLIC EMPLOYEES RELATIONS ACT  
LOCAL MODERATOR: MARY JO SIMMONS

\*\*\*\*\*

TESTIFIED:  
NAME/REPRESENTING

1. WAYNE SEWELL/INTERNATIONAL ASSOC. OF FIREFIGHTERS  
BOX 3561 KODIAK 99615, 406-8537
2. BRUCE GARRETT/CLASSIFIED EMPLOYEES ASSOC.  
BOX 730 KODIAK 99615, 406-8349
3. CLIFF DAVIDSON/ SELF  
BOX 2097 KODIAK 99615, 406-4850

\*\*\*\*\*

TIME START: 3PM  
TIME END: 4:30 PM

to Shawn

\* DELIVER TO: TCJNU  
\*  
\* ORIGINAL  
\* SENT: 04/15/86 TIME: 12:22  
\* FROM: FALEENE BIGGS  
\* SUBJECT: FINAL STATS--SITKA ONLY  
\* PRINT DATE: 04/15/86 TIME: 12:22  
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TO: JUNEAU TELECONFERENCE  
FROM: FALEENE/SITKA

FINAL LEGISLATIVE

HOUSE COMMUNITY & REGIONAL AFFAIRS COMMITTEE  
MONDAY, APRIL 14, 1986 3-4:30 PM  
PUBLIC HEARINGS FOR HB 537, PUBLIC EMPLOYMENT RELATIONS ACT

SITKA LEG. TESTIFIED

- 1. RICHARD ANDERSON, CITY AND BOROUGH OF SITKA ADMINISTRATOR  
304 LAKE STREET, ROOM 104, SITKA, AK 99832 747-3294

END

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\*\*\*\*\*

\* DELIVER TO: TCJNU  
\*  
\* ORIGINAL  
\* SENT: 04/14/86 TIME: 12:17  
\* FROM: LIGSOL  
\* SUBJECT: FINAL STATS  
\* PRINT DATE: 04/14/86 TIME: 12:17  
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\*\*\* FINAL STATS \*\*\*

DATE: 4/14/86  
SITE: SOLDOTNA  
SPONSOR: HOUSE COMMUNITY AND REGIONAL AFFAIRS  
SUBJECT: HB 537 P.E.R.A.

TESTIFIED:

- 1. JOAN BENNETT SCHRADER BOX 1264, KENAI, 99611 283-4359
- 2. RICHARD CAMPBELL BOX 850, SOLDOTNA, 99669 283-3226

TOTAL TESTIFIED: 2

\* DELIVER TO: TCJNU

\* ORIGINAL

\* SENT: 04/15/86 TIME: 08:56  
\* FROM: JUNE CALLEY  
\* SUBJECT: T/C KTN./H9537: PUB. EMP. REL.  
\* PRINT DATE: 04/15/86 TIME: 08:56

\*\*\*\*\*

\*\*\* FINAL T/C STATE \*\*\*

DATE: APRIL 14, 1986  
SITE: KETCHIKAN  
SPONSOR: M C & P A  
SUBJECT: H9 537/PUBLIC EMPLOYEES RELATIONS  
LOCAL MODERATOR: JUNE CALLEY

\*\*\*\*\*

TESTIFIED:

NAME/REPRESENTING ADDRESS PHONE

1. JOHN PHILBROOK, IBEW, P.O. BOX 7244, KETCHIKAN, AK. 99901 (225-4000)
2. ROBERT GARZA, 4169 TONGASS, KETCHIKAN, AK. 99901 (225-4000)

\*\*\*\*\*

OBSERVED:

NAME/REPRESENTING ADDRESS PHONE

1. LYNN STREEPER, B O' Y154, KETCHIKAN, AK. 99901 (225-4000)

\*\*\*\*\*

TESTIFIED: 2  
OBSERVED: 1  
TOTAL: 3

TIME START: 3:00PM  
TIME END: 4:30PM

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*
* DELIVER TO: TCJNU
*
* ORIGINAL
* SENT: 04/14/86 TIME: 16:41
* FROM: TCFBX
* SUBJECT: 4/14 HC&RA HE 537, PUB EMP
* PRINT DATE: 04/14/86 TIME: 16:41
*
*****

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\*\*\*\*\* FINAL T/C STATE \*\*\*\*\*

DATE: 4/14/86  
 SITE: SAIBRANKS MODERATOR: PAULA GRAY

SPONSOR: HOUSE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE  
 SUBJECT: HE 537, PUBLIC EMPLOYEES RELATIONS ACT

NAME/REPRESENTING TESTIFIED	ADDRESS	PHONE
1. BARRY MAIGHT	819 1ST AVE., FBX 99704	456-3030
2. FRANK BELTE	2119 CUSHMAN ST, FBX 99701	452-2623
3. NEFTY MATHEWS	PO BX 2405, FBX 99707	456-1572

OBSERVED

1. CINDY SPANERS PO BX 81474, FBX 99708

TESTIFIED: 3 TIME START: 3:00 PM TIME END: 4:30 PM

DEPOSED: 1  
 TOTAL: 4

\*\*\*\*\*

\*\*\*\*\*  
 \*  
 \* DELIVER TO: TCJNU \*  
 \*  
 \* ORIGINAL \*  
 \* SENT: 04/14/86 TIME: 16:20 \*  
 \* FROM: HARRY MANDREGAN \*  
 \* SUBJECT: FINAL STATE T/D 04/14/86 \*  
 \* PRINT DATE: 04/14/86 TIME: 16:20 \*  
 \*  
 \*\*\*\*\*



\*\*\* FINAL T/D STATE \*\*\*

DATE: APRIL 14TH, 1986  
 SITE: ANCHORAGE, ALASKA  
 SPONSOR: HOUSE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE  
 SUBJECT: HB 537: PUBLIC EMPLOYMENT RELATIONS ACT  
 LOCAL MODERATOR: HARRY TRACY MANDREGAN

\*\*\*\*\*

TESTIFY:

NAME/REPRESENTING	ADDRESS	PHONE
1. JOHN KIRVIK (FIREFIGHTERS LOCAL 1264)	1299 E. 76TH AVE. #1227 ANCHORAGE 99502	349-3454 349-2052

\*\*\*\*\*

RESERVE:	NAME/REPRESENTING	ADDRESS	PHONE
1.	BUCK HOKIBBEN (FIREFIGHTERS LOCAL 1264)	P.O. BOX 111585 ANCHORAGE 99501	349-3454 743-1054

\*\*\*\*\*

TESTIFIED: 1  
 RESERVE: 1  
 TOTAL: 2

TIME START: 3:15 PM  
 TIME END: 4:30 PM



an agreement reached if requested by either party, but these obligations do not compel either party to agree to a proposal or require the making of a concession;

(2) "election" means a proceeding conducted by the labor relations agency in which the employees in a collective bargaining unit cast a secret ballot for collective bargaining representatives, or for any other purpose specified in secs. 70 - 260 of this chapter;

(3) "labor relations agency" means the state personnel board with regard to the state and employees of the state, and means the Department of Labor with regard to all other public employees and all other public employers;

(4) "organization" means a labor or employee organization of any kind in which employees participate and which exists for the primary purpose of dealing with employers concerning grievances, labor disputes, wages, rates of pay, hours of employment and conditions of employment;

(5) "public employee" means any employee of a public employer, whether or not in the classified service of the public employer, except elected or appointed officials or teachers or noncertificated employees of school districts;

(6) "public employer" means the state or a political subdivision of the state, including without limitation, a town, city, borough, district, board of regents, public and quasi-public corporation, housing authority, or other authority established by law, and a person designated by the public employer to act in its interest in dealing with public employees;

(7) "terms and conditions of employment" means the hours of employment, the compensation and fringe benefits, and the employer's personnel policies affecting the working conditions of the employees; but does not mean the general policies describing the function and purposes of a public employer.

Sec. 23.40.260. SHORT TITLE. Secs. 70 - 260 of this chapter may be cited as the Public Employment Relations Act.

Sec. 3. AS 09.43.010 is amended to read:

Sec. 09.43.010. ARBITRATION AGREEMENTS VALID; APPLICATION OF CHAPTER. A written agreement to submit an existing controversy to arbitration or a provision in a written contract to submit to arbitration a subsequent controversy between the parties is valid, enforceable and irrevocable, except upon grounds which exist at law or inequity for the revocation of a contract. However, this chapter does not apply to a labor-management contract unless it is incorporated into the contract by reference or its application provided for by statute.

Sec. 4. This Act is applicable to organized boroughs and

political subdivisions of the state, home rule or otherwise, unless the legislative body of the political subdivision, by ordinance or resolution, rejects having its provisions apply.

Sec. 5. AS 23.40.010 is repealed.

Approved by governor: June 7, 1972  
Actual effective date: September 5, 1972

CS HOUSE BILL NO. 537 (C&RA)

Insert new Section.

Section 1. AS 09.43.010 is amended to read:

Sec. 09.43.010. ARBITRATION AGREEMENTS VALID; APPLICATION OF CHAPTER. A written agreement to submit an existing controversy to arbitration or a provision in a written contract to submit to arbitration a subsequent controversy between the parties is valid, enforceable and irrevocable, except upon grounds which exist at law or inequity for the revocation of a contract. However, this chapter does not apply to a labor-management contract unless it is incorporated into the contract by reference or its application provided for by statute or by ordinance.

Section 2. AS 23.40 is amended by adding a new section to read:

Section 23.40.075. APPLICABILITY. AS 23.40.070 - 23.40.260 and AS 09.43.010 apply to a municipality unless the municipality has adopted an ordinance that permits collective bargaining for its employees with either the right to strike or binding arbitration as the final step in the negotiation process.

Sec. 3. Section 4, ch. 113, SLA 1972 is repealed.

an agreement reached if requested by either party, but these obligations do not compel either party to agree to a proposal or require the making of a concession;

(2) "election" means a proceeding conducted by the labor relations agency in which the employees in a collective bargaining unit cast a secret ballot for collective bargaining representatives, or for any other purpose specified in secs. 70 - 260 of this chapter;

(3) "labor relations agency" means the state personnel board with regard to the state and employees of the state, and means the Department of Labor with regard to all other public employees and all other public employers;

(4) "organization" means a labor or employee organization of any kind in which employees participate and which exists for the primary purpose of dealing with employers concerning grievances, labor disputes, wages, rates of pay, hours of employment and conditions of employment;

(5) "public employee" means any employee of a public employer, whether or not in the classified service of the public employer, except elected or appointed officials or teachers or noncertificated employees of school districts;

(6) "public employer" means the state or a political subdivision of the state, including without limitation, a town, city, borough, district, board of regents, public and quasi-public corporation, housing authority or other authority established by law, and a person designated by the public employer to act in its interest in dealing with public employees;

(7) "terms and conditions of employment" means the hours of employment, the compensation and fringe benefits, and the employer's personnel policies affecting the working conditions of the employees; but does not mean the general policies describing the function and purposes of a public employer.

Sec. 23.40.260. SHORT TITLE. Secs. 70 - 260 of this chapter may be cited as the Public Employment Relations Act.

Sec. 3. AS 09.43.010 is amended to read:

Sec. 09.43.010. ARBITRATION AGREEMENTS VALID; APPLICATION OF CHAPTER. A written agreement to submit an existing controversy to arbitration or a provision in a written contract to submit to arbitration a subsequent controversy between the parties is valid, enforceable and irrevocable, except upon grounds which exist at law or inequity for the revocation of a contract. However, this chapter does not apply to a labor-management contract unless it is incorporated into the contract by reference or its application provided for by statute.

Sec. 4. This Act is applicable to organized boroughs and *or by ordinance or resolution*

political subdivisions of the state, home rule or otherwise, unless the legislative body of the political subdivision, by ordinance or resolution, rejects having its provisions apply.

Sec. 5. AS 23.40.010 is repealed.

Approved by governor: June 7, 1972  
Actual effective date: September 5, 1972

Introduced: 2/3/86  
Referred: State Affairs,  
Community & Regional Affairs  
and Finance

BY KOPONEN, BOUCHER,  
GRUENBERG AND FURNACE

1 IN THE HOUSE

2

CS HOUSE BILL NO. 537 (CRA)

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6 For an Act entitled: "An Act relating to participation of municipalities  
7 and political subdivisions in the Public Employment  
8 Relations Act."

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

- 10 \* Section 2. AS 23.40 is amended by adding a new section to read:  
11 Sec. 23.40.075. APPLICABILITY. AS 23.40.070 - 23.40.260 <sup>and AS 09.43.010 apply</sup> [applies]  
12 to <sup>a municipality</sup> [an organized borough of a political subdivision of the state] unless  
13 the <sup>municipality</sup> [borough or subdivision] has adopted an ordinance that permits  
14 collective bargaining for its employees with either the right to  
15 strike or binding arbitration as the final step in the negotiation  
16 process.  
17 \* Sec. 3. Section 4, ch. 113, SLA 1972 is repealed.

CS HOUSE BILL NO. 537 (C&RA)

Insert new Section.

Section 1. AS 09.43.010 is amended to read:

Sec. 09.43.010. ARBITRATION AGREEMENTS VALID; APPLICATION OF CHAPTER. A written agreement to submit an existing controversy to arbitration or a provision in a written contract to submit to arbitration a subsequent controversy between the parties is valid, enforceable and irrevocable, except upon grounds which exist at law or inequity for the revocation of a contract. However, this chapter does not apply to a labor-management contract unless it is incorporated into the contract by reference or its application provided for by statute or by ordinance.

Section 2. AS 23.40 is amended by adding a new section to read:

Section 23.40.075. APPLICABILITY. AS 23.40.070 - 23.40.260 and AS 09.43.010 apply to a municipality unless the municipality has adopted an ordinance that permits collective bargaining for its employees with either the right to strike or binding arbitration as the final step in the negotiation process.

Sec. 3. Section 4, ch. 113, SLA 1972 is repealed.

Offered: 4/16/86  
Referred: Finance

Original sponsors: Koponen, Boucher,  
Gruenberg and Furnace

1 IN THE HOUSE

BY THE COMMUNITY AND REGIONAL  
AND AFFAIRS COMMITTEE

2

CS FOR HOUSE BILL NO. 537 (C&RA)

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6 For an Act entitled: "An Act relating to participation of municipalities  
7 and political subdivisions in the Public Employment  
8 Relations Act."

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

10 \* Section 1. AS 09.43.010 is amended to read:

11 Sec. 09.43.010. ARBITRATION AGREEMENTS VALID; APPLICATION OF  
12 ARTICLE. A written agreement to submit an existing controversy to  
13 arbitration or a provision in a written contract to submit to arbi-  
14 tration a subsequent controversy between the parties is valid, en-  
15 forceable and irrevocable, except upon grounds which exist at law or  
16 in equity for the revocation of a contract. However, AS 09.43.010 -  
17 09.43.180 do not apply to a labor-management contract unless they are  
18 incorporated into the contract by reference or their application is  
19 provided for by statute or municipal ordinance.

20 \* Sec. 2. AS 23.40 is amended by adding a new section to read:

21 Sec. 23.40.075. APPLICABILITY. AS 23.40.070 - 23.40.260 apply  
22 to a municipality unless the municipality has adopted an ordinance  
23 that permits collective bargaining for its employees with either the  
24 right to strike or binding arbitration under AS 09.43.010 as the final  
25 step in the negotiation process.

26 \* Sec. 3. Section 4, ch. 113, SLA 1972 is repealed.

Introduced: 2/3/86  
Referred: State Affairs,  
Community & Regional Affairs  
and Finance

BY KOPONEN, BOUCHER,  
GRUENBERG AND FURNACE

1 IN THE HOUSE

2

HOUSE BILL NO. 537

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6 For an Act entitled: "An Act relating to participation of municipalities  
7 and political subdivisions in the Public Employment  
8 Relations Act."

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

10 \* Section 1. AS 23.40 is amended by adding a new section to read:

11 Sec. 23.40.075. APPLICABILITY. AS 23.40.070 - 23.40.260 applies  
12 to an organized borough or a political subdivision of the state unless  
13 the borough or subdivision has adopted an ordinance that permits  
14 collective bargaining for its employees with either the right to  
15 strike or binding arbitration as the final step in the negotiation  
16 process.

17 \* Sec. 2. Section 4, ch. 113, SLA 1972 is repealed.

Bill No. House Bill 537

Date April 2, 1986

Title "An Act relating to participation of municipalities and political subdivisions in the Public Employment Relations Act."

Contact: Robert J. Bacolas  
465-4870  
Eileen Plate  
465-2700

House Bill 537 would require political subdivisions in the state to either adopt a local ordinance which provides collective bargaining for its employees or be covered by the Public Employment Relations Act (PERA). Under current law, political subdivisions are not required to bargain collectively with their employees and they may simply opt not to be covered by PERA.

Currently, of the 30,600 local government employees in the state, 3,200 are covered by PERA (City of Fairbanks, Fairbanks North Star Borough, Petersburg, City of Ketchikan, and Unalaska). Another 10,700 work for the City of Anchorage and the City and Borough of Juneau which provide collective bargaining and labor relations activities by local ordinance. An additional 4,500 have various loose knit forms of employee representation with the employer's consent, but their collective bargaining activities are not subject to labor relations oversight (Kenai Peninsula Borough, City and Borough of Kodiak, Valdez/Cordova and the Mat-su Borough).

This leaves approximately 12,200 local government employees who presently are not provided an opportunity to bargain collectively with their employers, and who would have this right extended to them under the provisions of House Bill 537.

If House Bill 537 were enacted, the department projects that the employers of about 25% of these employees would opt for local control and, therefore, would adopt local ordinances to permit collective bargaining. Under this assumption the remaining 9,100 employees would be served by the Department of Labor's Labor Relations Agency.

The Department of Labor supports the concept of extending to employees of political subdivisions the opportunity to bargain collectively as provided in this bill. As permitted under the present law, nearly 40% of the employees who work for political subdivisions in the state have been denied the opportunity to be represented for collective bargaining purposes.

The Department's fiscal note is attached.

APPROVED:



Jim Robison, Commissioner  
Department of Labor

**POSITION PAPER/**Department of Labor

# STATE OF ALASKA 1986 LEGISLATIVE SESSION FISCAL NOTE

Revision Date : \_\_\_\_\_

**REQUEST**

Bill/Resolution No. : HB 537  
 Title : ... participation of municipalities and political subdivisions in the Public Employment Relations Act  
 Sponsor : Koponen, Boucher, et. al.  
 Requestor : House State Affairs  
 Date of Request : 3/26/86

**FISCAL DETAIL**

Agency Affected : Labor  
 BRU : Labor Standards and Safety  
 Components : Wage & Hour

**EXPENDITURES/REVENUES : (Thousands of Dollars)**

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES		72.5	72.5	72.5	72.5	72.5
TRAVEL		12.5	13.0	8.1	8.4	8.7
CONTRACTUAL		31.3	32.6	15.5	16.1	16.8
SUPPLIES		3.0	3.1	3.2	3.4	3.6
EQUIPMENT		2.8	-	-	-	-
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>		<b>122.1</b>	<b>121.2</b>	<b>99.3</b>	<b>100.4</b>	<b>101.6</b>

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

**FUNDING : (Thousands of Dollars)**

GENERAL FUND		122.1	121.2	99.3	100.4	101.6
FEDERAL FUNDS						
OTHER						
<b>TOTAL</b>						

**POSITIONS :**

FULL-TIME		2	2	2	2	2
PART-TIME						
TEMPORARY						

**ANALYSIS :** Attach a separate page if necessary

See Attached

Prepared by : Robert J. Bacolas Phone : 465-4870  
 Division : Labor Standards & Safety Date : 3/28/86  
 Approved by Commissioner : Jim Robison Date : 3/28/86  
 Agency : Labor

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

# CONTINUATION of FISCAL NOTE ANALYSIS

For Bill/Resolution No. HB 537

Under the provisions of this bill the department would be required to provide labor relations services to approximately 9,100 local government employees under the Public Employment Relations Act (PERA). Two new employees, a Wage and Hour Investigator I and a Clerk Typist III, both located in Anchorage, would be necessary to handle the increase in workload. Additionally, a contractual hearing officer would be required to perform adjudication functions when necessary. The anticipated costs for the first two years are summarized as follows:

	<u>FY 87</u>	<u>FY 88</u>
<u>Personal Services</u>		
Two new employees	72.5	72.5
<u>Travel</u>		
New Wage & Hour Investigator	7.5	7.8
Contractual Hearing Officers	5.0	5.2
S/T	<u>12.5</u>	<u>13.0</u>
<u>Contractual Services</u>		
Communications/Postage	6.7	7.0
Printing	5.6	5.8
Hearing Officer	10.0	10.4
Transcription Service	3.0	3.1
Legal Services	2.0	2.1
Miscellaneous	4.0	4.2
S/T	<u>31.3</u>	<u>32.6</u>
<u>Commodities</u>	3.0	3.1
<u>Equipment</u>	<u>2.8</u>	<u>-0-</u>
TOTAL:	122.1	121.2

After the first two years we anticipate most of the organizational activity in the communities will be complete. Thus, in FY 89 and beyond the program should be able to be handled by the two new positions. The hearing officers and related costs would therefore be eliminated.

**Assumptions:**

- 1) Of approximately 30,600 local government employees in Alaska, 21,500 are currently covered by some form of collective bargaining and would fall within the group currently covered by the Public Employees Relations Act or work for an employer who would most likely opt for a local ordinance. This leaves approximately 9,100 employees in the state for the department's Labor Relations Agency to oversee. These employees are predominantly in the rural areas of the State.
- 2) An effective date of July 1, 1986.
- 3) Inflation of 4% per year in FY's 88-91 in non-personal service items.

Position Title <b>Wage and Hour Investigator</b>			No. of Positions <b>1</b>	Range/Step <b>16A</b>	Barg. Unit <b>CSU</b>	Gov.	Approv.	Disapp.
Time Status <b>PFT</b>	Staff Months <b>12</b>	RP Number	Location <b>Anchorage</b>		Election District	Leg.		
Type of Expenditure			Justification					
		Amount	<p>This position will perform a variety of labor relations duties. The person will investigate petitions for collective bargaining; investigate complaints of unfair labor practice, provide informal resolution to unfair labor practice complaints, and investigate challenges to elections. The position will also conduct elections, certify elections, and provide education and information on the Public Employee Retirement Act to employees and employers..</p> <p>Travel costs are for travel to the various locations around the State where public employee labor relations activity would be required.</p> <p>Contractual and commodity costs are average per-employee costs. Equipment would be a one-time expense for desk, chair, cabinets, etc.</p>					
1	2	3						
Salary	<b>33,660</b>							
Benefits	<b>10,775</b>							
Premium Pay								
Other								
Total Personal Services		<b>44,435</b>						
Travel		<b>7,500</b>						
Contractual		<b>2,000</b>						
Commodities		<b>1,000</b>						
Equipment		<b>1,400</b>						
Other								
Total Cost		<b>56,335</b>						
Receipt Code			Funding Source					
			Federal Receipts 1002					
			G. F. Match 1003					
			General Funds 1004					
			<b>56,335</b>					
			I-A Receipts 1005					
			Program Receipts 1028					
			CIP Receipts 1061					
			Other					
For B&M Use Only								
Key Number								

**Request For  
New Position**

Agency Labor  
 BRU Labor Standards and Safety  
 Component Wage and Hour

Page      of       
 Revised Date     

**FY 87**

Position Title <b>Clerk Typist III</b>			No. of Positions <b>1</b>	Range/Step <b>8A</b>	Barg. Unit <b>GGU</b>	Gov.	Approv.	Disapp.
Time Status <b>PFT</b>	Staff Months <b>12</b>	RP Number	Location <b>Anchorage</b>		Election District <b>1</b>	Leg.		
Type of Expenditure			Justification					
Amount			<p><b>1</b></p> <p>This position will function as the clerical member of the Department of Labor's Labor Relations Agency. The position will be responsible for preparing and typing correspondence, and maintaining collective bargaining records as they apply to petitions, certification/decertification of bargaining units, and complaints of unfair labor practices. Also, the position will act as recorder for the Labor Relations Agency Board during board proceedings.</p> <p>Costs associated with this position are average per-position costs, plus one-time equipment expense of \$1,400 for a desk, chair, etc.</p>					
1	2	3						
Salary	20,316							
Benefits	7,702							
Premium Pay	-							
Other	-							
Total Personal Services		28,018						
Travel		0						
Contractual		2,000						
Commodities		2,000						
Equipment		1,400						
Other								
Total Cost		33,418						
Receipt Code	Funding Source							
	Federal Receipts 1002							
	G. F. Match 1003							
	General Funds 1004		33,418					
	I-A Receipts 1005							
	Program Receipts 1028							
	CIP Receipts 1061							
	Other							
For B&M Use Only								
Key Number								

**Request For  
New Position**

Agency Labor  
 BRU Labor Standards and Safety  
 Component Wage and Hour

Page      of       
 Revised Date     

**FY 87**



# NEA-ALASKA

AFFILIATED WITH THE NATIONAL EDUCATION ASSOCIATION

## ANCHORAGE REGIONAL OFFICE

1411 W. 33RD  
ANCHORAGE, ALASKA 99503  
(907) 274-0536

## JUNEAU OFFICE

147 S. FRANKLIN #207  
JUNEAU, ALASKA 99801  
(907) 586-3090

## FAIRBANKS REGIONAL OFFICE

2118 CUSHMAN STREET  
FAIRBANKS, ALASKA 99701  
(907) 456-4435

March 25, 1986

TO: Representative Katie Hurley, Chair  
Members; House State Affairs Committee

RE: HB 537; "An Act relating to participation of municipalities and political subdivisions in the Public Employment Relations Act."

NEA-Alaska supports and encourages favorable action by the House State Affairs Committee on HB 537.

It is important that all public employees have the right, by statute or local ordinance, to participate in a meaningful way in the decision making process as it pertains to their wages and terms and conditions of employment.

As the Legislature has stated in its policy regarding the Public Employment Relations Act government is more effective and employees are more responsive when they are afforded the opportunity to share decision making and exchange ideas and information on operations.

We urge your favorable consideration of HB 537.

Respectfully submitted:

Robert Manners  
Executive Secretary

B6:39

# Alaska MUNICIPAL League

TELEPHONE  
(907) 586-1325

105 MUNICIPAL WAY, SUITE 301  
JUNEAU, ALASKA 99801

TO: Representative Katie Hurley, Chair  
Members of the House State Affairs Committee

FROM: Scott A. Burgess, Executive Director 

DATE: March 26, 1986

SUBJECT: HB 537 - Mandatory PERA for Municipalities

The Alaska Municipal League opposes HB 537 based on the language cited below from the AML 1986 Policy Statement (page 19), adopted by the membership at the 1985 annual meeting in Fairbanks in November:

"Alaska Public Employees Labor Relations Act: The League strongly opposes any legislation which would force municipalities to be subject to the provisions of the Alaska Public Employees Labor Relations Act. The League opposes, just as strongly, any legislative efforts to dictate the provisions of local public employees labor relations ordinances. The League supports legislation to allow each municipality at any time to reject or withdraw from the terms of the Alaska Public Employees Relations Act."

I have attached copies of several letters, resolutions etc. I have received on HB 537. Other correspondence in opposition to similar legislation proposed in the past is also available to the Committee, if requested. Clearly, the position of the League, which represents, directly, 117 municipalities around the State, is in opposition to HB 537. The attached information addresses specific reasons and opposition to HB 537; however, I have summarized below some of the major reasons for our opposition to the legislation for the Committee:

1. Municipalities are generally opposed to State mandates on local governments which remove local control and increase cost.
2. Mandating PERA, or the adoption of ordinances with the same effect, removes the power of the elected representatives at the local level to set policy and budgets by balancing the resources and needs of the whole community rather than one segment - public employees.
3. Public employees have recourse through their elected officials to address specific concerns.
4. Public employees may seek to put collective bargaining before the local voters and the assembly or council through the initiative and referendum process.
5. The public sector is different from the private sector in terms of the services provided, civil service protections, and their access to, and the responsibility of, the elected officials.

The League strongly opposes HB 537. Thank you.



# City and Borough of Sitka

304 LAKE STREET . SITKA, ALASKA . 99835

February 11, 1986

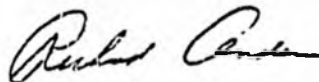
Scott Burgess, Executive Director  
Alaska Municipal League  
105 Municipal Way  
Juneau, Alaska 99801

Dear Scott:

Concerning your request for comments on H.B.537, I am quite certain that you realize existing laws do not prevent municipalities from being covered under PERA if they so choose.

My point is that the state should leave the question addressed in H.B.537 up to the local citizens. I have enclosed past correspondence on this subject. You can see what we have been consistent in our thinking for very good reasons.

Sincerely yours,

  
Richard Anderson  
Administrator

cc: Ben Grussendorf  
Dick Eliason

331.1



# City and Borough of Sitka

P.O. BOX 79 · SITKA, ALASKA · 99835

January 30, 1984

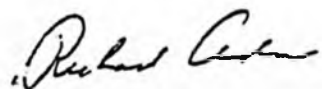
Representative Ben Grussendorf  
Alaska State Legislature  
Pouch V  
Juneau, Alaska 99811 M/S 3100

Dear Ben,

In a letter dated March 8, 1983, Rocky expressed to you the opposition of the City and Borough of Sitka to S.B. 154 which would bring all public employees under the provision of the Public Employment Relations Act. I now see that there is also H.B. 441 which would accomplish the same thing.

Sitka opposes these bills as we elected not to be covered by PERA some years back. As Rocky expressed last March, "As a bottom line, the question of whether or not the provisions of PERA should apply to all public employees could be better addressed by putting the question to the electorate of each municipality."

Sincerely,

  
Richard Anderson  
Acting Administrator



# City and Borough of Sitka

P.O. BOX 79 · SITKA, ALASKA · 99835

February 17, 1984

Senator Richard Eliason  
Alaska State Legislature  
Pouch V  
Juneau, Alaska 99811

Dear Dick:

SUBJECT: SB 154

I have seen a copy of your letter of February 8, 1984 to Rick Anderson concerning the proposal to bring Sitka under the provisions of the Public Employment Relations Act.

I am sure you are concerned with public employees being treated fairly and paid adequately.

The potential problem as I see it is that "collective bargaining" is a legal term of art and if mandatorily applied to governments, it gives local governmental employees advantages far beyond those existing in the private sector. This is because public employees also have the power to exercise political influence over those whom they bargain with.

This unique aspect of bargaining in the public sector has been fully recognized by the Alaska Supreme Court in a continuing line of cases. The latest case is City and Borough of Sitka v. I.B.E.W. (653 P2d 332).

I am enclosing a complete copy of that decision and of particular interest are the comments on pages 336 and 337.

Sitka spent over five years in litigation before winning that case. We litigated not out of any desire to mistreat employees, but rather to keep a reasonable balance as the administration attempts to represent the voting public.

A time surely existed when public employees were paid less than the private sector, but that is very different today.

CITY AND BOROUGH OF  
SITKA, Appellant,

v.

INTERNATIONAL BROTHERHOOD OF  
ELECTRICAL WORKERS, LOCAL  
UNION 1547, Appellee.

No. 6116.

Supreme Court of Alaska.

Oct. 22, 1982.

City appealed from an order of the Superior Court, First Judicial District, Sitka, Thomas B. Stewart, J., requiring it to recognize and negotiate with its electrical department employees' elected representative. The Supreme Court, Compton, J., held that: (1) city ordinance exempting city from requirements of Public Employment Relations Act was valid, and (2) city violated its city charter requirement to recognize employee organizations by establishing employees' negotiating committee and declining to recognize employees' representative.

Affirmed in part, reversed in part, and remanded.

Rabinowitz, J., dissented and filed opinion.

1. Labor Relations ⇌ 48

City's exemption from requirements of Public Employment Relations Act was effective where, although its electrical department employees had signed union authorization cards before exemption ordinance was passed, there was no evidence of any organizational activities occurring between effective date of Act and passage of exemption ordinance and where city's intent in enacting exemption ordinance was

*Helpers of America, Independent Local 959 v. City of Fairbanks*, 582 P.2d 150 (Alaska 1978). What is unclear from the plan summary is whether there is any "administrative remedy" by which Deveney could obtain something equivalent to a declaratory judgment as to the meaning of the plan from the Trust. The only way in which the plan summary provides for

to control its own public labor relations and not to frustrate employee rights. Laws 1972, c. 113, § 4.

2. Municipal Corporations ⇌ 58

In construction of municipal charters, Supreme Court is guided by rules of statutory construction.

3. Statutes ⇌ 217.4

Although starting point in construing statute is language of statute itself, reference to legislative history may provide insight that is helpful in determining statute's meaning.

4. Labor Relations ⇌ 179

Collective bargaining is term of art in labor law that harbors concomitant duty to bargain in good faith. AS 23.40.250(1).

5. Labor Relations ⇌ 52

It is only when legislative enactment expressly and unambiguously announces decision requiring public employers to undertake collective bargaining that court should find that government entity has bound itself to such course of dealing.

6. Labor Relations ⇌ 177

City charter provision requiring city assembly to adopt ordinances with provisions recognizing employee organizations did not require city to engage in collective bargaining with employee organizations but only imposed less stringent obligation to meet and confer with recognized employee organizations.

7. Labor Relations ⇌ 177

City's establishment of employees' negotiating committee did not satisfy its charter obligation to recognize employee organizations as bargaining representative of its employees.

final decisions by the Trustees is in the context of an application for benefits; until the divorce is final the question to which Deveney wanted an answer cannot be formally raised. We leave this issue for further consideration by the superior court in light of the wording of the plan itself.

# **CORRECTION**

**THIS DOCUMENT  
HAS BEEN REPHOTOGRAPHED  
TO ASSURE LEGIBILITY**

331.2



# City and Borough of Sitka

P.O. BOX 79 · SITKA, ALASKA · 99835

February 17, 1984

Senator Richard Eliason  
Alaska State Legislature  
Pouch V  
Juneau, Alaska 99811

Dear Dick:

SUBJECT: SB 154

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I am sure you are concerned with public employees being treated fairly and paid adequately.

The potential problem as I see it is that "collective bargaining" is a legal term of art and if mandatorily applied to governments, it gives local governmental employees advantages far beyond those existing in the private sector. This is because public employees also have the power to exercise political influence over those whom they bargain with.

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A time surely existed when public employees were paid less than the private sector, but that is very different today.

Senator Richard Eliason  
February 17, 1984  
SUBJECT: SB 154  
Page two

I would use as a specific example the Public Employees Retirement Act which covers both legislators like yourself and Sitka employees like me. Not only do the benefits far outstrip anything available to the private sector (ask any ALP employee) but they mandate huge hidden governmental expense. The average employee contributes 4% of their salary and Sitka currently contributes an additional 16.68%.

The way the retirement statute is written, Sitka may not bargain with the employee to have the employee pay a more equitable portion. Sitka's only option is to absorb the cost or drop out of the plan. In the past ten years the employee contribution percentage has been frozen legislatively, but Sitka's contribution has risen from 7% to the present 16.68%.

This also illustrates the problem we have when trying to adapt a statewide scheme to Sitka's local situation. Essentially, local government employment is a local concern of the local taxpayers. It is a problem the Alaska Legislature could well leave with the local assemblies. There are many political pressures which employees can apply on a local level if they wish. If employees believe that the Sitka administration does not represent the wishes of the man on the street, there is always the possibility of a local referendum petition on the question of collective bargaining.

I don't wish you to get the impression that Sitka does not listen to its employees. Our wage discussions for this year with municipal employees begin next week.

Finally, both you and your committee are invited to hold hearings in Sitka on this bill and to find out first-hand how Sitka municipal wages compare with the private sector here.

Sincerely,

Peter S. Hallgren  
Municipal Attorney

enclosure

cc: R. Anderson