

ALASKA LEGISLATURE COMMITTEE FILES 1997-1998 8672

9097 HOUSE COMMUNITY & REGIONAL AFFAIRS

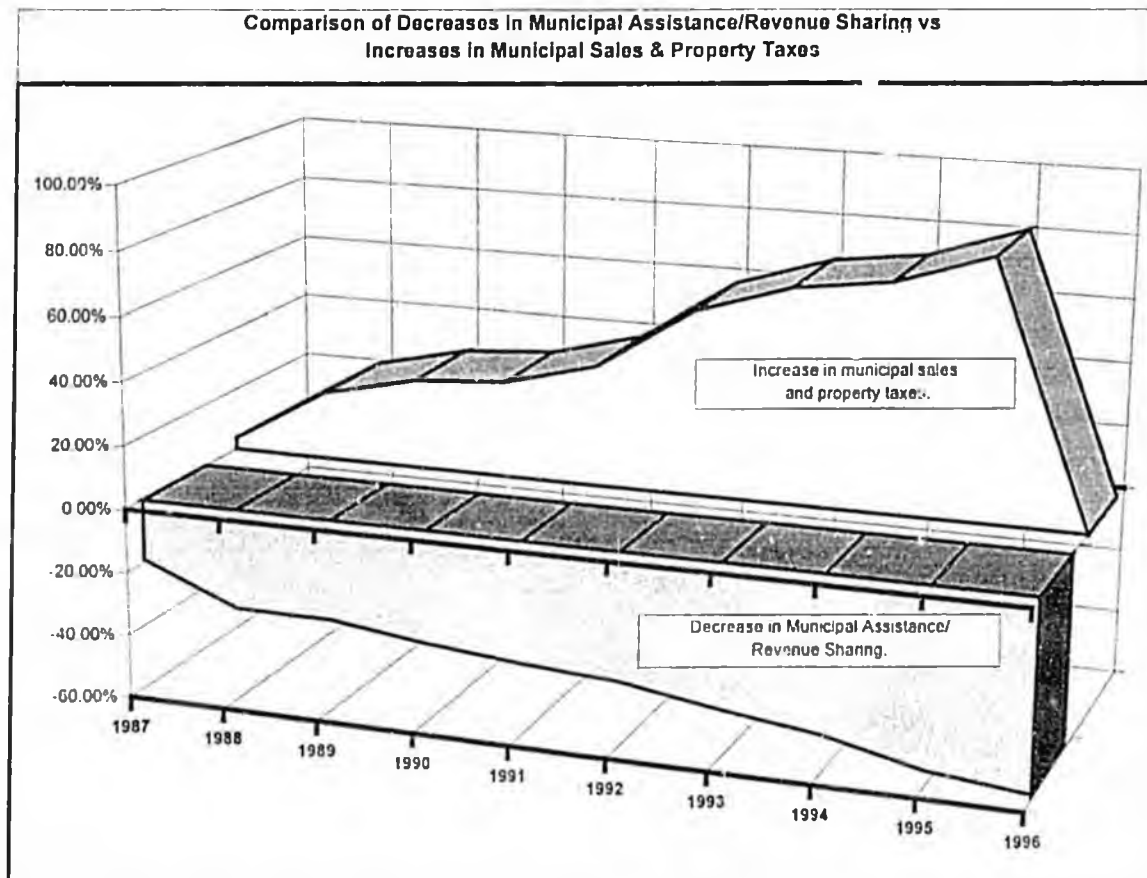
Sand Point

"The original intent for revenue sharing was for each municipality to receive \$2,500 per mile for road maintenance...now it is only approximately \$917 per mile.... the roads are washed away due to a lack of culverts and storm drainage placed in even the most critical points due to a lack of funds..."

Sitka

"In response to Sitka's mill closure and state funding reductions, Sitka voters approved a balanced five-year sustainable municipal budget."

The state has steadily transferred many of its service responsibilities to local governments. The cost of assuming new unfunded mandates and services has been great. To summarize, the following chart shows how tax increases in municipalities have followed state cuts to municipal revenue sharing programs, underfunding of education, and mandates.



In many municipalities, there have been cutbacks and property taxes have as much as tripled to maintain acceptable education, transportation, and public safety services.

The state must consider the impact of its actions on local taxes. State budget cuts that pass on higher costs to local taxpayers are not cuts at all, they are simply tax increases.

TO KEEP ALASKA'S ECONOMY STRONG, WE MUST MAINTAIN AND IMPROVE ALASKA'S DETERIORATING PUBLIC INFRASTRUCTURE

To keep Alaska strong and to avoid passing on excessive costs to future generations, Alaska must maintain and develop its state and local public infrastructure, especially roads, airports, harbors, schools, and other high priority public facilities.

The proposed state Six Year Capital Plan shows \$3.2 billion of current capital needs, yet the proposed state budget includes only \$100 million of general revenues to meet those needs. Alaska is meeting only 3% to 4% of the current need. At this rate, it would take twenty five to thirty years just to meet today's needs. If the accelerating cost of deferring needed maintenance is considered, Alaska is **losing ground** in the battle to maintain its public infrastructure.

For example, according to the Department of Transportation/Public Facilities, money that could be used to develop or expand the highway system is currently being used to replace prematurely deteriorated highways. If Alaska continues to defer maintenance of roads and other basic public facilities, we will seriously retard the development of Alaska's economy.

If municipalities are forced to fix Alaska's infrastructure, the only major options to raise the money are sales and property tax increases. However, the state has many more revenue options, has the ability to equalize resources between all areas of the state, and can most efficiently put together statewide bond packages.

CONCLUSION: NEW PARTNERSHIPS BETWEEN LOCAL AND STATE GOVERNMENTS

Fortunately, many legislators and administration officials are now seriously concerned about the impact the state has had on local taxes and services. They recognize that local taxpayers have already shouldered their share of the burden of cutting the cost of state government. Also, many are actively considering ways to improve the interdependent relationship of the state government and its municipalities in providing basic services to the people of our state.

As state oil funds continue to decline, both the state and municipalities must work together to find new and better ways to do business to serve the people of Alaska. Also, it is imperative that Alaska's public infrastructure is adequately maintained, from leaking school roofs to projects that expand job opportunities for Alaskans. Many new partnership ideas are contained in a recent report of the State and Local Government Task Force titled "Opportunities for State and Local Government Initiatives."

Alaska is a great state meeting great challenges. It will take all of the people of the state, including the state government, local governments, private industry, and all other organizations working together to chart our path to a bright future.



Legislative Bulletin

Bulletin #20-1

January 24, 1997

First "State of Municipalities" Address

Highlights Tax and Deferred Maintenance Issues

The first annual "State of the Municipalities" address was presented on January 21, 1997, in the Capitol Building by the Alaska Municipal League and the Alaska Conference of Mayors.

The purpose of the address was to give a report to the Legislature and citizens on the status of municipalities in Alaska. An annual address on municipal issues is important because local governments provide half of the public services in Alaska and they most directly represent and impact families, communities, economies, and environments. The address was broadcast statewide on "Gavel to Gavel" and covered by other statewide media.

The address focused on two key issues:

Local property taxes. Over the years, in efforts to cut the state budget, the state has disproportionately cut money to municipalities intended to keep local taxes low. Additional state pressure to increase local sales and

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"Safe Communities" First Bill Out of Legislative Committee

AML Requests New Resolutions from Municipalities

Senate Bill 29, Safe Communities, had its first hearing on Monday, January 27, 1997, by the Senate Community and Regional Affairs Committee and passed out the same day. SB 29, introduced by Senator John Torgerson, is the number one priority legislation for the Alaska Municipal League and Alaska Conference of Mayors. It was the first bill to pass out of a committee this session.

The hearing was held to coincide with the Alaska Municipal League Board of Directors and Alaska Conference of Mayors meeting held in Juneau on January 20-21, 1997.

The League is now seeking resolutions and support letters from municipal members to show our continuing support for the legislation. Please send them to Senator John Torgerson, State Capitol, Juneau, Alaska 99811. His fax number is 465-4779. Please forward a copy to AML. The bill is scheduled for its next hearing in Senate Finance on January 31.

The bill contains the four critical legs as adopted last year. They are:

1. Changes the name to "Safe Communities" (formerly Municipal Assistance) and require the funds received under this program be used primarily for basic public safety/health services.
2. Creates a \$40,000 minimum payment for small incorporated municipalities. Larger communities contribute approximately \$238,000 of their allocation to raise minimums for small communities. (Anchorage, Fairbanks, Fairbanks North Star Borough, Juneau, Kenai Peninsula Borough, Mat-Su Borough, and all other large municipalities support this provision to reduce dissolutions of small municipalities.)
3. Removes the "hold harmless" clause of the current Municipal Assistance Program. The "hold harmless" provision creates wide variations among

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AML Joint Insurance Association Distributes \$300,000 to Municipalities

At its January meeting, the Trustees for the AML/JIA approved \$300,000 be distributed back to its members for the FY 90 policy year. Unlike big insurance companies, the value of a member-owned insurance pool is that the members benefit if the program is successful. The AML/JIA presently has 115 members. For more information on the distribution, call Steve Wells at 1-800-337-3682.

"Safe Communities"

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funding for communities and is no longer relevant.

4. Advances the payment date for Municipal Assistance from February 1 to July 31, which is the same date Revenue Sharing payments are made. This provision creates the internal equity in the bill.

Last session, the "Safe Communities" bill (SB20) passed the Senate unanimously and passed the House with 38 affirmative votes, but failed to receive a concurrence vote in the Senate in the final minutes of the legislative session.

Over the past ten years, municipal revenue sharing has been cut nearly 70%. In the past two years, it has been cut 15%. A further cut in municipal revenue sharing is simply an increased tax burden to local taxpayers. The "Safe Communities" bill is an excellent vehicle to create a permanent and stable revenue sharing program.

If you have any questions on the bill, please call Kevin Ritchie or Julie Krafft at 586-1325.

National League of Cities Seeks Volunteers

The National League of Cities (NLC) is seeking volunteers to serve on a conference planning committee to help plan the 1997 NLC Congress of Cities conference.

The committee will meet in Philadelphia, Pennsylvania, on April 18 and 19.

If you are interested in serving on the conference planning committee, please call Kevin Ritchie at 586-1325.

"State of Municipalities" Address

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property taxes must and if we are to continue building the economies of our communities. This is a greater challenge for the many communities that are facing the loss or partial loss of primary industries.

2. Repair and improvement of state and local public infrastructure such as roads, schools, harbors, airports, and jails. The Alaska Conference of Mayors and the Alaska Municipal League are deeply concerned that state budget cuts to maintenance and repair of critical public infrastructure is beginning to threaten the economic potential of our communities. More important, failure to maintain and repair our public facilities is simply mortgaging Alaska's future.

The Alaska Conference of Mayors and the Alaska Municipal League pledged to work hand in hand with the Legislature and the Governor to creatively solve these challenges.

The primary presenters were Alaska Conference of Mayors President Mayor Carolyn Floyd; AML President Rosemary Hagevig; and George Wuerch, Assembly Member from the Municipality of Anchorage.

They were supported by:

Karen Parr, Assembly, Fairbanks North Star Borough

Mayor Jerome Selby, Kodiak Island Borough

Mayor Dennis Egan, Juneau

Mayor Alaire Stanton, Ketchikan

Mayor Willie Thomas, Buckland

Mayor Sarah Palin, Wasilla

Roger Clark, Assembly, Northwest Arctic Borough

Mayor Henry Guinotte, Palmer

Mayor Ken Lancaster, Soldotna

Mayor Jack Shay, Ketchikan Gateway Borough

Mayor Sioux Plummer, Skagway

Vice Mayor Tom Quick, Ouzinkie

Michael O'Brien, Bethel

Mayor Edwin Anderson, Bristol Bay Borough

Mayor John Gonzales, Denali Borough

Mayor John Williams, Kenai

Mayor Robert Knight, Nenana

Mayor Tim Volstad, Seldovia

Rose Chandler, Scammon Bay

An eight-page report was made available to the press and attendees, which outlined in greater detail the municipal message. A copy of the report will be sent to AML members. Video tapes of the thirty-five minute presentation are available from the Alaska Municipal League at 586-1325.

EFFECTS OF SB29 ON FY 97 SRS/MA PAYMENTS (NO BASE AMOUNT HOLD HARMLESS - \$40,000 OVERALL MINIMUM ENTITLEMENT)

Potential Interest Earnings From Early SAFE Payment

Municipality	FY 97 SRS \$\$	FY 97 MA \$\$	FY 97 MA/SRS Total \$	SB29	SB29	FY 97 SB29	% Change From Current Programs	SB29	SB29	SB29	SB29	SB29	% Change From Current Programs	FY 97 SAFE \$	FY 97 SB29	% Change From Current Programs
				FY 97 SRS \$	FY 97 SAFE \$ (No Hold Harmless)	ERS/SAFE \$ Pre Min. Ent.		Minimum Ent. Add-On	Minimum Ent. Prorated	FY 97 SAFE \$ Prorated	FY 97 SAFE \$ Final Payment	SRS/SAFE \$ Total Payment		FY 97 SAFE \$ at 5.26% Interest for 6 Months	FY 97 SB29 SRS/SAFE \$ Plus Interest	
City of Akhtok	\$24,448	\$2,934	\$27,382	\$24,448	\$3,012	\$27,460	0.29%	\$12,540	\$12,441	\$2,908	\$15,429	\$39,877	45.63%	\$404	\$40,261	47.11%
City of Akliak	\$30,400	\$10,124	\$40,524	\$30,400	\$10,567	\$40,967	1.09%	\$0	\$0	\$10,484	\$10,484	\$40,884	0.89%	\$274	\$41,158	1.57%
City of Akutan	\$29,398	\$13,846	\$43,244	\$29,398	\$14,445	\$43,843	1.38%	\$0	\$0	\$14,331	\$14,331	\$43,729	1.12%	\$375	\$44,104	1.99%
City of Alakanuk	\$32,224	\$24,128	\$56,352	\$32,224	\$24,563	\$56,787	0.77%	\$0	\$0	\$24,370	\$24,370	\$56,594	0.43%	\$838	\$57,231	1.55%
City of Aleknagik	\$29,094	\$6,140	\$35,234	\$29,094	\$6,362	\$35,456	0.63%	\$4,544	\$4,508	\$6,312	\$10,820	\$39,814	13.28%	\$263	\$40,197	14.09%
Aleutians East Borough	\$68,808	\$10,420	\$79,228	\$68,808	\$10,005	\$78,813	-0.52%	\$0	\$0	\$9,928	\$9,928	\$78,734	-0.82%	\$260	\$78,994	-0.30%
City of Afakaket	\$32,508	\$5,037	\$37,545	\$32,508	\$5,249	\$37,757	0.56%	\$2,245	\$2,228	\$5,207	\$7,435	\$39,941	6.39%	\$195	\$40,136	6.91%
City of Ambler	\$40,018	\$10,279	\$50,297	\$40,018	\$10,686	\$50,704	0.77%	\$0	\$0	\$10,592	\$10,592	\$50,600	0.80%	\$277	\$50,877	1.15%
City of Anaktuvuk Pass	\$31,317	\$9,218	\$40,535	\$31,317	\$9,624	\$40,941	1.00%	\$0	\$0	\$9,548	\$9,548	\$40,895	0.81%	\$250	\$41,115	1.43%
Municipality of Anchorage	\$8,460,847	\$12,964,382	\$21,425,229	\$8,460,847	\$12,938,606	\$21,399,453	-0.14%	\$0	\$0	\$12,834,673	\$12,834,673	\$21,299,620	-0.67%	\$335,987	\$21,635,607	1.08%
City of Anderson	\$32,920	\$20,811	\$53,731	\$32,920	\$21,873	\$54,793	1.45%	\$0	\$0	\$21,503	\$21,503	\$54,423	1.13%	\$563	\$54,986	2.18%
City of Angoon	\$23,047	\$21,718	\$44,765	\$23,047	\$22,333	\$45,380	1.37%	\$0	\$0	\$22,157	\$22,157	\$47,204	0.98%	\$580	\$47,784	2.28%
City of Aniak	\$51,479	\$21,380	\$72,859	\$51,479	\$21,945	\$73,424	0.78%	\$0	\$0	\$21,772	\$21,772	\$73,251	0.54%	\$570	\$73,821	1.32%
City of Anvik	\$32,438	\$3,100	\$35,538	\$32,438	\$3,228	\$35,666	0.38%	\$4,338	\$4,302	\$3,203	\$7,504	\$39,940	12.39%	\$196	\$40,137	12.95%
City of Axta	\$30,518	\$3,131	\$33,649	\$30,518	\$3,260	\$33,778	0.38%	\$8,222	\$8,172	\$3,235	\$9,407	\$39,925	18.65%	\$246	\$40,172	19.38%
City of Akkasuk	\$38,888	\$24,571	\$63,459	\$38,888	\$23,518	\$62,406	-1.71%	\$0	\$0	\$23,333	\$23,333	\$60,221	-2.01%	\$611	\$60,831	-1.02%
City of Barrow	\$98,829	\$168,185	\$267,014	\$98,829	\$160,269	\$259,098	-1.60%	\$0	\$0	\$159,008	\$159,008	\$257,835	-1.11%	\$4,182	\$261,997	-2.71%
City of Bethel	\$308,083	\$228,151	\$536,234	\$308,083	\$230,241	\$538,324	0.39%	\$0	\$0	\$228,427	\$228,427	\$534,510	0.05%	\$5,980	\$540,490	1.17%
City of Bettles	\$33,467	\$1,577	\$35,044	\$33,467	\$1,584	\$35,051	0.02%	\$4,949	\$4,910	\$1,572	\$6,482	\$39,940	14.00%	\$170	\$40,118	14.48%
City of Brevig Mission	\$31,848	\$8,445	\$40,293	\$31,848	\$8,807	\$40,655	0.90%	\$0	\$0	\$8,738	\$8,738	\$40,586	0.73%	\$229	\$40,815	1.26%
Bristol Bay Borough	\$82,056	\$54,718	\$136,774	\$82,056	\$55,448	\$137,504	0.83%	\$0	\$0	\$55,011	\$55,011	\$137,087	0.25%	\$1,440	\$138,527	1.49%
City of Buckland	\$42,048	\$13,358	\$55,406	\$42,048	\$13,913	\$55,961	1.01%	\$0	\$0	\$13,804	\$13,804	\$55,852	0.81%	\$361	\$56,213	1.46%
City of Chelmok	\$29,865	\$12,138	\$41,803	\$29,865	\$12,618	\$42,483	1.15%	\$0	\$0	\$12,518	\$12,518	\$42,183	0.91%	\$328	\$42,511	1.70%
City of Chevak	\$29,983	\$21,528	\$51,511	\$29,983	\$22,476	\$52,459	1.84%	\$0	\$0	\$22,299	\$22,299	\$52,292	1.60%	\$584	\$52,876	2.83%
City of Chitina	\$28,555	\$4,730	\$33,285	\$28,555	\$4,904	\$33,459	0.51%	\$5,541	\$5,498	\$4,865	\$10,363	\$39,918	18.43%	\$271	\$40,189	17.22%
City of Chuathbaluk	\$32,053	\$4,230	\$36,283	\$32,053	\$4,381	\$36,434	0.42%	\$3,568	\$3,538	\$4,347	\$7,884	\$39,937	10.07%	\$206	\$40,144	10.64%
City of Colman Cove	\$52,008	\$8,035	\$60,043	\$52,008	\$8,388	\$60,396	0.58%	\$0	\$0	\$8,322	\$8,322	\$60,330	0.48%	\$218	\$60,547	0.84%
City of Cold Bay	\$30,593	\$10,973	\$41,566	\$30,593	\$10,957	\$41,550	-0.04%	\$0	\$0	\$10,871	\$10,871	\$41,464	-0.25%	\$285	\$41,748	0.44%
City of Cordova	\$193,836	\$125,405	\$319,241	\$193,836	\$125,427	\$319,263	0.01%	\$0	\$0	\$124,439	\$124,439	\$318,275	-0.30%	\$3,258	\$321,533	0.72%
City of Crasie	\$81,339	\$65,741	\$147,080	\$81,339	\$68,101	\$149,440	1.86%	\$0	\$0	\$67,565	\$67,565	\$148,904	1.43%	\$1,789	\$150,693	2.82%
City of Deering	\$48,477	\$5,242	\$53,719	\$48,477	\$5,422	\$53,899	0.35%	\$0	\$0	\$5,379	\$5,379	\$50,856	0.27%	\$141	\$50,997	0.55%
City of Delta Junction	\$28,553	\$55,129	\$83,682	\$28,553	\$53,981	\$82,534	-1.40%	\$0	\$0	\$53,538	\$53,538	\$82,089	-1.90%	\$1,401	\$83,490	-0.23%
Jensen Borough	\$31,317	\$55,995	\$87,312	\$31,317	\$56,788	\$88,105	0.91%	\$0	\$0	\$56,339	\$56,339	\$87,658	0.39%	\$1,475	\$89,133	2.00%
City of Dillingham	\$78,474	\$97,188	\$175,662	\$78,474	\$98,196	\$176,670	0.58%	\$0	\$0	\$97,422	\$97,422	\$173,898	0.14%	\$2,550	\$176,447	1.60%
City of Diomede	\$31,317	\$5,896	\$37,213	\$31,317	\$5,108	\$36,425	-0.58%	\$3,575	\$3,547	\$5,088	\$8,615	\$39,932	10.27%	\$228	\$40,157	10.89%
City of Eagle	\$28,487	\$5,391	\$33,878	\$28,487	\$5,531	\$34,018	0.44%	\$7,982	\$7,919	\$5,487	\$13,407	\$39,894	25.14%	\$351	\$40,244	26.25%
City of Eek	\$30,882	\$9,117	\$39,999	\$30,882	\$9,495	\$40,377	0.95%	\$0	\$0	\$9,421	\$9,421	\$40,103	0.76%	\$247	\$40,349	1.36%
City of Egegik	\$31,864	\$5,360	\$37,224	\$31,864	\$5,491	\$37,355	0.35%	\$2,645	\$2,624	\$5,448	\$8,072	\$39,936	7.20%	\$211	\$40,147	7.85%
City of Elvuk	\$29,094	\$3,261	\$32,355	\$29,094	\$3,400	\$32,494	0.43%	\$7,508	\$7,447	\$3,374	\$10,822	\$39,914	23.36%	\$283	\$40,197	24.24%
City of Elim	\$32,849	\$9,131	\$41,980	\$32,849	\$9,501	\$42,350	0.88%	\$0	\$0	\$9,428	\$9,428	\$42,275	0.70%	\$247	\$42,522	1.29%
City of Emmonak	\$102,751	\$26,874	\$129,625	\$102,751	\$27,709	\$130,460	0.64%	\$0	\$0	\$27,490	\$27,490	\$130,241	0.48%	\$720	\$130,961	1.03%
City of Fairbanks	\$503,548	\$2,068,975	\$2,572,523	\$503,548	\$2,029,482	\$2,533,030	-1.48%	\$0	\$0	\$2,013,491	\$2,013,491	\$2,517,040	-2.08%	\$52,709	\$2,569,749	-0.03%
Fairbanks NSB	\$1,589,892	\$2,129,627	\$3,719,519	\$1,589,892	\$2,155,336	\$3,745,228	0.69%	\$0	\$0	\$2,138,353	\$2,138,353	\$3,728,245	0.23%	\$55,978	\$3,784,223	1.74%
City of False Pass	\$29,378	\$2,910	\$32,288	\$29,378	\$3,019	\$32,397	0.34%	\$7,603	\$7,544	\$2,995	\$10,538	\$39,918	23.83%	\$278	\$40,192	24.48%
City of Fort Yukon	\$88,709	\$27,407	\$116,116	\$88,709	\$27,810	\$116,519	0.42%	\$0	\$0	\$27,591	\$27,591	\$98,300	0.19%	\$722	\$99,022	0.94%
City of Galena	\$39,611	\$23,394	\$63,005	\$39,611	\$23,586	\$63,197	0.30%	\$0	\$0	\$23,400	\$23,400	\$63,011	0.01%	\$613	\$63,624	0.98%
City of Gambell	\$32,512	\$21,032	\$53,544	\$32,512	\$21,809	\$54,321	1.45%	\$0	\$0	\$21,637	\$21,637	\$54,149	1.13%	\$586	\$54,735	2.19%
City of Galovin	\$31,707	\$5,513	\$37,220	\$31,707	\$5,883	\$37,590	0.46%	\$2,610	\$2,590	\$5,838	\$8,228	\$39,935	7.29%	\$215	\$40,150	7.87%
City of Goodnews Bay	\$30,187	\$7,992	\$38,179	\$30,187	\$8,348	\$38,535	0.93%	\$1,465	\$1,453	\$8,282	\$9,738	\$39,923	4.57%	\$255	\$40,178	5.23%
City of Grayling	\$32,359	\$7,021	\$39,380	\$32,359	\$7,289	\$39,648	0.68%	\$322	\$345	\$7,232	\$7,581	\$39,940	1.42%	\$198	\$40,138	1.92%
City of Haines	\$45,345	\$83,572	\$128,917	\$45,345	\$83,945	\$129,290	0.34%	\$0	\$0	\$83,441	\$83,441	\$128,788	-0.12%	\$1,661	\$130,447	1.40%
Haines Borough	\$28,529	\$38,831	\$67,360	\$28,529	\$37,593	\$66,122	-1.20%	\$0	\$0	\$37,297	\$37,297	\$65,828	0.74%	\$978	\$66,802	2.28%
City of Holy Cross	\$32,858	\$9,934	\$42,792	\$32,858	\$10,243	\$43,099	0.79%	\$0	\$0	\$10,163	\$10,163	\$43,019	0.60%	\$268	\$43,285	1.23%
City of Homer	\$141,966	\$191,037	\$332,993	\$141,966	\$191,938	\$333,904	0.27%	\$0	\$0	\$190,425	\$190,425	\$332,391	-0.18%	\$4,985	\$337,376	1.31%
City of Homer	\$86,205	\$35,189	\$121,394	\$86,205	\$35,909	\$122,114	0.59%	\$0	\$0	\$35,628	\$35,628	\$121,831	0.38%	\$933	\$122,764	1.13%
City of Hooper Bay	\$29,018	\$33,549	\$62,567	\$29,018	\$34,785	\$63,803	1.94%	\$0	\$0	\$34,491	\$34,491	\$63,507	1.51%	\$903	\$64,410	2.95%
City of Houston	\$33,262	\$31,490	\$64,752	\$33,262	\$32,714	\$65,976	1.89%	\$0	\$0	\$32,457	\$32,457	\$65,719	1.49%	\$850	\$66,568	2.80%
City of Hughes	\$32,232	\$2,515	\$34,747	\$32,232	\$2,619	\$34,851	0.30%	\$5,149	\$5,108	\$2,599	\$7,707	\$39,939	14.94%	\$202	\$40,141	15.52%
City of Huslia	\$33,501	\$8,811	\$42,312	\$33,501	\$9,920	\$43,421	0.73%	\$0	\$0	\$9,850	\$9,850	\$43,351	0.57%	\$232	\$43,583	1.12%

EFFECTS OF SB29 ON FY 97 SRS/MA PAYMENTS (NO BASE AMOUNT HOLD HARMLESS - \$40,000 OVERALL MINIMUM ENTITLEMENT)

Potential Interest Earnings From Early SAFE Payment

Municipality	FY 97 SRS \$\$	FY 97 MA \$\$	FY 97 MA/SRS Total \$\$	SB29	SB29	FY 97 SB29	% Change From Current Programs	SB29	SB29	SB29	SB29	% Change From Current Programs	FY 97 SAFE \$\$	FY 97 SB29	% Change From Current Programs
				FY 97 SRS \$\$	FY 97 SAFE \$\$ (No Hold Harmless)	SRS/SAFE \$\$ Pre Min Ent.		Minimum Ent. Add-On	Minimum Ent. Prorated	FY 97 SAFE \$\$ Prorated	FY 97 SAFE \$\$ Final Payment		SRS/SAFE \$\$ Total Payment	at 6.25% Interest for 6 Months	
City of Hyaburg	\$23,189	\$14,575	\$37,764	\$23,189	\$14,999	\$38,188	1.12%	\$1,812	\$1,798	\$14,801	\$16,679	5.57%	\$14,801	\$16,679	6.73%
City & Borough of Juneau	\$1,554,829	\$1,301,027	\$2,855,856	\$1,554,829	\$1,313,455	\$2,868,284	0.44%	\$0	\$0	\$1,303,108	\$1,303,108	0.07%	\$1,303,108	\$1,303,108	1.27%
City of Kachemak	\$24,203	\$13,100	\$37,303	\$24,203	\$13,624	\$37,827	1.43%	\$2,163	\$2,148	\$13,527	\$15,673	6.00%	\$13,527	\$15,673	8.00%
City of Kake	\$59,894	\$24,180	\$84,074	\$59,894	\$24,971	\$84,865	0.94%	\$0	\$0	\$24,774	\$24,774	0.71%	\$24,774	\$24,774	1.48%
City of Kaltovik	\$31,317	\$7,639	\$38,956	\$31,317	\$7,850	\$39,167	0.54%	\$633	\$628	\$7,789	\$8,615	2.50%	\$7,789	\$8,615	3.08%
City of Kalga	\$32,805	\$8,021	\$40,826	\$32,805	\$8,388	\$41,191	0.89%	\$0	\$0	\$8,320	\$8,320	0.73%	\$8,320	\$8,320	1.27%
City of Kasan	\$23,330	\$1,310	\$24,640	\$23,330	\$1,365	\$24,695	0.22%	\$15,305	\$15,184	\$1,355	\$16,539	61.80%	\$1,355	\$16,539	83.56%
City of Kani	\$201,103	\$364,828	\$565,931	\$201,103	\$362,889	\$563,992	-0.31%	\$0	\$0	\$380,030	\$380,030	-0.81%	\$0	\$380,030	0.85%
Kenai Peninsula Borough	\$1,873,983	\$1,227,349	\$3,101,332	\$1,873,983	\$1,239,592	\$3,113,575	0.42%	\$0	\$0	\$1,229,815	\$1,229,815	0.06%	\$1,229,815	\$1,229,815	1.19%
City of Ketchikan	\$353,961	\$475,988	\$829,949	\$353,961	\$471,416	\$825,377	-0.55%	\$0	\$0	\$487,701	\$487,701	-1.00%	\$0	\$487,701	0.48%
Ketchikan Gateway Borough	\$193,998	\$223,712	\$417,710	\$193,998	\$229,791	\$423,787	1.48%	\$0	\$0	\$227,981	\$227,981	1.02%	\$0	\$227,981	2.45%
City of Klana	\$32,658	\$14,370	\$47,028	\$32,658	\$14,853	\$47,509	1.03%	\$0	\$0	\$14,730	\$14,730	0.78%	\$0	\$14,730	1.60%
City of King Cove	\$38,708	\$29,278	\$67,986	\$38,708	\$30,377	\$69,085	1.62%	\$0	\$0	\$30,138	\$30,138	1.27%	\$0	\$30,138	2.43%
City of Kivalina	\$51,037	\$11,052	\$62,089	\$51,037	\$11,535	\$62,572	0.78%	\$0	\$0	\$11,444	\$11,444	0.83%	\$0	\$11,444	1.11%
City of Klawock	\$42,855	\$25,229	\$68,084	\$42,855	\$26,182	\$69,037	1.40%	\$0	\$0	\$25,978	\$26,976	1.10%	\$0	\$26,976	2.09%
City of Kobuk	\$33,049	\$2,533	\$35,582	\$33,049	\$2,843	\$35,892	0.31%	\$4,508	\$4,274	\$2,822	\$6,898	12.26%	\$4,508	\$6,898	12.77%
City of Kodiak	\$159,785	\$400,338	\$560,123	\$159,785	\$398,148	\$557,933	-0.39%	\$0	\$0	\$395,011	\$395,011	-0.95%	\$0	\$395,011	0.90%
Kodiak Island Borough	\$445,842	\$231,112	\$676,954	\$445,842	\$239,007	\$684,849	1.17%	\$0	\$0	\$237,124	\$237,124	0.89%	\$0	\$237,124	1.31%
City of Kodiak	\$30,502	\$18,189	\$48,691	\$30,502	\$18,889	\$49,391	1.42%	\$0	\$0	\$18,741	\$18,741	1.11%	\$0	\$18,741	2.12%
City of Kotzebue	\$197,731	\$125,923	\$323,654	\$197,731	\$127,388	\$325,119	0.45%	\$0	\$0	\$126,384	\$126,384	0.14%	\$0	\$126,384	1.16%
City of Koyuk	\$32,079	\$8,983	\$41,062	\$32,079	\$9,338	\$41,417	0.81%	\$0	\$0	\$9,284	\$9,284	0.73%	\$0	\$9,284	1.33%
City of Koyukuk	\$31,772	\$4,348	\$36,120	\$31,772	\$4,488	\$36,260	0.39%	\$3,740	\$3,711	\$4,452	\$8,183	10.57%	\$3,740	\$8,183	11.16%
City of Kuparuk	\$23,311	\$749	\$24,060	\$23,329	\$783	\$24,112	0.14%	\$15,888	\$15,783	\$777	\$16,540	65.58%	\$15,888	\$16,540	67.38%
City of Kwethluk	\$30,481	\$22,889	\$53,370	\$30,481	\$23,752	\$54,233	1.62%	\$0	\$0	\$23,564	\$23,564	1.27%	\$0	\$23,564	2.42%
Lake and Peninsula Borough	\$172,345	\$41,600	\$213,945	\$172,345	\$41,913	\$214,258	0.14%	\$0	\$0	\$41,583	\$41,583	-0.01%	\$0	\$41,583	0.50%
City of Larsen Bay	\$24,203	\$4,057	\$28,260	\$24,203	\$4,242	\$28,445	3.68%	\$11,555	\$11,464	\$4,209	\$16,673	39.67%	\$11,555	\$16,673	41.10%
City of Lower Kachemak	\$31,393	\$9,821	\$41,214	\$31,393	\$10,241	\$41,634	1.02%	\$0	\$0	\$10,181	\$10,181	0.82%	\$0	\$10,181	1.47%
City of Manokotak	\$29,848	\$12,868	\$42,716	\$29,848	\$13,411	\$43,257	1.28%	\$0	\$0	\$13,305	\$13,305	1.03%	\$0	\$13,305	1.84%
City of Marshall	\$30,502	\$9,824	\$40,326	\$30,502	\$10,205	\$40,707	0.94%	\$0	\$0	\$10,124	\$10,124	0.74%	\$0	\$10,124	1.40%
City of Metlakatla	\$1,631,375	\$1,288,362	\$2,919,737	\$1,631,375	\$1,417,082	\$3,048,457	1.89%	\$0	\$0	\$1,405,917	\$1,405,917	1.32%	\$0	\$1,405,917	2.55%
City of McGrath	\$34,203	\$18,300	\$52,503	\$34,203	\$18,712	\$52,915	0.78%	\$0	\$0	\$18,564	\$18,564	0.60%	\$0	\$18,564	1.43%
City of Mekoryuk	\$30,827	\$8,852	\$39,679	\$30,827	\$7,134	\$37,961	0.75%	\$2,039	\$2,023	\$7,077	\$9,101	3.97%	\$2,039	\$9,101	6.80%
City of Mountain Village	\$31,240	\$25,971	\$57,211	\$31,240	\$26,861	\$58,101	1.68%	\$0	\$0	\$26,850	\$26,850	1.19%	\$0	\$26,850	2.41%
City of Napahtak	\$30,977	\$11,722	\$42,699	\$30,977	\$12,060	\$43,037	0.78%	\$0	\$0	\$11,985	\$11,985	0.57%	\$0	\$11,985	1.30%
City of Napsakiak	\$30,502	\$12,624	\$43,126	\$30,502	\$13,188	\$43,690	1.33%	\$0	\$0	\$13,092	\$13,092	1.09%	\$0	\$13,092	1.88%
City of Nenana	\$50,827	\$27,828	\$78,655	\$50,827	\$27,521	\$78,348	-0.39%	\$0	\$0	\$27,304	\$27,304	0.00%	\$0	\$27,304	0.24%
City of New Stuyahok	\$29,094	\$13,519	\$42,613	\$29,094	\$14,085	\$43,179	1.33%	\$0	\$0	\$13,974	\$13,974	1.07%	\$0	\$13,974	1.93%
City of Newhalen	\$28,398	\$5,517	\$33,915	\$28,398	\$5,741	\$34,139	0.64%	\$4,881	\$4,823	\$5,898	\$10,518	39.91%	\$4,881	\$10,518	15.32%
City of Nighthuts	\$30,187	\$5,919	\$36,106	\$30,187	\$6,185	\$36,372	0.74%	\$3,628	\$3,599	\$6,136	\$9,738	10.57%	\$3,628	\$9,738	11.28%
City of Nikolai	\$31,829	\$3,916	\$35,744	\$31,828	\$4,092	\$35,920	0.49%	\$4,080	\$4,048	\$4,080	\$8,108	39.93%	\$4,080	\$8,108	12.32%
City of Nome	\$279,273	\$177,407	\$456,680	\$279,273	\$178,814	\$458,087	0.31%	\$0	\$0	\$177,405	\$177,405	0.00%	\$0	\$177,405	0.00%
City of Nondalton	\$31,425	\$7,824	\$39,249	\$31,425	\$8,126	\$39,551	0.77%	\$448	\$445	\$8,062	\$8,507	1.74%	\$448	\$8,507	2.31%
City of Noorvik	\$78,353	\$19,883	\$98,236	\$78,353	\$20,412	\$98,765	0.73%	\$0	\$0	\$20,251	\$20,251	0.57%	\$0	\$20,251	1.11%
City of North Pole	\$27,348	\$82,808	\$110,156	\$27,348	\$82,641	\$109,989	-0.15%	\$0	\$0	\$81,990	\$81,990	-0.74%	\$0	\$81,990	7.21%
North Slope Borough	\$343,215	\$1,283,832	\$1,627,047	\$343,215	\$1,191,198	\$1,534,413	-5.69%	\$0	\$0	\$1,181,882	\$1,181,882	-8.27%	\$0	\$1,181,882	-4.37%
Northwest Arctic Borough	\$241,805	\$24,378	\$266,183	\$241,805	\$24,574	\$266,379	0.07%	\$0	\$0	\$24,380	\$24,380	0.00%	\$0	\$24,380	0.24%
City of Nulato	\$31,317	\$12,828	\$44,143	\$31,317	\$13,405	\$44,722	1.31%	\$0	\$0	\$13,300	\$13,300	1.07%	\$0	\$13,300	1.86%
City of Nulato	\$32,891	\$11,854	\$44,745	\$32,891	\$12,311	\$45,202	1.02%	\$0	\$0	\$12,214	\$12,214	0.81%	\$0	\$12,214	1.52%
City of Nunapituk	\$43,582	\$14,545	\$58,127	\$43,582	\$15,187	\$58,769	1.07%	\$0	\$0	\$15,048	\$15,048	0.88%	\$0	\$15,048	1.54%
City of Old Harbor	\$24,599	\$10,028	\$34,627	\$24,599	\$10,440	\$35,039	1.19%	\$4,081	\$4,021	\$10,358	\$15,280	15.17%	\$4,081	\$15,280	18.32%
City of Ouzide	\$8,415	\$24,902	\$33,317	\$8,415	\$8,756	\$33,243	1.04%	\$6,757	\$6,704	\$8,687	\$15,391	31.20%	\$6,757	\$15,391	22.43%
City of Palmer	\$228,460	\$183,282	\$411,742	\$228,460	\$184,834	\$413,294	0.38%	\$0	\$0	\$183,378	\$183,378	0.02%	\$0	\$183,378	0.02%
City of Pelican	\$24,527	\$9,428	\$33,955	\$24,527	\$9,493	\$34,020	0.18%	\$5,980	\$5,931	\$9,418	\$39,878	17.44%	\$5,980	\$39,878	18.63%
City of Petersburg	\$222,723	\$148,204	\$370,927	\$222,723	\$149,465	\$372,188	0.34%	\$0	\$0	\$148,287	\$148,287	0.02%	\$0	\$148,287	1.07%
City of Pilot Point	\$44,732	\$3,378	\$48,110	\$44,732	\$3,476	\$48,208	0.20%	\$0	\$0	\$3,448	\$3,448	0.15%	\$0	\$3,448	0.33%
City of Pilot Station	\$30,709	\$16,599	\$47,308	\$30,709	\$17,319	\$48,028	1.52%	\$0	\$0	\$17,183	\$17,183	1.23%	\$0	\$17,183	2.18%
City of Platinum	\$31,388	\$1,889	\$33,277	\$31,388	\$1,911	\$33,299	0.07%	\$6,701	\$6,641	\$1,896	\$8,544	20.00%	\$6,701	\$8,544	20.67%
City of Point Hope	\$31,317	\$26,021	\$57,338	\$31,317	\$26,770	\$58,087	1.31%	\$0	\$0	\$26,559	\$26,559	0.94%	\$0	\$26,559	2.15%
City of Port Alexander	\$23,329	\$3,728	\$27,057	\$23,329	\$3,858	\$27,187	0.49%	\$12,313	\$12,711	\$3,828	\$16,540	39.88%	\$12,313	\$16,540	48.98%

EFFECTS OF SB29 ON FY 97 SRS/MA PAYMENTS (NO BASE AMOUNT HOLD HARMLESS - \$40,000 OVERALL MINIMUM ENTITLEMENT)

Potential Interest Earnings From Early SAFE Payment

Municipality	FY 97 SRS \$\$	FY 97 MA \$\$	FY 97 MA/SRS Total \$\$	SB29			% Change From Current Programs	SB29			% Change From Current Programs	Potential Interest Earnings From Early SAFE Payment				
				FY 97 SRS \$\$	FY 97 SAFE \$\$(No Hold Harmless)	FY 97 SRS/SAFE \$\$(Pre Min Ent.)		Minimum Ent. Add-On	Minimum Ent. Prorated	FY 97 SAFE \$\$(Prorated)		FY 97 SAFE \$\$(Final Payment)	SRS/SAFE \$\$(Total Payment)	FY 97 SAFE \$\$ at 5.25% Interest for 6 Months	FY 97 SRS/SAFE \$\$(Plus Interest)	% Change From Current Programs
City of Port Heiden	\$31,998	\$4,171	\$36,169	\$31,998	\$4,330	\$36,328	0.44%	\$3,672	\$3,643	\$4,298	\$7,939	\$39,937	10.42%	\$208	\$40,145	10.99%
City of Port Lions	\$24,542	\$8,541	\$33,083	\$24,542	\$8,888	\$33,430	1.05%	\$6,570	\$6,518	\$8,818	\$15,338	\$39,878	20.54%	\$401	\$40,280	21.75%
City of Quinhagak	\$30,823	\$17,828	\$48,651	\$30,823	\$18,551	\$49,374	1.49%	\$0	\$0	\$18,405	\$18,405	\$49,228	1.19%	\$482	\$49,710	2.18%
City of Ruby	\$32,318	\$7,321	\$39,639	\$32,318	\$7,558	\$39,876	0.60%	\$124	\$123	\$7,498	\$7,621	\$39,939	0.76%	\$206	\$40,139	1.28%
City of Russian Mission	\$30,234	\$9,252	\$39,486	\$30,234	\$9,687	\$39,921	1.05%	\$99	\$98	\$9,591	\$9,889	\$39,923	1.11%	\$254	\$40,177	1.75%
City of Sand Point	\$49,848	\$35,312	\$84,960	\$49,848	\$36,360	\$86,008	1.23%	\$0	\$0	\$36,074	\$36,074	\$85,722	0.90%	\$944	\$86,666	2.01%
City of Savoonga	\$84,701	\$21,192	\$105,893	\$84,701	\$21,862	\$106,563	0.78%	\$0	\$0	\$21,690	\$21,690	\$106,391	0.58%	\$568	\$106,959	1.24%
City of Sarman	\$22,798	\$13,874	\$36,672	\$22,798	\$14,154	\$36,952	1.32%	\$3,048	\$3,024	\$14,043	\$17,066	\$39,884	9.30%	\$447	\$40,311	10.53%
City of Scammon Bay	\$29,840	\$14,097	\$44,037	\$29,840	\$14,889	\$44,609	1.30%	\$0	\$0	\$14,564	\$14,564	\$44,494	1.04%	\$381	\$44,875	1.90%
City of Selavik	\$78,152	\$21,276	\$99,428	\$78,152	\$22,111	\$100,263	0.84%	\$0	\$0	\$21,937	\$21,937	\$100,089	0.68%	\$574	\$100,663	1.24%
City of Selkovia	\$25,458	\$15,881	\$41,339	\$25,458	\$16,918	\$41,377	0.09%	\$0	\$0	\$15,793	\$15,793	\$41,251	-0.21%	\$413	\$41,665	0.79%
City of Seward	\$273,127	\$140,327	\$413,454	\$273,127	\$140,981	\$414,108	0.16%	\$3,829	\$3,799	\$4,818	\$8,618	\$39,932	10.88%	\$228	\$40,167	11.81%
City of Shageluk	\$31,317	\$4,863	\$36,980	\$31,317	\$4,854	\$36,171	0.53%	\$1,405	\$1,394	\$8,541	\$7,935	\$39,937	4.22%	\$208	\$40,145	4.76%
City of Shaktolik	\$32,002	\$8,319	\$38,321	\$32,002	\$8,593	\$38,595	0.71%	\$4,390	\$4,355	\$3,381	\$9,739	\$39,923	12.81%	\$255	\$40,178	13.53%
City of Sheldon Point	\$30,187	\$5,201	\$35,388	\$30,187	\$5,423	\$35,610	0.63%	\$0	\$0	\$5,527	\$18,237	\$39,382	1.08%	\$477	\$39,859	2.04%
City of Shishmaref	\$32,145	\$17,699	\$49,844	\$32,145	\$18,382	\$50,527	1.37%	\$0	\$0	\$8,962	\$8,962	\$42,893	0.41%	\$235	\$43,128	0.96%
City of Shungnak	\$33,731	\$8,789	\$42,520	\$33,731	\$9,033	\$42,764	0.57%	\$0	\$0	\$417,785	\$417,785	\$825,050	-0.10%	\$10,937	\$835,987	1.23%
City and Borough of Sitka	\$407,285	\$418,690	\$825,975	\$407,285	\$421,103	\$828,388	0.30%	\$0	\$0	\$45,951	\$45,951	\$75,392	-1.23%	\$1,203	\$76,595	0.34%
City of Skagway	\$29,441	\$48,892	\$78,333	\$29,441	\$48,318	\$75,757	-0.76%	\$0	\$0	\$223,200	\$223,200	\$352,971	-1.22%	\$5,843	\$358,814	4.02%
City of Soldotna	\$129,771	\$227,554	\$357,325	\$129,771	\$224,973	\$354,744	-0.72%	\$0	\$0	\$8,438	\$8,438	\$54,813	0.39%	\$169	\$54,982	0.70%
City of St. George	\$48,175	\$8,233	\$56,408	\$48,175	\$8,489	\$56,664	0.49%	\$0	\$0	\$18,070	\$18,070	\$112,913	0.45%	\$421	\$113,334	0.82%
City of St. Mary's	\$98,843	\$15,587	\$114,430	\$98,843	\$16,198	\$115,041	0.56%	\$0	\$0	\$14,787	\$14,787	\$46,923	0.08%	\$737	\$47,660	0.91%
City of St. Michael	\$32,138	\$14,750	\$46,888	\$32,138	\$14,905	\$47,043	0.33%	\$0	\$0	\$25,290	\$25,290	\$198,232	0.43%	\$682	\$198,914	0.77%
City of St. Paul	\$170,842	\$24,442	\$195,284	\$170,842	\$25,490	\$198,332	0.54%	\$0	\$0	\$15,868	\$15,868	\$48,390	1.10%	\$410	\$48,800	1.95%
City of Stubbins	\$32,724	\$15,142	\$47,866	\$32,724	\$15,791	\$48,515	1.36%	\$0	\$0	\$13,416	\$13,416	\$57,955	0.37%	\$351	\$58,306	0.97%
City of Tanana	\$44,539	\$13,204	\$57,743	\$44,539	\$13,522	\$58,061	0.55%	\$0	\$0	\$9,027	\$9,027	\$40,819	0.75%	\$238	\$41,057	1.34%
City of Teller	\$31,592	\$8,724	\$40,316	\$31,592	\$9,099	\$40,691	0.93%	\$0	\$0	\$4,868	\$18,540	\$39,869	41.44%	\$433	\$40,302	42.98%
City of Tonkaa Springs	\$23,329	\$4,858	\$28,187	\$23,329	\$4,905	\$28,234	0.17%	\$11,768	\$11,074	\$0	\$22,070	\$49,440	1.25%	\$578	\$50,018	2.53%
City of Thome Bay	\$27,370	\$21,414	\$48,784	\$27,370	\$22,248	\$49,618	1.70%	\$0	\$0	\$28,945	\$28,945	\$57,311	1.05%	\$705	\$58,017	2.29%
City of Toolik	\$30,388	\$26,350	\$56,738	\$30,388	\$27,159	\$57,547	1.43%	\$0	\$0	\$17,658	\$17,658	\$48,180	1.10%	\$462	\$48,642	2.07%
City of Toksook Bay	\$30,502	\$17,132	\$47,634	\$30,502	\$17,798	\$48,300	1.40%	\$0	\$0	\$28,474	\$28,474	\$61,101	0.88%	\$745	\$61,846	2.11%
City of Unalakleet	\$32,827	\$27,944	\$60,771	\$32,827	\$28,700	\$61,527	1.25%	\$0	\$0	\$139,018	\$139,018	\$377,890	1.09%	\$2,839	\$380,729	2.07%
City of Unalakleet	\$238,972	\$134,929	\$373,901	\$238,972	\$140,122	\$379,094	1.39%	\$0	\$0	\$8,815	\$8,815	\$39,932	4.18%	\$226	\$40,157	4.74%
City of Upper Kalskag	\$31,317	\$7,021	\$38,338	\$31,317	\$7,800	\$39,117	0.41%	\$1,503	\$1,491	\$7,123	\$480,782	\$682,932	-3.79%	\$12,585	\$695,517	-2.02%
City of Valdez	\$202,170	\$507,697	\$709,867	\$202,170	\$484,581	\$686,751	-3.26%	\$0	\$0	\$17,240	\$17,240	\$40,257	1.23%	\$470	\$40,727	2.19%
City of Wainwright	\$31,317	\$17,344	\$48,661	\$31,317	\$18,083	\$49,400	1.52%	\$0	\$0	\$8,290	\$8,290	\$39,934	7.80%	\$217	\$40,151	8.39%
City of Wales	\$31,644	\$5,400	\$37,044	\$31,644	\$5,846	\$37,490	0.66%	\$2,710	\$2,689	\$5,602	\$199,822	\$338,905	0.19%	\$5,231	\$344,136	1.73%
City of Wasilla	\$139,083	\$199,198	\$338,281	\$139,083	\$201,409	\$340,492	0.65%	\$0	\$0	\$8,794	\$8,011	\$39,938	3.79%	\$210	\$40,148	4.34%
City of White Mountain	\$31,925	\$6,553	\$38,478	\$31,925	\$6,848	\$38,773	0.77%	\$1,227	\$1,218	\$10,888	\$13,137	\$39,898	7.08%	\$344	\$40,242	8.01%
City of Whittier	\$28,759	\$10,498	\$39,257	\$28,759	\$10,770	\$39,529	0.73%	\$2,471	\$2,451	\$0	\$124,730	\$338,925	-0.05%	\$3,265	\$342,190	0.91%
City of Wrangell	\$212,195	\$124,815	\$337,010	\$212,195	\$125,721	\$337,916	0.24%	\$0	\$0	\$38,898	\$38,898	\$69,710	-0.41%	\$1,013	\$70,723	1.03%
City and Borough of Yakutat	\$31,014	\$38,986	\$70,000	\$31,014	\$39,003	\$70,017	0.02%	\$0	\$0	\$29,089,208	\$29,089,208	\$52,987,728	0.00%	\$767,583	\$53,755,309	N/A
	\$23,668,844	\$29,320,882	\$52,989,726	\$23,668,844	\$29,320,882	\$52,989,726	0.00%	\$233,516	\$231,676	\$29,089,208	\$29,320,882	\$52,987,728	0.00%			

\$195,900 moves from certain communities to other communities as a result of change in MA Base Amount (i.e., base not held harmless) (this represents .34 of 1% of all SRS/MA appropriation)

= Minimum Entitlement Make-Up \$\$ All communities share in making up this \$233,516 (this represents .43 of 1% of all SRS/MA appropriation)

Note: Two communities were not included in the above table. Their estimated allocations are listed below.

	FY97 SRS	FY97 MA	Total 97 SRS/MA	97 SAFE	Total SRS/SAFE	Difference	
Aktavik	\$7,091	\$79,118	\$86,209	\$79,249	\$86,340	(\$69)	Aktavik participates in SRS as an unincorporated community, and MA as a municipality
Clark's Point	\$0	\$1,998	\$1,998	\$2,084	\$2,084	\$86	Clark's Point did not qualify for a SRS payment in FY97

SB

208

Alaska State Legislature

SENATE DISTRICT 1

Bayshore	Abbott Loop
Campbell	Bear Valley
Dimond	Bird Creek/Indian
Independence Park	Girdwood
Klatt	Glen Alps
Old Seward	Hillside
Southport	Huffman/O'Malley
Taku	Portage
	Rabbit Creek



SENATOR SEAN PARNELL

716 WEST 4TH AVENUE, SUITE 530
ANCHORAGE, ALASKA 99501
(907) 258-8194

While in Session:
STATE CAPITOL
JUNEAU, ALASKA 99801-1182
(907) 465-2995 1-800-365-2995

SPONSOR STATEMENT

Senate Bill 208

"An act providing for voter approval of the alteration or abolishment of certain municipal service areas"

This legislation was introduced as a means of strengthening local control of service areas. These areas have enabled residents to assess themselves to the particular degree and scope of service they seek without the overhead that typically exists if service were provided by a larger governmental entity.

Essentially, SB 208 would prohibit a borough or municipality from absorbing or abolishing a service area without first requiring a vote of the people covered by the service area.

Alaska State Legislature

SENATE DISTRICT 1

Bayshore	Abbott Loop
Campbell	Bear Valley
Dimond	Bird Creek/Indian
Independence Park	Girdwood
Klatt	Glen Alps
Old Seward	Hillside
Southport	Huffman/O'Malley
Taku	Portage
	Rabbit Creek

716 WEST 4TH AVENUE, SUITE 530
ANCHORAGE, ALASKA 99501
(907) 258-8194

While in Session:
STATE CAPITOL
JUNEAU, ALASKA 99801-1182
(907) 465-2995 1-800-365-2995

SENATOR SEAN PARNELL

March 9, 1998

Representative Ivan Ivan
Chair, House Community and Regional Affairs
Capitol Room 418

Dear Representative Ivan:

I am respectfully submitting this request for a Community and Regional Affairs committee hearing on Senate Bill 208, an act providing for voter approval of the alteration or abolishment of certain municipal service areas. I would appreciate any effort that can be made to hear this bill as soon as possible.

Regards,



Senator Sean Parnell

0-LS0632\F

Cook

3/18/98

HOUSE CS FOR SENATE BILL NO. 208(CRA)
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTIETH LEGISLATURE - SECOND SESSION

BY THE HOUSE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

Offered:
Referred:

Sponsor(s): SENATOR PARNELL

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to municipal service areas and providing for voter approval of
2 the formation, alteration, or abolishment of certain service areas; and providing
3 for an effective date."

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

5 * Section 1. AS 29.10.200 is amended by adding a new paragraph to read:

6 (54) AS 29.35.450 (voter approval of alteration or abolishment of
7 service areas).

8 * Sec. 2. AS 29.35.450(a) is amended to read:

9 (a) A service area to provide special services in a borough or unified
10 municipality may be established, operated, altered, or abolished by ordinance, subject
11 to (c) of this section. Special services include services not provided by the unified
12 municipality or a higher or different level of services. Special services include
13 services not provided by a borough on an areawide or nonareawide basis in the
14 borough [,] or a higher or different level of services [SERVICE] than that provided

1 on an areawide or nonareawide basis. A [THE] borough may include a city in a
2 service area if

3 (1) the city agrees by ordinance; or

4 (2) approval is granted by a majority of voters residing in the city, and
5 by a majority of voters residing inside the boundaries of the proposed service area but
6 outside of the city.

7 * Sec. 3. AS 29.35.450 is amended by adding new subsections to read:

8 (c) If voters reside within a service area, abolishment of the service area is
9 subject to approval by the majority of the voters residing in the service area who vote
10 on the question. A service area in which voters reside may not be abolished and
11 replaced by a larger service area unless that proposal is approved, separately, by a
12 majority of the voters who vote on the question residing in the existing service area
13 and by a majority of the voters who vote on the question residing in the area proposed
14 to be included within the new service area but outside of the existing service area. A
15 service area in which voters reside may not be altered or combined with another
16 service area unless that proposal is approved, separately, by a majority of the voters
17 who vote on the question and who reside in each of the service areas or in a proposed
18 service area affected by the proposal. This subsection does not apply to a fire service
19 protection area.

20 (d) This section applies to home rule and general law municipalities.

21 * Sec. 4. This Act takes effect July 1, 1998.

A M E N D M E N T

OFFERED IN THE HOUSE

TO: SB 208 am

- 1 Page 2, line 25, following "question.":
- 2 Insert "This subsection does not apply to a fire protection service area."

- 3 Page 3, line 8, following "question.":
- 4 Insert "This subsection does not apply to a fire protection service area."



Fairbanks North Star Borough

Office of the Mayor

809 Pioneer Road

P.O. Box 71267

Fairbanks, Alaska 99707-1267

907/459-1300

Fax 907/459-1102

Email mayor@co.fairbanks.ak.us

March 12, 1998

The Honorable Sean Parnell
Alaska State Senate
State Capitol
Juneau, AK 99801-1182

Dear Senator Parnell,

After careful consideration, I have come to the conclusion that the Fairbanks North Star Borough **cannot support SB208**. During our discussion about the legislation yesterday we talked about amendments that would make SB208 work for the borough. Unfortunately, SB208, no matter how you look at it, will lead to the proliferation of service areas. It is our policy to attempt to curb the number of service areas in order to make service delivery more efficient. Fewer service areas provide economies of scale for limited road dollars and increased administrative efficiencies.

Should it pass in its current form, SB208 poses two problems for us - increased costs for both the annexation process and service delivery, and an increase in disparate levels of service delivery. To start, the Fairbanks North Star Borough has 116 of the 250 service areas statewide. We have over 466 service area commission seats.

Currently when a group or individual wishes to have service, they go through a fairly rigorous process that involves petitions and public hearings. The borough makes a determination on whether to annex them to an existing service area or form a separate service area. In either case, the group wishing to be annexed (or form their own service area) votes on the proposition and those in the original area do not.

In the case of fire service areas, this is relatively simple. For the last five years, all requests for new service have resulted in annexations to existing fire service areas as it is simply not practicable for a small neighborhood to form a new fire service area (in most cases, the annexation was to add ten lots or less to a fire service area). Current practice (after the above mentioned process) is to hold

the election with mail-out ballots, and depending on the results, annex the new areas to an existing fire service area. Should SB208 pass, it would be necessary to have the entire existing fire service area vote as well as those requesting new service. Using North Star Fire Service Area as an example, 7000 ballots would have to go out for an annexation of even one property at a cost of approximately \$5000. If those in the existing fire service area vote no on the annexation, we would be in the position of denying fire protection service to those who need it. The size of the group wishing service in this example would be nowhere near large enough to stand alone.

Road service areas are somewhat more complex. I readily acknowledge that the current system is not perfect. Existing service areas are sometimes required to accept annexations they do not want. One could argue that by giving both the existing and potential service area members the right to vote on an annexation is only fair. However, existing service area residents are not likely to support an annexation if they are happy with their service. They will not want to share with others, even if the source of their good fortune was state dollars. A frequent complaint from existing road service areas is that their roads are in better shape than those wishing to be annexed and limited dollars would have to go to upgrading those roads. I am sympathetic to this argument but am at a loss as to how to address that concern in a manner that does not encourage the proliferation of service areas. I originally discussed with you the idea of some sort of special assessment district that would allow those wishing road service to tax themselves for a period of time in order to get their roads up to par with those in existing service areas. There are two drawbacks to this. If such special assessment areas are formed and residents vote to tax themselves, they would have to wait until a fund balance was built up. They could then fix their roads and be allowed to annex to a service area. However, at this point, there would be no incentive to annex.

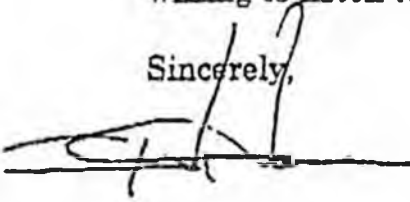
My concerns with SB208 are not all financial. If an annexation went to a vote and was turned down, the options for those not currently in a service area are limited. If the annexation is a small one, as most are, those residents would not have sufficient resources to form their own service area. It is a difficult balancing act - how to balance the wishes of those who have service against the needs of those who don't. SB208 definitely tips the balance in favor of existing service areas.

From a cost standpoint, there are benefits to having larger service areas. Average maintenance costs in a road service area decline noticeably the more miles are included in the area. For example, removing hardpack in the spring costs \$361.00 per mile for a road service area with less than a mile of roads. Service areas with 1 to 3 miles pay \$323.00 per mile. The costs drop to \$278.00

per mile for areas with 3 to 6 miles of road, and \$253.00 per mile for areas with 6 to 20 miles.

I have heard that SB208 is a bill to provide more local control. That is certainly true - existing service areas would have more control. But, it can also be said that we have a responsibility to residents who need service and under SB208 would have a difficult time getting it. I must oppose SB208 and request that you exempt second class boroughs. I have outlined our concerns, perhaps in more detail than you needed. I do so in an attempt to convey our predicament. I am willing to listen to any suggestions that allow all residents access to services.

Sincerely,

A handwritten signature in black ink, appearing to read "Hank Hove", written over a horizontal line.

Hank Hove
Borough Mayor

HH:rlf

cc: Interior Delegation
Fairbanks North Star Borough Assembly
Doug Blankenship
Rick Navin, Direct Services Director

CLERK'S OFFICE
AMENDED AND APPROVED
Date: 3-3-98

Submitted by: Assembly Members Clementson
and Von Gemmingen
Prepared by: Department of Law
For reading:

1 ANCHORAGE, ALASKA
2 AR NO. 98-72 (as amended)
3

4 A RESOLUTION OF THE ANCHORAGE MUNICIPAL ASSEMBLY OPPOSING SENATE
5 BILL No. 208 AND ITS COMPANION HOUSE BILL No. 365 WHICH PROPOSE TO
6 SEVERELY LIMIT MAXIMUM LOCAL SELF-GOVERNMENT AND HOME RULE
7 POWERS GRANTED BY THE ALASKA CONSTITUTION AND OTHERWISE IMPAIR OR
8 IMPEDE THE IMPLEMENTATION OF OTHER CONSTITUTIONAL MANDATES FOR
9 LOCAL GOVERNMENT.

10
11
12 Maximum Local Self-Government
13

14 WHEREAS, Article X., §1 of the Alaska Constitution provides for maximum local self-government
15 for both home rule and general law municipalities and Senate Bill 208 and House Bill 365 substantially
16 diminish the exercise of local self-government; and
17

18 WHEREAS, Article X., §1 also mandates that a liberal construction be given to the power of local
19 governments and Senate Bill 208 and House bill 365 restrict the liberal construction of local government
20 powers; and
21

22 WHEREAS, Article X., §2 mandates that local government powers be vested in boroughs and cities
23 and Senate Bill 208 and House Bill 365 derogates the local government powers of boroughs and unified
24 municipalities but not those of all local governments; and
25

26 WHEREAS, Article X., §5. mandates that the local assembly have the power to establish, alter and
27 abolish service areas and Senate Bill 208 and House Bill 365 substantially limits such assembly powers;
28 and
29

30 WHEREAS, the Alaska constitutional convention clearly intended that jurisdiction over service
31 areas in organized boroughs and unified municipalities was to be vested in the assembly of the local
32 government to assure a unified supervision of all municipal functions; and
33

34 Home Rule Powers
35

36 WHEREAS, Article X., §11 grants home rule municipalities all legislative powers not prohibited
37 by law or charter; and
38

39 WHEREAS, Article X. § 11 of the Alaska's Constitution allows municipal governments to take
40 on home rule status broader than those of any other state, it being the intent of the constitutional delegates
41 that the legislature should have authority to deny local exercise of specific powers only when necessary
42 for a greater state interest and that the legislature would not act to limit home rule powers except under
43 such special circumstances, and
44

AR No. 98-72 (as amended)
Page 2

Minimum Number of Local Government Units
and
Prevention of Duplicate Tax Levying Jurisdictions

WHEREAS, Article X, §1 of the Alaska Constitution provides for a minimum number of local government units to prevent the duplication of tax levying jurisdictions and and this provision has been interpreted by the Alaska Supreme Court and other Alaska Constitution scholars to mean, in part, that the constitution calls for a minimum number of local government units, including service areas; and

WHEREAS, Article X., § 5 of the Alaska Constitution prohibits the creation of new service areas in home rule and general law governments if the new service can be provided by an existing service area consistent with the constitutional requirement for maximum local self-government and a minimum number of local government units; and

The Legislature as the Assembly in the Unorganized Borough

WHEREAS, Article X., §6., provides that the Legislature may exercise any power or function in the unorganized borough which an assembly may exercise in an organized borough; and

WHEREAS, the Legislature is currently reviewing several pieces of legislation, (i.e. Senate Bill 208 and House Bill 365) that will limit the power of the Assembly in an organized borough; now therefore,

THE ANCHORAGE ASSEMBLY RESOLVES:

Section 1: The Legislature is currently reviewing legislation (i.e. Senate Bill 208 and House Bill 365) that:

- A. Substantially and unjustifiably diminishes local self-government in contravention of Alaska's constitutional mandate for maximum local self-government; and
- B. Unconstitutionally diminishes the legislative authority and responsibility of local assemblies under Article X , §5. of the Alaska Constitution; and
- C. Unjustifiably discriminates against boroughs and unified municipalities by restricting their local government powers; and
- D. Unconstitutionally impedes or impairs compliance with the Alaska constitutional mandate that there be a minimum of local government units; and
- E. Severely diminishes local governments' ability to comply with the Alaska constitutional mandate to avoid duplication of tax levying jurisdictions; and

AR No. 98-72 (as amended)

Page 3

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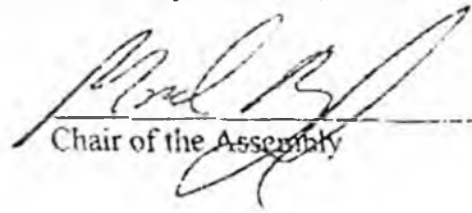
F. May severely restrict the authority of the Department of Community and Regional Affairs and the Department of Education to consolidate, alter or abolish Regional Education Attendance Areas in the unorganized borough which could adversely affect funding other school districts and constitute a detriment to the delivery of public education in the State, and

G. May severely restrict the authority of the Legislature to provide other services in the unorganized borough.

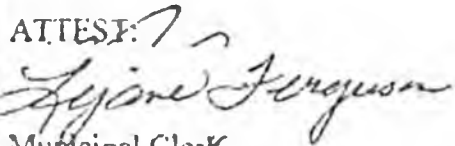
Section 2. That the Assembly of the Municipality of Anchorage hereby opposes the passage of any legislation which will unnecessarily impair the Alaska constitutional mandate of maximum local self-government, especially in home rule boroughs and unified municipalities, or which impedes or impairs the ability of local government to fulfill the Alaska constitutional mandate to minimize local government units and avoid duplication of tax levying jurisdictions.

Section 3. This resolution shall become effective immediately upon passage and approval by the Assembly.

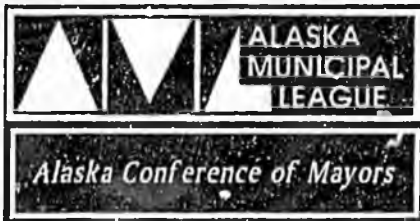
PASSED AND APPROVED by the Anchorage Assembly this 3rd day of March, 1998.



Chair of the Assembly

ATTEST:


Municipal Clerk



March 9, 1998

Representative Ivan, Chair
Community and Regional Affairs Committee
State Capitol
Juneau, AK 99811

Dear Representative Ivan:

On March 3, 1998 the AML Board of Directors held a meeting and **voted unanimously to oppose Senate Bill 208.**

This was a difficult decision because municipalities hold voting and public involvement as very important concepts. However, the effect of SB 208 would vest powers in service areas by precluding the local community from determining how service areas may be altered or abolished.

The Constitution states in Article X Section 2, "All local government powers shall be vested in cities and boroughs." It is of critical importance to make the distinction between municipalities and service areas. Municipalities are units of local government, while service areas are not units of local government. Passage of SB 208 would allow a minority of the population of a borough or unified municipality to essentially veto an action that may be in the best interest of the people of the municipality as a whole.

The framers of the Constitution addressed the issue of service areas as a dynamic local government process. The Local Government Committee's objective was to avoid having "a lot of separate little districts set up...handling only one problem..."; (P.2715 Proceedings). Instead, services were to be provided, wherever possible, by other jurisdictions capable of doing so. The AML feels that SB 208's impact is counter to the intent of the Constitution.

A summary of our concerns are:

- ◆ SB 208 does not appear to meet the intent of the Alaska Constitution.
- ◆ A small portion of residents may preclude an action that benefits the community as a whole.
- ◆ SB 208 requires that residents **and non-resident property owners** vote in service area elections. Consider the impact if Alaska voters were allowed to vote in every election district in which they owned property. In a service area consolidation, a

single individual (who may not even be a resident of the borough) **could have a vote in every service area.**

- ◆ At this point in time, it is not appropriate to change the ground rules for existing service areas. If an Assembly knew that the power to alter service areas would be removed, it may not have been in the community interest to create them.
- ◆ There will be substantial local costs in creating a new form of election that includes both residents and property owners, and holding service area elections.

In summary, this is a decision best left to all the local resident voters in each municipality and their elected officials.

Sincerely,



Kevin Ritchie
Executive Director

cc. Representative Con Bunde
Senator Sean Parnell
AML Board of Directors/ Legislative Committee Chairs
Education and Local Government Subcommittee

By: James Sampson
Introduced: 10/09/97
Advanced: 10/09/97
Adopted: 10/30/97

ORDINANCE NO. 97-047

AN ORDINANCE ALTERING THE BOUNDARIES OF THE
STEESE FIRE SERVICE AREA TO INCLUDE
TAX LOTS 104 AND 105, T1N, R1W, FAIRBANKS MERIDIAN

BE IT ORDAINED, by the Assembly of the Fairbanks North Star Borough:

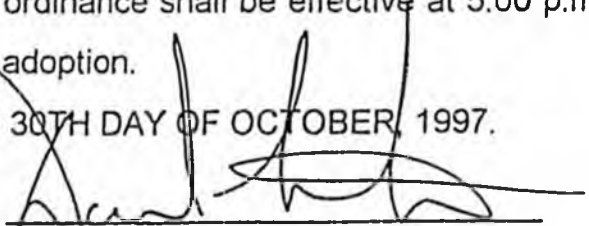
Section 1. Classification. This ordinance is not of a general and permanent nature and shall not be codified.

Section 2. Annexation. The boundaries of the Steese Service Area shall be amended to include Tax Lots 104 and 105, Section 1, T1N, R1W, Fairbanks Meridian, as reflected on the attached map, Exhibit A. The Clerk of the Assembly shall adjust the official map to reflect this alteration.

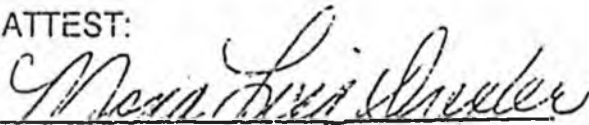
Section 3. Notification. Notwithstanding provisions of 14.01.171 (A), notification requirements are satisfied by the regular publication of the Assembly agenda, and written notification to commissioners of the affected service area.

Section 4. Effective Date. This ordinance shall be effective at 5:00 p.m. on the first Borough business day following its adoption.

PASSED AND APPROVED THIS 30TH DAY OF OCTOBER, 1997.


Dan LaSota, Acting
Presiding Officer

ATTEST:


Mona Lisa Drexler, CMC/AAE
Municipal Borough Clerk

Ayes: Bartos, Sattley, Quakenbush, Sonafrank, Parr, Prax, Webb, Young, McBride, Solie,
LaSota
Noes: None

Alaska Municipal Government

Organized Boroughs and Unified Home Rule Municipalities

Unified Home Rule	3
Home Rule	5
First Class	0
Second Class	7
Third Class	1
Total Boroughs	<u>16</u>

Incorporated Cities

	Within Boroughs	Within Unorganized Borough	Total*
Home Rule	7	5	12
First Class	8	13	21
Second Class	34	78	112
Total Cities	<u>49</u>	<u>96</u>	<u>145</u>

Total Cities and Boroughs = 161

*Does not include Metlakatla, a city organized under federal law.

*Does not include five Second Class Cities that were conditionally dissolved by the Local Boundary Commission in 1994

State Population: 611,300 (1997 estimated)

(Source: Alaska Department of Labor, Research & Analysis)

State Land Area: 570,833 square miles

Legal Basis of Municipal Government

The Alaska Constitution establishes the policy of maximum self-government for the people. This policy has been implemented through the creation of city and borough governments to provide for essential public services. Alaska is unique among the fifty states in that most of its land mass has not been organized into political subdivisions equivalent to the county form of government found in the majority of the states. This area of the state is called the "unorganized borough" and includes vast amounts of land which is sparsely inhabited.

Cities and boroughs are distinct legal entities (municipalities) incorporated under the laws of Alaska to perform both regulatory (police, zoning, animal control, etc.) and proprietary (water, sewer, airport, etc.) functions. There are three types of general law boroughs and two types of general law cities. In addition, cities or boroughs may adopt charters providing for home rule. Most of the laws relating to the organization and operations of municipal government can be found in the State Municipal Code, Title 29, of the Alaska Statutes.

CORRECTION

THE FOLLOWING DOCUMENT(S)
HAVE BEEN REFILMED TO
ASSURE LEGIBILITY OR PAGINATION



Rev. 6/98

Central Microfilm Services
Department of Education
State of Alaska

By: James Sampson
Introduced: 10/09/97
Advanced: 10/09/97
Adopted: 10/30/97

ORDINANCE NO. 97-047

AN ORDINANCE ALTERING THE BOUNDARIES OF THE
STEESE FIRE SERVICE AREA TO INCLUDE
TAX LOTS 104 AND 105, T1N, R1W, FAIRBANKS MERIDIAN

BE IT ORDAINED, by the Assembly of the Fairbanks North Star Borough:

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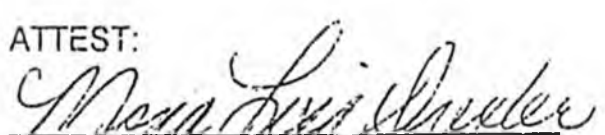
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PASSED AND APPROVED THIS 30TH DAY OF OCTOBER, 1997.

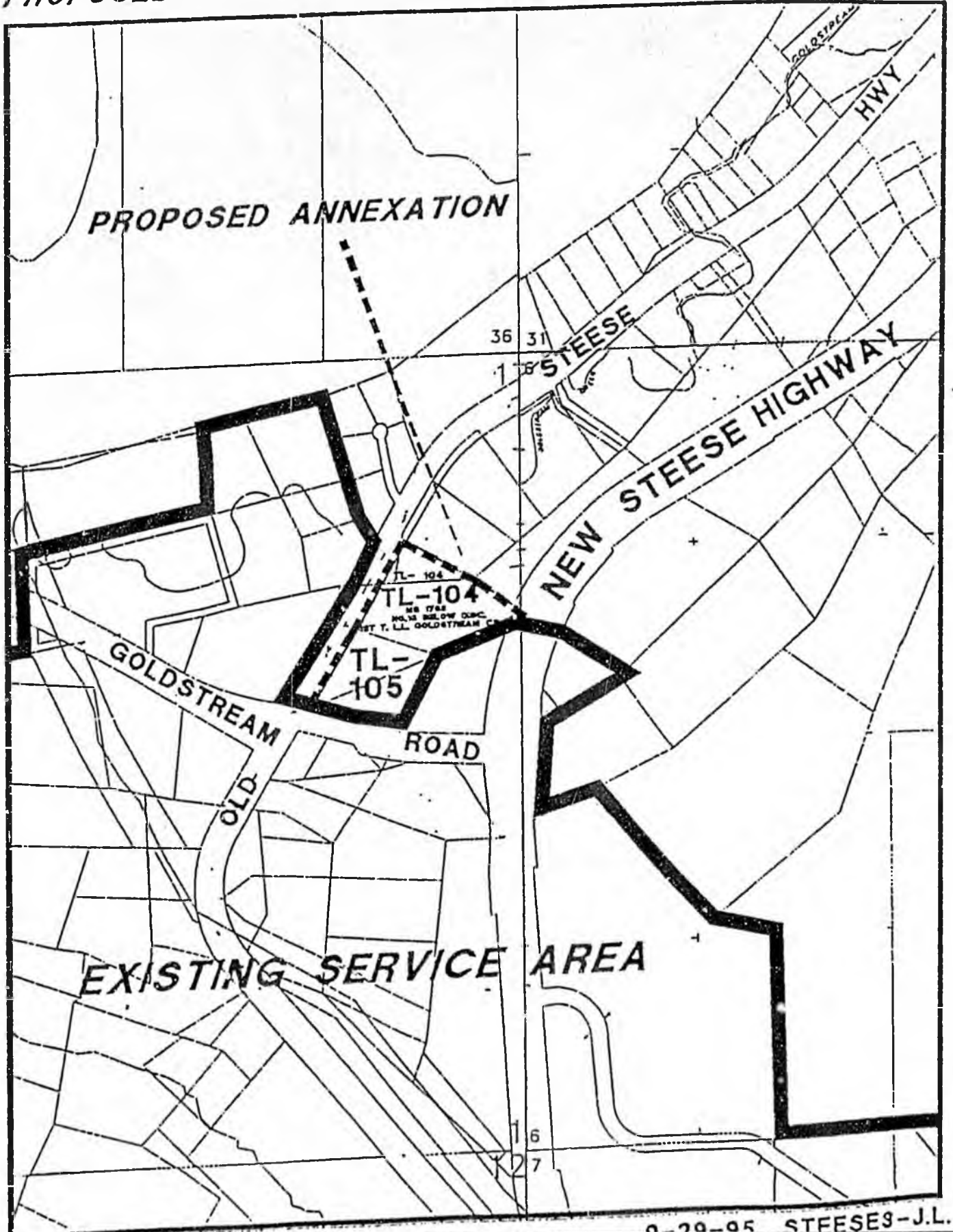

Dan LaSota, Acting
Presiding Officer

ATTEST:


Mona Lisa Drexler, CMC/AAE
Municipal Borough Clerk

Ayes: Bartos, Sattley, Quakenbush, Sonafrank, Parr, Prax, Webb, Young, McBride, Solie,
LaSota
Noes: None

PROPOSED ANNEXATION TO STEESE FIRE SERVICE AREA



Alaska Municipal Government

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	Within Boroughs	Within Unorganized Borough	Total*
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Cities and boroughs are distinct legal entities (municipalities) incorporated under the laws of Alaska to perform both regulatory (police, zoning, animal control, etc.) and proprietary (water, sewer, airport, etc.) functions. There are three types of general law boroughs and two types of general law cities. In addition, cities or boroughs may adopt charters providing for home rule. Most of the laws relating to the organization and operations of municipal government can be found in the State Municipal Code, Title 29, of the Alaska Statutes.

Types of Borough Government

Boroughs are units of government formed to provide services to persons residing in a large geographic area or region including two or more communities; they have some similarities to counties. Currently, sixteen organized boroughs cover about 39 percent of the state. The remaining area is considered a single unorganized borough. Approximately 89 percent of the state's population resides within an organized borough.

Mandatory Areawide Powers and Duties: First and second class boroughs must perform three areawide powers: (1) education; (2) planning/platting/zoning; and (3) tax assessment and collection. The single third class borough assumes only two mandatory areawide powers: education and taxation. This borough is not permitted by law to assume any other areawide or non-areawide powers, but it can create service areas.

Borough Comparisons: There are three classes of general law boroughs authorized by law. First class boroughs and second class boroughs are essentially identical, except that first class boroughs can acquire additional areawide powers by ordinance rather than referendum. Boroughs may provide additional services on an areawide basis, a non-areawide basis (outside cities), and/or a service area basis. The governing structure of a borough consists of an assembly (a legislative body ranging in size from 5 to 16), a school board (which operates the school system), a planning commission, and a mayor.

General Law Cities

There are two types of general law cities provided for by the Alaska Constitution: first class and second class.

City Powers and Duties: General law cities can only do what the law says they can do (AS 29.35). A city has only those powers given to it by the State. These include general governmental powers (financial, administrative, and legal), powers to provide public facilities and services, and regulatory powers. These powers can allow a city to provide a wide range of community services and facilities. In practice, however, population and fiscal constraints serve to limit the number of services provided by many cities.

City Comparisons: First class cities differ from second class cities in several ways. A community must have a minimum population of 400 in order to incorporate as a first class city as compared to 25 registered voters to become a second class city. The mayor of a first class city is elected by the voters and is not a member of the council. The mayor of a first class city may vote only in cases of a tie or to veto action of the council. If a first class city is located in the unorganized borough, it has the added responsibility of providing education and planning and zoning services for its residents.

Second class cities are the most common form of municipal government found in Alaska. Communities with at least 25 registered voters can petition the State to incorporate as a second class city in order to provide services and facilities to their residents. Alaska statutes require second class cities to conduct regular city council meetings, codify city ordinances, and establish local election procedures. The mayor of a second class city is elected by and from the council and may vote on all matters. Second class cities may provide other city services and raise revenue through a sales or property tax. Second class cities may levy a property tax only if it is approved by the voters and at a level no higher than 5 mills, except that the limit does not apply to millage levied to pay off bonds. All other municipalities may levy a property tax of not more than 30 mills, except to pay off bonds.

Home Rule Municipalities

A home rule municipality is a city or borough which has adopted a home rule charter through an election. The adoption of such a charter gives that local government "all legislative powers not prohibited by law or charter" (Article X, Section 11 - Constitution of Alaska). The charter provides for the governing structure, functions and services, and restrictions on municipal powers in accordance with the conditions, needs, and desires of the community. AS 29.10.200 (Limitation of Home Rule Powers) defines provisions of the State Municipal Code that apply specifically to home rule municipalities.

Unified Municipalities

Unified home rule municipalities are established when an organized borough and all cities within the borough unite, following an election, to form a single unit of government with a home rule charter.

Cities Organized under Federal Law

Metlakatla was organized by authority of federal statutes and is situated on the Annette Island Indian Reservation in Southeastern Alaska. The community has adopted a form of government similar in many respects to a municipality, but is recognized as a city under federal law only.

NOTE TO READERS: The population figures listed for municipalities have been certified by the Alaska Department of Community and Regional Affairs.

This *Directory* is updated annually and published in January.

CITIES WITHIN ORGANIZED BOROUGHS

Aleutians East Borough		Lake and Peninsula Borough	
Akutan	Second Class	Chignik	Second Class
Cold Bay	Second Class	Egegik	Second Class
False Pass	Second Class	Newhalen	Second Class
King Cove	First Class	Nondalton	Second Class
Sand Point	First Class	Pilot Point	Second Class
		Port Heiden	Second Class
Denali Borough		Matanuska-Susitna Borough	
Anderson	Second Class	Houston	Second Class
		Palmer	Home Rule
Fairbanks North Star Borough		Wasilla	First Class
Fairbanks	Home Rule		
North Pole	Home Rule	North Slope Borough	
		Anaktuvuk Pass	Second Class
Haines Borough		Atkasuk	Second Class
Haines	First Class	Barrow	First Class
		Kaktovik	Second Class
Kenai Peninsula Borough		Nuiqsut	Second Class
Homer	First Class	Point Hope	Second Class
Kachemak	Second Class	Wainwright	Second Class
Kenai	Home Rule		
Seldovia	First Class	Northwest Arctic Borough	
Seward	Home Rule	Ambler	Second Class
Soldotna	First Class	Buckland	Second Class
		Deering	Second Class
Ketchikan Gateway Borough		Kiana	Second Class
Ketchikan	Home Rule	Kivalina	Second Class
Saxman	Second Class	Kobuk	Second Class
		Kotzebue	Second Class
Kodiak Island Borough		Noorvik	Second Class
Akhiok	Second Class	Selawik	Second Class
Kodiak	Home Rule	Shungnak	Second Class
Larsen Bay	Second Class		
Old Harbor	Second Class		
Ouzinkie	Second Class		
Port Lions	Second Class		

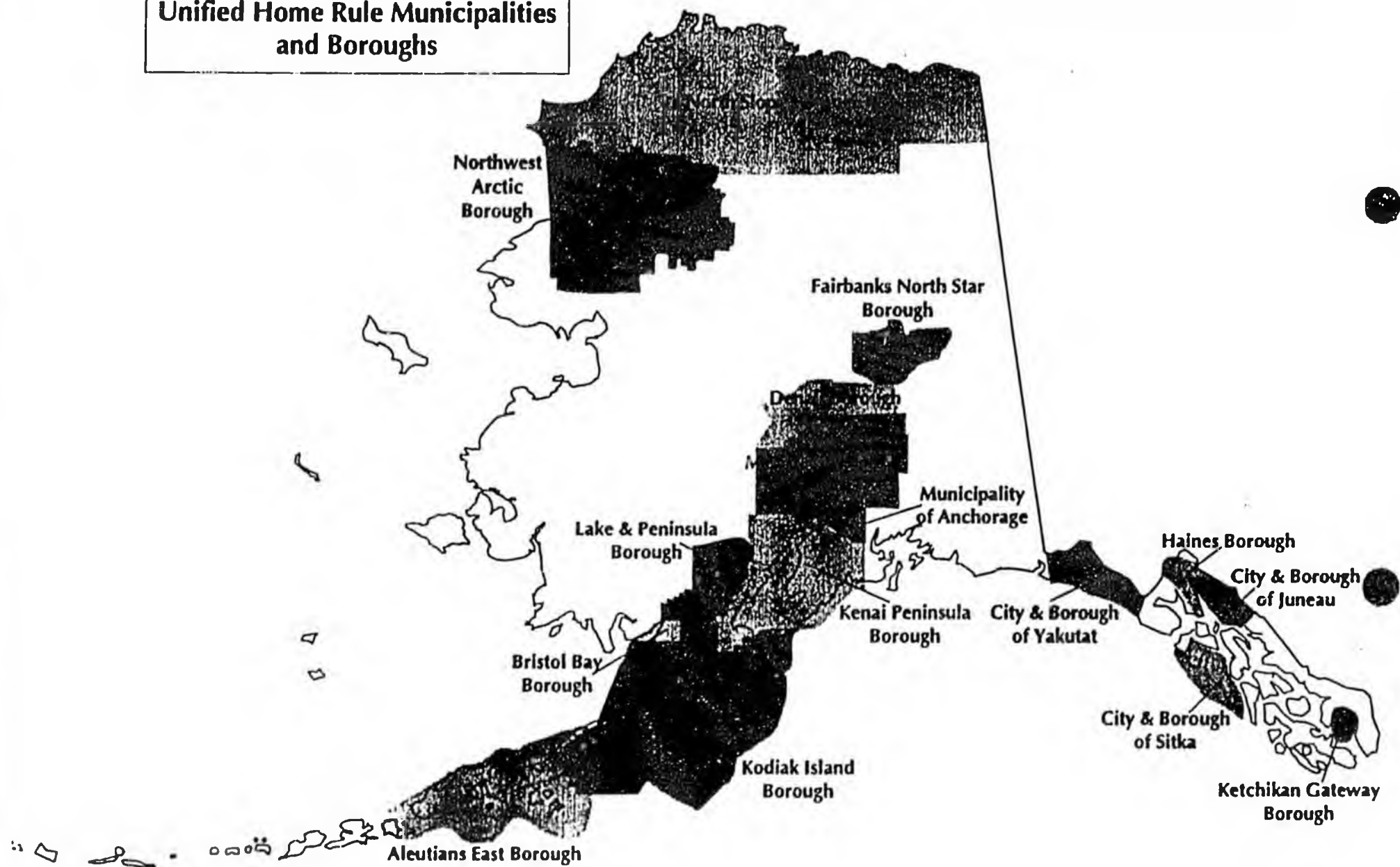
ORGANIZED BOROUGHS - UNIFIED MUNICIPALITIES

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Ketchikan	78	Buckland	35	Noorvik	108
Kodiak	84	Chefomak	36	Nuiqsut	110
Nenana	101	Chevak	37	Nulato	111
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Palmer	115	Chuathbaluk	39	Old Harbor	113
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— State of Alaska —
Unified Home Rule Municipalities
and Boroughs



Board of Supervisors
R.S.A. #25 Bogard
P.O. Box 2274
Palmer, AK. 99645

January 24, 1998

TO: Senator Sean Parnell
State Capitol Room 504
Juneau, AK. 99801

Dear Senator Parnell,

The board of supervisors for R.S.A. # 25 Bogard has discussed Senate Bill 208 and we enthusiastically support it. We believe it is still important to allow taxpayers to have a voice in the spending of their tax monies. Local control is important to the residents of this road service area. Thank you for your assistance in maintaining it.

Sincerely Yours,

Valen C. Bair
Primary R.S.A. # 25

Valen C. Bair

William Larkin
Board R.S.A. # 25

William Larkin

Wrex Diem
Board R.S.A. # 25

Wrex R Diem

Law Offices of
Douglas L. Blankenship
406 Cushman Street, Suite 2
Fairbanks, Alaska 99701
907-452-4300 fax 456-2523
E-Mail Address: 104576.2433@compuserve.com

Via Facsimile -- 465-6592

January 26, 1998

JAN 26 1998

Senator Sean Parnell
State Capitol Room 504
Juneau, AK 99801

Dear Senator Parnell:

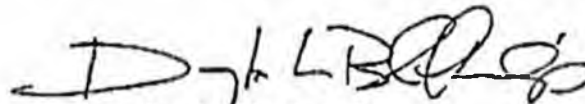
I am chairman of the Scenic Heights Service Area located in the Fairbanks North Star Borough. I support the amendments contained in Senate Bill 208. Several years ago, the Fairbanks North Star Borough mandated that the Scenic Heights Service Area include a noncontiguous subdivision located at approximately one-half mile from the border of the Scenic Heights Service Area. Although our service area objected, we were required to accept the Borough's decision.

The amendments requested in your bill are reasonable because, as you know, the members of the Service Area Commission volunteer their time to assist their community. It is inappropriate for a municipality to impose additional responsibility and time commitments upon the Service Area Commissioners who volunteer their time when the majority of the service area members object to a proposed action.

Thank you for your efforts.

Very truly yours,

LAW OFFICES OF DOUGLAS L. BLANKENSHIP


Douglas L. Blankenship

DLB/clm

cc: Senator Gary Wilken via facsimile 465-1714
Representative John Davies via facsimile 465-3519

1998 Officers

Pres. Bill Kuhlmann 694-2426
V. Pres. Jim Yeargan 694-2571
Sec. Barbara Ferrell 696-2570
Treas. Floyd Gori 694-6088



1998 Directors

Michelle Adams 696-1274
Dr. Gregory Culbert 696-4878
Jim Young 689-5200

**EAGLE RIVER COMMUNITY COUNCIL
PO BOX 773952
EAGLE RIVER, ALASKA 99577**

12 February, 1998

FEB 20 1998

Senator Sean Parnell
State Capital
Juneau, Alaska 99801-1182

Subject: Senate Bill 208

Dear Senator Parnell;

Eagle River Community Council supports the passage of Senate Bill 208. We agree that the abolishment or alteration of service areas within a borough or municipality should be prohibited without first requiring a vote of the people residing in or owning a business within that service area.

We appreciate your sponsorship of this bill and look forward to its passage.

Sincerely,

A handwritten signature in cursive script, appearing to read "Bill Kuhlman". The signature is written in dark ink and is positioned above the typed name of the sender.

Bill Kuhlman, President
Eagle River Community Council

cc: Senator Rick Halford
Senator Randy Phillips
Representative Fred Dyson
Representative Vic Kohring
Representative Pete Kott

15120 Elmore Road
Anchorage, AK 99516

February 24, 1998

Senator Sean Parnell
State Capitol, Room 504
Juneau, AK 99801

Re: Senate Bill No. 208

Dear Senator Parnell:

The Board of Supervisors of the Birch Tree/Elmore Limited Road Service Area urges passage of SB 208 because it is necessary to preserve the purpose of limited service areas, which is local control of local government services by the residents of the service area. In this time of renewed dedication to the principle of returning political power, to the fullest extent possible, to the local level, it should be recognized that limited service areas such as the Birch Tree/Elmore LRSA are the most local of all local government entities, are extraordinarily efficient and almost instantly responsive to the requests and needs of the residents of the service area.

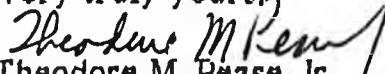
The Anchorage Street Maintenance Department, in those parts of the city which receive and pay taxes for municipal road service, has a stated policy of clearing all streets which it maintains within 72 hours of a snowfall. By contrast, the Birch Tree/Elmore LRSA's private contractor is required by his contract to respond to a call-out for snow clearing within four hours and is able to plow all eleven miles of roads within a maximum of nine or ten hours and usually less. Furthermore, the contractor only gets paid for work which the LRSA asks him to perform.

The five elected members of the Board of Supervisors all live in the LRSA and daily drive its roads. They are in a position to spot problems such as frozen culverts and mudholes as soon as they develop and call in the LRSA private contractor to correct them without delay. If the Board members fail to spot a problem, the residents can and do call it to the Board members attention. And if the LRSA residents decide the Board is not doing a good job, they can vote us out of office. Furthermore, the LRSA services are subject to a tax cap of one and a half mills which can only be increased by vote of the LRSA residents.

However, unless SB 208 is passed and becomes law, municipalities and boroughs have the power to combine and merge existing LRSA's into the municipal street maintenance department without the affirmative vote of the residents in the LRSA. If this occurs, the road taxes can be increased without a vote of the residents, and the street maintenance department, not the elected Board of Supervisors; decides what work is to be done and when. In short local control is lost and with it all of the above enumerated benefits of local control.

We urge passage of SB 208.

Very truly yours,


Theodore M. Pease, Jr.
Member, Board of Supervisors
Birch Tree/Elmore LRSA

cc. LRSA Board Members



Fairbanks North Star Borough

Office of the Mayor

809 Pioneer Road

P.O. Box 71267

Fairbanks, Alaska 99707-1267

907/459-1300

Fax 907/459-1102

Email mayor@co.fairbanks.ak.us

March 2, 1998

Representative Ivan
Chair, House CRA Committee
State Capitol
Juneau, AK 99801-1182

Dear Representative Ivan,

HB365, An Act relating to municipal service areas and providing for voter approval of the formation, alteration, or abolishment of certain service areas causes the Fairbanks North Star Borough many problems. Of the 250 service areas statewide, approximately 110 are in the Fairbanks North Star Borough. It has been our policy to attempt to curb the proliferation of service areas in the Borough. We do so in order to make service delivery more efficient. Fewer service areas provide economies of scale for limited road dollars. There are also increased administrative efficiencies.

Judging from the recent activity of HB365's companion bill, SB208, it is very popular. It is my understanding the legislation stems from recent policing issues in Anchorage. I request that HB365 be amended to exempt second class boroughs. I feel strongly that our current course of action in regards to service areas is in the best interests of borough government, while not infringing on the rights of our residents. Let the administration and Assembly make service area decisions in conjunction with local residents. I appreciate your consideration.

Sincerely,

Hank Hove
Borough Mayor

cc: Representative Tom Brice
Representative John Davies
Representative Jeannette James
Representative Pete Kelly
Representative Gene Therriault

FISCAL NOTE

Version: SB 208
(S) Publish Date: 2-10-98

Revision Date: 2/9/98 (form correction) Dept. Affected: Community & Regional Affairs
 Title: An Act relating to municipal service areas and providing for voter ... BRU: none
 Component: none
 Sponsor: SENATOR PARNELL
 Requestor: Senate CRA Committee COMPONENT SERIAL NO. _____

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL	0.0	0.0	0.0	0.0	0.0	0.0

REVENUE FUND SOURCE:

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FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME						
TEMPORARY						

Estimate of current (FY98) impact \$ none

ANALYSIS: (Attach a separate page if necessary)

This legislation provides for voter approval of the formation, alteration, or abolishment of certain municipal service areas. This legislation would have no fiscal impact on the department.

Prepared by: Remond Henderson, Director *Remond Henderson* Phone: 465-4708
 Division: Division of Administrative Services Date: 2/05/98
 Approved by Commissioner: *Just for Mike Brown* Date: 2/05/98
 Agency: Community & Regional Affairs