



JOINT RESOLUTION  
RESOLUTION 05-01

A JOINT RESOLUTION OF THE COUNCILS OF THE CITY OF ALEKNAGIK, ALEKNAGIK TRADITIONAL COUNCIL, AND BOARD OF DIRECTORS OF ALEKNAGIK NATIVES LIMITED SUPPORTING REINSTATEMENT OF THE STATE'S REVENUE SHARING PROGRAM FOR MUNICIPALITIES.

WHEREAS, Aleknagik Natives Limited, Aleknagik Traditional Council and the City of Aleknagik executed a Memorandum of Understanding on October 29, 2000 to recognize areas of mutual concern and support, and to establish a framework for cooperative relations and communication for the benefit of the community of Aleknagik as a whole as the desire of the three entities is to cooperate concerning legal and political matters inherent in their relationships to one another, and,

WHEREAS, the City of Aleknagik, Aleknagik Traditional Council and Aleknagik Natives Limited are representative of the community and are hereafter known as "The Councils"; and,

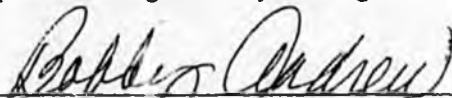
WHEREAS, due to fiscal problems for cities since the revenue sharing program was cut from the state budget, The Councils see a need to reinstate the state's revenue sharing program for municipalities; and,

WHEREAS, the recent state oil revenue "windfall," should be shared with communities to offset negative fiscal impacts. The increased oil revenue benefits the state, while local governments, businesses, and families are effected with higher prices for heating fuel and transportation.

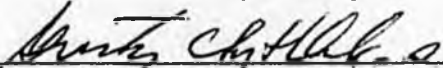
NOW THEREFORE BE IT RESOLVED that The Councils support the reinstatement of the state's revenue sharing program for municipalities using the state's budget windfall as a source of funding to get it started.


BE IT FURTHER RESOLVED that the Governor and Legislature are urged to restore the revenue sharing program funding as a part of the long-range fiscal plan for the state.

PASSED AND APPROVED on the 20th day of January, 2005 by a duly constituted quorum of the Council of the City of Aleknagik, the Aleknagik Traditional Council and Board of Directors of Aleknagik Natives Limited at a public meeting hosted by Aleknagik Natives Limited.

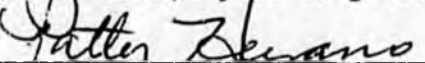
SIGNED:   
Bobby Andrew, Aleknagik Natives Limited President

ATTEST:   
Nina Tinker, Secretary, Aleknagik Natives Limited

SIGNED:   
Gusty Chythlook, Aleknagik Traditional Council Chair

ATTEST:   
Kay Gorman, Secretary, Aleknagik Traditional Council

SIGNED:   
Berna Andrews, City of Aleknagik Mayor

ATTEST:   
Patty Heyano, City of Aleknagik Acting City Clerk

**City of Aniak**  
**P.O. Box 189**  
**Aniak, Alaska 99557**  
**(907)-675-4481**  
**Fax (907)-675-4486**

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March 3, 2005

Senate Finance Committee  
Juneau, AK 99811

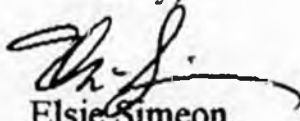
In regards to the Governor's Supplemental and Capitol Appropriations Bill, Small City Energy Assistance of \$50,000.00 to Aniak. We really could use this funding to help pay for community expenses relating to higher fuel costs, high insurance costs, equipment maintenance, and higher shipping costs.

We have not received any funding since we used to get Revenue Sharing and Safe Communities Funding from the State of Alaska to help pay for services for our community.

We had to cut back in operating hours just to keep our local government going.

We do have a 2% Sales tax, but this does not help pay for all the expenses that the City of Aniak has.

Sincerely,

  
Elsie Simeon,  
City Manager



## City of Brevig Mission

North Tutu Street  
Brevig Mission, Alaska

99785-5021

Phone/Fax (907) 642-3851



February 18, 2005

Attn: Senator Donald Olson  
State Capital  
Suite 510  
Juneau, Alaska 99801-1182

Dear Senator Olson:

Greetings! I am writing to express my support for Governor Frank Murkowski's Supplemental and Capital Appropriations Bill. As Mayor for the City of Brevig Mission I support the section of the bill that addresses "Small City Energy Assistance" and the Governor's effort to provide assistance and avoid the growing crisis in rural communities such as Brevig Mission.

However, I also want to express continued support for a long-term solution such as "Community Revenue Sharing." We need such assistance to operate and maintain insurance, water & sewer services, and emergency services such as fire protection & search and rescue. The City of Brevig Mission is that "Point of Light" in this community that connects it to the support and services that the State of Alaska is seeking to provide to its citizens. Therefore, it is my hope that you will beseech the Senate Finance Committee on behalf of the Community of Brevig Mission saying, "Don't let the light go out!"

Thank you for your efforts to represent our community on this important issue.

Sincerely,

A handwritten signature in cursive script that reads "Brian Crockett".

Brian Crockett  
Mayor, City of Brevig Mission

Cc Governor Frank Murkowski  
Cc State Representative Richard Foster  
Cc Alaska Municipal League

CITY OF CLARKS POINT  
P.O. BOX 110  
CLARKS POINT, ALASKA 99569  
PHO. (907) 236-1221  
FAX (907) 236 1412

FEBRUARY 15, 2005

TO THE SENATE FINANCE COMMITTEE;

HELLO, WE ARE WRITING THIS LETTER TO EXPRESS OUR CONCERNS  
TOWARDS THE "SMALL CITY ENERGY ASSISTANCE" BILL.  
WITH THE LOSS OF THE REVENUE SHARING AND OTHER CUTS, US SMALL  
COMMUNITIES ARE BARELY MAKING IT. THE HIGH COST OF FUEL TO HEAT  
AND PROVIDE ELECTRICITY TO RESIDENTS IS GETTING CRUCIAL.  
SO WE ARE 100% IN FAVOR OF YOUR PASSING THE "SMALL CITY ENERGY  
ASSISTANCE" APPROPRIATION.  
THIS WILL HELP US MAKE IT THROUGH ANOTHER YEAR.

THANK YOU,

THE CLARKS POINT CITY COUNCIL

**CITY OF DEERING***Small City Energy Assistance appropriation*

The money appropriated from the Small City Energy Assistance would help the City of Deering's costs with high cost of fuel and the increase of our insurance for 2005 year. Our community has been impacted by the State Revenue Sharing Budget cut, the City has had to cut down on 2 jobs at the City Office, 3 jobs at the Washeteria due to no funding to pay for such, also the fuel costs has gone up this year, which is effecting the whole community.

**State Revenue Sharing:**

<b>City of Deering w. State Revenue</b>	<b>Current w/o State Rev</b>
Budget: \$325659.00	Budget: \$264497.00
Profit/Loss: \$12384.00	Profit/Loss: - \$48778.00

*Our community facilities has had to have a budget cut in all areas, which includes the City Office which is in need of an Administrator and the facilities in need of repair, the Cable which is in need of upgrades/repair, the Washeteria which is in need of two certified operators for the safety and health of our community water, a attendant to run the Washeteria on a daily basis and the upgrades that need to be done on our sewer system in order to have safe water to deliver to our community.*

**Submitted by:**

  
Beverly Moto, City Clerk



# City of Delta Junction

P.O. Box 229, Delta Junction, Alaska 99737  
Ph 907-895-4636 Fax 907-895-4375  
www.ci.delta-junction.ak.us  
city@ci.delta-junction.ak.us

Welcome to the  
Friendly Frontier

February 15, 2005

Attention: Alaska Municipal League / Alaska Senate Finance Committee

REF: Hearing on Governor's Supplemental and Capital Appropriations Bill

SUB: "Small City Energy Assistance"

Currently Diesel Fuel at the pump costs \$2.17 while in Fairbanks that price is \$2.01 per gallon and regular gasoline is \$2.19 in Delta Junction with Fairbanks prices at \$1.96 to \$2.03 per gallon. It was reported last week that gasoline in Anchorage could be brought at \$1.76 per gallon.

The small population centers in the State of Alaska could use the Governor appropriation to help defray the increase costs in shipping, insurance, and energy these past several years.

The City of Delta Junction has experienced large increases in operational costs.

HEATING OIL IS UP 51%.  
DIESEL FUEL IS UP 38%.  
GASOLINE COST IS UP 24%  
ELECTRICITY IS UP 8%.

The above costs are increases for the local area. They are not compared with other metropolitan sites in the State of Alaska.

Other costs increases have been in insurance - health, general liability, worker compensation.

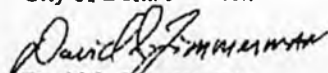
Health insurance costs for a single person increase 15.53% in FY 2004 and up again 10.25% in FY 2005. Family insurance coverage increases 15.52% in FY 2004 and was up 14.20% in FY 2005.

General Liability insurance costs were up 52% for FY 2004 but favorable down 19% for FY 2005. This is the only costs showing a decrease.

Worker Compensation insurance overall average a 27% increase for FY 2005.

Therefore, the City of Delta Junction with a population base under 1,000 people, the Governor "Small City Energy Assistance" appropriation would be greatly appreciated.

Sincerely,  
City of Delta Junction

  
David S. Zimmerman  
Finance Officer

CITY OF EEK  
P.O. BOX 09  
EEK, ALASKA 99578  
PHONE # 907-536-5129

DATE: FEBRUARY 14, 2005

TO: THE SENATE FINANCE COMMITTEE

FR: MAYOR TERESA JACKSON, CITY OF EEK

RE: SUPPLEMENTAL APPROPRIATION FOR SMALL COMMUNITIES

TO WHOM IT MAY CONCERN, WE, THE CITY OF EEK, ARE REQUESTING THAT THIS BILL BE PASSED, SINCE IT IS NEEDED BY ALL COMMUNITIES IN RURAL ALASKA. IF THIS DOES NOT PASS, SMALL COMMUNITIES, LIKE EEK, WILL HAVE MAJOR PROBLEMS, WITH REGARDS TO STABILITY, FOR SERVICES PROVIDED TO COMMUNITY. WITHOUT AID FROM THE STATE, MANY OF OUR SERVICES WILL BE CUT IN THE NEXT FISCAL YEAR, WHICH WILL BE IN ABOUT 4 MONTHS. IN THE LAST COUNCIL MTG, CUTS WERE DISCUSSED, IN THE AREA OF POLICING, CUSTODIAL AND ROAD MAINTS. MOST OF THE EMPLOYEES, ALREADY, WORK LESS HOURS, THAN NORMAL. PRESENTLY WE HAVE ONE VILLAGE POLICE OFFICER THAT WORKS 6 HOURS PER DAY, WHICH WILL BE CUT TO 3 HOURS PER DAY, IN THE NEXT FISCAL YEAR. IN THE PAST THE CITY HAD 2 POLICE OFFICERS THAT WORKED 6 HRS A DAY BUT DUE TO CUTS TO STATE REVENUE SHARING, WE NOW HAVE ONE, WHICH LEAD TO A HIGH TURNOVER RATE FOR POLICE PERSONNEL. SINCE JULY OF LAST YEAR, THE CITY HAD REPLACE VPO'S THREE TIMES IN THAT SPAN. NONE OF THEM WERE NEVER FIRED, ALL QUIT, STATING, THAT IT IS TOO HARD TO WORK ALONE. WE, THE EEK CITY COUNCIL, FEEL ANY CUTS TO OUR PRESENT WORK FORCE WILL CRIPPLE OR HINDER SERVICES THE CITY PROVIDES TO THE COMMUNITY. PLUS, THE HIGH COST OF FUEL AND FREIGHT COST SHOULD BE CONSIDERED BY YOU, THE COMMITTEE, IN MAKING YOUR DECISION.

ANOTHER ASPECT TO CONSIDER IS THE SITUATION IN CHEVAK, AK, THERE WILL BE A NUMBER OF COMMUNITIES THAT WILL HAVE THE SAME PROBLEMS, IF THIS BILL IS NOT PASSED BY YOUR COMMITTEE. A STATE OF EMERGENCY IS ON THE HORIZON FOR RURAL ALASKA, IF THIS BILL IS NOT CONSIDERED OR PASSED BY YOU THE COMMITTEE.

SIGNED: Gloria Keyes For  
TERESA JACKSON, MAYOR

*Signed by Elias Keyes  
via mayor*



**CITY OF ELIM  
ELIM CITY COUNCIL  
P.O. BOX 39009  
ELIM, ALASKA 99739  
PH: (907)890-3441  
FAX: (907)890-3811**

April 11, 2005

To: Kevin Ritchie, Executive Director AML

From: Paul T. Nagaruk, Mayor

RE: State Operating Budget

With the Senate Finance Committee public hearing going on, on the Operating Budget We feel it is very important to get some answers now.

Our City has not been able to get back into the Public Employee Retirement System due to the increased cost in the Retirement Program and cutback on Revenue Sharing. The Municipal Governments of Rural Alaska are probably the ones suffering the most as we do not have the tax base and economic development to boost our economy.

The cost of fuel and electricity will surely make matters worse. The Hubs of Ruaral Alaska are now taking bigger bites out of our share of operating funds.

On the matter of our Alaska State Troopers we have a lot of unanswered calls that were made just from our village. We continue to experience drug problems and many boot-leggers into our dry villages. The problems are not being answered and are continuing to get out of hand.

We lack good people to work or stay on the job because of funding problems. Our Municipal Governments receive no special training in operating and staffing municipal offices. We have brought these issues up with some of our Commissioners and Directors of our State Government. Unless we get serious about training in our villages we will have to depend on the State and Federal Government to do the jobs for us.

Why are we complaining or should we complain anymore! We are aware of the problems the State is facing with Billions in the Banks. We elect new Legislatures each year to fix the problem. We in Rural Alaska are becoming a serious problem for Alaskans.

The City Council of the City of Elim would like this directed to the State Operating Budget Committee and the Senate Finance Committee and any legislature who is willing to listen.

# CITY OF FORT YUKON

INCORPORATED 1959

INCORPORATED 1959

Post Office Box 269

Fort Yukon, Alaska 99740

Telephone (907) 662-2479 or 2379

Senate Finance Committee  
State of Alaska  
Juneau, AK

February 18, 2005

Dear Senator,

Much of our budget has to go towards the extreme high cost of heating fuel, which is necessary to keep our water system working. Yes, our lifestyle has improved since we have had piped water, yet this system is expensive to operate to prevent the pipes from freezing for the water lines must be continuously circulating. Because we are a remote village the fuel cost is high. We need the State to assist us so we can continue with a healthy lifestyle. This is clearly a priority for us.

Also, the increase cost of our insurance has not been easy for us to meet as well. We need the State to supplement our increased expenses which are mandatory to operate.

We, the City of Fort Yukon, are proud to be a part of this great strong state. Please help our community as the loss of the State Revenue Sharing has hurt us to meet needs. Again, we ask for your support on the Governor's Supplemental and Capital Appropriations Bill which includes the Small City Energy Assistance.

Sincerely,

  
Fannie Carroll

City Manager

Cc: file, AML



**City of Gustavus**  
P.O. Box 1  
Gustavus, AK 99826  
Phone: (907) 697-2451

February 16, 2005

Senate Finance Committee  
Juneau, Alaska

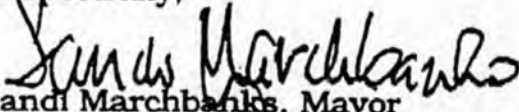
Distinguished Members,

As the mayor of the first community to incorporate in Alaska in at least 19 years, and the community with possibly the highest electrical rates in the United States, I can assure you that any monies directed our way will be used to offset the cost of utilities in the community.

The hydroelectric project in Gustavus has been a work in progress for more than a decade. The reason it has moved forward is due to its ability to pay for itself, but unfortunately, at no reduction in rates to the end user. Only by seeking out grants and putting money like this into the project will the community of Gustavus be able to enjoy electrical rates more in line with Alaskan communities of like size and circumstance.

As we all know, one of Alaska's means of bringing in additional revenue is tourism. Tourism in Alaska has made a steady decline for the past eight or nine years, regardless of the spin placed on tourism numbers by the cruise industry. Gustavus is one of those areas substantially impacted by the decline. That decline and the loss of revenue sharing have been instrumental in bringing the community to its knees. High fuel costs, high electrical rates and the ever-present dilemma of the community dock keep us in such a state of repression, we fear for the health of this small community. Our incorporation goal is to bring Gustavus back into a positive condition where people will be able to live, work and raise their families without the burden of such a high cost of living rate. We intend to keep our community's needs small, but will be unable to do so without the infusion of these types of assistance.

Respectfully,

  
Sandi Marchbanks, Mayor  
City of Gustavus



**CITY OF HOUSTON**  
office of  
**MAYOR**  
**DALE ADAMS**

Subject: Levy Property Tax Exemption.

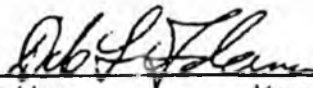
January 11, 2005

Dear Senator Wilken,

The City of Houston supports a property tax exemption for Seniors and Disabled Veterans. We also feel that the State should reimburse the city. Where this is a mandated exemption by the state, yet the state does not reimburse the local governments.

Some Seniors incomes are high and got the ability to pay property tax. But property taxes and assessments are rising and is leaving seniors with fixed income the inability to continue to afford there homes. The City of Houston is leasing about \$42,000.00 a year which is a lot of money for a small city like Houston.

Thank You,

  
Dale Adams Mayor

CITY OF KWETHLUK  
P.O.B. 50  
KWETHLUK, AK 99621

April 21, 2005

Honorable Governor Frank Murkowski  
State Capitol, Third Floor  
Juneau, Alaska 99801

Dear Governor Murkowski,

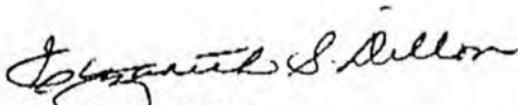
I am writing this letter as a last resort. Kwethluk City Council members have done everything in their power to keep our community together. We have run out of money and now we have run out of hope. The City had to lay off all the city employees. As Mayor, I am the only one left to do City business, as I am not a paid employee. In order to even go down to the City office, I must use my own money to put into the tank (which runs \$3.31 a gallon plus tax) as the city buildings been out of fuel for some time, as well as out of money to pay for the fuel.

We have been paying our insurance on an "installment" basis. Now, our last payment of \$7,000 has had to be put on hold. We received a CDBG grant with which to build a much-needed Public Safety building. We also were eager for this job to take place as it would mean jobs for members of our community. Now we have learned that if we do not have our liability insurance paid up, we will not be able to build our Public Safety building.

Our operating budget is gone. Members of our community cannot afford to pay their electric bills, as jobs are scarce. We owe IRS in back taxes, as uncomfortable choices must be made when a community is out of money, yet loyal employees have worked until the end.

We have lost revenue sharing, capital matching grants and seen all our expenses rise considerably. We hear how well Alaska is doing because of high oil prices, but we are not doing well. We have helped pay those high oil prices, but we do not receive any benefit from them? What do YOU think we should do? I would appreciate a reply as to what you or the legislators think we should do.

Sincerely,



Elizabeth S. Dillon  
Mayor, City of Kwethluk  
Kwethluk City Council

John W. Andrew-Vice Mayor *John W. Andrew*  
Elizabeth G. Michael-Secretary *Elizabeth G. Michael*  
Richard L. Long-Treasurer *Richard L. Long*  
Arthur Alexie, Sr.-Member  
Annie S. Andrew-Member *Annie S. Andrew*  
Martin Andrew-Member

Cc: Alaska State Legislature



## City of Marshall

P.O. BOX 09 • MARSHALL, ALASKA 99585 • (907) 679-6215/6415

February 14, 2005

Co-Chairs: The Honorable Senators Green and Wilken  
Vice Chair: The Honorable Senator Bunde

Finance Committee Members:  
The Honorable Senators Dyson, Sedman, Hoffman and Olson

Re: Senate Bill 98 "Supplemental Appropriations, Fast Track Bill"  
"Small City Energy Assistance"

The City Of Marshall's population currently stands at 384 and a distribution of \$50,000 to the City will assist us in purchasing fuel and paying for our insurance costs for the immediate future. The high cost of fuel this year has put the City in a financial crunch. Since the State Revenue Sharing Program was eliminated we have experienced a decrease in services provided to the residents of Marshall.

Thank you for your consideration.

Respectfully,

Raymond D. Alstrom  
Mayor

CC: The Honorable Senator Kookesh  
The Honorable Representative Salmon  
Ms. Kathie Wasserman, AML



**CITY OF MCGRATH**  
PO Box 30  
McGrath, Alaska 99627  
(907) 524-3825 ~ FAX (907) 524-3536  
[cityadmin@mcgrathalaska.net](mailto:cityadmin@mcgrathalaska.net)

February 15, 2005

**Governor's Supplemental and Capital Appropriations Bill  
Small City Energy Assistance**

Dear Members of the Senate Finance Committee:

The City of McGrath is in the same situation as every other small rural community in Alaska. We've had extraordinary fiscal burden thrust upon us from every direction, starting two years ago with a sudden and complete elimination of Revenue Sharing and Safe Communities funding along with the cessation of Capital Matching Grants. At the same time, vendor price increases on diesel and unleaded fuel that is required to keep our basic essential services functioning within our communities, such as electricity, water, sewer, and road maintenance.

Internally, our operating budget was slammed with dramatic increases in Worker's Compensation Insurance, Insurance premiums on our liability, vehicles, buildings and utilities infrastructure also soared. As with many other villages, McGrath is also dependent on shipping everything via air or a few commodities such as fuel by barge. These costs have also risen sharply, adding considerably to every aspect of the living expenses of our residents and to the cost of providing the services of our infrastructure.

Passing this Supplemental Appropriations Bill will assure the City of McGrath the ability to prudently sustain basic and essential services that our residents depend on and provide us the fiscal capacity to meet our existing obligations.

We look forward to hearing news that the Bill has been passed and that our fiscal crisis will be eased during this last half of FY05.

Sincerely,

A handwritten signature in cursive script that reads "Natalie Baumgartner".

Natalie Baumgartner  
City Administrator

cc: Alaska Municipal League

**CITY OF McGRATH, ALASKA**

**RESOLUTION 05-11**

**A RESOLUTION CALLING FOR THE CREATION OF  
A STATE OF ALASKA COMMUNITY DIVIDEND/TAX RELIEF PROGRAM(S)  
DURING THE CURRENT FISCAL YEAR.**

**WHEREAS**, the City of McGrath, Alaska is the governing municipal body of McGrath, Alaska, and as such is bound by Alaska Statute Title 29; and

**WHEREAS**, during fiscal year 2003, the City of McGrath received \$30,041.00 from the State of Alaska's Revenue Sharing program and \$8927.00 from the State of Alaska's Safe Communities program, and;

**WHEREAS**, during the fiscal year 2004, the State of Alaska eliminated the Revenue Sharing and Safe communities programs; and

**WHEREAS**, during the fiscal year 2004, the City of McGrath received \$40,000.00 from the State of Alaska's Temporary Fiscal Relief program; and

**WHEREAS**, during the fiscal year 2005, the State of Alaska has eliminated all revenue sharing-type funding to communities; and

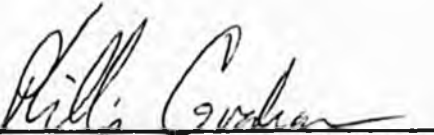
**WHEREAS**, small rural communities, including McGrath, with a small tax base, require State assistance to support basic community services; and

**NOW THEREFORE BE IT RESOLVED**; the McGrath City Council calls for the creation of a State of Alaska Community Dividend/Tax Relief program(s) during the current fiscal year.

This **RESOLUTION** shall be effective upon enactment.

THIS RESOLUTION PASSED and APPROVED by the McGRATH CITY COUNCIL THIS 15<sup>TH</sup> DAY OF MARCH 2005 BY A VOTE OF AYES AND NAYS.

Attest:

  
City Clerk~Treasurer Phillip Graham

Mayor

  
Dustin Parker



**City of New Stuyahok**

P.O. Box 10  
New Stuyahok, AK 99636  
Phone: (907) 693-3171  
FAX: (907) 693-3176

February 14, 2005

Senate Finance Committee

Dear Sir or Madam:

Revenue sharing is vital to the community of New Stuyahok and our children. It has helped paid our IRS bills, high insurance for our workers, paid for high cost of our oil and gas, helped maintained our heavy equipment needed for plowing and maintaining the roads esp. with our new airport being built. Our Head Start bus, school truck, fire truck, ambulance, and VPSO truck would have a hard time on the road or wouldn't be able to go on it if we don't have the capacity to keep it graded or maintained.

Without it we wouldn't be able to maintain this place that has about 600 people and growing rapidly. It is hard enough now to maintain the city and without revenue sharing we would be back in the stone ages. As of this moment right now it is very difficult to pay for our electricity, heating oil, phone, and gas. We need this to keep our 2<sup>nd</sup> class city moving forward and not going backwards.

Thank you very much for your time and please think of our children and community.

Sincerely,



Randal A. Hastings  
Mayor



Mitch Chocknok  
City Administrator

**CITY OF NUIQSUT**  
**Post Office Box 39148**  
**Nuiqsut, AK 99789**  
**Phone 907 480-6727 Fax 907 480-6928**

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February 11, 2005

The Honorable John Cowdery  
Chair  
Alaska State Senate Rules Committee  
Alaska State Capitol  
Juneau, Alaska 99811

FAX: 907 465 2069

Dear Senator Cowdery:

The duly elected members of the City of Nuiqsut City Council have instructed me to communicate with you and firmly assert their unqualified support for Senate Bill 98, the Supplemental Appropriations, Fast Track Bill.

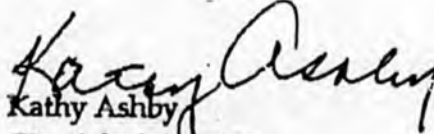
Alaska is indeed blessed with resource largesse of which many locales can only dream. Alaska's resources provide healthy economic activity and enviable lifestyles in metropolitan areas of the state. Those resources, as you well know, are located, explored, developed, and extracted in areas of the state where amenities are exceedingly few and far between, where the price of one container of milk compares with the expense of a bag of groceries in other areas.

The general fund is largely based upon resource revenues. Therefore, it is imperative that inherent inequities be ameliorated where possible. Senate Bill 98 purports to address, with general fund monies, the exorbitant cost of utilities in non-metropolitan areas of the State through energy assistance.

Please afford this bill your unqualified support as it traverses through the committee referrals and ensure its passage into law. Thank you for your assistance.

Sincerely,

CITY OF NUIQSUT

  
Kathy Ashby  
City Administrator



**CITY OF OUZINKIE**

P.O. Box 109  
3<sup>rd</sup> & C Street  
Ouzinkie, AK 99644

Phone (907) 680-2209  
Fax (907) 680-2223  
cityofouzinkie@starband.net

**COUNCIL MEMBERS**

- Zack Chichenoff - Mayor
- Alex Ambrosia - Vice Mayor
- Angeline Campfield - Sec./Treas.
- Rharon Bookofsky - Member
- Danny M. Clarion Sr. - Member
- Katherine Panamaroff - Member
- Darren Muller - Member

February 15, 2005

Senate Finance Committee  
State Capitol  
Juneau, AK 99801

Dear Finance Committee Representatives;

I am writing to encourage you to take into consideration how important the Governor's Supplemental and Capital Appropriations Bill is to every community in this state.

As you know healthy communities can provide services in a more effective and efficient way than the state. This only serves to save the state money in the future. By passing the above bill the communities can then use those funds to stabilize taxes and provide services.

We are being faced with skyrocketing fuel bills and insurance without the aid of revenue sharing. Communities with high transportation problems, a lack of insurance, exorbitant energy costs, crumbling infrastructure, and unaffordable shipping rates cannot provide a healthy environment with which to raise a family.

Sincerely,

Zack Chichenoff  
Mayor



Office of the Mayor

P.O. Box 430  
Pilot Point, Alaska 99649  
Tel. (907) 797-2200  
Fax (907) 797-2211

Senate Finance Committee  
Juneau, Alaska


February 12, 2005

To Whom It May Concern:

We applaud the Governor's proposal to distribute financial energy relief to rural Alaska. The combined impacts of rising fuel prices, declining municipal revenues, Federal grant opportunities, commercial fisheries disasters, and the overall lack of economic opportunity in rural Alaska have hit all of us very hard.

In Pilot Point we have had to fly fuel in at \$4.66 per gallon for heating oil. The City cannot in good conscience charge our consumers a price that allows us to break even, consequently, we are absorbing a loss of over \$2.00 per gallon. Any financial relief at this time would be greatly appreciated.

Sincerely,



Gregory Kingsley  
Pilot Point City Council



## CITY OF UNALAKLEET

BOX 28  
UNALAKLEET, ALASKA  
99884  
(907) 624-3531  
FAX (907) 624-3130

April 11, 2005

The Honorable Donald Olson  
Alaska State Legislature  
State Capitol  
Mailstop: 3100  
Juneau, Alaska 99801-1182

Re: City of Unalakleet Financial

Dear Senator Olson,

In the next few days, the Senate Finance Committee will be holding hearings on the FY06 State Operating Budget. I know as you begin deliberations on the final version of the budget, there are going to be many requests for items to be included before the final passage and adoption.

However, before you make any decisions regarding PERS/TRS and revenue sharing, I thought I would explain to you exactly where we are in Unalakleet and where we will be in two years at the most.

I just finished the City's proposed FY06 Budget for introduction at our most recent City Council meeting. With the next two years being major construction seasons in the City, the City will realize a windfall from equipment rentals during this period of time. The equipment rental will account for nearly twenty (20%) percent of the General Fund budget that supports Police, Fire, Public Works, Library and Administration. For FY08, I foresee the need to downsize the City staff dramatically and still maintain the mandated personnel for sewer and water and solid waste. We will also need police personnel since there are no State Troopers stationed in our community.

The higher fuel costs for delivery in June, has resulted in a fifty- (50%) percent increase over last year for the same amount of heating oil and gasoline. This year, FY06, the increased cost is softened by the recently passed aid to communities for fuel purchase. Yet this grant will only cover 67% of our fuel purchase for FY06. And then the increased cost of electricity due to the lower amount of PCE available just adds to our burden.

Then we have been required to increase our employer share of the PERS contribution by another five (5%) percent this year, and then an additional 5% for FY06 and FY07 which is a known at this juncture. Maybe the new actuarial study will result in a more favorable contribution rate and then it may show the contribution rate needs a higher contribution rate.

To top things off, our 5% sales tax collection rate has been nearly flat for the past five years. In our annual audit, we do audit private businesses in the community and usually they have been fairly uniform in their collections and remittances. No unusually large amount of back taxes has been required of the businesses audited. Even being innovative, there just is no real means to increase the city's income.

The solid waste fund and sewer and water fund stand alone by the revenue generated for their services and do not receive any funding from the General Fund or any other source, which is unusual in rural Alaska. At present our monthly collection rate is over 75% but with the increased costs for heating and food, this may diminish. It should be noted that we are not bashful to discontinue service for non-payment and no bill goes unpaid for over 90 days.

Quietly during this period of time, the City's insurance costs have increased from approximately \$41,000.00 per year to now over \$65,000.00 per year with no new facilities being added to the coverage. As has been pointed out in recent testimony, the cost for providing the mandatory worker compensation coverage has just compounded the cost of our ability to keep our head above water with the loss of revenue sharing and municipal assistance.

It is a \$1,000.00 here and couple thousand there and a few hundred there and before you know it, we are scratching to see where the money is to meet the next payroll. The City only has six full time employees today and retains 2 to 4 casual employees during the summer months to assist the Public Works in their tasks and preventative maintenance schedule.

At the same time, the City of Unalakleet has been very unique for the past five years in their ability to provide a quality professional administration utilizing a part-time City Administrator. While there is desire to have a full-time administrator on the part of many, the Mayor provides part-time administrative services in the absence of the City Administrator. This saves the City a complete fringe benefits package except for FICA/MedFICA and ESC. With fringe benefit package for a full-time employee is in the 50% range depending upon the years of employment, this is an immense savings to the City in salary and fringe benefits in having a part-time City Administrator. The basic agreement is that if there is work to be done or grants to write, and then the City Administrator is there to work since it is per day and not per hour. A normal day is 10 to 12 hours at this point. If there is no work that needs to be accomplished, then the City Administrator is free to go home and return the following month. The City Administrator is on call while they are home, but the need for assistance is minimal.

As you can see Senator, the City of Unalakleet has already started to downsize in anticipation of decreased revenues. We can only downsize so much and then we become a burden upon the State to provide services that were provided on a local level through assistance from the State in the form of Municipal Assistance and Revenue Sharing.

As you begin your deliberations in the FY06 Operating Budget, I cannot urge you strongly enough to include financial assistance to the communities. For the past 15 years, all the communities have sacrificed to help the State get through its financial problems. Now we are in the situation that the State found itself, just a few years back and we are the ones in need of assistance. We do not have a back-up reserve position as we have been eating hand to mouth for the past several years.

The City of Unalakleet is not the only community in your district that is or about to experience extreme financial problems within the next couple years at the latest. Many are in a present dire need for financial assistance and we are about to join this membership. I urge you in behalf on the City of Unalakleet and all the rural communities especially to provide us with financial relief we so much desire and need. The financial situation is a concern to all the communities in the State, large and small.

Should you have any questions, please feel free to contact me.

Yours truly,

---

David L. Soulak  
City Administrator

**City of Ruby**

PO Box 90

Ruby AK 99768

907.468.4401

Fax: 907.468.444

March 22, 2005

State of Alaska  
Attn: Rep. Woodie Salmon  
Juneau, Alaska

Dear Mr. Salmon:

In March 2003 the City of Ruby voluntarily withdrew from the State of Alaska-PERS program. We took this action to reduce expenditures, because of State funding cuts to rural Alaskan municipalities. Before we made the decision to withdraw from the PERS program our City Clerk at that time was in contact with Mr. Kevin Worley. Mr. Worley did advise our Clerk that we would be penalized for withdrawing from the program, but we were never given an amount. There is no written statement to this effect, because both parties only discussed our options verbally over the telephone.

The State of Alaska-PERS program recently mailed a billing statement in the amount of \$241,854.00 to the City of Ruby, with no option of a payment plan. We were also informed that we would be charged an 8.25% Interest fee beginning with March 1, 2005. Even though we are no longer in the PERS program we are still faced with the same kind of debt as those communities who are still in the program. We feel that this is not fair to us and the other communities who have withdrawn due to financial stress. We are in dire need of State assistance in paying this debt off. As such we request that any Proposal by the State of Alaska to help communities deal with PERS debt should include the City of Ruby, since we all share the same burden of PERS debt together.

Since May 2003 the City of Ruby has had a high turnover rate in the City Clerk's position. We have been trying to keep up financially, especially with reduced state funding. We continue to provide services to our residents, and like many other Alaskan communities we face financial difficulties in providing sustainable programs. The amount that we owe will completely destroy our efforts to continue to provide services to our community. The Interest alone will wipe us out financially, and we will have no option but to discontinue to provide municipal services to the Ruby residents.

Respectfully,

  
Jay G. deLima Mayor

**Rep. Woodie Salmon**

---

**From:** connie.m.walker@att.net  
**Sent:** Tuesday, April 26, 2005 11:47 AM  
**To:** Rep. Woodie Salmon  
**Subject:** City Closing!!!

Good Morning Representative Salmon,

This is City Clerk Connie Walker. I wanted to write you and inform you of the status of our community. I sent you a couple of emails but I'm not sure if they made it through for some reason or another.

Anyway, for the past couple of weeks I have been going through our situation here at the City. We currently do not have any Workers Comp Insurance and none of our City buildings have any liability insurance not even to mention PERS as we do not have any money to pay for those luxuries. We do have some monies coming from a grant which is about \$20,000.00 as well as a reimbursement request of fuel purchased this past July 2004 for \$6118.50. Those two figures are the only revenue that the City is looking at right now. With those monies the City will have to pay up past due bills, payroll, and taxes to the end of May and possibly we may have enough to stay open to the end of June. After that we are very seriously looking at shutting down here at the City of Holy Cross.

Like I said earlier we do not have any insurance. What do we do, purchase that insurance with these reimbursement monies coming and then end up having to close the City down afterwards? You know, I just don't see any way out of joining the countless Small Communities which have already shut down.

It doesn't seem like there is much anybody will or can do about this dire situation that we rural villages are in.

Thank you for your time and attention in this serious matter. A reply will be much appreciated.

Respectfully,  
Holy Cross City Clerk, Connie M. Walker

P.S. By the way, I voted for you because you come from a small community yourself and because of your Grandfather. Keep up the good work and representation. Thank you.

4/26/2005

CITY OF KWETHLUK  
P.O.B. 50  
KWETHLUK, AK 99621

April 21, 2005

Honorable Governor Frank Murkowski  
State Capitol, Third Floor  
Juneau, Alaska 99801

Dear Governor Murkowski,

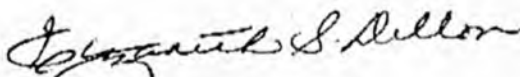
I am writing this letter as a last resort. Kwethluk City Council members have done everything in their power to keep our community together. We have run out of money and now we have run out of hope. The City had to lay off all the city employees. As Mayor, I am the only one left to do City business, as I am not a paid employee. In order to even go down to the City office, I must use my own money to put into the tank (which runs \$3.31 a gallon plus tax) as the city buildings been out of fuel for some time, as well as out of money to pay for the fuel.

We have been paying our insurance on an "installment" basis. Now, our last payment of \$7,000 has had to be put on hold. We received a CDBG grant with which to build a much-need Public Safety building. We also were eager for this job to take place as it would mean jobs for members of our community. Now we have learned that if we do not have our liability insurance paid up, we will not be able to build our Public Safety building.

Our operating budget is gone. Members of our community cannot afford to pay their electric bills, as jobs are scarce. We owe IRS in back taxes, as uncomfortable choices must be made when a community is out of money, yet loyal employees have worked until the end.

We have lost revenue sharing, capital matching grants and seen all our expenses rise considerably. We hear how well Alaska is doing because of high oil prices, but we are not doing well. We have helped pay those high oil prices, but we do not receive any benefit from them? What do YOU think we should do? I would appreciate a reply as to what you or the legislators think we should do.

Sincerely,



Elizabeth S. Dillon  
Mayor, City of Kwethluk  
Kwethluk City Council

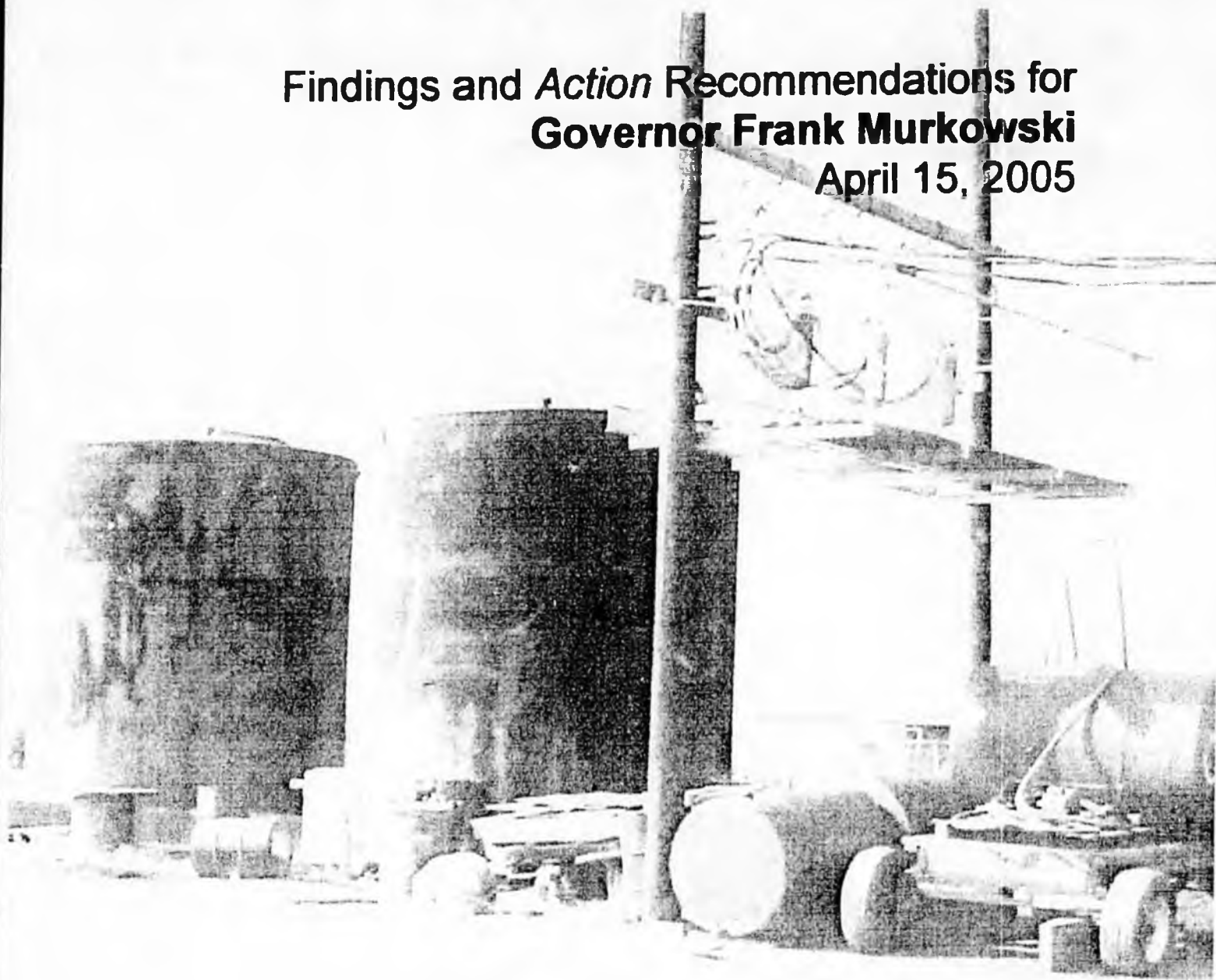
John W. Andrew-Vice Mayor *John W. Andrew*  
Elizabeth G. Michael-Secretary *E. G. Michael*  
Richard L. Long-Treasurer *Richard L. Long*  
Arthur Alexie, Sr.-Member  
Annie S. Andrew-Member *Annie S. Andrew*  
Martin Andrew-Member

Cc: Alaska State Legislature

# ***Rural Energy Action Council***

Findings and *Action* Recommendations for  
**Governor Frank Murkowski**

April 15, 2005



**Rural Energy Action Council (REAC)**  
Created by Governor Frank H. Murkowski

Headquartered at:  
AIDEA / Alaska Energy Authority  
813 W. Northern Lights Boulevard  
Anchorage, Alaska 99503

## Executive Summary of Actions

REAC believes the following areas offer the best strategies and instruments to achieve short term success in lowering the cost of energy in rural Alaska. For each, more detailed background, findings and recommendations follow.

For the purposes of this report, short-term is defined as within one year, i.e., before April 15, 2006.

1. Fully fund the Power Cost Equalization (PCE) program.
2. Front-load the PCE endowment.
3. Create a bulk fuel operator technical assistance program.
4. Including downstream tanks and pipes into upgrades.
5. Support the creation of regional bulk fuel cooperatives.
6. Enable single and cooperative applicants to receive higher loan limits for the bulk fuel revolving loan program.
7. Improve power plant operational efficiencies and remote capabilities.
8. Increase support for alternative energy systems, such as coal, in-stream, wind and gas projects.
9. Accelerate renewable energy programs and implement energy conservation measures.
10. Continue Low Income Home Energy Assistance Program (LIHEAP) funding and programs.
11. Create a new line-item for energy funding for school districts.
12. Suggest ways to get affordable insurance coverage in rural Alaska.

Items of interest that came up during deliberations, but require a longer term, are listed:

- Economic study of impacts of high cost of fuel in rural Alaska on net migration to urban Alaska
- Set up regional energy centers on rural campuses
- Fund feasibility study to examine links with the Railbelt Energy Grid
- Set up a fuel price reporting system for "non-PCE" communities
- Divest the State of rural energy infrastructure
- Transportation and distribution systems.

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**Rural energy council seeks relief****PRICES: Panel calls cheaper power the key to economic growth in Bush.**By MATT VOLZ  
The Associated Press*(Published: April 21, 2005)*

JUNEAU -- When the warm weather unlocks winter's hold on the Yukon River, the first barges of spring will bring new supplies of fuel to Bush Alaska. That's when the villages will feel the effects of the steep increase in gas prices since the river froze last fall.

The price of fuel in rural Alaska can be more than twice that in cities after adding the cost of transportation, loan interest, maintenance and other fees.

Those high prices have crippled rural communities, say rural lawmakers.

"We've had many people in the Legislature since I've been here tell us time and time again that rural Alaska has to pay its own way," said Sen. Albert Kookesh, D-Angoön. "And you know what? We're willing to do that. But the first step has to be affordable energy."

The seven members of the Rural Energy Action Council say they know where to start. The council Wednesday released 12 recommendations on how to lower energy costs in rural Alaska.

"I know you understand there will be no economic development in rural Alaska unless we have low-cost energy," said council co-chairman Nels Anderson Jr. of Dillingham.

Members of the council, appointed by Gov. Frank Murkowski in February, said some of the suggestions could be implemented right away, such as fully funding the state's power cost equalization program and forming cooperatives in rural Alaska to buy fuel in bulk.

"Some may be more challenging," said council member Edgar Blatchford.

Murkowski called the recommendations sound solutions to bring down the high cost of rural fuel.

Gas that costs \$2 per gallon in Seattle can be sold for \$4.54 per gallon in Bush Alaska once transportation, operation and maintenance costs, loan interest, repair and replacement costs and a profit margin are added in, according to the council's report.

Council member Andy Baker of Kotzebue said other things that drive up costs are communities with bad credit that pay high interest rates, adding up to an additional 52 cents per gallon. Also, insurance can add up to 35 cents per gallon, he said.

The report and recommendations were presented at a news conference Wednesday attended by



State Sen. Albert Kookesh, D-Angoön, is pushing for affordable energy in the Bush. The price for a gallon of gas, already going up, is often twice as high in villages as it is in cities. ( )

several lawmakers from rural Alaska who gave their support to the council's findings.

"My belief is that if we can get one of these proposals adopted, one of these proposals pushed to the finish line, we will have made real progress," Kookesh said.

Rep. Reggie Joule, D-Kotzebue, called the recommendations a long-term approach that lays the groundwork for sustainable communities.

Rep. Mary Kapsner, D-Bethel, said the report was a big step in the right direction:

"I hope this is an indication of the tide turning ... that we do need rural energy assistance."

Kapsner said she hopes the power cost equalization program can receive full funding in this year's legislative session.

The program subsidizes power rates in rural communities that have not received government-subsidized power projects or grids.

The state House has included \$18.7 million for the program in its operating budget proposal for next year. The rest of the \$21.5 million recommended by the council could come from other measures, Kapsner said.

Forming eight fuel cooperatives would cost about \$400,000, according to the council. The cooperatives would save money -- from 20 to 70 cents per gallon, Baker said -- by buying the fuel in large quantities.

Murkowski said putting together those cooperatives could be one of the more immediate items from the list to be addressed.

Other recommendations by the council include:

- Set higher limits for the state's bulk fuel revolving loan program. The cost to implement the recommendation was not known by the council.
- Improve power plant efficiency and capabilities, at a cost of \$2.8 million.
- Create a bulk fuel operator technical assistance program, at a minimum cost of \$300,000.
- Increase support for alternative energy systems, using existing resources, private resources at an unknown cost and up to \$5 million to install wind-diesel systems.
- Speed up renewable energy and conservation programs, at a minimum cost of \$11 million for eight programs.
- Continue energy assistance funding for low-income homes, at a cost up to \$250,000.
- Pay for energy funding for school districts, cost unknown.
- In addition to fully funding the power cost equalization program, fund the power cost equalization endowment, which would require \$15 million a year for seven years.
- Upgrade residential fuel storage, tanks and pipes, costing \$1 million.

- Establish rural energy centers at the University of Alaska's rural campuses, cost unknown.

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**Issue: Distressed Community Criteria 2004 Update**

**Date: May 2004**

**Background:**

In an effort to ensure Federal funding provided by the Denali Commission is being distributed to communities with the most need compared to other areas of Alaska and the United States, the Denali Commission adopted a Distressed Community Criteria as part of its Code. Concurrently, Congressional intent language, providing a mechanism for the Denali Commission to construct community health facilities in rural Alaska, directed the Commission to provide funding not to exceed 50% for communities not designated as distressed and to provide funding not to exceed 80% for communities designated as distressed.

The Commission's Distressed Community Criteria is:

1. *Per capita market income no greater than 67% of the U.S. Average.*
2. *150% of the U.S. Average or greater of Poverty Rate.*
3. *3 year unemployment rate at 150 percent of the U.S. average or greater.*

*Or have twice the U.S. poverty rate and qualify on one other indicator.*

**Surrogate Standard Background**

The last update to the Denali Commission Distressed Community Criteria was in 2002. The 2002 update used community level data that was collected as part of the 2000 Census. This community level Census data which was collected in 1999-2000 will not be updated until the next decennial census in 2010 and therefore is not deemed current for the 2004 update.

Therefore the Denali Commission adopted an alternate method of determining community eligibility when community level Census data is not available. This alternative method is called the "Surrogate Standard". The Surrogate Standard considers additional data and methodology using community level information that is available annually from the State of Alaska Department of Labor and Workforce Development, Research and Analysis (DOL&WD/R&A). For this 2004 Distressed Community Criteria update, The DOL&WD/R&A compiled the data required to implement the Surrogate Standard and determine community classifications.

### **Surrogate Standard Data Sources**

Three sources of data were used for the 2004 update:

- 2003 Permanent Fund Dividend Application (PFD) - includes applicant's age, social security number, and zip code.
- Calendar year 2002 Unemployment Insurance (UI) wage records - includes wage and earning information reported from all private, state and local employers (does not include the federal government).
- Calendar year 2002 Commercial Fisheries Entry Commissions (CFEC) - included Total Fish Value for each community.

All 2003 Permanent Fund Dividend (PFD) applicants aged 16 or older in 2002 were assigned to an Alaska census area/borough and community by zip code of place of residence.

PFD data is available only by zip code, so data will not be available for communities with a zip code that did not appear on any PFD application or for small communities that receive mail through a larger community's zip code. For example, PFD data is not available for Atnautluak, Kongiganak, Napaskiak, and Newtok because they receive mail through the Bethel zip code. Therefore, Bethel's 2004 distressed/non-distressed determination will be used for those communities.

Wage information from UI records was cross-referenced to PFD applicants by social security number. Earnings from UI were calculated by community and CFEC 2002 Total Fish Value earnings by community were added to compute average market income.

### **2004 Update Surrogate Standard**

A community that meets two of the following three surrogate standard criteria is considered distressed:

#### Criteria 1 Average market income is less than \$14,872

$$\text{Average market income} = \frac{\text{Community UI Earnings} + \text{Community CFEC Earnings}}{\text{Number Community Residents 16 and Over}}$$

$$\$14,872 = \text{Minimum Wage } (\$7.15/\text{hour} \times 2,080 \text{ hours/year})$$

Any community with an average market income of less than \$14,872 meets this criteria.

#### Criteria 2 More than 70% of residents 16 and over earned less than \$14,872 in 2002.

$$\text{Percent Residents w/Ernngs < than } \$14,872 = 100 \times \frac{\text{Number Residents w/Ernngs < than } \$14,872}{\text{Number Residents 16 and Over}}$$

Any community with more than 70% of its residents earning less than \$14,872 in 2002 meet this criteria.

Criteria 3 *Less than 30% of residents 16 and over worked all four quarters of 2002.*

$$\text{Percent Residents Employed All 4 Qtrs} = 100 \times \frac{\text{Number Residents Employed All 4 Qtrs}}{\text{Number Residents 16 and Over}}$$

Any community with less than 30% of its residents employed all four quarters of 2002 meets this criteria.

**Note:**

- Fort Wainwright is a military base. Its inclusion on this list is probably a quirk in the data series and may not be an accurate indicator of meeting the criteria.
- Juneau - Rural (zip code 99850) includes Cube Cove, Excursion Inlet and Funter Bay
- Ketchikan - Rural (zip code 99950) includes Neets Bay, Naukati Bay, Port Protection, Edna Bay, Whale Pass, and part of Kasaan.
- 2003 data were either incomplete or not available for some communities included in the 2002 update. These include Fort Greely, Eielson AFB, US Coast Guard stations at Attu Station and Port Clarence, Flat, and Kenaitze (ANVSA).

**Updates and Appeals**

The data used for determining the Surrogate Standard distressed criteria will be updated annually by DOL&WD/R&A.

Any community that believes a classification was determined in error may appeal to the Denali Commission Chief of Staff in writing. Communities that wish to appeal the Denali Commission's classification must provide information that proves the classification is in error.

**Attachments**

Attached is:

1. List of Distressed Communities and Non-distressed Communities by 2004 Surrogate Standard
2. A list of Alaska communities with employment and earnings information used to determine their distressed community status
3. Maps by economic region that show locations of communities that meet the distressed criteria

**Distressed Communities as Defined by 2004 Surrogate Standard**

The following is a list of communities that meet the surrogate standard for distressed communities.

**Communities that meet 2004 Distressed Criteria**

AKIACHAK  
AKIAK  
ALAKANUK  
ALATNA - see ALLAKAKET  
ALCAN BORDER - see NORTHWAY  
ALEKNAGIK  
ALEXANDER CREEK - POINT MACKENZIE - see ALEXANDER CREEK  
ALEXANDER CREEK (includes BELUGA)  
ALLAKAKET  
ANCHOR POINT  
ANDERSON  
ANGOON  
ANVIK  
ARCTIC VILLAGE  
BEAVER  
BELUGA - see ALEXANDER CREEK  
BIG DELTA - see DELTA JUNCTION  
BILL MOORE'S - see KOTLIK  
BIRCH CREEK - see FORT YUKON  
CANTWELL  
CENTRAL  
CHALKYITSIK  
CHASE - see TALKEETNA  
CHEFORNAK  
CHICKEN  
CHILKAT - see HAINES  
CHILKOOT - see HAINES  
CHISTOCHINA - see GAKONA  
CHITINA  
CIRCLE  
CIRCLE HOT SPRINGS - see CENTRAL  
CLAM GULCH  
COFFMAN COVE  
COOPER LANDING  
COPPER CENTER  
COPPERVILLE - see GLENNALLEN  
COVENANT LIFE - see HAINES  
CROOKED CREEK  
CUBE COVE - see JUNEAURURAL  
DELTA JUNCTION  
DELTANA - see DELTA JUNCTION  
DENALI NATIONAL PARK (McKinley Park in 2002)

**Communities that meet 2004 Distressed Criteria**

DOT LAKE - see DELTA JUNCTION  
DOT LAKE VILLAGE - see DELTA JUNCTION  
DRY CREEK - see DELTA JUNCTION  
EAGLE  
EAGLE VILLAGE - see EAGLE  
EDNA BAY - see KETCHIKAN RURAL  
EEK  
EKWOK  
ELFIN COVE  
ELIM  
EXCURSION INLET - see JUNEAU RURAL  
FORT WAINWRIGHT<sup>1</sup>  
FORT YUKON  
GAKONA (includes NABESNA, GULKANA, SLANA)  
GAMBELL  
GLENNALLEN  
GOODNEWS BAY  
GRAYLING  
GULKANA - see GAKONA  
GUSTAVUS  
HAINES  
HAMILTON - see KOTLIK  
HAPPY VALLEY - see ANCHOR POINT, NINILCHIK  
HARDING-BIRCH LAKES - see SALCHA  
HOLY CROSS  
HOOPER BAY  
HOPE  
HUGHES  
HUSLIA  
HYDABURG  
HYDER  
ILIAMNA - see NEWHALEN  
IVANOF BAY - see PERRYVILLE  
JAKOLOF BAY - see SELDOVIA  
JUNEAU-RURAL (includes CUBE COVE, EXCURSION INLET)  
KALSKAG  
KALTAG  
KARLUK  
KASAAN - see KETCHIKAN RURAL  
KASIGLUK  
KENNY LAKE - see COPPER CENTER  
  
KETCHIKAN-RURAL (includes Naukati Bay, Port Protection, Edna Bay, Whale Pass, and part of Kasaan  
KIPNUK  
KLUKWAN - see HAINES  
KOKHANOK - see NEWHALEN

**Communities that meet 2004 Distressed Criteria**

KOTLIK  
KOYUK  
KOYUKUK  
KWETHLUK  
KWIGILLINGOK  
KWINHAGAK - see QUINHAGAK  
LAKE LOUISE - see GLENNALLEN  
LAKE MINCHUMINA  
LEVELOCK  
LOWER KALSKAG  
LUTAK - see HAINES  
MANLEY HOT SPRINGS  
MANOKOTAK  
MARSHALL  
MARY'S IGLOO - see TELLER  
MCCARTHY - see GLENNALLEN  
MCKINLEY PARK - see DENALI NATIONAL PARK  
MEKORYUK  
MENDELTON - see GLENNALLEN  
MEYERS CHUCK  
MINIO  
MOOSE PASS  
MOSQUITO LAKE - see HAINES  
MOUNTAIN VILLAGE  
MUD BAY - see HAINES  
NAPAIMUTE - see KALSKAG  
NAPAKIAK  
NAUKATI BAY - see KETCHIKANRURAL  
NELCHINA - see GLENNALLEN  
NEW ALLAKAKET - see ALLAKAKET  
NEW STUYAHOK  
NEWHALEN (includes ILIAMNA, KOKHANOK)  
NIGHTMUTE  
NIKOLAEVSK - see ANCHOR POINT  
NIKOLAI  
NIKOLSKI  
NINILCHIK  
NONDALTON  
NORTHWAY  
NORTHWAY JUNCTION - see NORTHWAY  
NORTHWAY VILLAGE - see NORTHWAY  
NULATO  
NUNAM IQUA - see SHELDON POINT(NUNAM IQUA)  
NUNAPITCHUK  
OHOGAMIUT - see MARSHALL  
OLD HARBOR

**Communities that meet 2004 Distressed Criteria**

OUZINKIE  
PAIMIUT - see HOOPER BAY  
PAXSON - see DELTA JUNCTION  
PELICAN  
PERRYVILLE  
PETERSVILLE - see TRAPPER CREEK  
PILOT STATION  
PLATINUM  
POINT BAKER  
POPE-VANNOY LANDING - see NEWHALEN  
PORT ALEXANDER  
PORT ALSWORTH  
PORT LIONS  
PORT PROTECTION - see KETCHIKANRURAL  
QUINHAGAK  
RAMPART  
RED DEVIL  
RUBY  
RUSSIAN MISSION  
SALCHA  
SAVOONGA  
SCAMMON BAY  
SELAWIK  
SELDOVIA  
SELDOVIA VILLAGE - see SELDOVIA  
SHAGELUK  
SHELDON POINT  
SILVER SPRINGS - see GLENNALLEN, COPPER CENTER  
SKWENTNA  
SLANA - see GAKONA  
SLEETMUTE  
SOUTH NAKNEK  
STEBBINS  
STEVENS VILLAGE  
SUNRISE - see HOPE  
TALKEETNA  
TANACROSS  
TATITLEK  
TAZLINA - see COPPER CENTER, GLENNALLEN  
TELLER  
TENAKEE SPRINGS  
TETLIN  
THORNE BAY  
TOGIAK  
TOKSOOK BAY  
TOLSONA - see GLENNALLEN

**Communities that meet 2004 Distressed Criteria**

TONSINA - see COPPER CENTER

TRAPPER CREEK

TULUKSAK

TUNTUTULIAK

TUNUNAK

TYONEK

UPPER KALSKAG - see KALSKAG

VENETIE

WHALE PASS - see KETCHIKAN RURAL

WHITE MOUNTAIN

WILLOW

WILLOW CREEK - see COPPER CENTER

Y - see TALKEETNA , WILLOW

<sup>1</sup>Fort Wainwright is a military base. Its inclusion on this list is probably a quirk in the data series and may not be an accurate indicator that Fort Wainwright meets the criteria.

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Anchorage Daily News

Print Page

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**Plea for funding VPSO program preceded officer's suicide**

By SIMEON ASKOAK

*(Published: April 24, 2005)*

My name is Simeon Askoak, and I'm the VPSO in Russian Mission. I've been the Village Public Safety Officer in Russian Mission for 13 years now and of my 13 years that I've been a VPSO, we've been struggling every year to get our VPSO funding from the state to be continued on to another new year.

VPSO funding is very limited. Our fiscal year '05 operating budget from the state was not approved until November '04 of last year, and the program was about to be closed, shut down, until fiscal year 2005 and was finally approved by the governor.

At this time the village of Russian Mission, the City Council of Russian Mission, has no funding. The small communities like the Village of Russian Mission are broke right now and because of that, starting in the month of November of 2004, I began purchasing my own heating fuel for the public safety office, fuel for the vehicle that I use. Also, I pay for the fax and phone bill that I use.

I'm still paying for all these expenses. I pay for certified mail of my reports to the Alaska State Troopers, to the district attorneys, out of my own pocket.

When I was asked why I was doing that, I told them that the city government can no longer afford to pay for these expenses.

And, last month sometime, on the 23rd of March, I could no longer afford to pay for those expenses, so the city and the police department ran out of heating fuel. The water line froze and then the water utilities company came by and said, "We're shutting down your water and sewer because you haven't been paying for them in the last few months."

And that's my dilemma at this time.

We need adequate, full funding for the VPSO program and we need to have it guaranteed that we'll always get the funding yearly from the state.

We're constantly facing this dilemma that the VPSO program will no longer be here. Last year we were almost shut down, and the VPSO fiscal year contract was extended through September 2005 of this year. And after 2005 I do not know what is going to be happening.



Simeon Askoak and his wife, Barbara, pose for a photo with their grandsons (left to right): Donovan Jacobs, Clinton Howard and Shane Hunter. *(Photo courtesy of the Askoak family)*



Simeon Askoak, Russian Mission VPSO *(Photo courtesy of the Askoak family)*

The VPSO program's motto is, "First Responders; Last Frontier."

We are the first responders, we are the only law enforcement out in most of the villages that we have and there are only 24 VPSO positions funded at this time by the state.

In the rural communities, we are the only law enforcement agencies available. We enforce state laws, for instance drug and alcohol importation cases. We secure and investigate burglaries. Sometime last month, in the course of two days, I did the same exact thing when our store was burglarized in the village.

What I did was, I secured the scene, I gathered evidence and I investigated, until I found the suspect. This is called doing the "legwork" for the state troopers.

And that "legwork" that I do and other VPSOs do, that is the backbone of the investigation. Without that, without that crucial intervention in the first few hours of the investigation, all the evidence would be destroyed and there would not be, we would not be able to apprehend the perpetrator later on.

We have been constantly seeking to obtain our basic police certification from the Alaska Police Standards Council for years, but we still haven't obtained that. I know we are unarmed. We still respond to "gun" calls we still conduct "legwork investigations," for the troopers, and why haven't we been certified, even the basic police certifications?

Also, when a veteran VPSO retires, he has to go out and find another job in order to continue supporting his family. We are not in the state retirement system. The PERS (Public Employee Retirement System), we are not receiving that. If we do have to, we will have to buy into the PERS program, we would have to buy so many years and it's expensive to get it started.

And we'd buy that out of our own pockets.

The Russian Mission Public Safety Police Department has been closed as of March 23, 2005. That's due to lack of funding for heating fuel, water and sewer. The water and sewer bill has not been paid, and also I'm afraid that the light and power will be shut down pretty soon.

The idea of fund raising to help the Russian Mission Public Safety came up, and I think this is pathetic to our program. It's degrading me as a VPSO. There should always be funding available from somewhere, like from the state, to keep it going.

And we just don't have the options or any other source of funding right now for the village of Russian Mission.

Simeon Askoak's Bethel speech was transcribed by The Tundra Drums.

Print Page

Close Window

**SB**

**14**

**Sponsor Statement, Bill, Sectional Analysis and Fact Sheet**

**SESSION ADDRESS:**  
Alaska State Capitol  
Juneau, Alaska 99801-1182  
(907) 465-4925  
Fax: (907) 465-3517  
Toll Free: 1-800-821-4925

**Senator Gary Stevens**  
**Alaska State Legislature**

**INTERIM ADDRESS:**  
112 Mill Bay Road  
Kodiak, Alaska 99615  
(907) 486-4925  
Fax: (907) 486-5264

**Sponsor Statement for SB 14**

Senate Bill 14: "An Act relating to municipal initiative and referendum elections."

SB 14 gives local governments the discretion to schedule special initiative and referendum elections in a more economical manner. The bill will remove the current statutory requirement in AS 29.26.170, in which municipalities *must* hold a special election for initiatives and referendums if no regular election is to occur within 75 days after certification. The bill would give the municipal governing body the flexibility to address urgent issues in a special election if it determines it is in the best interests of the municipality.

Special elections are costly and generally result in a lower voter turnout than a regular election. In 2002 the Fairbanks North Star Borough had over 46 petitions filed in a period of 4 months. Although these petitions resulted in only one special election (at a cost of \$35,000), there was the potential for additional special elections and cost to the municipality.

SB 14 may result in cost savings to municipalities who could choose to wait until the next local regular election, typically in October, to include any initiatives and referendums. This legislation would give the municipal governing body the option of calling a special election if the Council or Assembly wished to have the initiative and referendum considered in a timelier manner.

The Alaska Municipal League and numerous municipal governments support this bill. I ask for your support of this important measure.

# LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES  
LEGISLATIVE AFFAIRS AGENCY  
STATE OF ALASKA

(907) 465-3867 or 465-2450  
FAX (907) 465-2029  
Mail Stop 3101

State Capitol  
Juneau, Alaska 99801-1182  
Deliveries to: 129 6th St., Rm. 329

## MEMORANDUM

January 12, 2005

**SUBJECT:** Sectional summary (SB 14)

**TO:** Senator Gary Stevens  
Attn: Doug Letch

**FROM:** Tamara Brandt Cook  
Director *TBC*

Sec. 1. Requires an initiative question to be presented at the next regular or special municipal election that occurs at least 60 days after certification of the initiative petition. If no election is scheduled within 75 days after certification and the governing body determines it is in the best interest of the municipality, the governing body by ordinance may order a special election to be held.

Sec. 2. Technical correction.

Sec. 3. Requires a referendum question to be presented at the next regular or special municipal election that occurs at least 60 days after certification of the referendum petition. If no election is scheduled within 75 days after certification and the governing body determines it is in the best interest of the municipality, the governing body by ordinance may order a special election to be held.

TBC:med  
05-026.med



## Alaska State Legislature

**Senate Majority** Web: <http://www.akrepublicans.org>

Sponsor: Senator Gary Stevens  
Current Version: SB 14  
Contact:

### Fact Sheet for: Senate Bill 14

**Short Title:** MUNICIPAL ELECTIONS

**Summary:**

- Removes the requirement that municipalities hold a special election for initiatives and referendums if no regular election occurs within 75 days after certification.
- Gives municipalities the option of:
  - holding the vote at the next regular election
  - holding the vote at an already scheduled special election occurring later than 60 days after certification of the petition
  - ordering a special election if it determines it is in the best interest of the municipality and no regular election occurs within 75 days

**Benefits:**

- Saves municipal governments the expense of costly special elections on every certified initiative and referendum.
- Gives municipal governing bodies the flexibility to address urgent issues in a special election if it is deemed within the best interests of the municipality.
- Maximizes local control.

**Background:**

If no regular election occurs within 75 days after the certification of an initiative or referendum petition, current law mandates that the governing body hold a special election between 45 and 75 days after certification. SB 14 was introduced at the request of the Kenai Peninsula Borough clerks, with support of the Alaska Municipal League, to allow municipalities to wait until the next regular election.

In one recent year, the Fairbanks North Star Borough had a total of 46 petitions filed over a period of four months. Though these petitions resulted in only one special election (at a cost of over \$35,000), the potential exists for many more at great cost to the municipality.

The provisions in this bill do not apply to Home Rule cities.

## Fiscal Notes

# FISCAL NOTE

**STATE OF ALASKA**  
**2005 LEGISLATIVE SESSION**

Fiscal Note Number: 1  
 Bill Version: SB 14  
 (S) Publish Date: 2/2/05

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: OCG  
 Title: "An Act relating to municipal RDU Elections  
initiative and referendum elections." Component: Elections  
 Sponsor: Senator Gary Stevens  
 Requester: Senate CRA Component No.: 21

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Personal Services						
Travel						
Contractual	0.0					
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>						
-----------------------------	--	--	--	--	--	--

<b>CHANGE IN REVENUES ( )</b>						
-------------------------------	--	--	--	--	--	--

**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	0.0					
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2005) cost: 0.0  
 Mark this box (X) if funding for this bill is included in the Governor's FY 2006 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

**ANALYSIS:** (Attach a separate page if necessary)  
 This legislation does not pertain to state conducted elections and therefore does not impose any fiscal impact on the Division of Elections.

Prepared by: Lauri Allred, Administrative Assistant Supervisor Phone: 465-5347  
 Division: Division of Elections Date/Time: 1/18/05 1:21 PM  
 Approved by: Laura A. Glaiser, Director Date: 1/18/2005  
 Agency: Division of Elections

# FISCAL NOTE

**STATE OF ALASKA**  
**2005 LEGISLATIVE SESSION**

Fiscal Note Number: 2  
Bill Version: SB 14  
(S) Publish Date: 2/2/05

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Commerce

Title: Municipal Elections RDU: Comm Assistance & Ec Dev (405)  
Component: Community Advocacy  
Sponsor: Stevens G.  
Requester: Senate Community & Regional Affairs Component No.: 2703

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>						
-----------------------------	--	--	--	--	--	--

<b>CHANGE IN REVENUES ( )</b>						
-------------------------------	--	--	--	--	--	--

**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2005) cost: \_\_\_\_\_  
Mark this box (X) if funding for this bill is included in the Governor's FY 2006 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

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

This legislation would change the process for scheduling municipal elections on voter initiatives and referendums. It would not create a fiscal impact on the operations of the department.

Prepared by: Athena Logan, Special Projects Coordinator Phone: 907.269.4540  
Division: Community Advocacy Date/Time: 1/25/05 3:28 PM  
Approved by: Edgar Blatchford, Commissioner Date: 1/25/2005  
Agency: Commerce, Community & Economic Development

## Voting History

Journal Text for SB14 in the 24th Legislature



Full Journal

02-02-2005

Senate Journal

0206

SB 14

The Community and Regional Affairs Committee considered SENATE BILL NO. 14 "An Act relating to municipal initiative and referendum elections." Signing do pass: Senator Gary Stevens, Chair; Senators Wagoner, Kookesh, Stedman, Ellis.

The following fiscal information was published today: Fiscal Note No. 1, zero, Office of the Governor Fiscal Note No. 2, zero, Department of Commerce, Community, and Economic Development

The bill is on today's calendar.

Bill Root:

Display Bill Root

Next Bill

To Report Problems with Basis Inquiry

Live KTOO Streams



Return to Basis Main Menu (24th Legislature)

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Journal Text for SB14 in the 24th Legislature



Full Journal

02-02-2005

Senate Journal

0209

SB 14

Third Reading - Final Passage

YEAS: 16 NAYS: 0 EXCUSED: 4 ABSENT: 0

Yeas: Bunde, Cowdery, Dyson, Ellis, Elton, French, Green, Hoffman, Huggins, Kookesh, Seekins, Stevens B, Stevens G, Therriault, Wagoner, Wilken

Excused: Davis, Guess, Olson, Stedman

and so, SENATE BILL NO. 14 passed the Senate and was referred to the Secretary for engrossment.

Bill Root:

Display Bill Root

Next Bill

To Report Problems with Basis Inquiry

Live KTOO Streams



Return to Basis Main Menu (24th Legislature)

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Support



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

January 12, 2005

Senator Gary Stevens  
State Capitol  
Juneau, AK 99801

Dear Senator Stevens,

Re: Support for SB 14 as introduced concerning local elections:

Under the current statute, a municipality may be forced to hold a Special Election when the matter can be more efficiently and effectively put on a coming Regular Election ballot. Depending on the issue, a municipality may decide to hold a Special Election, or wait until a Regular Election. In some cases, the additional cost and timing of a Special Election may diminish voter turnout or create negative feelings about the issue. These decisions about local elections can only be made at the local level.

The AML Policy Statement adopted in November, 2004 supports SB 14 as introduced. The AML Policy Statement says "The League supports legislation that would increase the authority of local governments to conduct their own elections, including setting the date of elections."

SB 14 as introduced would allow municipalities to save money and more efficiently conduct elections by allowing municipalities to avoid holding unnecessary special elections when it is more appropriate to put the matter on a Regular Election ballot.

Thank you for introducing this important municipal legislation and for your on-going support of strong communities.

Sincerely

*Scott Brandt-Erichsen*

Scott Brandt-Erichsen  
Alaska Municipal League Legislative Committee  
Local Government and Public Services Subcommittee



## KENAI PENINSULA BOROUGH

144 N. BINKLEY • SOLDOTNA, ALASKA • 99669-7599  
BUSINESS (907) 262-8608 FAX (907) 262-8615  
EMAIL: assemblyclerk@borough.kenai.ak.us

LINDA MURPHY, MMC  
BOROUGH CLERK

January 11, 2005

The Honorable Gary Stevens  
Alaska State Senate  
State Capitol, Room 417  
Juneau, AK 99801-1182

RE: SB 14

Dear Senator Stevens:

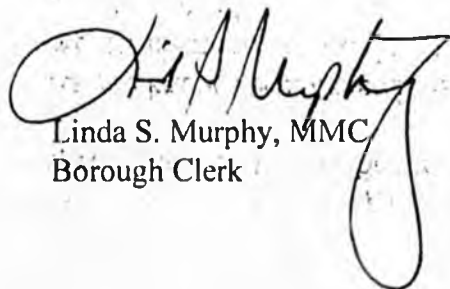
Thank you for sponsoring SB 14 which seeks to eliminate the mandate that a municipality call a special election to consider an initiative or referendum brought forward by the voters.

As you know, special elections are costly and generally result in a lower voter turnout than the regular election. In addition, most measures brought forward using the initiative or referendum process are not so pressing in nature that they could not wait for the regular municipal election. Even so, I am happy to see that there is nothing in your bill that would prohibit the governing body from calling a special election if the Council or Assembly wished to have the matter considered in a more timely manner.

In 2002, the Fairbanks North Star Borough had a total of 46 petitions filed over a period of 4 months. Although these petitions resulted in only one special election (at a cost of \$35,000), there was the potential for many more at great cost to the municipality. As funding for municipalities dwindles, many local governments can no longer afford the luxury of conducting multiple elections.

Thank you once again for your assistance. I would be happy to testify on behalf of the bill at any upcoming committee hearing.

Sincerely,



Linda S. Murphy, MMC  
Borough Clerk



# Fairbanks North Star Borough

Office of the  
Borough Clerk

809 Pioneer Road

P.O. Box 71267

Fairbanks, Alaska 99707-1267

907/459-1401

Fax 907/459-1224

Email [clerks@co.fairbanks.ak.us](mailto:clerks@co.fairbanks.ak.us)

January 14, 2005

The Honorable Gary Stevens  
The Honorable Representative Paul Seaton

Dear Senator Stevens and Representative Seaton;

Re: SB 14 and HB 50 "An Act relating to municipal initiative and referendum elections":

The Fairbanks North Star Borough Assembly and Administration supports SB 14 and HB 50 "An Act relating to municipal initiative and referendum elections." In December the Borough Assembly and Mayor Jim Whitaker met with our Interior Delegation and advocated a change in state law concerning special elections held for initiative or referendum petitions that have been certified.

SB 14/HB 50 is a simple bill that helps address one small area of AS 29 that deals with local municipal special elections. It places any initiative or referendum petition that is successful in being certified to the next regular municipal election.

Conducting a special election at a different time than the regularly scheduled municipal election is expensive, time consuming and very difficult to pull together. Voter turnout is traditionally low. SB 14/HB 50 as introduced allows municipalities to save money and continue to more efficiently conduct elections

Thank you again for introducing this important legislation. If there is any additional information needed from my office, please let me know.

Sincerely,

Mona Lisa Drexler, MMC  
Municipal Borough Clerk  
Fairbanks North Star Borough

# KETCHIKAN GATEWAY BOROUGH

Office of the Borough Manager – 344 Front Street – Ketchikan, Alaska 99901  
mgr@borough.ketchikan.ak.us

Roy Eckert  
Borough Manager  
(907) 228-6625  
Fax: (907) 247-662

January 13, 2005

Senator Gary Stevens  
Alaska State Legislature  
State Capitol, Room 103  
Juneau, AK 99801-1182

Dear Senator Stevens:

The Ketchikan Gateway Borough supports passage of Senate Bill No. 14 which amends the scheduling of initiative and referendum elections. The current law requires a mandatory special election if no election occurs within 75 days after certification of a petition. This creates a financial burden for the Borough because special elections can cost upwards of \$10,000 to hold. The law also does not allow the Borough to schedule an election at a time which would allow for optimum voter turnout.

Senate Bill No. 14, as written, gives the Assembly the ability to determine whether it is in the best interest of the Borough to hold a special election. We have found that people seeking initiatives are usually willing to wait until the general election in October to have their proposition placed on the ballot. In fact, in 2003 a group sponsoring an initiative to begin the process for a charter commission worked extensively with the Borough Clerk to assure that a special election was not necessary.

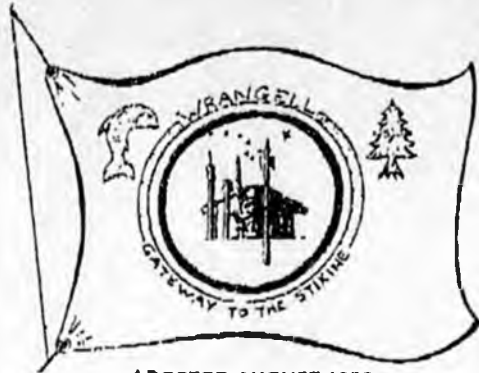
Let me know what else we can do to assist you in passage of this bill. It benefits the communities of Alaska without hampering the initiative and referendum process.

Sincerely,



Roy Eckert  
Borough Manager

c: Borough Mayor and Assembly



ADOPTED AUGUST 1972  
January 27, 2005

## CITY of WRANGELL, ALASKA

INCORPORATED JUNE 15, 1903

BOX 531, 99529 (907) 874-2381  
FAX: (907) 874-3952

Senator Gary Stevens  
Alaska State Senate  
State Capitol, Room 203  
Juneau, AK 99801-1182

Re: Senate Bill #14

Dear Senator Stevens:

Thank you for introducing and sponsoring Senator Bill #14. As election supervisor for the City of Wrangell, I support this bill relating to municipal initiative and referendum elections.

As you know, the City of Wrangell is a home-rule municipality and currently practices a similar concept as being proposed through our city charter and city code, however there are other municipalities within the state of Alaska that need this change within our legislature to help alleviate the serious problem of spending thousands of dollars to conduct special elections due to not being able to wait for a regular election. Your bill would help those communities.

Thank you for the opportunity to let me comment on this most important act.

Respectfully yours,

A handwritten signature in cursive script that reads "Christie L. Jamieson".

Christie L. Jamieson, CMC  
City Clerk



**OFFICE OF THE MUNICIPAL CLERK/  
ELECTION OFFICIAL**

155 S. Seward St., Room 202  
Phone: (907)586-5278 Fax: (907)586-4552  
eMail: Laurie\_Sica@ci.juneau.ak.us

January 27, 2005

Senator Gary Stevens  
Alaska Senate  
State Capitol, Room 103  
Juneau, AK 99801-1182

Re: Senate Bill 14

Dear Senator Stevens,

Thank you for the opportunity for a hearing on SB14. I appreciate your interest in this issue.

SB14 will provide local elected officials with an opportunity to debate the merits of placing an initiative or referendum on a special election schedule or adding it to a regularly scheduled election ballot. It will not prevent an initiative or referendum from going to a vote of the people, it will only effect the timing of the vote.

In June 2003, the City and Borough of Juneau held a special election at the call of the Assembly, to bond for additional funds to build a new high school. It was the Assembly's decision that the matter could not wait for the October regular election.

In June 2004, a citizen's initiative was certified to prevent CBJ from proceeding with construction of the new high school until it could be demonstrated that the project could be constructed within the original design specifications and budget proposed in 1999. The Assembly allowed the measure to proceed to a special election, in order to prevent further delay to the school construction schedule.

In both cases, the Assembly determined that the cost of a special election was outweighed by the cost of delay of a decision by the citizens. However, the Assembly did not have a complete choice in the case of the 2004 initiative. The CBJ charter mandates a special election shall be held within 60 days if the Assembly fails to enact a measure substantially similar to an initiated measure or to repeal a referred measure. In the case of an initiated or referred matter that could wait (for example, if citizens requested to repeal the "no-smoking" ordinance, which had a significant public comment period and public debate) SB 14 would provide a City Council or Assembly with the opportunity to place the measure on the next regularly scheduled election, saving public funds in the process.

I encourage you to allow SB 14 to proceed through the legislative process without amendment. I would like to see a similar amendment made to the CBJ home rule charter. A change to the state statutes will facilitate a discussion on this issue at the local level.

Please contact me if I can be of any assistance.

Sincerely,

Laurie Sica, CMC  
Municipal Clerk/Election Official  
City and Borough of Juneau, Alaska



**SB**

**128**



May 6, 2005

To: Representative Olson, Co-Chair House Community & Regional Affairs  
Representative Thomas, Co-Chair House Community & Regional Affairs  
Representative Kott  
Representative LeDoux  
Representative Neuman  
Representative Cissna  
Representative Salmon

From: City of Valdez

CC: Representative John Harris, Speaker of the House

Re: Senate Bill 128

---

In August of 2004, the Whittier City Council passed a resolution requesting the Local Boundary Commission consider incorporation of the Prince William Sound Model Borough. Whittier's request by resolution was approved by the Local Boundary Commission and resulted in the allocation of State resources from within the Department of Commerce, Community & Economic Development, Division of Community Advocacy (DCA) to prepare a petition for incorporation of the Prince William Sound Borough.

This action was taken by Whittier with no prior consultation or discussion with other communities within the area proposed for borough incorporation (Tatitlek, Chenega, Cordova, Valdez). The Local Boundary Commission took action on the matter with virtually no public notice on the matter. Were it not for the fact that two staff members of the City of Valdez were on a pre-established email notification list, it is quite possible that no one from our community or any of the other Prince William Sound communities would have known about this action.

The current language within AS 44.33.812 is sufficiently unclear as to allow the Local Boundary Commission to take action on a borough incorporation request submitted by one of several stakeholder groups. In this specific instance, a request by the City Council representing only 2% of the residents in the area proposed for borough incorporation resulted in the petition preparation by DCA employees. Other than testimony given at the LBC meeting where action was taken on the Whittier resolution, no formal opportunity was provided for comment by other communities prior to the LBC vote.

Moreover, upset with their own lack of participation in the process, Whittier residents submitted a signature petition calling for a referendum on the resolution, the result of which may be to revoke the resolution. If this is the case, the State will have wasted precious staff time and resources on preparing a petition that a seven-member council requested without adequate input from their own citizens. This alone is cause to require greater resident input in the formation of boroughs.

The City of Valdez supports the change proposed in SB 128 confirming that a "boundary change" may not be construed to include borough incorporation. It would prohibit one municipality (political subdivision of the state) from initiating borough incorporation proceedings without the knowledge and support of other affected areas. In the case of Prince William Sound, the remaining 98% of the population would have an opportunity to participate in an equitable process regarding borough incorporation.

The City of Valdez respectfully urges House Community & Regional Affairs to pass SB 128 for action by the full House of Representatives prior to the end of the session.

Jennifer Gibbins  
Post Office Box 2368  
Cordova, Alaska 99574

Representative Bill Thomas, Jr.  
State Capitol, Room 428  
Juneau, Alaska 99801-1182

Re: Senate Bill 128

Dear Representative Thomas:

I support allowing residents to have a say in deciding whether their community joins a borough government. I understand that is what SB 128 does and therefore I support SB 128. Enclosed for your information is a comment published in the Cordova Times on May 5, 2005 that discusses these issues.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jennifer Gibbins', with a long horizontal line extending to the right.

Jennifer Gibbins

Enclosure

# Cordovans deserve to vote on new PWS borough

Jennifer Gibbins  
For the Cordova Times

As co-sponsor with Lynne Steen of the recent referendum petition requesting a public vote on the creation of the Prince William Sound Borough, I am compelled to respond to the article in the "Mayor's Minutes" of the April 21 edition of the Cordova Times as follows:

1. 187 signatures applied for a petition for a referendum on the City Council's resolution seeking to create a borough. The application has been rejected by the city. The city is, therefore, denying the affirmative position that the residents of Cordova should not and cannot vote on a new form of government. This is and should be troubling to the whole community regardless of your views on the borough.

2. The mayor says that the City Charter is "quite clear" that the people of Cordova are denied the right to have a referendum on a resolution. The city sent Lynne and me a three-page legal opinion denying the petition. It is curious indeed that a City Charter that is so "clear" required an expensive three-page legal opinion to "justify" denial of a simple application for a referendum petition.

3. The purpose of the referendum petition is very clear. It simply requests that the residents of Cordova have the opportunity to

vote on the resolution passed by the council that begins the process of creating a borough without a public vote. The packets assembled for collection of signatures for the applications each contained the simple statement:

This petition does not take a position for or against the proposed Prince William Sound Borough; it is only asking that the citizens of Cordova be allowed to vote on the issue.

It appears that the mayor believes that desiring a vote on the type of government we will have is the same as opposing the borough. This is not correct.

4. Seeking the right to vote on a new form of government is not, as wrongly implied by the mayor, an "extremist" issue or position. Voting is not, and should not be, in the United States of America at least, a partisan issue. The mayor has received a letter, dated March 22, 2005, from state Sen. Gene Theriault, R-North Pole, and House Speaker John Harris which states, among other things, "Through your recent passage of resolution 03-05-13 you have chosen a forced borough formation rather than working through a public process with citizens throughout the conceptual borough area."

5. If the government cannot con-

vince a majority of people, through the voting process, that another layer of government is beneficial, it raises serious questions.

6. The Constitution of Alaska provides that "the people" may have a referendum on "acts of the Legislature." Legislative acts, at the municipal level, include both ordinances and resolutions. The City of Cordova cannot deny by its procedures the right to referendum. This is what the city is attempting to do.

7. No borough has ever been formed through the process being attempted by the city of Cordova.

As noted by Sen. Theriault and Rep. Harris in their letter to the mayor, the "local method" process has been used for the formation of the last eight boroughs in the state and provides for maximum public input at the local level. Why does the mayor believe that the residents of Cordova should not be given the courtesy of an opportunity to take part in such decision making?

This issue has a shelf life beyond any other issue before this community. It will affect us, our children, their children and beyond. A public vote is very appropriate. I hope that Cordova

residents, regardless of where they find themselves on the political spectrum, will take a moment to seriously consider the great deal of effort that is being devoted in denying the people of Cordova this right to vote. For or against the borough, this is just wrong. Cordovans are only denied the right to vote -- may we want it -- we should be encouraged and expected to participate in the decision-making on this important community issue.

- Jennifer Gibbins is the director of the Eyak Preservation Society

The Community and Regional Affairs Committee will come to order.

Let the record reflect that it is \_\_\_\_\_am, May 7, 2005.

Let the record reflect we have a quorum. Members present are

- Representative Thomas
- Representative LeDoux
- Representative Kott
- Representative Neuman
- Representative Cissna
- Representative Salmon

Today we'll be taking up SB 128. (Dave Stancliff is apparently going to carry the bill) (We are not on teleconference) (in-house testimony, close testimony, committee discussion, will of the committee)

(If you don't get finished with the bill before 9:30 recess to the call of the chair,  
**DO NOT** adjourn)

# Alaska State Legislature

SENATOR  
GENE THERRIAULT

Mailing Address:  
119 N. Cushman, Suite 101  
Fairbanks, Alaska 99701  
(907) 488-0857  
Fax: (907) 488-4271



Senate

While in session  
State Capitol  
Juneau, Alaska  
99801-1182  
(907) 465-4797  
Fax: (907) 465-3884  
SENATE DISTRICT F

## Sponsor Statement for SB 128

Senate Bill 128 will help insure that petitions to create new boroughs receive a higher degree of local public participation.

The foundation for this legislation is Article I, Section 2 of the State Constitution, "All political power is inherent in the people. *All government originates with the people*, is founded upon their will only, and is solely for the good of the people as a whole."

The specific authority to make this statutory change is in Article X, Section 3 of the State Constitution. "*The entire state shall be organized into boroughs, organized or unorganized. They shall be established in a manner and according to standards provided by law.*"

The Local Boundary Commission has acted against overwhelming objections of Valdez residents in directing an employee of the Department of Community, Commerce and Economic Development to originate a borough petition surrounding their community. The LBC is using a process that does not follow the typical Title 29 procedures for public involvement in the petition formulation process.

While the Constitution in Article X, Section 12 of the Constitution states: the Local Boundary Commission "may consider any proposed local government boundary *change*". It does not state, that a state agency or the LBC may create entirely new borough boundaries. In fact, the statutory language that once specifically recognized such authority was eliminated.

It is clear from the minutes of the Constitutional Convention that the founders did not intend a borough to be created by a state employee, or five unelected commissioners. The founders no doubt intended the phrase "*All government originates with the people*" to guide and temper the actions of the LBC and government agencies in their deliberations and actions.

SB 128 is based on Article I, Section 2, and affirms for the LBC and the Department of Community, Commerce and Economic Development that "*all government*" applies to boroughs, and the words "*originates with the people*" applies first and foremost to citizens within proposed borough boundaries.

NATIVE VILLAGE OF EAGLE  
EAGLE VILLAGE IRA COUNCIL  
P. O. BOX 19  
EAGLE, AALASKA 99738

PHONE NO. (907) 547-2281  
FAX NO. (907) 547-2318

March 7, 2005

Gene Therriault  
Alaska State Legislature  
Alaska State Senate  
State Capital  
Juneau, Alaska 99801-1182

RE: Senate Bill 128

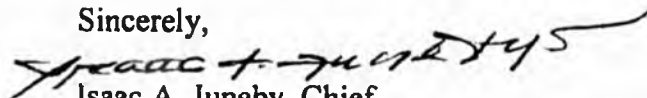
Dear Honorable Senator Therriault:

I am writing in references to Senate Bill 128, which you introduced ton March 3, 2005. After reviewing the synopsis of SB-128, I wanted to let you know that I support it. I like the intent of this bill, however, I do have a few questions? You quoted the "Alaska State Constitution" Article 1, Section 2, which states that all government originates with the people. I read and understands this to mean, if someone wants a borough, that it is up to the people who resides within the area to formulate, vote and introduce it as legislation.

The individual rights within our Bill of Rights, states we the people, for the people and by the people. The bill, which you are sponsoring, has all of these safeguards and merits. I do believe that we need a bill like SB-128 to safeguard all of our rights, especially in this case, the formation of boroughs or other forms of government.

Thank you for giving me the time to comment. I strongly support and recommend passage of this bill. If you have any questions or comments, feel free to call me at (907) 547-2271 (office) or (907) 547-3030 (home).

Sincerely,



Isaac A. Juneby, Chief  
Eagle Village IRA Council

C/C

File

All Alaska State House of Representatives  
All Alaska State Senators

FRANK H. MURKOWSKI  
GOVERNOR  
GOVERNOR@GOV.STATE.AK.US



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STATE OF ALASKA  
OFFICE OF THE GOVERNOR  
JUNEAU

April 28, 2005

The Honorable Gene Therriault  
State Capitol, Room 119  
Juneau, AK 99801-1182

Dear Senator Therriault:

Thank you for your letter of April 22, regarding my position on the subject of forced formation of boroughs.

Since taking office I have been committed to improving the quality of life for Alaskans while maintaining the Alaskan lifestyle we all cherish.

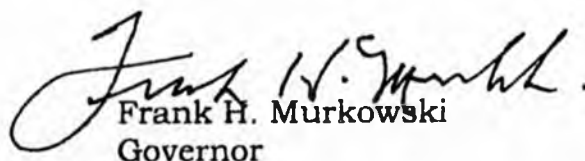
For many issues local control is the best way of ensuring new opportunities do not replace our Alaskan lifestyle or circumvent local priorities. The formation of Title 29 subdivisions, including boroughs, empowers local communities to make their own choices

I fully support local government.

The testimony of agencies supporting and advocating for the formation of Title 29 political subdivisions is not a deviation from earlier positions. I continue to favor the utilization of local control but will not force the imposition of local government. I have been, and remain consistent in this position.

I am encouraged by the numerous discussions on local government taking place in the Capitol and around Alaska. I hope to seize this enthusiasm and work with you on developing policies that promote borough formation around Alaska.

Sincerely yours,

  
Frank H. Murkowski  
Governor

# FISCAL NOTE

**STATE OF ALASKA**  
**2005 LEGISLATIVE SESSION**

Fiscal Note Number: \_\_\_\_\_  
 Bill Version: SB128  
 ( ) Publish Date: \_\_\_\_\_

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Commerce  
 Title Borough Incorporation RDU Comm Assist & Ec Dev (405)  
 Component Community Advocacy  
 Sponsor Therriault  
 Requester Senate Community & Regional Affairs Component No. 2703

**Expenditures/Revenues (Thousands of Dollars)**

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES ( )</b>						
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**FUND SOURCE (Thousands of Dollars)**

FUND SOURCE	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2005) cost: 0.0  
 Mark this box (X) if funding for this bill is included in the Governor's FY 2006 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

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

This legislation amends AS 44.33.812(a) to require that the term "boundary change" may not be construed to include a borough incorporation. It would not create a fiscal impact on the operations of the department.

Prepared by: Michael Black, Director Phone 907.268.4580  
 Division Community Advocacy Date/Time 3/21/05 10:19 AM  
 Approved by: Edgar Blatchford, Commissioner Date 3/21/2005  
 Agency Commerce, Community, and Economic Development