

ALASKA LEGISLATURE COMMITTEE FILES, 2003-2004 8672

10723 HOUSE COMMUNITY & REGIONAL AFFAIRS

## Customer Testimonials

“Without the very rapid and positive efforts of the EDD on behalf of KDLL I am certain our programming service would have been severely disrupted.

Allen Auxier, KDLL Station Manager

“The KPEDD provides an invaluable service to Tribes and Kenai Borough communities and should remain available for future success in all communities”.

Angela D. Sandstol, Native Village of Tyonek Tribal administrator

I would like to share my appreciation for the work that the KPEDD is doing in the Kenai Peninsula region. Assisting the communities in developing Community Action Plans is outstanding. The Kenai Peninsula is very fortunate to have an organization such as KPEDD”.

Jeanie Kennedy, Exec. Director RurALCap

“Alaska productions is a fast-growing full service video production company whose level of progress and success is directly tied to the assistance and support we’ve had through KPEDD”.

Morgan Evans, Owner & Producer of Alaska Productions

“My experience with KPEDD has shown me that the services and resources that this agency offers to the community are extremely valuable and supportive of economic growth and sustainability on the Kenai Peninsula”.

Krsita Timlin, KPC Career Center Coordinator

## Cost-benefit analysis for FY02 - FY93

	FY02	Leverage
State ARDOR \$	\$50,023	
Total ARDOR \$	\$252,032	\$1 to \$5.04
Other State \$	N/A	N/A
Total non-State \$	\$202,009	\$1 to \$4.04
Federal \$	\$59,000	\$1 to \$1.18
Private sector \$	\$53,009	\$1 to \$1.06
Other non-federal/non-State \$	\$90,000	\$1 to \$1.80
In-kind contributions	N/A	N/A

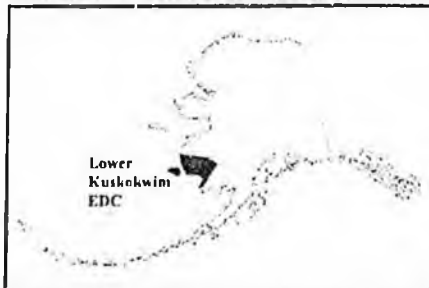
	FY01	Leverage
State ARDOR \$	\$45,409	
Total ARDOR \$	\$217,819	\$1 to \$4.80
Other State \$	N/A	N/A
Total non-State \$	\$172,410	\$1 to \$3.80
Federal \$	\$59,000	\$1 to \$1.30
Private sector \$	\$23,410	\$1 to \$.52
Other non-federal/non-State \$	\$90,000	\$1 to 1.98
In-kind contributions	N/A	N/A

	FY00	Leverage
State ARDOR \$	\$47,692	
Total ARDOR \$	\$250,805	\$1 to \$5.26
Other State \$	\$50,000	\$1 to \$1.05
Total non-State \$	\$153,113	\$1 to \$3.21
Federal \$	\$59,000	\$1 to \$1.24
Private sector \$	\$4,113	\$1 to \$.09
Other non-federal/non-State \$	\$90,000	\$1 to \$1.89
In-kind contributions	N/A	N/A

	FY99	Leverage
State ARDOR \$	\$47,692	
Total ARDOR \$	\$446,692	\$1 to \$9.37
Other State \$	\$50,000	\$1 to \$1.05
Total non-State \$	\$349,000	\$1 to \$7.32
Federal \$	\$59,000	\$1 to \$1.24
Private sector \$	N/A	N/A
Other non-federal/non-State \$	\$290,000	\$1 to \$6.08
In-kind contributions	N/A	N/A

	FY98	Leverage
State ARDOR \$	\$51,666	
Total ARDOR \$	\$1,490,431	\$1 to \$28.85
Other State \$	\$1,029,765	\$1 to \$19.93
Total non-State \$	\$409,000	\$1 to \$7.92
Federal \$	\$59,000	\$1 to \$1.14
Private sector \$	N/A	N/A
Other non-federal/non-State \$	\$350,000	\$1 to \$6.77
In-kind contributions	N/A	N/A

# Lower Kuskokwim Economic Development Council



## ***Mission Statement***

*The Lower Kuskokwim Economic Development Council exists to promote economic development activities in Bethel and 26 surrounding villages. Local planning and assistance to secure funding for small business activities and local infrastructure needs in our region is provided.*

## **FY 2004 Goals**

- ★ Develop, Expand, Diversify and Promote quality standards of the Lower Kuskokwim fisheries industry.
- ★ Promote development and growth of tourism and the visitor industry in our region.
- ★ Develop and expand local and regional retail and services industry in our region.
- ★ Provide for the sound management of the Lower Kuskokwim EDC.

## **FY 2004 Top Economic/Business Needs**

1. Develop new markets for value-added fish products, including salmon and other species.
2. Access to capital for local business development.

## **FY 2004 Budget (revised from original application)**

\$47,720	State ARDOR grant
\$54684	Amount of other State funds
\$13,500	Amount of federal funds (USDA)
\$2,000	Amount of private sector funds
\$0	Any other non-federal, non-State funds
<hr/>	
\$117,904	Total FY04 ARDOR Budget <i>(total of above 5 lines)</i>
\$4,000	Total FY04 ARDOR In-Kind Contributions: discounted rent, use of office equipment, office supplies, donated airfare.

## Other FY 2003 Accomplishments

1. \$18,500 obtained as non-state funding for LKEDC program operations.

## FY 2003 Coordinated Regional Efforts Resulting in New Business Opportunities

1. Eighty five fishermen received a pay incentive for icing their commercial salmon catch, utilizing insulated slush ice bags provided by LKEDC.

## FY 2003 Goals \* (Percentages of goal achieved: 100%. A ✓ indicates the goal was accomplished.)

- ✓ Develop, expand, diversify and promote quality standards of Lower Kuskokwim fisheries industry.
- ✓ Promote development and growth of tourism and visitor industry in the region.
- ✓ Develop and expand local & regional retail and service industry in the region.
- ✓ Provide for the sound management of the LKEDC.

\* A Legislative performance measure discussed on pages 65 and 66.

## FY 2004 Organizational and Staffing Charts

Number of Board Members: 12

Board Representation:

regional native corporation board member  
Regional native corporation vice president  
Small business owners (5)  
Village corporation president  
Village housing authority Executive Director  
Ak State Senator  
Ak State Representatives (2)  
School District board member  
Tribal Council Representative

Number FTE staff: 1

FTE staff/capita: 1/15,915

## Board Members

### Executive Committee

Fred Phillip, (Chairman)  
Kwik Incorporated  
Arthur Lake (Vice Chairman)  
Kwigillingok IRA  
Council  
Peter Julius (Secretary) Small  
business owner  
Alexie Jimmie (Treasurer)  
President, United Villages  
Inc. & Small business  
owner

### Members

Max Angellan, Kwethluk  
Tribal Resident Council  
Andrew Guy, Calista  
Corporation  
Sam George, Small business  
owner  
Ferdinand Pleasant, Native  
Village of Kwinhagak  
Les Daenzer, Lower  
Kuskokwim School  
District  
Lyman Hoffman, State Senator  
Richard Foster, State  
Representative  
Mary Kapsner, State  
Representative

### Contact

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carl\_berger@ddc-alaska.org

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# Lower Kuskokwim Economic Development Council

## **FY 2004 Connection to other related services or programs (public or private)**

### Partners

- ✓ Local/regional public: AK Dept of Labor & Workforce Development
- ✓ Local/regional private: Bethel Chamber of Commerce
- ✓ State Public: State of AK, DCED; Univ of AK Fairbanks, Kuskokwim campus
- ✓ State Private: (none)
- ✓ Federal Public: USDA Rural Development & USDA Natural Resources  
Conservation Service
- ✓ Native Private: Calista Corporation

## **Customer Testimonials**

“Coastal Villages Seafoods lends its full support to the efforts of the Lower Kuskokwim Economic Development Council to increase the number of slush (ice) bags available to the fishermen of the Kuskokwim districts in Alaska.”

Chief Operating Officer, CVS

“I . . . support your efforts to improve the quality of the commercial salmon catch on the Kuskokwim river by the use of insulated slush ice bags . . . I have found that fish harvested in this manner are firm, bright and in prime condition when they are iced, prior to delivery”

John O. Mark, Commercial Fisherman  
Quinhagak, Alaska

“I like the slush (ice) bag very much, so I’m buying it.”

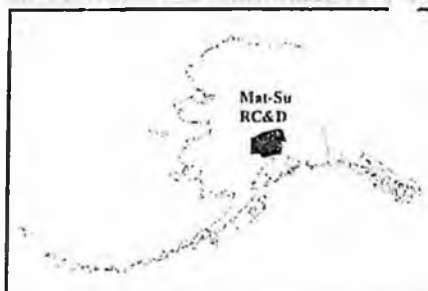
Jim White, Commercial Fisherman  
Eek, Alaska

### Cost-benefit analysis for FY02 - FY93

	FY02	Leverage
State ARDOR \$	\$50,200	
Total ARDOR \$	\$78,700	\$1 to \$1.57
Other State \$	N/A	N/A
Total non-State \$	\$28,500	\$1 to \$.57
Federal \$	N/A	N/A
Private sector \$	\$8,000	\$1 to \$.16
Other non-federal/non-State \$	\$20,500	\$1 to \$.41
In-kind contributions	\$4,500	\$1 to \$.09

	FY01	Leverage
State ARDOR \$	\$45,400	
Total ARDOR \$	\$80,100	\$1 to \$1.176
Other State \$	N/A	N/A
Total non-State \$	\$34,700	\$1 to \$.76
Federal \$	N/A	N/A
Private sector \$	\$10,200	\$1 to \$.11
Other non-federal/non-State \$	\$24,500	\$1 to \$.54
In-kind contributions	\$4,500	\$1 to \$.10
	FY00	Leverage
State ARDOR \$	\$47,300	
Total ARDOR \$	\$80,800	\$1 to \$1.71
Other State \$	N/A	N/A
Total non-State \$	\$33,500	\$1 to \$.71
Federal \$	N/A	N/A
Private sector \$	\$4,500	\$1 to \$.10
Other non-federal/non-State \$	\$29,000	\$1 to \$.61
In-kind contributions	\$4,500	\$1 to \$.10

# Mat-Su Resource Conservation & Development, Inc.



**Mission Statement**  
Mat-Su R&DC

## FY 2004 Goals

- ★ Establish industrial sector to provide employment & tax base
- ★ Retain & expand existing business
- ★ Establish anchor attraction for tourism development
- ★ Strive to improve CEDS through participation, public input, and dissemination
- ★ Support natural resource based opportunities
- ★ Support infrastructure development
- ★ Natural resources managed, conserved, and developed making productive use of resources while protecting environmental quality
- ★ Transfer of land from public to private

## FY 2004 Top Economic/Business Needs

1. Infrastructure development: continued expansion of basic utilities, expansion of public transportation, development of utility and transportation corridors to meet future growth, development of successful recycling program as basic community service.
2. Funding and technical assistance available to community service organizations and local non-profit organizations.
3. Expanded availability of training opportunities for employers, employees, and the unemployed.
4. Access to capital for small businesses and local projects.
5. CEDS available electronically for greater access by public, public agencies, and private business.

## FY 2004 Budget

\$47,450	State ARDOR grant
\$0	Amount of other State funds
\$100,000	Amount of federal funds
\$1,350	Amount of private sector funds
\$19,550	Any other non-federal, non-State funds
<hr/>	
\$168,350	Total FY03 ARDOR Budget <i>(total of above 5 lines)</i>
\$9,200	Total FY03 ARDOR In-Kind Contributions: Board Volunteer hours estimate 368 hours/yr total X \$25 per hour = \$9,200

## Other FY 2003 Accomplishments

1. Provided financial services for 5 local service organizations and non-profits.
2. Supported continued development of Multi-Use Sports Complex.
3. Supported expansion of hospital to meet community needs.
4. Provided economic data to businesses considering relocation to the region.

## FY 2003 Coordinated Regional Efforts Resulting in New Business Opportunities

1. Organized and Hosted 5<sup>th</sup> Annual Valley Economic Development Conference.
2. Regional Recycling program development: Weekly recycling events, increased material collections, new materials available for collection, developed business plan, began site work at permanent recycling center.
3. Development and expansion of local public transportation: new buses funded and acquired, more frequent routes to outlying areas, increase in ridership and access for social service programs, started youth program.
4. Utility expansion to Port MacKenzie

## FY 2003 Goals \* (Percentages of goal achieved: 100%. A ✓ indicates the goal was accomplished.)

- ✓ Establish industrial sector to provide employment & tax base
- ✓ Retain & expand existing business
- ✓ Establish anchor attraction for tourism development
- ✓ Strive to improve CEDS through participation, public input, and dissemination
- ✓ Support natural resource based opportunities
- ✓ Natural resources managed, conserved, and developed making productive use of resources while protecting environmental quality
- ✓ Transfer of land (public-private)

\* A Legislative performance measure discussed on pages 65 and 66.

## Board of Directors

### Executive Committee

Darcie Salmon, (Pres) Valley Board of Realtors  
Dick Zobel, (Vice Pres) AK Soil/Water Conservation District (SWC)  
Al Jorgenson, (Sec) Mat-Su Native Federation  
Ted Smith, Past President  
Rick Leibowitz, Small Business

### Members

Steve Levine, MSB School District  
Ted Smith, Willow Chamber of Commerce  
Rose Marie "Tiny" DePriest Alaska Farmers & Stock Growers  
Ed Brittingham, Greater Wasilla Chamber  
Craig Tytten, Wasilla Soil & Water Conservation District  
Janet Kincaid, Mat-Su Convention & Visitors Bureau  
Anna Van Reitz, NVDC  
Diane Keller, Mayor, City of Wasilla  
Kelly Lankford Ladere, Upper Su SWCD  
Clarence Furbush Palmer SWCD  
Elizabeth Ripley, Greater Palmer Chamber  
Dan Deedy, Enstar Gas  
Dale Adams, Mayor, City of Houston  
Tony Pippel, City of Palmer  
Wayne Carmony, Mat-Su Electric Assoc.  
Jackie Whitstine, MTA  
Debby Retherford, Wells Fargo Bank  
John Duffy, Mat-Su Borough  
Angele Rosas, Houston Chamber

### Contact

Charles R. Parker,  
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# Mat-Su Resource Conservation & Development, Inc.

## **FY 2004 Organizational and Staffing Charts**

Number of Board Members: 23

Board Representation: utilities, local government, realtors, chambers of commerce, convention and visitors bureau, soil and water conservation districts, regional native federation, small business development, and other partners such as the Alaska Farmers & Stock Growers and the North Valley Development Council.

Number FTE staff: 2

FTE staff/capita: 0.00167%

## **FY 2004 Connection to other related services or programs (public or private)**

### Partners

- ✓ Local/regional public: Mat-Su Borough, City of Palmer, City of Wasilla, City of Houston, 23 Recognized Community Councils, Knik Tribal Council, Chickaloon Tribal Council, Department Community & Economic Development, Department of Transportation & Public Facilities, Department of Natural Resources
- ✓ Local/regional private: Chambers of Commerce: Palmer, Wasilla, Houston, Talkeetna, Big Lake, Willow
- ✓ State Public: Matanuska Electric Association, Matanuska Telephone Association, Enstar Natural Gas
- ✓ State Private: Banks, Realtors, Kiwanis, Rotary, Mat-Su Homebuilders Association, Mat-Su College
- ✓ Federal Public: U.S. Department of Commerce, U.S. Department of Agriculture
- ✓ Native Private:

## Customer Testimonials

None submitted.

## Cost-benefit analysis for FY02 - FY93

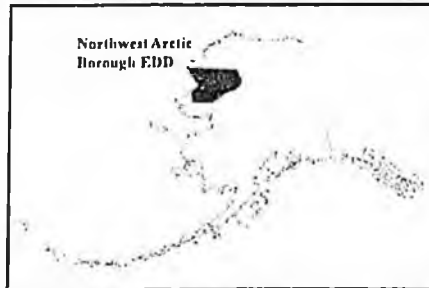
	FY00	Leverage
State ARDOR \$	\$47,692	
Total ARDOR \$	\$184,992	\$1 to \$3.88
Other State \$	N/A	N/A
Total non-State \$	\$137,300	N/A
Federal \$	\$111,800	N/A
Private sector \$	\$15,500	\$1 to \$.33
Other non-federal/non-State \$	\$10,000	\$1 to \$.21
In-kind contributions	N/A	N/A

	FY99	Leverage
State ARDOR \$	\$51,666	
Total ARDOR \$	\$207,966	\$1 to \$4.03
Other State \$	N/A	N/A
Total non-State \$	\$156,300	N/A
Federal \$	\$116,800	N/A
Private sector \$	\$23,500	\$1 to \$.45
Other non-federal/non-State \$	\$16,000	\$1 to \$.31
In-kind contributions	N/A	N/A

	FY98	Leverage
State ARDOR \$	\$51,666	
Total ARDOR \$	\$218,516	\$1 to \$.23
Other State \$	N/A	N/A
Total non-State \$	\$166,850	N/A
Federal \$	\$126,500	N/A
Private sector \$	\$8,100	\$1 to \$.16
Other non-federal/non-State \$	\$16,000	\$1 to \$.31
In-kind contributions	N/A	N/A

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# Northwest Arctic Borough Economic Development Commission



## ***Mission Statement***

*To promote economic development that is consistent, whenever possible, with the traditions and culture of the region; to encourage entrepreneurship; and to reduce the cost-of-living for borough residents.*

## **FY 2004 Goals**

- ★ Promote the development of small businesses in the region.
- ★ Promote the arts and crafts industry for the residents of the NANA region.

## **FY 2004 Top Economic/Business Needs**

1. Continuing small business grants, loans and small business education.
2. Continuing the art purchase and marketing program.
3. Construction and operation of the new Sulainich Arts Center.

## **FY 2004 Budget**

\$47,820	State ARDOR grant
\$0	Amount of other State funds
\$0	Amount of federal funds
\$0	Amount of private sector funds
\$221,855	Any other non-federal, non-State funds
<hr/>	
\$269,675	Total FY03 ARDOR Budget <i>(total of above 5 lines)</i>
\$335,000	Total FY03 ARDOR In-Kind Contributions
	Describe the contributions: Office space for \$18,000, utilities for \$6,000, and accounting support in the form of 1/3 time of comptroller position for \$30,000, all from the NW Arctic Borough. Use of \$170,000 Small Business Revolving Loan Fund, \$105,000 Revolving Arts Purchase/Marketing Fund, and \$6,000 Revolving Youth Group Loan Fund.

## Other FY 2003 Accomplishments

1. Continued work with the North Slope Borough/Arctic EDC through the Arctic Summit, including provision of consultation on development of an arts program and loan program in the North Slope Borough that would mirror that of the Northwest Arctic
2. Borough Development of arts centers in the villages of Selawik and Ambler.

## FY 2003 Coordinated Regional Efforts Resulting in New Business Opportunities

1. Joint effort between the Borough, Chukchi Campus of UAA, Maniilaq Association, and NANA Regional Corporation, resulted in the successful acquisition of a \$395,000 HUD Rural Development grant for construction of a Regional Art Center.
2. Hosted Russian emissaries who are interested in developing business ties to the United States and the Northwest Arctic Borough as a project in conjunction with the University of Alaska.

## FY 2003 Goals \* (Percentages of goal achieved: 100%. A ✓ indicates the goal was accomplished.)

- ✓ Administer Small Business Revolving Loan Program
- ✓ Administer Small Business Grant Program
- ✓ Administer Revolving Arts Purchase and Marketing Program
- ✓ Present Annual Arctic Small Business Gathering in Kotzebue

\* A Legislative performance measure discussed on pages 65 and 66.

## FY 2004 Organizational and Staffing Charts

Number of Board Members: 13  
Board Representation: Village Corp., utilities, local government, banking, business  
Number FTE staff: 2.5  
FTE staff/capita: 2883.2

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## Economic Development Commission

John Schaeffer, (Chair)  
Lucy Nelson, For-Profit Corporation  
Brad Reeve, Utilities  
Kim Franklin, Banking  
Jeannie Westlake, Business

### *Ex Officio*

Walter Sampson, Assembly President  
Roswell Schaeffer, Borough Mayor

### *Contact*

Lee Stoops  
Executive Director  
P.O. Box 1110  
Kotzebue, AK 99752  
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Fax: 442-2930  
E-mail: lstoops@northwestarcticborough.org  
Web site: www.northwestarcticborough.org

# Northwest Arctic Borough Economic Development Commission

**FY 2004 Connection to other related services or programs (public or private):**

**Partners**

- ✓ Local/regional public: North Slope Borough, Bering Sea Fishermens Association
- ✓ Local/regional private: Chukchi College, Kotzebue IRA
- ✓ State Public:
- ✓ State Private:
- ✓ Federal Public:
- ✓ Native Private: NANA Regional Corporation, Maniilaq Association

## Customer Testimonials

Our program is highly interactive with hundreds of individuals. The popularity and high rate of usage of our programs is the consumer input from which we take inspiration.

*Clasic Success Story* 2 1/2 months ago a Buckland family started a small store in their home with no capital other than \$1,600 from two of our PFD Revolving Small Business Loans. In September, they purchased \$15,000 in inventory alone. Again, their sole capital was our small business loan program! That's what I'm talking about!

## Cost-benefit analysis for FY02 - FY93

	FY02	Leverage
State ARDOR \$	\$50,273	
Total ARDOR \$	\$494,533	\$1 to \$9.84
Other State \$	N/A	N/A
Total non-State \$	\$444,160	\$1 to \$8.83
Federal \$	\$80,000	\$1 to \$1.59
Private sector \$	N/A	N/A
Other non-federal/non-State \$	\$100,000	\$1 to \$1.99
In-kind contributions	\$82,000	\$1 to \$1.63

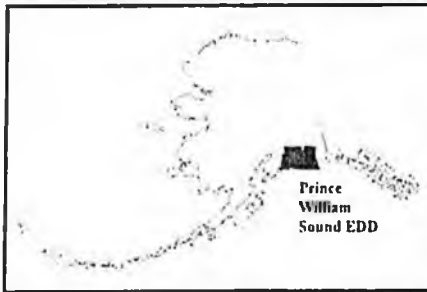
	FY01	Leverage
State ARDOR \$	\$44,285	
Total ARDOR \$	\$421,285	\$1 to \$9.51
Other State \$	N/A	N/A
Total non-State \$	\$376,963	\$1 to \$8.51
Federal \$	N/A	N/A
Private sector \$	N/A	N/A
Other non-federal/non-State \$	\$100,000	\$1 to \$2.26
In-kind contributions	\$80,000	\$1 to \$1.81

	FY00	Leverage
State ARDOR \$	\$47,692	
Total ARDOR \$	\$306,079	\$1 to \$6.42
Other State \$	N/A	N/A
Total non-State \$	\$258,387	\$1 to \$5.42
Federal \$	N/A	N/A
Private sector \$	N/A	N/A
Other non-federal/non-State \$	N/A	N/A
In-kind contributions	\$60,000	\$1 to \$1.26

	FY99	Leverage
State ARDOR \$	\$51,666	
Total ARDOR \$	\$195,745	\$1 to \$3.79
Other State \$		N/A
Total non-State \$	\$144,079	\$1 to \$2.79
Federal \$	N/A	N/A
Private sector \$	N/A	N/A
Other non-federal/non-State \$	N/A	N/A
In-kind contributions	N/A	N/A

	FY98	Leverage
State ARDOR \$	\$51,666	
Total ARDOR \$	\$172,748	\$1 to \$3.34
Other State \$	N/A	N/A
Total non-State \$	\$121,082	\$1 to \$2.34
Federal \$	N/A	N/A
Private sector \$	N/A	N/A
Other non-federal/non-State \$	N/A	N/A
In-kind contributions	N/A	N/A

# Prince William Sound Economic Development District



**Mission Statement**  
*PWSEDD, in partnership with the State of Alaska, U. S. Dept. of Commerce and private industry, brought nearly \$6M to the villages and towns in Prince William Sound for regional development since 1991.*

## FY 2004 Goals

- ★ Promote Tourism: build sustainable tourism industry, support efforts in communities to build new visitor centers, work with Alaska Marine Highway & Scenic Byways Program.
- ★ Workforce Development: Continue working with Valdez Fisheries Development Association on the new seafood processing plant for the region's fishermen.
- ★ Develop regional energy plan to attract new businesses

## FY 2004 Top Economic/Business Needs

1. Lower energy costs
2. Natural Gas Pipeline from North Slope
3. Workforce development
4. Diversity in local economies: increased tourism

## FY 2004 Budget

\$47,620	State ARDOR grant
\$0	Amount of other State funds
\$0	Amount of federal funds
\$17,582	Amount of private sector funds
\$0	Any other non-federal, non-State funds
<hr/>	
\$65,202	Total FY04 ARDOR Budget <i>(total of above 5 lines)</i>
\$8,000	Total FY04 ARDOR In-Kind Contributions: Board of Directors and member time, travel, and lodging; donated flights; community donations to projects

## Other FY 2003 Accomplishments

1. Planned educational seminars with DCBD
2. Provided information and contacts to those interested in locating businesses in Prince William Sound
3. Continued work with Valdez Fisheries to fund training as certified fish processors
4. Coordinating feature story in national publication for tourism article in FY04
5. Examples of activities:

## FY 2003 Coordinated Regional Efforts Resulting in New Business Opportunities

1. Valdez Fisheries Development Association processing plant will serve the entire region's fishermen for processing and marketing.
2. Prince William Sound Gateway Museum in Whittier will attract more visitors to the region and improve the tourism industry.
3. Chugachmiut/PWSEDD Funding Summit brought 70 members of state and federal agencies, tribes, local and regional agencies to Cordova, Feb. 5-7, 2003 that was beneficial to local economy and all attending.
4. CEDS Updated and approved by PWSEDD directors, Alaska and Regional Economic Development Administration, U. S. Dept. of Commerce.

## FY 2003 Goals \* (Percentages of goal achieved: 100%. A ✓ indicates the goal was accomplished.)

- ✓ Create tourism marketing plan with each community
- ✓ Continue work with Chenega Bay to build oil spill training center
- ✓ Sponsor Funding Summit in Cordova with Chugachmiut
- ✓ Continue work with Valdez Fisheries Small Business Incubator/Fish Processing Plant
- ✓ Open history museum in Whittier

\* A Legislative performance measure discussed on pages 65 and 66.

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### Board of Directors

David Dengel, Pres., City of Valdez  
David Cobb, V. P., VFDA  
Betty Miller, Secretary  
Scott Hahn, Treas., City of Cordova  
Kenneth Gates, Cordova Electric Cooperative  
Gary Kompkoff, Tatitlek IRA Council  
Robin Moore, Whittier  
Charles Totemoff, Chenega Corp.

### Membership

BP  
City of Valdez  
City of Cordova  
City of Whittier  
Chenega IRA Council  
Chenega Corporation  
Tatitlek IRA Council  
Chugach Alaska Corporation  
Alyeska Pipeline Service Company  
Cordova Electric Cooperative  
First National Bank of Anchorage  
Eagle Quality Center/Safeway  
Wells Fargo  
Petro Star Valdez Refinery  
Prince William Sound Community College  
Samson Tug and Barge

### Contact

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Fax: 222-2411  
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# Prince William Sound Economic Development District

## **FY 2004 Organizational and Staffing Charts**

Number of Board Members: 9

Board Representation: Industrial, Seafood, technology,  
defense, energy, shipping

Number FTE staff: 1

FTE staff/capita: 1:4257

## **FY 2004 Connection to other related services or programs (public or private)**

### Partners

- ✓ Local/regional public: City of Valdez, City of Cordova, City of Whittier
- ✓ Local/regional private: Valdez Fisheries Deveopment Association, Chenega Bay IRA Council, Tatitlek IRA Council
- ✓ State Public: Dept. of Labor and Workforce Dev., DCED, DCBD, Alaska Marine Highway System
- ✓ State Private:
- ✓ Federal Public: Economic Development Administration
- ✓ Native Private: Chugach Alaska (exhibits in Prince William Sound Gateway Museum)

## Customer Testimonials

As business manager for Valdez Fisheries Development Association, I would like to commend Prince William Sound Economic Development District for being a valuable resource to the communities in our region. Since its beginning in 1991, PWSEDD has worked within the region on a wide range of projects that included small business and workforce development, natural resource development, tourism planning, and a long list of other projects that were requested by the towns and villages. Valdez Fisheries has worked closely with PWSEDD and the federal Economic Development Administration to obtain funding for our Fisheries Business Incubator Investment now operating in Valdez, soon to be available in other Alaska fishing communities.

Dave Cobb

Prince William Sound Economic Development District provided technical assistance in developing our new Prince William Sound Gateway Museum, soon to open in Whittier. Working with the Alaska Division of Community and Business Development, they helped us obtain a grant to build the museum, and worked with us on every stage of the museum's development. PWSEDD is a resource center providing ideas to improve the quality of life in our rural communities.

G. P. "Pete" Heddell, Pres. Whittier Chamber of Commerce,  
(Owner, Honey Charters)

Chugachmiut and Prince William Sound Economic Development District sponsored a funding summit in partnership with state, federal and philanthropic agencies last February that brought over 70 participants to Cordova. The purpose was to discuss two important projects from each city, town, and tribe in the region, and then find funding solutions for these projects. The conference was very successful and those attending had very positive comments about the entire experience. Needless to say, it was an economic boon to Cordova during the winter season. As a member of PWSEDD, Cordova Electric Cooperative supports the ARDOR programs in Prince William Sound.

Ken Gates, President and CEO

PWSEDD worked extensively with the Exxon Valdez Oil Spill Trustee Council and state agencies in the 1990s on several multi-million dollar environmental projects in Prince William Sound. One very important project was the second clean up effort in Chenega Bay. Another was constructing residual oil collection centers in each of the five communities....bilge water is collected, then the oil removed and used as fuel to heat public buildings, returning the clean water to the sea. PWSEDD is an asset to our region.

Charles W. Totemoff, President and C. E. O.,  
Chenega Corporation.

continued . . .

# Prince William Sound Economic Development District

## Cost-benefit analysis for FY93 - FY02

	FY02	Leverage
State ARDOR \$	\$44,285	
Total ARDOR \$	\$79,285	\$1 to \$1.79
Other State \$	N/A	N/A
Total non-State \$	\$35,000	79%
Federal \$	N/A	N/A
Private sector \$	\$35,000	\$1 to \$.79
Other non-federal/non-State \$	N/A	N/A
In-kind contributions	N/A	N/A

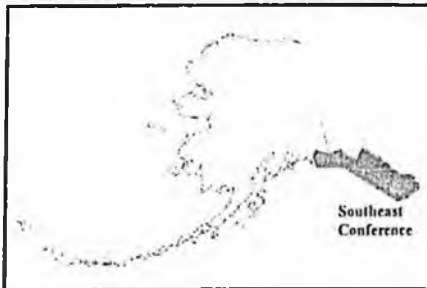
	FY01	Leverage
State ARDOR \$	\$44,285	
Total ARDOR \$	\$106,976	\$1 to \$2.42
Other State \$	N/A	N/A
Total non-State \$	\$62,691	\$1 to \$1.42
Federal \$	\$20,000	N/A
Private sector \$	\$31,500	\$1 to \$.71
Other non-federal/non-State \$	\$11,191	\$1 to \$.25
In-kind contributions	\$30,000	\$1 to \$.68

	FY00	Leverage
State ARDOR \$	\$45,408	
Total ARDOR \$	\$116,546	\$1 to \$2.57
Other State \$	N/A	N/A
Total non-State \$	\$71,138	\$1 to \$1.57
Federal \$	N/A	N/A
Private sector \$	\$51,138	\$1 to \$1.13
Other non-federal/non-State \$	\$20,000	\$1 to \$.44
In-kind contributions	N/A	N/A

	<b>FY99</b>	<b>Leverage</b>
<b>State ARDOR \$</b>	\$52,859	
<b>Total ARDOR \$</b>	\$123,969	\$1 to \$2.35
<b>Other State \$</b>	N/A	N/A
<b>Total non-State \$</b>	\$71,110	\$1 to \$1.35
<b>Federal \$</b>	N/A	N/A
<b>Private sector \$</b>	\$14,500	\$1. To \$0.27
<b>Other non-federal/non-State \$</b>	\$56,610	\$1 to \$1.07
<b>In-kind contributions</b>	N/A	N/A

	<b>FY98</b>	<b>Leverage</b>
<b>State ARDOR \$</b>	\$51,666	
<b>Total ARDOR \$</b>	\$138,104	\$1 to \$2.67
<b>Other State \$</b>	N/A	N/A
<b>Total non-State \$</b>	\$86,438	\$1 to \$1.67
<b>Federal \$</b>	N/A	N/A
<b>Private sector \$</b>	\$8,075	\$1 to \$0.16
<b>Other non-federal/non-State \$</b>	\$78,363	\$1 to \$1.52
<b>In-kind contributions</b>	N/A	N/A

# Southeast Conference



## ***Mission Statement***

*To help develop strong economies, healthy communities, and a quality environment in Southeast Alaska.*

## **FY 2004 Goals**

- ★ Infrastructure Development
- ★ Quality of Life Improvements
- ★ Capacity Building
- ★ Tourism Development
- ★ Timber Development
- ★ Fisheries Development
- ★ Minerals Development
- ★ Business Development
- ★ Environmental Quality Assistance
- ★ Organizational Communications
- ★ Development Planning for Organization
- ★ Organizational Efficiency

## **FY 2004 Top Economic/Business Needs**

1. Support the state appointed Marine Transportation Advisory Board in efforts to assist the Alaska Marine Highway System evolve into a more cost effective and efficient system, while seeking to better utilize assets to improve service.
2. Remain involved in recommending changes and updates to the Southeast Alaska Transportation Plan, and promote efforts to implement the Plan.
3. Continue efforts to construct a regional electrical intertie system.
4. Establish and administer a Timber Industry Revitalization Plan, utilizing specific services of a coordinator and contracted consultants to execute the plan.
5. Continue efforts to develop proposals for diversifying and revitalizing distressed fisheries in the region.
6. Establish work plan for newly constituted Health Care committee, to identify areas of common concern, and where economies of scale can be realized, foster cooperation and resource sharing among the region's health care providers.

## FY 2004 Budget

\$47,823	State ARDOR grant
\$698,554	Amount of other State funds
\$195,601	Amount of federal funds
\$128,350	Amount of private sector funds
\$0	Any other non-federal, non-State funds
<hr/>	
\$1,070,328	Total FY03 ARDOR Budget <i>(total of above 5 lines)</i>
\$226,200	Total FY03 ARDOR In-Kind Contributions: Board, Committee and Member hours donated annually. (7,540 hours total at \$30/hour)

## Other FY 2003 Accomplishments

1. CEDS Updated: 2002 CEDS update completed in July 2002. 2003 CEDS update completed in June 2003. The Planners worked with 27 communities on the CEDS and CEDS update. The original 2001 CEDS contained 284 projects. In 2002 and 2003 the CEDS matrix was expanded and edited to reflect a more accurate list of local projects and include more regional development projects in transportation, infrastructure and utilities. Sixty-four completed and discontinued projects were removed from the matrix listing; 200 projects were updated to account for work completed in the past year; and 107 new community projects were added.
2. Provided outreach and technical assistance to POW Island communities: RC&D Assistant worked with Thorne Bay, Metlakatla, Kasaan, Klawock, Hydaburg, Naukati and Craig on wetlands management, erosion control, economic and social development, and water systems development. Community Planners worked on the following projects: Naukati- Waterfront Development / Public Dock- Assisted Naukati with writing a mini-grant to contract engineering services for the design, engineering and cost estimates for construction of the waterfront dock improvements. Improvement of the dock facility will support economic development in the region, and be a source of community revenue for Naukati West Homeowners Association. - Mini-grant submitted. IFA Ferry Projects - Work to support continued funding for IFA ferry projects. The Southeast Conference Annual Meeting was held in Craig this year, which allowed Southeast Conference staff the ability to meeting with most POW city and community groups during the course of the event.

**continued . . .**

## Board of Directors

### *Executive Committee*

Tom Briggs, (President)  
John "J.C." Conley, (Past President)  
Murray Walsh, (First Vice President)  
Rob Allen, (Second Vice President)  
Carol Rushmore, (Treasurer)  
Maxine Thompson, (Secretary)

### *Members*

Rosemary Hagevig, Director  
Robert Venables, Director  
Bob Ward, Director  
John Pearson, Director  
Keith Perkins, Director

### *Ex Officio*

Loren Gerhard, Projects and Policy Director  
Meilani Schijvens, Administrative Director

### *Contact*

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Web Site: [www.seconference.org](http://www.seconference.org)

3. Participated in Regional Groups/Events: Hosted PACRIM RC&D Association annual meeting in FY-03: The meeting was held in Ketchikan on September 10<sup>th</sup> – 12<sup>th</sup>, 2002, was well attended, and received positive reviews from attendees. Attended Juneau Chamber of Commerce luncheons and annual banquet/meeting; met with state-wide ARDORS; Alaska Chamber of Commerce Annual Meeting; Alaska Conference of Mayors Annual Meeting; Southeast Alaska Conference of Mayors meetings; Southeast Caucus Meetings; Southeast Conference of Chambers meeting; JEDC events; Central Council's "Angoon Economic Initiatives 2003;" Central Council's "Salmon Summit;" Central Council's Prince of Wales Economic Initiatives 2003; Juneau Funding Forum; and a joint Kake/Petersburg meeting. We hosted Southeast Conference's 45<sup>th</sup> Annual Meeting, the Southeast Conference Mid-Session Summit, and a state-wide natural resource litigation issues meeting. Plan to present the Community Watershed Program at the National RC&D Association annual meeting in San Antonio in July 2003.
4. Community Strategic Planning Team Proposal: Worked on proposal to EDA to create a regional Community Strategic Planning Team. The goal of this team is to evaluate community economic trends; facilitate business plans; help nominate CEDS projects; assist in project development, funding and permitting; and support and assist local business development. Also working on creating a Southeast Conference Economic Revitalization Program.

### **FY 2003 Coordinated Regional Efforts Resulting in New Business Opportunities**

1. Work with Juneau Economic Development Council and DEC on fish waste product utilization. Supported industry efforts in Excursion Inlet and elsewhere.
2. Continued support for Interisland Ferry Authority, and its development plan, which is positively affecting business on Prince of Wales Island, and Ketchikan.
3. Assisted DOT and communities in discussing a review of Southeast Alaska Transportation Plan, which is now taking place. Should result in a more coordinated plan for improving transportation options for businesses in the region.
4. Appointed Economic Development District by the U.S. Department of Commerce, after extensive effort on a Comprehensive Economic Development Strategy. Supplies communities with easier access to federal assistance for economic development projects, and assists agencies in identifying regional priorities.
5. Worked with the Central Council of Tlingit&Haida Indian Tribes of Alaska to host a Salmon Summit, explored ways to improve the outlook for area fishers.

### **FY 2003 Goals \*** (Percentages of goal achieved: 100%. A ✓ indicates the goal was accomplished.)

- ✓ Community Development: Infrastructure Development, Quality of Life Improvements, Capacity Building
- ✓ Economic Development: Tourism Development, Timber Development, Fisheries Development, Minerals Development, Business and Industrial Development
- ✓ Environmental Assistance: Environmental Quality
- ✓ Organizational Development: Communications, Development Planning, Efficiency and Effectiveness

\* A Legislative performance measure discussed on pages 65 and 66.

## **FY 2004 Organizational and Staffing Charts**

Number of Board Members: 13

Board Representation: local government, lumber,  
transportation, energy, fisheries,  
tourism, small business

Number FTE staff: 2.67

FTE staff/capita: 1 : 28,000

## **FY 2004 Connection to other related services or programs (public or private)**

### Partners

- ✓ Local/regional public: Southeast Conference of Mayors, Southeast Legislative Caucus
- ✓ Local/regional private: Juneau Economic Development council
- ✓ State Public: Department of Transportation & Public Facilities, DCED, DEC, University of Alaska Southeast
- ✓ State Private: Northwest Cruise Ship Association
- ✓ Federal Public: Natural Resources Conservation Service, Economic Development Administration, U.S. Forest Service
- ✓ Native Private: Central Council of Tlingit & Haida Indian Tribes of Alaska

## **Customer Testimonials**

Allen Marine Tours, Inc. (AMT) has been a member of Southeast Conference (SEC) for several years and will continue to be a member into the future. Southeast Conference has been a valuable resource for AMT since we joined. SEC is a source of information and contacts on State, Federal, and municipal issues throughout the southeast region. AMT has been able to utilize information, contacts, and forums from SEC that have allowed us to improve our business and take advantage of opportunities we might have otherwise missed. The Annual Meeting and Mid-session Summit have also allowed us to meet and socialize with many of the people we do business with in the private sector, state, federal, and municipal agencies. SEC membership has been a good investment for Allen Marine. We get far more out of it than the membership fee costs.

Rob Allen, President, Allen Marine Tours

.....Over the past 45 years the Southeast Conference has served as the region's leading advocate for transportation, energy infrastructure, economic development, and environmental quality. The organization took positions in support of timber, fishing, the establishment of the Southeast Alaska Electrical Intertie Agency, and a study to improve the Alaska Marine Highway System.  
Don Smith, Publisher

Juneau Empire editorial September 22, 2002: Southeast Conference going strong at 45

**continued . . .**

The City of Craig is a long time member of Southeast Conference (SEC). As Mayor of this community I have time and again witnessed SEC taking the lead in promoting regionally significant projects and issues. Also, SEC advocacy for Southeast communities has created a region wide cohesiveness and a forum for the exchange of ideas found nowhere else in the state. In the same vein, as Board President and one of the founders of the Inter-Island Ferry Authority, I can't over-state the importance of SEC to our organization. As with the Alaska Marine Highway System, Southeast Conference has been instrumental in developing the Inter-Island Ferry Authority and we look regularly to the membership for support on important issues.

Dennis Watson  
Mayor City of Craig Alaska

Since 2000 the Juneau Economic Development Council has been collaborating closely with Southeast Conference on issues of critical importance to southeast Alaska. The activities and network which SEC has developed greatly facilitates the ability of JEDC to deliver business assistance services throughout the region . This "human infrastructure" is the only way in which the southeast region will be able to develop and create a vibrant economy into the future, and SEC excels in this arena. The broad membership of individuals and communities which are represented in SEC are testament to their effectiveness. In turn, this network and our collaborative programs (e.g. the salmon by-product project, value added wood products) has helped JEDC become more effective in helping to create wealth and family wage jobs in Juneau and the region.

Lance Miller, Ph.D.  
ED JEDC

**USDA Forest Service Experience with SEC**

The Alaska Region of the U.S. Forest Service are proud members of Southeast Conference (SEC) and enjoy the wonderful working relationship we have with them. SEC provides a wonderful forum for transportation and related infrastructure issues that all are so important to the commerce and economic vitality of our Southeast Alaska communities. SEC also provides an important linkage to Southeast Alaska mayors and other elected officials. Further, SEC fulfills a major role in sparking communication between federal, state, and local agencies and local elected officials that is crucial to a united approach to improving the quality of life in Southeast Alaska in an environmentally sound manner.

Steve Brink – Deputy Forest Supervisor - Resources  
U.S. Forest Service Alaska Region

**Cost-benefit analysis for FY02 - FY93**

	FY02	Leverage
State ARDOR \$	\$44,297	
Total ARDOR \$	\$573,724	\$1 to \$12.95
Other State \$	\$49,855	\$1 to \$1.13
Total non-State \$	\$479,572	\$1 to \$10.83
Federal \$	\$363,472	\$1 to \$8.21
Private sector \$	\$110,400	\$1 to \$2.49
Other non-federal/non-State \$	\$5,700	\$1 to \$1.3
In-kind contributions	\$91,000	\$1 to \$2.05

	<b>FY01</b>	<b>Leverage</b>
State ARDOR \$	\$45,409	
Total ARDOR \$	\$357,464	\$1 to \$7.87
Other State \$	\$15,903	\$1 to \$.35
Total non-State \$	\$296,152	\$1 to \$6.52
Federal \$	\$148,560	\$1 to \$3.27
Private sector \$	\$141,442	\$1 to \$3.11
Other non-federal/non-State \$	\$6,150	\$1 to \$.14
In-kind contributions	\$91,000	\$1 to \$2.00

	<b>FY00</b>	<b>Leverage</b>
State ARDOR \$	\$48,090	
Total ARDOR \$	\$363,781	\$1 to \$7.56
Other State \$	\$19,215	\$1 to \$.40
Total non-State \$	\$296,476	\$1 to \$6.17
Federal \$	\$78,016	\$1 to \$1.62
Private sector \$	\$7,764	\$1 to \$.16
Other non-federal/non-State \$	\$210,696	\$1 to \$4.38
In-kind contributions	\$80,000	\$1 to \$1.66

	<b>FY99</b>	<b>Leverage</b>
State ARDOR \$	\$51,666	
Total ARDOR \$	\$301,966	\$1 to \$5.84
Other State \$	\$5,000	\$1 to \$.10
Total non-State \$	\$245,300	\$1 to \$4.75
Federal \$	\$104,100	\$1 to \$2.01
Private sector \$	\$3,000	\$1 to \$.06
Other non-federal/non-State \$	\$138,200	\$1 to \$2.67
In-kind contributions	\$75,000	\$1 to \$1.45

	<b>FY98</b>	<b>Leverage</b>
State ARDOR \$	\$51,666	
Total ARDOR \$	\$160,450	\$1 to \$3.11
Other State \$	N/A	N/A
Total non-State \$	\$108,784	\$1 to \$2.11
Federal \$	N/A	N/A
Private sector \$	N/A	N/A
Other non-federal/non-State \$	\$108,784	\$1 to \$2.11
In-kind contributions	N/A	N/A

# Southwest Alaska Municipal Conference



## ***Mission Statement***

*SWAMC advances the collective interests of Southwest Alaska's people, businesses, and communities by promoting economic opportunities that improve quality of life and influences long-term responsible development.*

## **FY 2004 Goals**

- ★ *Economic Development:* Fisheries Development, Tourism Development, Regional Economic Planning, Small Business Development, Workforce Development, and other Business and Resource Development.
- ★ *Community Development:* Infrastructure Development, Health, Education and Public Safety Development, Community Planning.
- ★ *Organizational Development:* Communications, Policy and Issue Advocacy, and Organizational Efficiency and Effectiveness.

## **FY 2004 Top Economic/Business Needs**

1. Complete and publicize findings regarding the economic geography of Southwest Alaska and identify strategies to increase wealth retention in the region.
2. Increase direct marketing capacity of region through expanded local processing capacity and technical assistance to direct marketers.
3. Expand regional infrastructure to move seafood products to market with the least cost, least handling, and greatest efficiency.
4. Reduce the region's high energy costs and develop alternative energy potential including wind and tidal power.
5. Influence positive outcomes for policy development regarding Essential Fish Habitat and Marine Protected Areas.
6. Infrastructure Development; identify revised priorities for the SW AK Transportation plan given changes in regional economy
7. Strengthen and expand ferry service; capitalize on the system's designation as a national scenic byway.

## FY 2004 Budget

\$48,170	State ARDOR grant
\$3,550	Amount of other State funds
\$59,000	Amount of federal funds
\$71,500	Amount of private sector funds
\$16,600	Any other non-federal, non-State funds
<hr/>	
\$198,820	Total FY04 ARDOR Budget <i>(total of above 5 lines)</i>
\$88,000	Total FY04 ARDOR In-Kind Contributions: Volunteer hours of 2,938 at \$30. This estimate does not include municipal contributions for travel and other related costs.

## Other FY 2003 Accomplishments

1. Initiated discussion and research of regional involvement in the development of fiber optic cable backbone with the potential to expand broadband accessibility throughout the region.
2. Initiated research on the economic geography of Southwest Alaska to determine leakages from the region, interdependencies between Southwest and Southcentral Alaska, direct incomes exported from Southwest to other areas, and other indicators of regional economic performance.

## FY 2003 Coordinated Regional Efforts Resulting in New Business Opportunities

1. Completed development of the Comprehensive Southwest Alaska Tourism Marketing Program.
2. Worked with the Northwest Trade Adjustment Assistance Center to provide regional harvesters, processors, and communities with access and information regarding assistance available; advocated for changes in the Trade Reform Act.
3. Developed a revised Southwest Alaska Comprehensive Economic Development Strategy that will guide ongoing efforts through 2008.
4. Provided technical assistance and training at regional fall conference and annual meeting.
5. Supported EDA funding for development of shore-side processing capacity in several communities and the development of additional marine infrastructure to facilitate the movement of seafood products in the region.

## Board of Directors

### Members

Wayne Stevens (Pres.),  
Municipal Representative -  
Kodiak Island

Alice Ruby (Vice Pres.),  
Municipal Representative -  
Bristol Bay

Frank Kelty (Sec/Treas.),  
Municipal Representative -  
Aleutians/Pribilofs

Elary Gromoff,  
Associate Representative -  
Aleutians/Pribilofs

Mayor Glen Gardner, Jr.,  
Municipal Representative -  
Aleutians/Pribilofs

Debora King,  
Associate Representative -  
Kodiak Island

Dave Woodruff,  
Municipal Representative -  
Kodiak Island

Myra Olsen,  
Associate Representative -  
Bristol Bay

Carvel Zimin,  
Municipal Representative -  
Bristol Bay

Kara Sandvik,  
Associate Representative -  
At Large

Joe Sullivan,  
Associate Representative -  
At Large

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Web Site: [www.swamc.org](http://www.swamc.org)  
[www.southwestalaska.org](http://www.southwestalaska.org)

# Southwest Alaska Municipal Conference

**FY 2003 Goals \*** (Percentages of goal achieved: 100%. A ✓ indicates the goal was accomplished.)

- ✓ Fisheries Development
- ✓ Infrastructure Development
- ✓ Tourism Development
- ✓ Education/Public Services Development
- ✓ Organizational Development

\* A Legislative performance measure discussed on pages 65 and 66.

## **FY 2004 Organizational and Staffing Charts**

Number of Board Members: 11

Board Representation: local government, fisheries, natural resources, tourism, small business, banking

Number FTE staff: 3

FTE staff/capita: 0.01%

## **FY 2004 Connection to other related services or programs (public or private)**

### Partners

- ✓ Local/regional public: 33 incorporated municipal governments; 55 federally recognized tribal governments; Southwest Legislative Delegation; two CRSAs
- ✓ Local/regional private: Kodiak Chamber of Commerce, Dillingham Chamber of Commerce, Kodiak Island Convention & Visitors Bureau, Unalaska/Port of Dutch Harbor Convention & Visitors Bureau, Aleutian/Pribilof Islands Community Development Association, Bristol Bay Economic Development Corporation, Central Bering Sea Fishermen's Association
- ✓ State Public: Department of Transportation & Public Facilities, Department of Commerce and Economic Development, Department of Fish & Game, Department of Military & Veterans Affairs, Regulatory Commission of Alaska, Department of Labor, University of Alaska
- ✓ State Private: Marine Conservation Alliance, UFA, Alaska Municipal League, Alaska Travel Industry Association, Alaska Wilderness Recreation & Tourism Association, Alaska State Chamber of Commerce, Resource Development Council, World Trade Center Alaska
- ✓ Federal Public: Economic Development Administration, U.S. Fish & Wildlife Service, Federal Highway Administration, North Pacific Fishery Management Council
- ✓ Native Private: Aleutian/Pribilof Islands Association, Aleutian Islands Housing Authority, Bristol Bay Native Association, Bristol Bay Housing Authority, Eastern Aleutian Tribes, Inc., Kodiak Area Native Association, Kodiak Island Housing Authority, The Aleut Corporation, Bristol Bay Native Corporation, Koniag, Inc., 50 village corporations

## Customer Testimonials

“Thank you very much for sending me a copy of the Southwest Alaska Comprehensive Economic Development Strategy 2003 - 2008 CEDS document . . . I have looked through it and believe it is by far the best CEDS document that I have seen to date. These documents are not easy to compile and SWAMC is to be congratulated for committing the necessary time and effort to produce such an excellent report for what is a very complex region.”

B.B Allen, State Director  
U.S. Department of Agriculture - Rural Development

When the federal courts closed down the pollock fisheries in a misguided attempt to protect the Steller sea lion, our region suffered more than \$130 million dollars in economic losses. The Alaska Congressional Delegation called on SWAMC to administer a \$29 million mitigation fund to help affected fishermen, businesses and communities. SWAMC met that challenge. Unlike other ‘slow out of the gate’ mitigation programs, SWAMC designed a negotiated settlement process that brought the stakeholders together. More than 98 percent of the funds were distributed within one year. They even managed to keep the administrative costs of the program to less than one percent. When Kodiak and our fishermen needed it most, SWAMC was there to help the fishing industry - the core of our economy.

Al Burch, Executive Director  
Alaska Draggers Association

“The City of Unalaska was instrumental in the formation of the Southwest Alaska Municipal Conference. Our involvement in SWAMC has consistently proven to be a worthwhile investment of time and resources. SWAMC has been instrumental in advocating for national and state fisheries policies that have ensured the ongoing participation of shore-based harvesters and processors in the lucrative Bering Sea fisheries. In helping to found SWAMC, the City of Unalaska sought to create alliances with other southwest communities on issues of common interest – our fisheries-based economies and the need for improved infrastructure throughout the region. SWAMC continues to deliver on that original vision, while expanding its role as a regional economic development entity.”

The Honorable Pam Fitch, Mayor  
City of Unalaska

## Cost-benefit analysis for FY02 - FY93

	FY02	Leverage
State ARDOR \$	\$43,561	
Total ARDOR \$	\$624,127	\$1 to \$14.33
Other State \$	N/A	N/A
Total non-State \$	N/A	N/A
Federal \$	\$63,100	\$1 to \$1.45
Private sector \$	\$517,466	\$1 to \$11.88
Other non-federal/non-State \$	N/A	N/A
In-kind contributions	N/A	N/A

continued . . .

# Southwest Alaska Municipal Conference

	FY01	Leverage
State ARDOR \$	\$48,876	
Total ARDOR \$	\$608,921	\$1 to \$12.46
Other State \$	N/A	N/A
Total non-State \$	N/A	N/A
Federal \$	\$95,900	\$1 to \$1.96
Private sector \$	\$464,145	\$1 to \$9.5
Other non-federal/non-State \$	N/A	N/A
In-kind contributions	N/A	N/A

	FY00	Leverage
State ARDOR \$	\$42,922	
Total ARDOR \$	\$203,478	\$1 to \$4.74
Other State \$	N/A	N/A
Total non-State \$	N/A	N/A
Federal \$	\$59,000	\$1 to \$1.37
Private sector \$	\$99,556	\$1 to \$2.32
Other non-federal/non-State \$	\$2,000	\$1 to \$.05
In-kind contributions	N/A	N/A

	FY99	Leverage
State ARDOR \$	\$51,666	
Total ARDOR \$	\$241,128	\$1 to \$4.67
Other State \$	N/A	N/A
Total non-State \$	N/A	N/A
Federal \$	\$59,000	\$1 to \$1.14
Private sector \$	\$126,462	\$1 to \$2.45
Other non-federal/non-State \$	\$4,000	\$1 to \$.08
In-kind contributions	N/A	N/A

	FY98	Leverage
State ARDOR \$	\$51,666	
Total ARDOR \$	\$293,123	\$1 to \$5.67
Other State \$	N/A	N/A
Total non-State \$	N/A	N/A
Federal \$	\$59,000	\$1 to \$1.14
Private sector \$	\$157,757	\$1 to \$3.05
Other non-federal/non-State \$	\$24,700	\$1 to \$.48
In-kind contributions	N/A	N/A

# Overview

The Alaska Regional Development Organizations (ARDOR) Program is the State's contribution to regional initiatives for developing Alaska's economy. In 1988, the Legislature recognized that a locally driven initiative, in partnership with the State, is the most effective approach to creating and sustaining a strong and healthy economy. The Legislature established the ARDOR Program to create a network of organizations to plan and support economic development at the regional level.

There are currently 12 ARDORs. The ARDORs, like their counterparts nationwide:

- enable local officials and businesses to pool their limited resources and work together on economic development issues;
- develop partnerships among public, private and other organizations; and,
- provide needed technical assistance via direct links with local citizens.

It's not the State trying to determine what's best for the region; rather, it's the residents and those doing business in the region working together to create their economic future.

**The ARDOR Program is providing a return for the State's investment.** The State provides \$620,000 in grant funds for the ARDOR Program. As indicated on the following pages, the accomplishments of the ARDORs are impressive. Additionally, for FY04, the ARDOR's used the \$620,000 in State grant funds to leverage over \$2,739,233 million in all other types of funds.

**Board member participation reflects a local commitment to the ARDOR Program.** The 12 ARDOR boards, each with 10-20 members, constitute 150+ local, civic minded individuals who volunteer their time to achieve a stronger economic base in their region.

The original intent of the ARDOR Program was to create regional entities that could improve the local economy and eliminate regionwide economic development barriers, such as inadequate transportation or uncoordinated marketing efforts. As reflected on the following pages, the ARDORs are meeting this Legislative intent. The ARDORs work on a wide range of projects.

# Legislative Performance Measures

The Legislature established performance measures for the ARDOR Program. Using these measures, each ARDOR's performance is reported on the following pages.

## Legislative Performance Measures:

1. The number of coordinated regional efforts resulting in the creation of new business opportunities. (The reporting period used on the following pages is 7/1/02-6/30/03.)

Comment: This measure counts certain ARDOR activities but it does not reflect the range of ARDOR activities. For example, many ARDORs provide training opportunities ranging from small business development to grant writing.

2. The % of goals identified through regional processes that are achieved. (The percentage reported on the following pages was derived by comparing the goals stated in the January 2003 ARDOR Annual Report with the final progress report submitted by each ARDOR for the period 7/1/02 - 6/30/03.)

The difficulty in applying this measure is that the ARDORs' goals varied in specificity. For example, ARDORs devote time to improving their organizations. Some ARDORs have simple short term goals, while others have multi-year goals that can't be accomplished in one year.

3. The amount of non-State funds leveraged by the ARDOR grants. (The dollar amount reported on the following pages provided is the amount reported by each ARDOR in their FY04 ARDOR grant application submitted in July 2003.)

The ARDORs and Department of Community and Economic Development (DCED) support the notion of using performance measures. The ARDORs and DCED look forward to working together and with the Legislature to develop performance measures that will be effective in evaluating ARDOR performance.

# Frequently Asked Questions

**What is an ARDOR?** A nonprofit organization of local volunteers, representing numerous public and private interest, working together to achieve economic development in their region. An ARDOR is organized in accordance with Alaska Statute 44.33.026 and the Alaska Administrative Code (3 AAC 57).

**Why have a regional organization do economic development?** The Legislature established the ARDOR Program in 1988, again in 2000, and again in 2003, in support of the widely held belief that a locally driven initiative, in partnership with the State and other entities, can most effectively stimulate economic development and produce healthy, sustainable local economies.

**How does an ARDOR get established?** The State Department of Community and Economic Development (DCED) approves an ARDOR designation. To be approved, the ARDOR must (1) be large enough and contain adequate resources to support a regional economic development program, and (2) be an economically viable unit with shared interests, resources, traditions, and goals. Currently, there are 12 ARDORs.

**How does as an ARDOR work?** Each ARDOR is guided by a Board comprised of the economic development interests in the region. Board members are usually appointed by organizations in the region; however some are elected. The Board hires an Executive Director to work with the Board to ensure the annual work plan is implemented. The Board oversees and directs the activities of the ARDOR.

**What are the ARDOR Program goals?** Encourage a healthier economic climate to increase the number of jobs, strengthen existing businesses, attract new businesses, and encourage economic diversification.

**What does an ARDOR actually do?** Each ARDOR is different with regard to existing economic development infrastructure, a marketable natural resource; an educated work force, and a cohesive leadership organization-factors in achieving economic development. Thus, ARDOR activities are unique to that ARDOR. Generally, however, ARDOR's:

- Conduct economic development related research and planning including develop and implement a regional economic development strategy.
- Respond to information requests.
- Coordinate ARDOR's activities with other economic development activities.
- Provide services designed to encourage economic development.
- Collect and distribute economic information.
- Develop and maintain community and village economic profiles.
- Coordinate State economic or business development efforts.
- Serve as a liaison between State government and the region.

**How is an ARDOR funded?** DCED annually awards a State grant to each ARDOR that satisfies the statutory and regulatory requirements, including the requirement that each ARDOR provide a local, non-State match. For FY04, each ARDOR is receiving an average of \$47,870. The State grant and required match is usually not the ARDOR's only source of funding. ARDORs can and do receive funding from a variety of sources.

**How much money does the State contribute to the ARDORs?**

	FY99	FY00	FY01	FY02	FY03	FY04
Total	\$620.0	\$620.0	\$620.0	\$620.0	\$620.0	\$620.0
Each Grant	\$51.7	\$47.7	\$44.3	\$44.3	\$47.7	\$47.9
# of ARDORs	12	13	14	14	13	12

Note: Amounts are \$1,000.

# Contact List

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**Bering Strait Development Council** (1/15/97)<sup>1</sup>  
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**Kenai Peninsula Borough Economic Development District** (2/22/89)<sup>1</sup>  
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**Mat-Su Resource Conservation & Development Council** (11/1/93)<sup>1</sup>  
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**Northwest Arctic Borough Economic Development Commission** (6/28/89)<sup>1</sup>  
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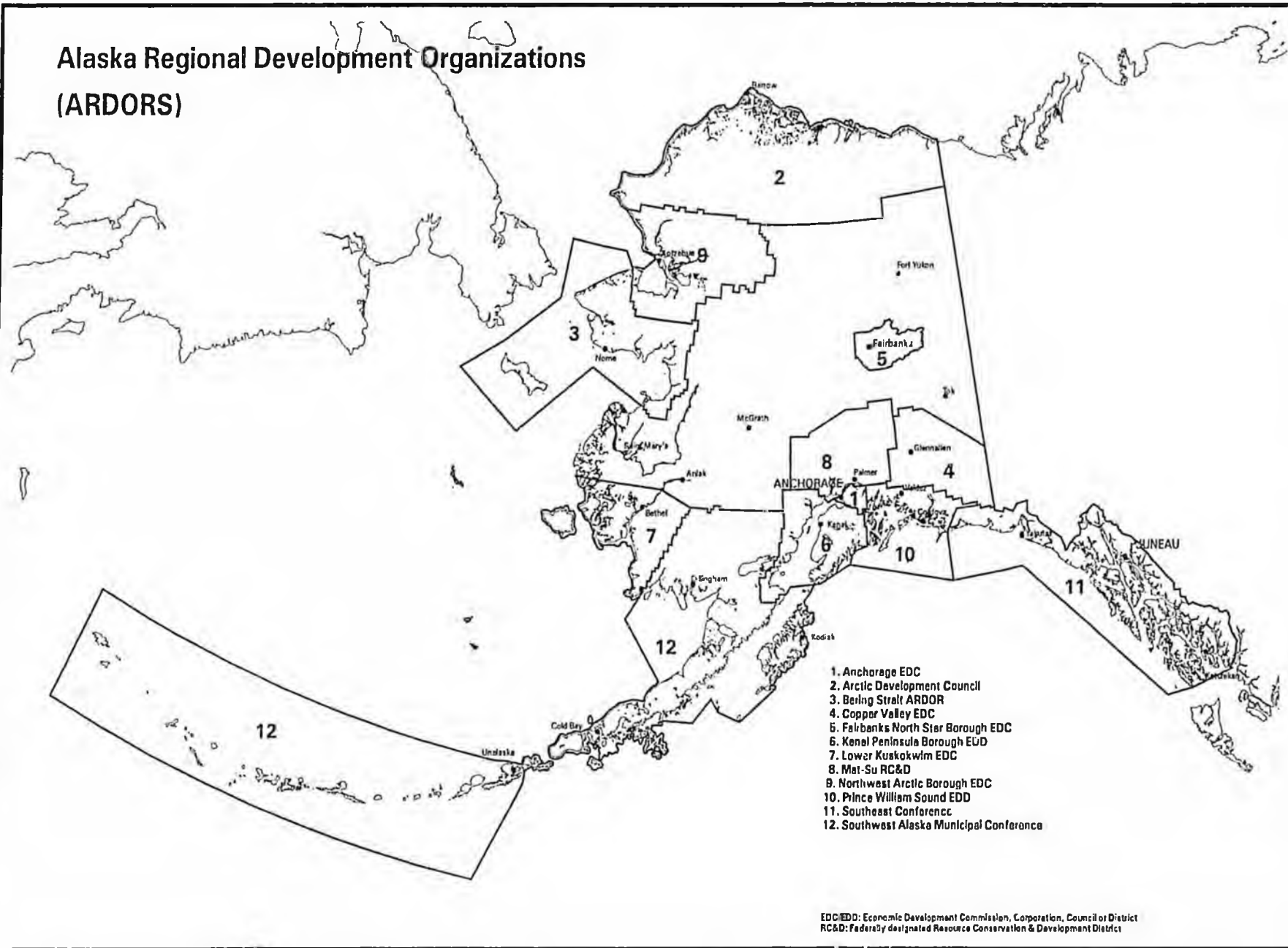
**Prince William Sound Economic Development District** (11/1/91)<sup>1</sup>  
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**Southwest Alaska Municipal Conference** (4/6/89)<sup>1</sup>  
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<sup>1</sup> Designation Date

# Alaska Regional Development Organizations (ARDORS)



- 1. Anchorage EDC
- 2. Arctic Development Council
- 3. Bering Strait ARDOR
- 4. Copper Valley EDC
- 5. Fairbanks North Star Borough EDC
- 6. Kenai Peninsula Borough EDC
- 7. Lower Kuskokwim EDC
- 8. Mat-Su RC&D
- 9. Northwest Arctic Borough EDC
- 10. Prince William Sound EDC
- 11. Southeast Conference
- 12. Southwest Alaska Municipal Conference

EDC/EDD: Economic Development Commission, Corporation, Council or District  
 RC&D: Federally designated Resource Conservation & Development District

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Produced, in cooperation with the 12 ARDORs, by the State Department of Community and Economic Development, Division of Community Advocacy, 550 W. 7th Avenue, Suite 1770, Anchorage, AK 99501.

For additional copies, download from the ARDOR Program web site:

**[http://www.dced.state.ak.us/cbd/ardor/pub/04\\_ARDOR\\_rpt.pdf](http://www.dced.state.ak.us/cbd/ardor/pub/04_ARDOR_rpt.pdf)**  
or contact Judy Hargis (1-907-269-4565). For more information on the ARDOR Program, call Midge Clouse (1-907-269-4587).

DCED complies with Title II of the Americans with Disabilities Act of 1990. Upon request, this report will be made available in large print or other accessible formats. Request for such should be directed to DCED at 1-907-269-4581 or TDD 1-800-930-4555.

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4/3/04

OVERVIEW:

MUNICIPAL

LEAGUE



# Alaska State Legislature

## House Committee on Community and Regional Affairs

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**Representative Carl Morgan, Chair**  
State Capitol Building, Room 408  
Juneau, AK 99801  
907-465-3882

### **AGENDA**

State Capitol 124  
8:00 am – 10:00 am

- **Call to Order**
  - Today's date is April 3<sup>rd</sup>, 2003
  - The time is 8:00 am
  - Roll Call
  
- **On today's agenda**
  - **Overview - Alaska Municipal League**
    - Presentation by the Executive Director  
Kevin Ritchie
  
- **Questions and Comments from committee members**
  
- **Other Business**
  - If there is no other business, announce next meeting announce next meeting.
  - Next Meeting – Tuesday, April 8th
  
- **Adjourn**

## **Your Municipalities**

Presentation to the House Community and Regional Affairs  
Committee  
April 3, 2003

**What is AML?** Every state has a city and a county league. Municipal Leagues are part of the American intergovernmental system. AML has 142 members representing over 97% of the population. Primarily AML is a forum for discussing joint local government issues.

- **Strong Local Economies = A Strong Alaska:**
  - Many of your local economies are battling spiraling economic decline
  - Alaskan local economies are interdependent.
  
- **Revenue Sharing is a thing all states do, and even more important to Alaskan communities:**
  - Alaska is too sparsely populated to survive without resource revenues.
  - Only the state can distribute resource revenues.
  - Revenue sharing is all about strong local economies
  - Alaska not only has the best constitution in the nation, it has the strongest and the best governed cities and boroughs.
  
- **Municipalities can be your strongest partners in achieving your goals:**
  - Municipalities bring \$1.6 Billion in taxes and fees and provide about half of all state public services.
  - AML members are ready to promote a long-range state-local fiscal plan.
  - Municipal leaders are extremely experienced in discussing revenue issues with citizens.

# 2003 Federal Legislative Priorities



## Alaska Municipal League/Alaska Conference of Mayors

### 1 Resource Development:

- **Increase fisheries, forestry, mining, and other resource research** to allow the federal government to make regulatory and environmental decisions based on facts.
- **Continue support for Alaska-specific statewide priorities**, including opening Alaska National Wildlife Refuge, reauthorization of a natural gas pipeline, and the National Missile Defense project.

### 2 Support a "Millennium Investment Plan":

- **\$1 billion statewide package** of projects to support energy, transportation (roads/bridges/ports/airports, bus, rail & marine highway) and telecommunications infrastructure to attract private investment and improve Alaskan's quality of life.
- **Continued funding of the Denali Commission** to fill infrastructure gaps and promote state and local coordination of federal programs to maximize the efficiency of federal funding.

### 3 Revenue Enhancements:

- **Continue to increase PILT** (Payment-in-Lieu of Taxes) to offset the cost of providing local services to federal lands and facilities.
- Support the **Conservation and Reinvestment Act (CARA)** that would boost PILT to \$325 million per year and provide other funds to Alaskan communities for coastal impacts and general conservation activities.
- **Allow the collection of local sales tax on out of state sales over the internet** - 98 Alaskan communities depend on sales tax for public services.
- **Support reauthorization of the federal highway funding program (TEA-21).**
- **Oppose unfunded federal mandates** on state and local government.



# 2003 State Legislative Priorities

## 1 Adopt a balanced long-range revenue and spending plan.

**Action must be taken this year** to avoid depletion of critical financial reserves, and the resulting negative impacts on public services, taxes, and the economy. A balanced plan includes:

### Economic Development

Approve a **Comprehensive Economic Development strategy** for Alaska including:

- resource development, especially:
  - ◆ fisheries redevelopment
  - ◆ timber redevelopment
  - ◆ oil, including opening ANWR
  - ◆ natural gas, including North Slope pipeline
  - ◆ minerals, including infrastructure
- statewide transportation and communications infrastructure
- reasonable and efficient regulatory programs to work with new developments
- excellent schools/higher education and research
- affordable energy
- access to investment capital and technical assistance for entrepreneurs
- federal coordination and support
- sound community public services

### Sound Fiscal Policies:

Consider a **reasonable state spending limit** that controls the growth of

expenditures for public services funded by taxes, royalties, or investment earnings, but allows for new federal mandates and other unexpected needs and emergencies.

### Structural Budget Changes and Efficiencies.

- Study and plan **reasonable sustainable structural budget changes** that save money and increase efficiency, but do not shift costs to local taxpayers, hurt economic development efforts, or diminish key public services.
- Consider **negotiated State-Local cooperation to save money.**

### New State Revenue:

- Continue **local control** of sales and property tax, the two key revenues that sustain local services and ensure strong communities.
- Consider new revenues, other than a state sales tax, and equitable fees for state services, to reduce the drain on dwindling state reserves.

### Strong Local Governments are key to efficient State Government.

- Provide **sustainable local tax relief and local services** through

stable municipal revenue sharing or creation of a Community Dividend.

- Provide incentives for municipal incorporation and remove existing disincentives.

## 2 Recreate a "local government agency" as required by the Article X, Sec. 14 of the Constitution at the cabinet level to make public services to Alaskans more efficient and effective. Also, create a process for all state commissioners to coordinate quarterly with municipal counterparts to foster better collaboration and cooperation.

## 3 Support the "Millennium Investment Plan"

- Continue efforts for the **\$1 billion package to construct, repair and maintain infrastructure statewide.** The plan includes equitable allocations for roads, multi-use trails, ports and harbors, airports, schools, bridges, recreation, public safety and energy financed primarily through General Obligation (GO) or GARVEE bonds.
- Develop and implement a **state-wide energy plan** that supports Power Cost Equalization (**PCE**), statewide power projects, and utilizes the Railbelt Energy Fund for Railbelt energy projects.



217 Second Street, Suite 200 ■ Juneau, Alaska 99801 ■ Tel (907)586-1325, Fax (907)-463-5480

March 24, 2003

The Honorable Frank Murkowski  
Governor, State of Alaska  
PO Box 110001  
Juneau, AK 99811-0001

Dear Governor Murkowski,

Alaska's municipal leaders **share your goal of a balanced budget for Alaska** and request an immediate summit to discuss a comprehensive "Plan of Action." The Alaska Municipal League (AML) proposes the prompt establishment of a **State-Local Economic and Community Development Partnership** (the "Partnership") that will play an instrumental role in achieving our common goals. Items for the Partnership to discuss include state/local cooperation in the following four areas:

1. **Conduct a Partnership 30 day review of the recently proposed FY 04 state budget;**
2. **Review and recommend creation of Long-Term Efficiencies in Delivering Joint State-Local Services** – In public safety, roads & transportation, economic development, schools, etc.
3. **Review and Recommend Ways to Stimulate Local Economies** – Including the creation of regional economic development partnerships and ways to replace loss of state revenue sharing support.
4. **Develop a Long-Range State-Local Revenue and Spending Plan** – That would benefit families, communities, and businesses.

The "Plan of Action" requires the "Partnership" to make two reports - in 30 days on the current proposals and a report in 180 days on longer term actions. We believe that this State-Local initiative could be one of the most timely, long-term, and beneficial initiatives of your Administration.

**A balanced long-range fiscal plan together with a workable state spending limit is our top legislative priority.** Alaska's municipal leaders share your goals of fostering strong communities and a vibrant economy. If the state and municipalities communicated directly in a formal setting, together we can achieve a workable long-range fiscal plan and promote strong local economies. Municipalities provide half of all public services in Alaska—we can help each other and Alaska.

Right now, **many communities are at a critical economic crossroads.** Alaska's communities are facing severe economic hardships due to depressed resource economies at the local and regional levels and a downturn in the investment markets and economy at the national level. In reviewing your proposal that Alaska's cities and villages help balance the state budget with a 25% reduction in revenue sharing and other reductions totaling over \$40 million, **we are ready to work with you.** In heeding your call, we seek to avoid the possibility that the most vulnerable communities may suffer unintended economic and service delivery impacts. And as history suggests, these economic and service delivery impacts may not remain isolated, but may very well spread to Alaska's larger urban hub communities.

In this time of uncertainty, both state and local levels of government must coordinate revenue policies and public services to benefit state and local government "end users," who are families and businesses in communities. Local communities are truly the building blocks of our great state. In order to keep the State of Alaska strong, we must work closely together to keep communities strong and viable places to do business.

We look forward to discussing this important initiative with you.

Sincerely,

*Fay Von Gemmingen* (AKL)  
Fay Von Gemminger, President  
Alaska Municipal League

*George Wuerch* (KCR)  
Mayor George Wuerch, President  
Alaska Conference of Mayors

### Revenue Sharing Talking Points

(Alaskan municipal revenue sharing programs include: State Revenue Sharing/Municipal Assistance (Safe Communities); Municipal Capital Matching Grants; and a wide range of state programs from Community Jails; alcohol/mental health/social services grants; etc.)

- Revenue sharing is a critical function of State and Federal government. **Every state** shares revenue with its municipalities, as does the federal government with states, to equalize resources and maintain lower taxes. For example, **if Alaska were to end its municipal revenue sharing, it ethically should also refuse the over \$1.2 Billion of federal revenue sharing for operating state departments (not including capital.)**
- Since 1986, **State cuts to municipalities total nearly 100% of the cumulative amount of all property tax increases** in every municipality. Taxes go up because 93% of municipal spending is for critical or mandated services (i.e. schools, public safety, transportation, utilities, infrastructure.) The other 7% is for things like parks, libraries, human services, etc. that the public demands.
- When some Alaskans say "cut the State budget," they **do not mean that municipalities should be forced to raise local taxes or cut local fire, police, emergency medical services, schools, or road maintenance.** State statute requires revenue sharing and safe communities to be spent first on these services. In second-class boroughs, most revenue sharing supports schools.
- **Polls show voters oppose revenue sharing cuts.** Senator Drew Pearce's January 2000 Senate poll shows **72% of Alaskans with an opinion oppose cuts to revenue sharing.** A similar April 1999 Anchorage poll shows **71% of Anchorage residents oppose cuts to revenue sharing.**
- According to the federal ACIR research agency **all 50 states provide an average of one third (33.1% as of 1993) of all municipal revenues** (including state support for education) through revenue sharing programs. **Alaska is currently well below the national average (4.9% without schools/30.6% with schools, per DCED, FY 2001).**
- Municipal Revenue Sharing in Alaska was **established in 1969** when money was hard to come by. **Revenue sharing was a bigger percent of Alaska's budget in 1972 than it is now,** because it was considered a critical state function.
- Alaskan statehood was based upon natural resource revenues because it was judged that adequate public services (state and local) could not be affordable if supported by local taxes alone. **Without municipal revenue sharing programs, there will be "have" and "have not" areas of the state.**

**Revenue Sharing makes up over a Quarter of the Operating budget for a Quarter of our Municipalities, and it Averages 16% of all Municipal Operating Budgets.**

(DCED, Missions and Measures, 2003)

Revenue sharing is so large a percent of municipal budgets that large cuts will result in many small municipalities becoming dysfunctional and the state would have to directly provide services, if tribal governments cannot afford to take a more prominent role. Larger municipalities would suffer as well. Anchorage, for example, would be faced with an additional \$10.4 million shortfall.

Municipality	FY 03 Operating Budget	FY 03 SRS/SC Total	% of Operating Budget
City of Manokotak	\$35,200	\$33,175	94.25%
City of Bettles	\$41,533	\$30,239	72.81%
City of Atkasuk	\$64,267	\$40,565	63.12%
City of White Mountain	\$55,982	\$30,932	55.34%
City of Kupreanof	\$41,400	\$22,821	55.12%
City of Port Heiden	\$59,992	\$30,383	50.65%
City of Napakiak	\$78,751	\$32,804	41.66%
City of Napaskiak	\$80,585	\$32,941	40.88%
City of Chefornak	\$83,560	\$33,320	39.88%
City of Ekwok	\$75,061	\$28,229	37.61%
City of Kasaan	\$65,781	\$22,821	34.69%
City of Chuathbaluk	\$87,046	\$29,829	34.27%
City of Selawik	\$275,036	\$93,963	34.16%
City of Newhalen	\$85,800	\$28,741	33.50%
City of Kivalina	\$167,493	\$52,466	31.32%
City of Tenakee Springs	\$73,875	\$22,821	30.89%
City of Teller	\$103,731	\$31,813	30.67%
City of Anderson	\$126,633	\$38,394	30.32%
City of Aniak	\$147,680	\$43,541	29.48%
City of Koyukuk	\$99,201	\$29,115	29.35%
City of Grayling	\$108,770	\$31,537	28.99%
City of Buckland	\$132,102	\$37,864	28.66%
City of Hughes	\$101,945	\$29,174	28.62%
City of Point Hope	\$246,223	\$70,085	28.46%
City of Fort Yukon	\$151,500	\$42,954	28.35%
City of Eagle	\$89,900	\$25,461	28.32%
City of Akhiok	\$80,610	\$22,821	28.31%
City of Holy Cross	\$119,026	\$32,990	27.72%
City of Allakaket	\$109,319	\$30,211	27.64%
City of Upper Kalskag	\$132,756	\$36,332	27.37%

<b>Municipality</b>	<b>FY 03 Operating Budget</b>	<b>FY 03 SRS/SC Total</b>	<b>% of Operating Budget</b>
City of Quinhagak	\$136,511	\$37,349	27.36%
City of Noorvik	\$260,622	\$66,852	25.65%
City of Anaktuvuk Pass	\$124,342	\$31,704	25.50%
City of Huslia	\$137,665	\$34,730	25.23%
City of Russian Mission	\$130,893	\$31,539	24.10%
City of Mekoryuk	\$129,985	\$30,292	23.30%
City of Ambler	\$161,531	\$35,964	22.26%
City of Ruby	\$142,044	\$31,522	22.19%
City of Nunam Iqua	\$132,992	\$29,358	22.08%
City of Nunapitchuk	\$176,981	\$39,061	22.07%
City of Shageluk	\$132,948	\$29,063	21.86%
City of Goodnews Bay	\$136,643	\$29,806	21.81%
City of Nulato	\$160,648	\$34,776	21.65%
City of Nondalton	\$150,944	\$32,113	21.27%
City of Egegik	\$147,300	\$31,321	21.26%
City of McGrath	\$183,413	\$38,968	21.25%
City of Nightmute	\$141,685	\$29,396	20.75%
City of Anvik	\$144,065	\$29,879	20.74%
City of Houston	\$220,204	\$45,501	20.66%
City of Eek	\$155,049	\$31,378	20.24%
City of Larsen Bay	\$113,130	\$22,821	20.17%
City of New Stuyahok	\$168,340	\$33,545	19.93%
City of Deering	\$176,812	\$34,243	19.37%
City of Savoonga	\$204,700	\$39,297	19.20%
City of Akiak	\$172,171	\$31,593	18.35%
City of Kachemak	\$155,600	\$28,465	18.29%
City of Port Lions	\$142,686	\$25,701	18.01%
City of Scammon Bay	\$195,319	\$34,911	17.87%
City of Shishmaref	\$212,461	\$37,676	17.73%
City of Kobuk	\$173,422	\$30,635	17.67%
City of Ouzinkie	\$142,373	\$25,096	17.63%
City of Wales	\$172,768	\$29,748	17.22%
City of Shaktoolik	\$189,030	\$31,586	16.71%
City of Port Alexander	\$138,257	\$22,820	16.51%
City of Marshall	\$201,672	\$32,512	16.12%
City of Emmonak	\$390,459	\$62,861	16.10%
City of Tanana	\$234,975	\$37,237	15.85%
City of Kaltag	\$205,840	\$32,452	15.77%
City of Brevig Mission	\$205,303	\$32,251	15.71%
City of Koyuk	\$213,927	\$32,932	15.39%
City of Chignik	\$176,656	\$26,998	15.28%
City of Hydaburg	\$184,063	\$27,743	15.07%
City of Kwethluk	\$268,773	\$39,612	14.74%

<b>Municipality</b>	<b>FY 03 Operating Budget</b>	<b>FY 03 SRS/SC Total</b>	<b>% of Operating Budget</b>
City of Nikolai	\$198,000	\$29,129	14.71%
City of Kiana	\$254,221	\$37,340	14.69%
City of Alakanuk	\$288,850	\$42,151	14.59%
City of Pilot Point	\$198,692	\$28,350	14.27%
City of Shungnak	\$241,561	\$34,318	14.21%
City of Pilot Station	\$258,826	\$36,449	14.08%
City of Stebbins	\$270,782	\$37,803	13.96%
City of Chevak	\$295,728	\$40,330	13.64%
City of Diomede	\$216,587	\$29,316	13.54%
City of Old Harbor	\$194,801	\$25,448	13.06%
City of Saint Michael	\$290,646	\$36,789	12.66%
City of Clark's Point	\$210,079	\$26,537	12.63%
City of Kake	\$286,395	\$35,223	12.30%
City of Toksook Bay	\$293,572	\$35,569	12.12%
City of Atka	\$239,696	\$28,508	11.89%
City of Aleknagik	\$246,099	\$28,943	11.76%
City of Wainwright	\$313,515	\$36,491	11.64%
City of Cold Bay	\$284,364	\$32,418	11.40%
City of Elim	\$301,668	\$34,334	11.38%
City of Lower Kalskag	\$42,892	\$4,791	11.17%
City of Kotlik	\$334,400	\$37,075	11.09%
City of Angoon	\$291,671	\$32,014	10.98%
City of Delta Junction	\$518,950	\$56,504	10.89%
City of Saxman	\$259,287	\$27,723	10.69%
City of Hooper Bay	\$515,643	\$54,426	10.55%
City of Gambell	\$415,930	\$40,262	9.68%
City of Mountain Village	\$444,758	\$41,835	9.41%
City of Nuiqsut	\$365,168	\$34,304	9.39%
City of False Pass	\$294,409	\$26,947	9.15%
City of Thorne Bay	\$368,940	\$32,716	8.87%
City of Unalakleet	\$499,200	\$44,044	8.82%
City of Seldovia	\$353,168	\$30,207	8.55%
City of Fairbanks	\$16,794,096	\$1,391,861	8.29%
City of Barrow	\$1,573,133	\$120,578	7.66%
City of Saint Mary's	\$564,779	\$42,651	7.55%
City of Nenana	\$596,850	\$44,188	7.40%
City of Hoonah	\$755,600	\$54,026	7.15%
City of Galena	\$670,600	\$44,829	6.68%
City of Pelican	\$431,776	\$25,523	5.91%
City of Kaktovik	\$557,400	\$32,456	5.82%
City of Togiak	\$800,289	\$42,206	5.27%
City of Golovin	\$614,394	\$31,650	5.15%
City of Bethel	\$5,900,000	\$302,836	5.13%

Municipality	FY 03 Operating Budget	FY 03 SRS/SC Total	% of Operating Budget
City of Kotzebue	\$4,187,861	\$199,688	4.77%
Lake and Peninsula Borough	\$2,271,084	\$106,854	4.70%
City of Akutan	\$821,979	\$38,226	4.65%
City of Klawock	\$814,390	\$35,871	4.40%
City of Haines	\$1,508,391	\$65,526	4.34%
City of Palmer	\$5,291,041	\$226,676	4.28%
Municipality of Anchorage	\$248,390,990	\$10,403,815	4.19%
City of Saint George	\$744,519	\$29,685	3.99%
City of King Cove	\$1,055,000	\$40,930	3.88%
City of Kenai	\$7,980,423	\$302,982	3.80%
City of Sand Point	\$1,271,670	\$47,658	3.75%
City of Adak	\$991,000	\$35,853	3.62%
City of Coffman Cove	\$850,991	\$30,283	3.56%
City of Platinum	\$29,675	\$1,012	3.41%
City of Soldotna	\$5,874,850	\$190,413	3.24%
City of Cordova	\$5,450,311	\$175,465	3.22%
City of Homer	\$5,287,239	\$168,493	3.19%
Kenai Peninsula Borough	\$50,258,850	\$1,598,729	3.18%
City of Nome	\$7,065,869	\$218,051	3.09%
City of Whittier	\$910,010	\$27,493	3.02%
Denali Borough	\$2,053,700	\$61,389	2.99%
Matanuska-Susitna Borough	\$57,181,644	\$1,690,792	2.96%
City of Wrangell	\$5,716,151	\$166,553	2.91%
Kodiak Island Borough	\$10,818,950	\$291,868	2.70%
City of Petersburg	\$7,194,963	\$187,235	2.60%
Fairbanks North Star Borough	\$78,318,560	\$1,970,270	2.52%
City and Borough of Yakutat	\$1,784,375	\$44,556	2.50%
City of North Pole	\$2,799,058	\$69,062	2.47%
City of Seward	\$6,848,620	\$159,193	2.32%
City and Borough of Sitka	\$18,470,340	\$424,845	2.30%
City of Kodiak	\$11,926,675	\$267,018	2.24%
City of Craig	\$2,470,908	\$53,286	2.16%
City of Dillingham	\$5,158,448	\$106,959	2.07%
City of Wasilla	\$9,689,941	\$192,226	1.98%
Northwest Arctic Borough	\$8,031,921	\$158,084	1.97%
City of Saint Paul	\$2,200,873	\$39,100	1.78%
City of Skagway	\$2,818,195	\$49,423	1.75%
City of Valdez	\$22,425,096	\$381,529	1.70%
City of Ketchikan	\$27,957,840	\$425,618	1.52%
Ketchikan Gateway Borough	\$14,867,222	\$202,908	1.36%
Bristol Bay Borough	\$4,504,954	\$58,003	1.29%
Haines Borough	\$3,191,250	\$39,679	1.24%
City of Unalaska	\$20,193,196	\$185,314	0.92%

<b>Municipality</b>	<b>FY 03 Operating Budget</b>	<b>FY 03 SRS/SC Total</b>	<b>% of Operating Budget</b>
Aleutians East Borough	\$4,161,070	\$35,301	0.85%
City and Borough of Juneau	\$188,848,100	\$1,482,129	0.78%
North Slope Borough	\$289,420,015	\$902,462	0.31%
<b>Average Percent</b>			<b>15.80%</b>
<b>Highest Percent</b>			<b>94.25%</b>
<b>Lowest Percent</b>			<b>0.31%</b>
<b># &gt; 20%</b>			<b>51</b>

<b>Municipality</b>	<b>FY 03 Operating Budget</b>	<b>FY 03 SRS/SC Total</b>	<b>% of Operating Budget</b>
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February 21, 2003

## Municipal Presentation on the Impacts of State Budget Cuts on Communities, Families, and Businesses

Given that many communities are facing severe local economic downturns, **now is not the time for the State to add to the distress of local taxpayers** by further reducing state revenue sharing programs.

The State has a responsibility to determine impacts of budget cuts to families and businesses in its communities. Cuts in major municipal programs and new state unfunded state mandates will severely impact families, and are **counter to the Governor's budget goals to:**

- **Not increase taxes.**
- **Not impose state unfunded mandates**
- **Improve education and public safety**
- **Support economic development**

The AML/Mayors Platform supports "reasonable sustainable structural budget changes," **but not** state "cost shifts to local taxpayers", or cuts that "hurt economic development efforts" or "diminish key public services." AML and the Mayors support "negotiated State-Local cooperation to save money."

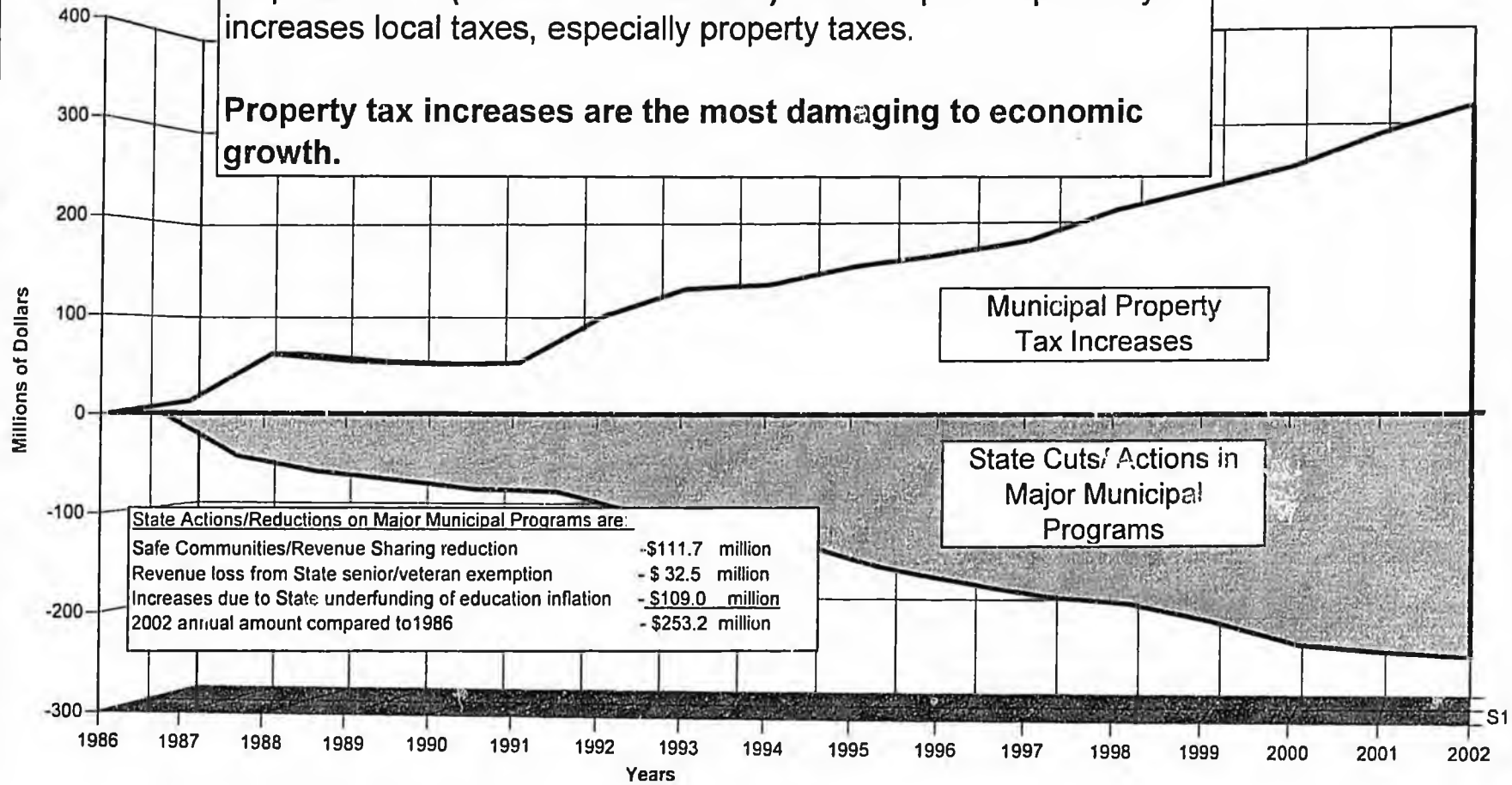
As shown in the following charts, it is important not to cut major municipal revenue sharing programs or shift state costs and service responsibilities to municipalities (i.e. unfunded mandates) because historically **these actions have been proven to force local tax increases, diminish key public services, and hurt economic development.**

Communities and local taxpayers have already been impacted by **far greater State cuts than any State program.**

**Historically, State Actions are the Primary Factor in Local Property Tax Increases**

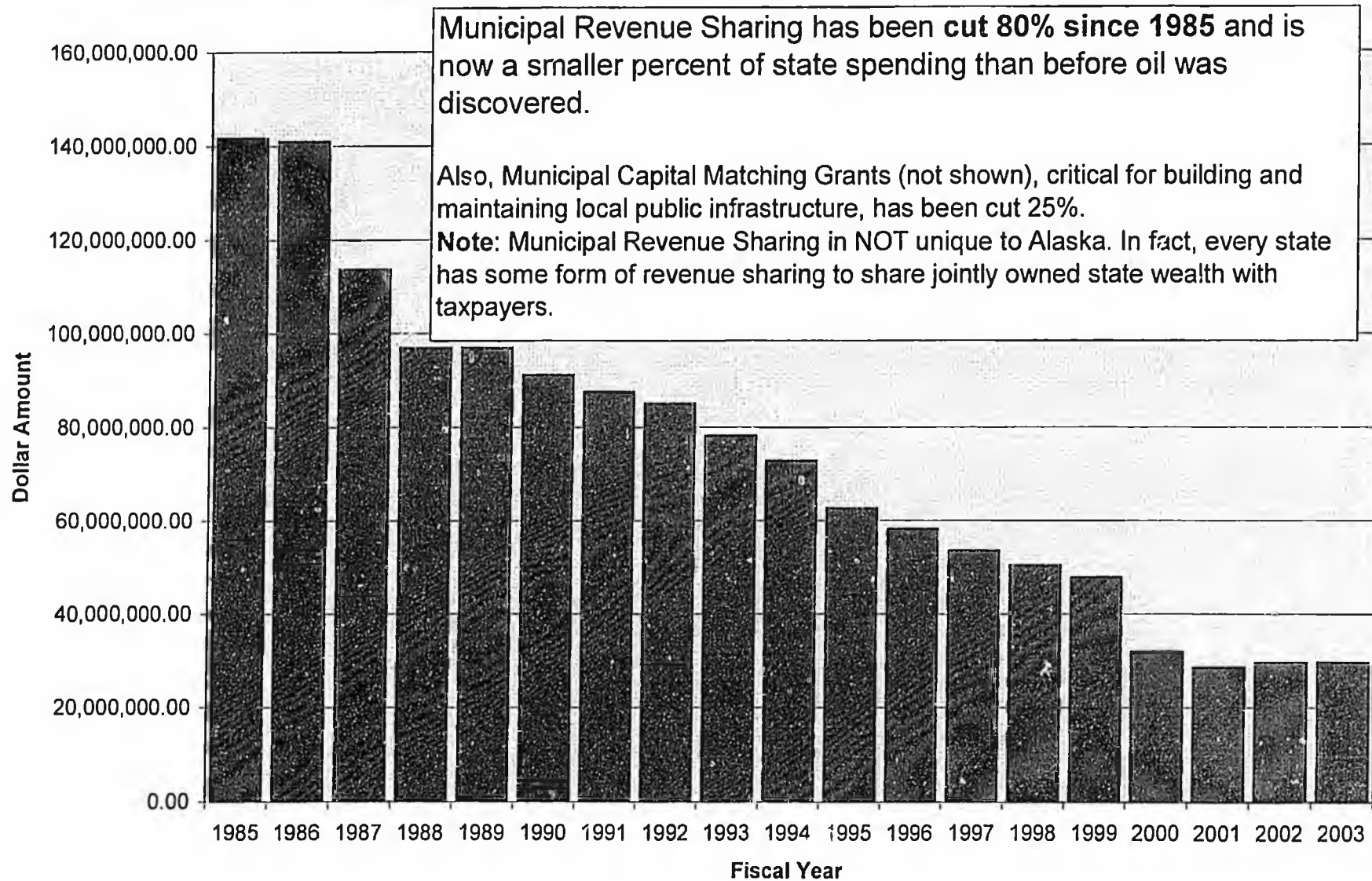
Cutting Municipal Revenue Sharing or shifting current State responsibilities (**unfunded mandates**) to municipalities primarily increases local taxes, especially property taxes.

**Property tax increases are the most damaging to economic growth.**



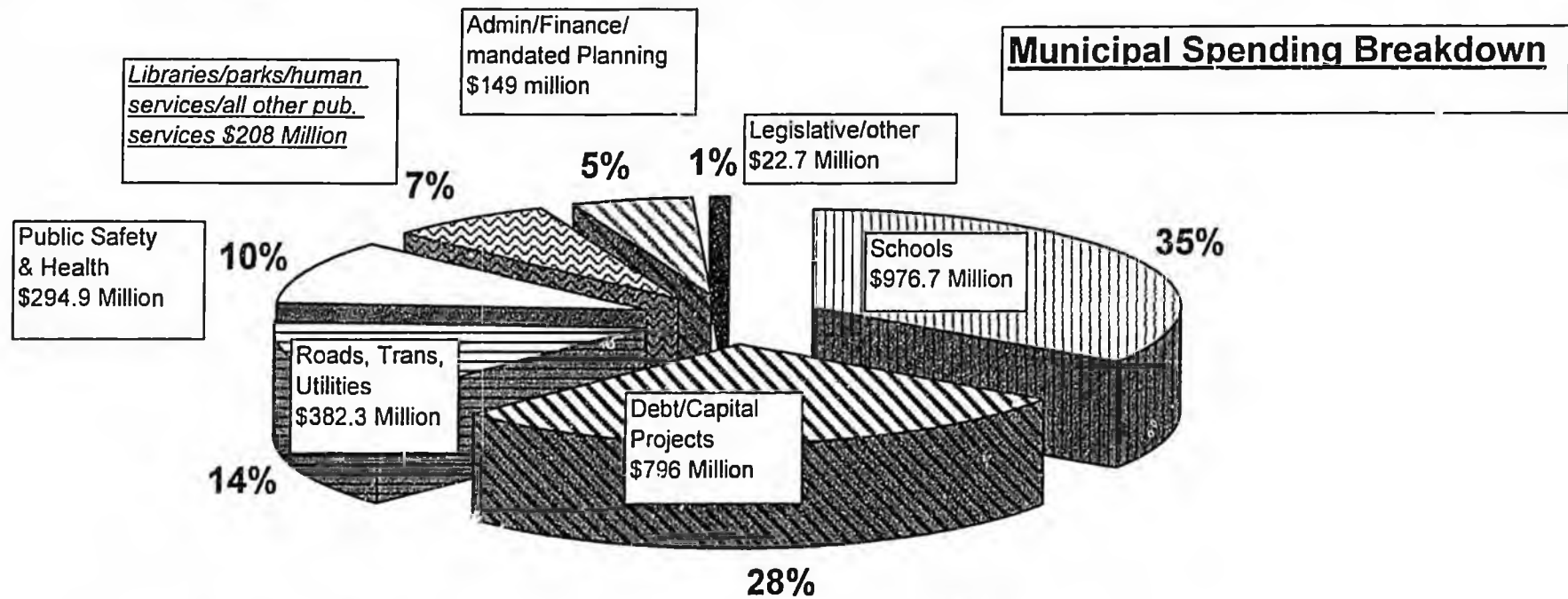
Source: "Alaska Taxable" 1986 to 2002, Dept. of Community & Economic Development

### State Revenue Sharing and Municipal Assistance (Safe Communities) FY 1985-2003



**Massive historic cuts to municipal revenue sharing, and current severe economic downturns** have forced many communities to cut top priority public services like schools and public safety.

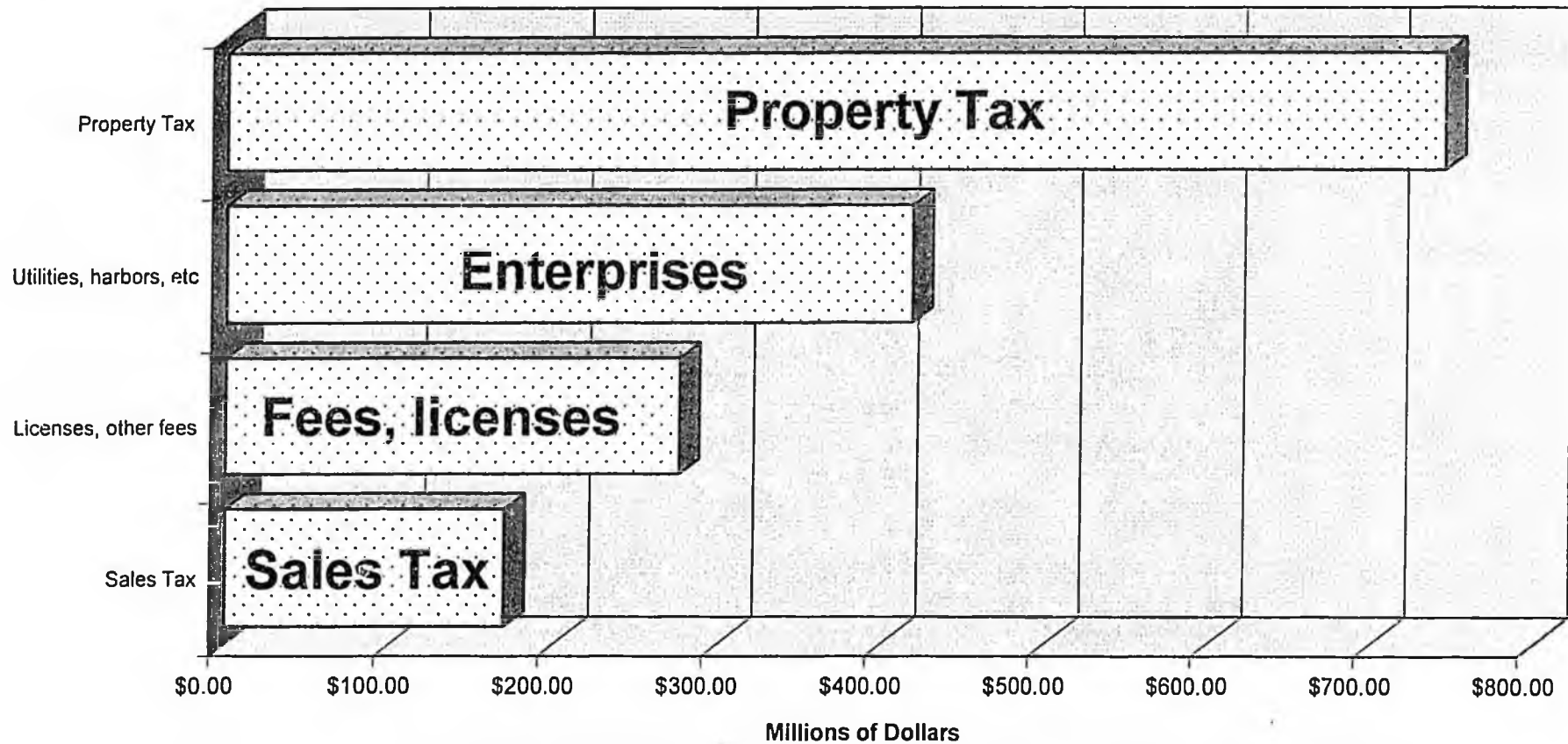
As shown below, at least **93% of municipal expenditures** are for mandated or basic public services and the Governor's top priorities of Schools, Public Safety, Public Infrastructure, and Transportation.



Source: DCED, Div of Business and Community Dev FY00 (the latest year compiled)

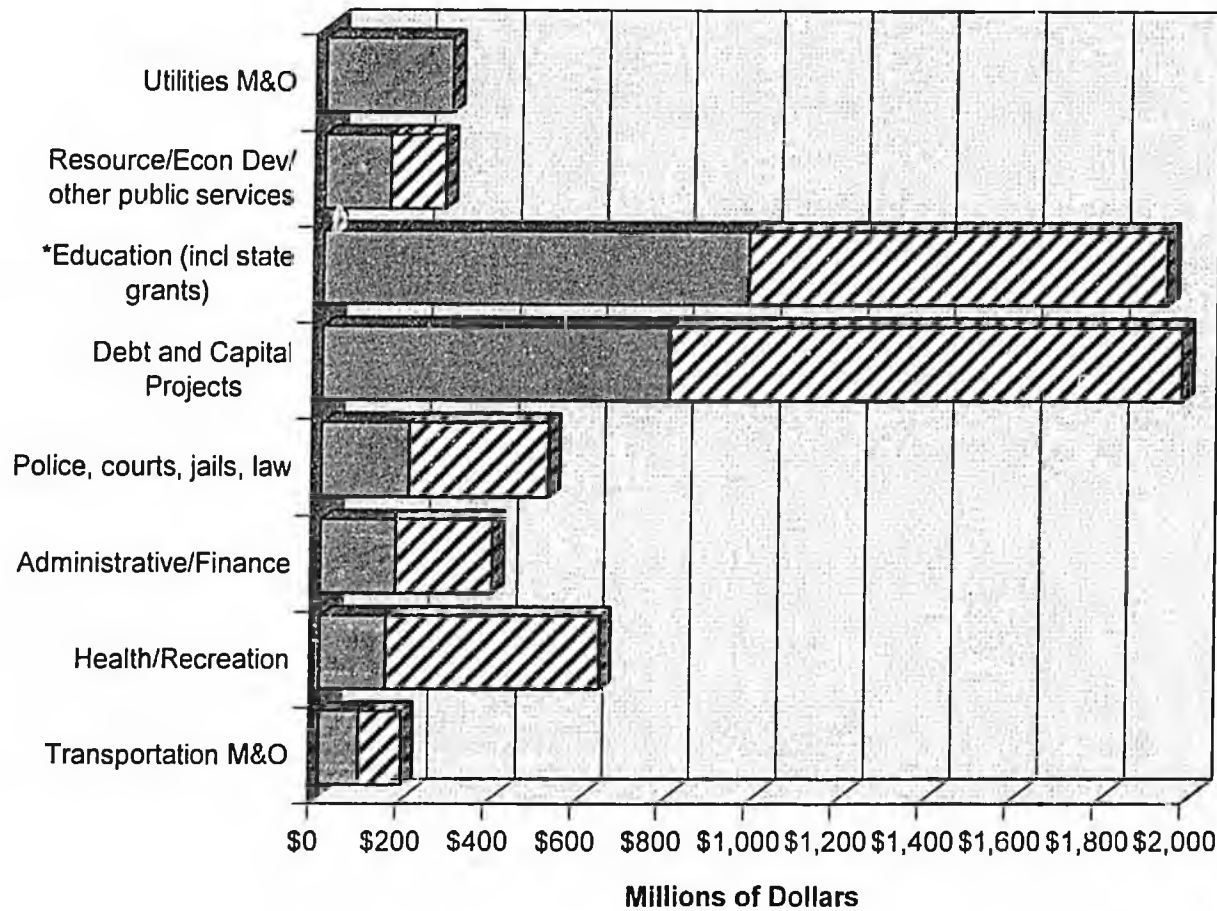
## Over \$1.6 Billion in Municipal Taxes & Fees Paid by Families & Businesses in FY 2002

Local taxes are high. To support economic growth, it is crucial that the State not pass on additional costs to local taxpayers through state budget cuts and responsibility transfers.



Source: State DCED Municipal Financial Reports FY 2000 and Alaska Taxable 2002

## State/Municipal Partner Public Service Expenditures



As shown here, **nearly every major public service delivered to Alaskans is a State and Municipal partnership.** An efficient state fiscal plan must include a plan for state and Municipal coordination of services

Municipal Expenditures FY 2000  
 State General Fund Expenditures FY 2003

\*Note: Education includes both state education grants and local funding.

Source: State DCED figures compiled from Municipal financial reports FY2000, and figures from the Division of Legislative Finance for FY2003.

AML/Alaska Conference of Mayors  
**2003 Municipal Fiscal Conditions Survey**

(Survey faxed 2/25/03 - 58 cities and borough responses)

The double hit of State cuts to municipal revenue sharing and new unfunded state mandates, on top of severe local economic downturns would devastate many local economies and communities

Summary of Current Fiscal Conditions already facing municipalities:

- **Moderate to severe local job and population loss** that reduce local revenue generating capacity;
- **Fewer people to pay fixed operating costs** of schools, utilities, bonds, etc.
- **Steeply increasing operating costs** for oil and other commodities/services;
- **Severe increases** in general liability and property and health insurance, and State provided retirement plans;
- **Loss of investment earnings**, and
- State and federal **unfunded mandates**.

**AML and Alaska Conference of Mayors**  
**2003 Fiscal Conditions Survey**

The survey was faxed 2/25/03 and responses have been received from 54 cities and boroughs as of 3/3/03. The responses indicate **that most cities and boroughs are currently experiencing a deepening economic crises and a growing need for stable state assistance to rebuild a sustainable economy. Clearly, deep state cuts to municipal programs and increased state unfunded mandates will accelerate the economic decline and hinder the recovery of many communities.**

<b><u>Municipality</u></b>	<b><u>Economy</u></b>	<b><u>Municipal Budget</u></b>
1. Haines Borough	drastic tourism, fishing, timber loss	families leaving, lost 30% of students, costs up
2. Denali Borough	tourism down, Usibelli Mine large layoffs	loss in accommodation tax
3. Lake & Pen. Bor	raw fish tax loss escalating, population loss	state revenue sharing cuts, staff cuts, some schools closed
4. Ketchikan Bor.	Loss of Ward Cove Packing, Ketchikan Pulp, EC Phillips, Gateway Forest Products, SE Construction	
5. Kodiak Isl Bor	over 400 jobs lost due to fishing downturn ,	lost 5 local processors. Borough & Schools down \$2.2 million next FY
6. Juneau Bor	revenue growth less than inflation	projecting significant shortfall this year, serious if revenue sharing cut
7. Sitka Bor	"economy is flat" population down	school shortfall due to loss of students
8. Mat-Su Borough	economy ok	\$1.3 million school budget shortfall and cuts to revenue sharing
9. Saxman	loss of community hall hurt revenues	"cut expenses to barebones & cut 2 positions... Please No more cuts"
10. Kenai	fishing downturn, loss of Kmart/other jobs	Kmart closure \$800K tax loss, tapping reserves too much
11. Seward	closure coal facility; less tourism, decline	shortfall due to insurance, fuel, declining economy, state cuts
12. Homer	loss of students in school district	55 teachers cut, loss of school programs
13. Kodiak	fishing downturn, over regulation	fishing tax is 60% of revenue, serious decline
14. Wasilla	loss of sales and sales tax	can't meet infrastructure needs of tremendous population growth
15. Selawik	"community has hit rock bottom"	"may have to go without police protection/other essential services."
16. Wrangell	so far, job loss 30%, population loss 22%	14% deficit in General Fund, already have highest sales tax in state.
17. Quinhagak	low fish prices	cuts in police, water, sewer
18. Cordova	fishing downturn	state revenue sharing cuts, low fish revenue, low earnings
19. Skagway	population loss	school funding loss due to declining enrollment
20. False Pass	fishing downturn & lost processor	Shortfall over \$60,000 this year.
21. Telier	construction projects	city "services at all time low"
22. Shageluk	economy ok	school shortfall
23. Nunapitchuk	fishing downturn, lack of jobs	school dist. \$4 million shortfall; minimum wage requires pay increases
24. Kotzebue	economy ok	community jail loss of \$328K, revenue sharing cuts
25. Port Lions	fishing & timber job loss, population loss	historic revenue sharing cuts, loss of "fire-police-clinics & roads"

26. Toksook Bay	fish disaster, so depend on revenue sharing	eliminate some employees and city services
27. Nuiqsut	downturn	lost 20 municipal jobs in last 3 years
28. Petersburg	local economic downturn	lower tax revenues
29. Alakanuk	fishing loss; unemployment at crises high"	"lower tax revenue, unpaid bills to city"
30. Savoonga	economy ok	
31. New Stuyahok	Bristol Bay fishery decline	budget shortfall
32. Houston	revenue sharing loss "serious impact"	budget shortfall if revenue sharing decreased
33. North Pole	need diversification	insurance and operating costs exceed revenue
34. Kasaan	Ward Cove and timber bankruptcy	population loss, loss of school
35. Kake	loss of timber and fishing jobs	federal funding loss, loss of students
36. Koyukuk	"state funding is a vital resource"	city staff paid by revenue sharing
37. Kaktovik	declining oil production	loss of school and municipal funding and jobs
38. Deering	economy ok	
39. Ouzinkie	fishing downturn	city and school cutbacks
40. Pilot Point	fishing downturn	lost fish tax revenue needed to fund budget
41. St. Mary's	dependent grants to complete budget	state reduces funding and services
42. Aleknagik	fishing downturn, 36 permit holders in city	"people unable to pay bills with the city"
43. Hoonah	fishing and timber downturn	loss of tax revenue, population – "maintenance and safety issues"
44. Angoon	fishing downturn	more state/federal unfunded mandates
45. Larson Bay	cannery closed, state asst. diminishing	budget shortfall due to lower fish tax, less PCE, higher fuel costs
46. Emmonak	fishery disaster "no one seems to listen"	cut employees, unpaid utility bills up, can't cut revenue sharing
47. Brevig Mission	"caribou ran off local reindeer herds"	shortfall because we are "shouldering more responsibility"
48. Delta Junction	economy ok	no shortfall
49. Ruby	losing population, costs up	revenue sharing critical, may "lose school and ...population"
50. Cold Bay	fishing downturn and higher oil prices	loss of fish taxes and state grants, need \$100K to replace water well
51. Atkasuk	"cuts jeopardize ...service and leadership"	school district budget cuts
52. Coffman Cove	timber downturn, high energy costs	50% of spending this year was reserves
53. Fort Yukon	economic downturn	teacher cuts, "rural communities cannot survive (big state) cuts"
54. Nome	"flat or nominal growth"	school district chronically underfunded
55. Unalakleet	oil costs "devastating impact," insurance up	66% this year, lower sales tax revenues
56. Huslia	costs of services keep going up	state cuts so "we the people suffer the consequences."
57. Port Alexander	"families here balance, no matter how precariously"	city operates on volunteerism, school shortfall.
58. Bethel	"at a cross-road that could go either way"	current shortfall \$467K, could go to \$700K next year w/no state cuts.

TO: HAINES

FROM: AK MUNICIPAL LEAGUE



217 Second Street, Suite 200 • Juneau, Alaska 99801

Tel (907) 586-1325 • Fax (907) 463-5480 • www.akml.org

To: Mayor and Council/Assembly  
& Manager/Finance Director/Clerk

From: Kevin Ritchie, Executive Director

Date: February 24, 2003

Re: 2003 Municipal Fiscal Conditions Survey - Please return ASAP

Municipal revenue sharing and other programs to support municipalities are "on the table" for cuts now in the Governor's budget. Cuts could rise to the level of elimination that would have serious financial impacts on every community in the state. Such cuts could be especially devastating to local governments and economies on top of the fiscal crises already facing many communities. Therefore, AML would like to present the Governor with information on the fiscal conditions of municipalities. Please take a few minutes to fill out this survey.

Name of Respondent Vince Hansen Title Interim Borough Manager

Name of Municipality Haines Borough

1. Is your community facing an economic downturn? No  Yes  If yes, please discuss the cause and extent. Drastically reduced tourism revenue due to lack of cruise ship visits this year. Reduced fisheries revenue. Downturn in resource development. Reduced to extent that jobs with family sustaining wages are no longer available and many families have left or are leaving the community.

2. Is your municipal government or school district anticipating a budget shortfall this coming year? No  Yes  If yes, please discuss the cause and extent. Reasons as listed above. 30% reduction in students over last two years with corresponding impact on schools. Municipal sales tax revenues are down, but costs are up (insurance, fuel, etc.). Also facing dramatic reduction in fish tax and port revenues.

Please FAX TO AML at 907-463-5480 ASAP  
Thank You!



217 Second Street, Suite 200 • Juneau, Alaska 99801  
Tel (907) 586-1325 • Fax (907) 463-5480 • www.akml.org

To: **Mayor and Council/Assembly  
& Manager/Finance Director/Clerk**  
From: Kevin Ritchie, Executive Director  
Date: February 24, 2003

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Name of Respondent Dave Talerico Title Mayor

Name of Municipality Denali Borough

1. Is your community facing an economic downturn? No  Yes  If yes, please discuss the cause and extent. Fall in tourism members - local employer, Usihalli Coal Mine, lost a contract and had a large layoff

2. Is your municipal government or school district anticipating a budget shortfall this coming year? No  Yes  If yes, please discuss the cause and extent. Fall in tourism affects our overnight accommodation tax.

Please FAX TO AML at 907-463-5480 ASAP  
Thank You!

FEB. 25. 2003 12:38PM ALASKA MUNI LEAGUE  
TO: LAKE & PENINSULA BOR

NO. 4645 P. 1/1  
FROM: AK MUNICIPAL LEAGUE



217 Second Street, Suite 200 • Juneau, Alaska 99801  
Tel (907) 586-1325 • Fax (907) 463-5480 • www.akml.org

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Name of Respondent Lake and Peninsula Borough Title JOE CURRIER  
P.O. Box 195 Borough Mgr.  
Name of Municipality King Salmon, Alaska 99613

1. Is your community facing an economic downturn? No  Yes  If yes, please discuss the cause and extent. \_\_\_\_\_

DECLINE IN RAW FISH TAX REVENUES + RE: SOCKEYE SALMON  
STATE FISHERIES TAXES  
LOSS OF APPROX 1.5 million annually for past 5 yrs

2. Is your municipal government or school district anticipating a budget shortfall this coming year? No  Yes  If yes, please discuss the cause and extent. \_\_\_\_\_

Reduced STATE FUNDING, Reduced LOCAL FUNDING  
STUDENT POPULATION DOWNS, STAFF CUTS + SOME  
Schools closed due to STUDENT NUMBERS

Please FAX TO AML at 907-463-5480 ASAP  
Thank You!

TO: KETCHIKAN GATEWAY

FROM: AK MUNICIPAL LEAGUE



217 Second Street, Suite 200 • Juneau, Alaska 99801  
Tel (907) 586-1325 • Fax (907) 463-5480 • www.akml.org

Mayor  
Assembly  
At Hall - FIN  
Mjr  
Clerk

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& Manager/Finance Director/Clerk**  
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Date: February 24, 2003

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Name of Respondent Alvin E. Hall Title Finance Director

Name of Municipality Ketchikan Gateway Borough

1. Is your community facing an economic downturn? No  Yes  If yes, please discuss the cause and extent. Borough has lost several million in to large companies from Plant closings + Chapter II Filings. KPC, Ward Cove packing, E.C Phillips, Southwest Construction Gateway Forest Products, Inc.

2. Is your municipal government or school district anticipating a budget shortfall this coming year? No  Yes  If yes, please discuss the cause and extent. Borough is unable to fund the school district at the capex at the requested levels from the school district. Cause major downturn in economic structure of community + less students

**Please FAX TO AML at 907-463-5480 ASAP  
Thank You!**

**Betty Svensson**

---

From: Pat Carlson [pcarlson@kib.co.kodiak.ak.us]  
Sent: Tuesday, February 25, 2003 1:36 PM  
To: betty@akml.org  
Subject: RE: Rev sharing alert

Hi Betty and Kevin, this is quick and dirty so let me know if you need more. Thanks Pat Carlson

To: Mayor and Council/Assembly  
& Manager/Finance Director/Clerk  
From: Kevin Ritchie, Executive Director  
Date: February 24, 2003

Re: 2003 Municipal Fiscal Conditions Survey - Please return ASAP

Municipal revenue sharing and other programs to support municipalities are "on the table" for cuts now in the Governor's budget. Cuts could rise to the level of elimination that would have serious financial impacts on every community in the state. Such cuts could be especially devastating to local governments and economies on top of the fiscal crises already facing many communities. Therefore, AML would like to present the Governor with information on the fiscal conditions of municipalities. Please take a few minutes to fill out this survey.

Name of Respondent Pat Carlson Title Manager

Name of Municipality Kodiak Island Borough

1. Is your community facing an economic downturn? No  Yes  If yes, please discuss the cause and extent. \_\_\_\_\_

The area has lost over 400 jobs due to fishery declines, school enrollment is down  
and 5 of our local processors have gone out of business just in the last two years.

For example only 60% of the salmon fleet fished this year, they

caught more fish than the prior year and yet they were paid 66% less.

2. Is your municipal government or school district anticipating a budget shortfall this coming year? No  Yes  If yes, please discuss the cause and extent. \_\_\_\_\_

Next years borough budget is short by .6 million at this time and the preliminary KIBSD  
budget is

down in excess of 1.6 million.

Please FAX TO AML at 907-463-5480 ASAP  
Thank You!



**CITY/BOROUGH OF JUNEAU**  
**ALASKA'S CAPITAL CITY**

To: **Mayor and Council/Assembly  
& Manager/Finance Director/Clerk**

From: Kevin Ritchie, Executive Director

Date: February 24, 2003

Re: **2003 Municipal Fiscal Conditions Survey – Please return ASAP**

Municipal revenue sharing and other programs to support municipalities are "on the table" for cuts now in the Governor's budget. Cuts could rise to the level of elimination that would have serious financial impacts on every community in the state. Such cuts could be especially devastating to local governments and economies on top of the fiscal crises already facing many communities. Therefore, AML would like to present the Governor with information on the fiscal conditions of municipalities. Please take a few minutes to fill out this survey.

Name of Respondent: John MacKinnon

Title: Interim City Manager

Name of Municipality: City and Borough of Juneau

1. Is your community facing an economic downturn? No  Yes  If yes, please discuss the cause and extent.

For the past 6 years our community has been on the edge of an economic down turn. Between 1997 and 1998 there has been a significant decline in the per capita income in our community. Between calendar 1993 and 1997 (4 years) our gross business activity expanded at nearly 8% per annum. Between calendar 1997 and 2001 (4 years) our gross business sales growth has averaged just over 1% per annum. This dramatic growth decline, to less than the inflation rate, has placed a significant economic burden on our community. The City and Borough of Juneau, working with the Juneau Economic Development Council and other local business groups, has worked diligently to try and find ways to stimulate economic development. While we have seen significant growth in some sectors such as tourism, the economic value added by this seasonal industry has not offset the economic losses in other year round areas.

It is extremely important for the continued well being our community that we not experience any additional negative economic impacts. Material reductions in year round jobs could spell the difference between economic stability and an economic recession.

2. Is your municipal government or school district anticipating a budget shortfall this coming year? No  Yes  If yes, please discuss the cause and extent.

This year we are projecting a fairly significant budgetary shortfall. This is due to no material growth in our property assessments and sales tax revenues combined with the increased cost of providing services. Flat economic growth combined with increases in delivering public service, have resulted in continuous pressure to reduce spending levels. This has made it difficult to maintain acceptable levels of critical public service. Each year the Assembly has been forced to make trade-off decisions between basic public service (Streets, Parks and Rec., Libraries, etc), public safety (Police and Fire) and/or educational.

This year the School District and Police Department are requesting significant increases in funding. While our departments have implemented operational efficiencies, they still need some funding increases just to maintain service levels. For example, the cost of heating fuel has risen more than 20% in just the past two months. Unless the Assembly chooses to increase the mill levy (noting we are within 1.6 mills of a 12-mill levy cap) it is likely we will need to reduce service levels. This reduction assumes that the State maintains the FY04 State Shared Revenue and Safe Communities Program at the FY03 funding levels and no cost of living increases are granted for our employees.

If the SSR and Safe Communities programs are eliminated we will be looking at very serious budgetary shortfall. Material reductions in state support will likely result in both service level declines and property tax increases. Service reductions significant enough to absorb the loss in State revenues would no doubt be considered unacceptable. To fully absorb a SSR and Safe Communities reduction it is likely we would need to take significant reductions in funding for both public safety and education.

---

**Please FAX TO AML at 907-463-5480 ASAP**  
**Thank You!**

FEB. 25. 2003 12:42PM ALASKA MUNI LEAGUE  
TO: MAT-SU BOR

NO. 4645 P. 1/1  
FROM: AK MUNICIPAL LEAGUE



217 Second Street, Suite 200 • Juneau, Alaska 99801  
Tel (907) 586-1325 • Fax (907) 463-5480 • www.akml.org

RECEIVED  
FEB 25 2003  
MATANUSKA SUSITNA BOROUGH  
ADMINISTRATION/PERSONNEL

To: Mayor and Council/Assembly  
& Manager/Finance Director/Clerk

From: Kevin Ritchie, Executive Director  
Date: February 24, 2003

Re: 2003 Municipal Fiscal Conditions Survey - Please return ASAP

Municipal revenue sharing and other programs to support municipalities are "on the table" for cuts now in the Governor's budget. Cuts could rise to the level of elimination that would have serious financial impacts on every community in the state. Such cuts could be especially devastating to local governments and economies on top of the fiscal crises already facing many communities. Therefore, AML would like to present the Governor with information on the fiscal conditions of municipalities. Please take a few minutes to fill out this survey.

Name of Respondent John Duff Title Borough Manager

Name of Municipality Matanuska-Susitna Borough

1. Is your community facing an economic downturn? No  Yes  If yes, please discuss the cause and extent.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

2. Is your municipal government or school district anticipating a budget shortfall this coming year? No  Yes  If yes, please discuss the cause and extent.

\$1.3M due to state's cost allocation formula for schools

\$? Proposed cuts to Revenue Sharing / State Communities

\$? Continual failure to adequately fund State Citizens and Veteran tax exemptions.

Please FAX TO AML at 907-463-5480 ASAP  
Thank You!

TO: SITKA BOR

FROM: AK MUNICIPAL LEAGUE

217 Second Street, Suite 200 • Juneau, Alaska 99801

Tel (907) 586-1325 • Fax (907) 463-5480 • www.akml.org



To: **Mayor and Council/Assembly  
& Manager/Finance Director/Clerk**  
From: Kevin Ritchie, Executive Director  
Date: February 24, 2003

Re: **2003 Municipal Fiscal Conditions Survey – Please return ASAP**

Municipal revenue sharing and other programs to support municipalities are "on the table" for cuts now in the Governor's budget. Cuts could rise to the level of elimination that would have serious financial impacts on every community in the state. Such cuts could be especially devastating to local governments and economies on top of the fiscal crises already facing many communities. Therefore, AML would like to present the Governor with information on the fiscal conditions of municipalities. Please take a few minutes to fill out this survey.

Name of Respondent City & Borough of Sitka Title City Administrator

Name of Municipality SITKA

1. Is your community facing an economic downturn? No Yes If yes, please discuss the cause and extent. NOT EXACTLY - BUT OUR ECONOMY

IS CERTAINLY FLAT COMMERCIAL BUSI. USE IS  
DOWN; SCHOOL POPULATION IS DOWN

2. Is your municipal government or school district anticipating a budget shortfall this coming year? No Yes If yes, please discuss the cause and extent. Reduction

in student population

**Please FAX TO AML at 907-463-5480 ASAP**  
**Thank You!**

FROM :

FAX NO. :

Mar. 04 2003 03:53PM P1



FROM: MUNICIPAL LEAGUE

217 Second Street, Suite 200 • Juneau, Alaska 99801  
 Tel (907) 586-1325 • Fax (907) 463-5480 • www.akml.org

To: **Mayor and Council/Assembly  
 & Manager/Finance Director/Clerk**  
 From: Kevin Ritchie, Executive Director  
 Date: February 24, 2003

Re: **2003 Municipal Fiscal Conditions Survey – Please return ASAP**

Municipal revenue sharing and other programs to support municipalities are "on the table" for cuts now in the Governor's budget. Cuts could rise to the level of elimination that would have serious financial impacts on every community in the state. Such cuts could be especially devastating to local governments and economies on top of the fiscal crises already facing many communities. Therefore, AML would like to present the Governor with information on the fiscal conditions of municipalities. Please take a few minutes to fill out this survey.

Name of Respondent NORA DeWitt Title City Clerk.

Name of Municipality City of Saxman

1 Is your community facing an economic downturn? No  Yes  If yes, please discuss the cause and extent. loss of our Saxman Community Hall

Has put a severe impact on our opportunity for revenue. The project was started and needs additional funds to be completed. The required matching funds has put a tremendous stain on

2. Is your municipal government or school district anticipating a budget shortfall this coming year? No  Yes  If yes, please discuss the cause and extent. our expenses.

As stated above. We have had to cut expenses to bare bones and eliminated 2 positions with the city.

PLEASE No more cuts.

Please FAX TO AML at 907-463-5480 ASAP  
 Thank You!

Member of the National League of Cities and the National Association of Counties

*C. Mayor Dan Williams*



217 Second Street, Suite 200 • Juneau, Alaska 99801  
Tel (907) 586-1325 • Fax (907) 463-5480 • www.akml.org

To: **Mayor and Council/Assembly  
& Manager/Finance Director/Clerk**

From: Kevin Ritchie, Executive Director

Date: February 24, 2003

Re: **2003 Municipal Fiscal Conditions Survey - Please return ASAP**

Municipal revenue sharing and other programs to support municipalities are "on the table" for cuts now in the Governor's budget. Cuts could rise to the level of elimination that would have serious financial impacts on every community in the state. Such cuts could be especially devastating to local governments and economies on top of the fiscal crises already facing many communities. Therefore, AML would like to present the Governor with information on the fiscal conditions of municipalities. Please take a few minutes to fill out this survey.

Name of Respondent LARRY SEAMEN Title Finance Dir.

Name of Municipality City of Kenai

1. Is your community facing an economic downturn? No  Yes  If yes, please discuss the cause and extent. Due primarily to Kmart

Closing. However sales were declining prior to this announcement. Agrum layoffs, generally poor commercial fishing, and overall uncertainty contribute.

2. Is your municipal government or school district anticipating a budget shortfall this coming year? No  Yes  If yes, please discuss the cause and extent. \_\_\_\_\_

All of the above will have negative impact on budget. Costs of services is increasing especially due to health care, PERS & general inflation. Revenue is declining - Interest rate is lowest in 40 years. Sales tax is crashing due to Kmart.

**Please FAX TO AML at 907-463-5480 ASAP**

**Thank You!**

TO: KENAI



217 Second Street, Suite 200 • Juneau, Alaska 99801

Tel (907) 586-1325 • Fax (907) 463-5480 • www.akml.org

To: **Mayer and Council/Assembly  
& Manager/Finance Director/Clerk**

From: Kevin Ritchie, Executive Director

Date: February 24, 2003

Re: **2003 Municipal Fiscal Conditions Survey - Please return ASAP**

Municipal revenue sharing and other programs to support municipalities are "on the table" for cuts now in the Governor's budget. Cuts could rise to the level of elimination that would have serious financial impacts on every community in the state. Such cuts could be especially devastating to local governments and economies on top of the fiscal crises already facing many communities. Therefore, AML would like to present the Governor with information on the fiscal conditions of municipalities. Please take a few minutes to fill out this survey.

Name of Respondent Linda L. Snow Title Manager

Name of Municipality Kenai

1. Is your community facing an economic downturn? No  Yes  If yes, please discuss the cause and extent. K-mart closure represents \$800K

sales tax loss to the General Fund of 40+ jobs out of the community; reductions of jobs in fishing and oil industries.

2. Is your municipal government or school district anticipating a budget shortfall this coming year? No  Yes  If yes, please discuss the cause and extent. see

above re: K-mart. In addition, we have seen huge reductions in interest earnings, and our Fund balance is topped more than desirable.

**Please FAX TO AML at 907-463-5480 ASAP**

**Thank You!**



FROM: AK MUNICIPAL LEAGUE

217 Second Street, Suite 200 • Juneau, Alaska 99801  
Tel (907) 586-1325 • Fax (907) 463-5480 • www.akml.org

**RECEIVED**  
FEB 25 2003  
OFFICE OF THE  
CITY CLERK

To: **Mayor and Council/Assembly**  
**& Manager/Finance Director/Clerk**  
From: Kevin Ritchie, Executive Director  
Date: February 24, 2003

Re: 2003 Municipal Fiscal Conditions Survey - Please return ASAP

Municipal revenue sharing and other programs to support municipalities are "on the table" for cuts now in the Governor's budget. Cuts could rise to the level of elimination that would have serious financial impacts on every community in the state. Such cuts could be especially devastating to local governments and economies on top of the fiscal crises already facing many communities. Therefore, AML would like to present the Governor with information on the fiscal conditions of municipalities. Please take a few minutes to fill out this survey.

Name of Respondent KRISTIN ERCHINGER Title ACTING CITY MANAGER

Name of Municipality CITY OF SEWARD

1. Is your community facing an economic downturn? No  Yes  If yes, please discuss the cause and extent. \_\_\_\_\_

please see attached  
\_\_\_\_\_  
\_\_\_\_\_

2. Is your municipal government or school district anticipating a budget shortfall this coming year? No  Yes  If yes, please discuss the cause and extent. \_\_\_\_\_

please see attached  
\_\_\_\_\_  
\_\_\_\_\_

**Please FAX TO AML at 907-463-5480 ASAP**  
**Thank You!**

City of Seward - Municipal Fiscal Conditions Survey  
Page Two

Is your community facing an economic downturn?

Seward has seen a decline in the economy over the past two years, especially during the winter months. A number of local businesses are closing during the winter season, which has had an adverse impact on local jobs and has resulted in reduced taxable sales and reduced sales tax revenues. The threatened closure of the coal export facility will have an impact on year-round jobs and a negative impact on the export of Alaska's natural resources. Rising fuel costs and the poor condition of portions of the Seward Highway are causing some cruise ships to consider moving their operations outside of Seward, which will have a serious impact on the summer economy of Seward, in terms of jobs, taxable sales, and spinoff business.

Is your municipal government anticipating a budget shortfall this coming year? If Yes, please discuss the cause and extent

The City of Seward has requested an increase in the local sales tax rate from 3% to 4% to address this year's budget shortfall of approximately \$1.5 million. The sales tax will generate approximately half of the \$1.5 million shortfall, with the remaining shortfall addressed through cost cutting measures. The 1% sales tax increase is being challenged by a referendum vote to be held on April 8. The budget shortfall is the result of a combination of substantial cuts to State funding, fixed cost increases which the City cannot avoid (such as fuel and insurance), and the overall condition of the economy which has resulted in a considerable decline in annual investment income, as well as a leveling off of revenue growth.

Since 1991, State reductions in revenue sharing and safe communities funding amount to a loss of 0.51% of a local sales tax, or 1.77 mills of property tax. Annual increases in insurance costs over the last 3 years alone, amount to 0.78% of a local sales tax, or 2.7 mills of property tax. The loss of interest earnings amounts to 0.27% of local sales tax or 1 mill of property tax.

To: **Mayor and Council/Assembly  
& Manager/Finance Director/Clerk**

From: Kevin Ritchie, Executive Director

Date: February 24, 2003

Re: **2003 Municipal Fiscal Conditions Survey – Please return ASAP**

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Name of Respondent Mary L. Calhoun Title City Clerk

Name of Municipality City of Homer

1. Is your community facing an economic downturn? No\_\_ Yes\_\_ If yes, please discuss the cause and extent. \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

2. Is your municipal government or school district anticipating a budget shortfall this coming year? No\_\_ Yes~~X~~ If yes, please discuss the cause and extent. School district cut of 55 teachers, classroom activities, particularly spanish

\_\_\_\_\_  
Resolution 03-30 attached.  
\_\_\_\_\_  
\_\_\_\_\_

**Please FAX TO AML at 907-463-5480 ASAP**  
**Thank You!**

**CITY OF HOMER  
HOMER, ALASKA**

LADD

**RESOLUTION 03-30**

A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA, ENCOURAGING THE STATE OF ALASKA TO PROPERLY SUPPORT THE KENAI PENINSULA BOROUGH SCHOOL DISTRICT THROUGH CHANGING THE STATE FOUNDATION FORMULA TO MORE FAIRLY REFLECT THE PENINSULA'S UNIQUE GEOGRAPHY, CULTURAL NEEDS, AND RESULTING IN KENAI PENINSULA STUDENTS HAVING THE SAME OPPORTUNITY AS OTHER ALASKA STUDENTS TO MEET CONTENT AND PERFORMANCE STANDARDS.

WHEREAS, the State of Alaska has adopted content and performance standards that represent what Alaskans want students to know and be able to do as a result of their public schooling, and

WHEREAS, standards adopted in December, 1995 have shifted educational emphasis from what goes into our education system to what comes out of it, and

WHEREAS, the opportunity for a student to successfully achieve an Alaska educational standard is dependent upon his or her time and energy dedicated toward learning as well as support from family, educators, community, the Kenai Peninsula Borough, and the State of Alaska, and

WHEREAS, students within the Kenai Peninsula Borough School District, including all public students in the Homer area are placed at a distinct disadvantage due to an unfair State of Alaska foundation formula used to calculate the distribution of funds to schools throughout the Kenai Peninsula, and

WHEREAS, Peninsula schools are costly to operate, staff, and maintain due to the Kenai Peninsula Borough's unique geography encompassing remote locations and schools accessible only by water or air, and

WHEREAS, the cost differential within the State of Alaska educational foundation formula only slightly recognizes this difference from Anchorage at a ratio of 1.004, and

WHEREAS, projected revenue based upon the 1.004 ratio provides about 39.8 million from the State and limits the Borough's local share to about 31.1 million, and

Page Two  
Resolution 03-30  
City of Homer

WHEREAS, the Kenai Peninsula Borough School District has a FY 04 budget shortfall of 2.9 million after laying off 52 teachers across the district, raising the teacher/pupil ration by three in every grade over third grade, and staffing reductions will negatively impact curriculum offerings such as the reduction of Spanish at Homer High School, and

WHEREAS, the loss of the Spanish program at Homer High School is in direct conflict with the State of Alaska content standard stating that, "a student should be able to communicated in two or more languages, one of which is English," and

WHEREAS, "a student should possess the language skills and cultural knowledge necessary to participate successfully in multilingual communities and the international market place," and

NOW, THEREFORE, THE CITY OF HOMER RESOLVES THAT:

1. The City of Homer supports recent legislative fact finding in the American Institutes for Research report advancing the position that the educational foundation formula cost ratio for the Kenai Peninsula Borough School District be changed from 1.004 to 1.05, and
2. This resolution in support of a changed educational foundation formula as identified by the American Institutes for Research be adopted to provide relief to public education and approximately a 1.4 million dollar increase to the KPBSD's state portion and about a \$300,000 increase to the local effort portion, and
3. The City of Homer initiate dialog with Homer High School/ Kenai Peninsula Borough School District, UAA – Kachemak Bay Branch, Kachemak City. Anchor Point, and local nonprofit organizations to explore other alternatives to maintaining curriculum at Homer High School should this legislature not take the necessary and basic measures necessary to insure equal funding for education on the Kenai Peninsula, and
4. The City of Homer encourages other Kenai Peninsula Borough communities to enact similar resolutions of support of education and to submit approved resolutions to the Legislature for consideration.

PASSED AND ADOPTED BY THE HOMER CITY COUNCIL this 24th day of February, 2003.

CITY OF HOMER

*Jack Cushing*  
\_\_\_\_\_  
Jack Cushing, Mayor

ATTEST:

*Mary L. Calhoun*  
\_\_\_\_\_  
Mary L. Calhoun, City Clerk  
Fiscal Impact: Not identified.



To: **Mayor and Council/Assembly  
& Manager/Finance Director/Clerk**

From: Kevin Ritchie, Executive Director

Date: February 24, 2003

Re: **2003 Municipal Fiscal Conditions Survey - Please return ASAP**

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Name of Respondent LINDA FRED Title CITY MANAGER

Name of Municipality CITY OF KODIAK

1. Is your community facing an economic downturn? No  Yes  If yes, please discuss the cause and extent. \_\_\_\_\_

THE CAUSE IS THE CRISIS IN THE FISHING INDUSTRY!  
INCLUDING: LACK OF ACCESS TO THE RESOURCE (REGULATIONS,  
ENVIRONMENTAL LIMITATIONS); LACK OF MARKETS & LOW  
PRICES (PREDOMINANTLY SALMON); CHANGING NATURE  
OF THE INDUSTRY.

2. Is your municipal government or school district anticipating a budget shortfall this coming year? No  Yes  If yes, please discuss the cause and extent. \_\_\_\_\_

DUE TO DIFFICULTIES IN THE FISHING INDUSTRY  
OUR SALES TAX REVENUES ARE DOWN. THESE  
REVENUES MAKE UP APPROX. 60% OF OUR GENERAL  
FUND REVENUES.

**Please FAX TO AML at 907-463-5480 ASAP**

**Thank You!**



217 Second Street, Suite 200 • Juneau, Alaska 99801  
Tel (907) 586-1325 • Fax (907) 463-5480 • www.akml.org

To: **Mayor and Council/Assembly  
& Manager/Finance Director/Clerk**  
From: Kevin Ritchie, Executive Director  
Date: February 24, 2003

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Name of Respondent \_\_\_\_\_ Title \_\_\_\_\_

Name of Municipality Wasilla

1. Is your community facing an economic downturn? No \_\_\_ Yes  If yes, please discuss the cause and extent. \_\_\_\_\_

(see attached)  
\_\_\_\_\_  
\_\_\_\_\_

2. Is your municipal government or school district anticipating a budget shortfall this coming year? No \_\_\_ Yes  If yes, please discuss the cause and extent. \_\_\_\_\_

(see attached)  
\_\_\_\_\_  
\_\_\_\_\_

**Please FAX TO AML at 907-463-5480 ASAP**  
**Thank You!**



# CITY OF WASILLA

290 East Herning Avenue • Wasilla • Alaska • 99654-7091  
• Telephone 907-373-9070 • Fax 907-373-9085

---

1. Is your community facing an economic downturn. YES  
Explanation: The downturn in collections of sales tax in Fiscal Year 2003 indicates that economic downturn that is affecting the lower 48 and Alaska is affecting the City of Wasilla's economy.
2. Is your municipal government or School district anticipating a budget shortfall this coming year? YES  
Explanations: The City of Wasilla has experience tremendous population growth over the past two years (15%). This growth has placed substantial demands on the City of Wasilla in the areas of public safety, utilities and infrastructure demands. The growth in sales tax has nearly flatten out this year so that the City of Wasilla's revenue will not allow the City of Wasilla to meet the demands placed on it by the population growth. The budget shortfall will great affect the ability of the City of Wasilla to invest in infrastructure needed (road, water and sewer) and its ability to meet the public safety concerns of its citizens.



217 Second Street, Suite 200 • Juneau, Alaska 99801  
Tel (907) 586-1325 • Fax (907) 463-5480 • www.akml.org

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From: Kevin Ritchie, Executive Director  
Date: February 24, 2003

Re: **2003 Municipal Fiscal Conditions Survey - Please return ASAP**

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Name of Respondent Roger Clark Title Administrator

Name of Municipality City of Selawik

1. Is your community facing an economic downturn? No Yes  If yes, please discuss the cause and extent. Our <sup>City</sup> community has hit rock bottom and there seems to be no relief in the horizon. The cuts that the Governor is proposing will have a critical impact on the very basic services we are meagerly providing. We may have to go without police protection, and other essential services.

2. Is your municipal government or school district anticipating a budget shortfall this coming year? No Yes  If yes, please discuss the cause and extent. \_\_\_\_\_

Our municipal government & school district are expecting to receive cuts in funding and lower the effectiveness of the services we provide. The Governor's cuts will have a very negative impact in the lives of the people living in rural areas.

Please FAX TO AML at 907-463-5480 ASAP  
Thank You!