



# **2018 Priorities, Resolutions & Position Statements**

**Approved by AML Membership  
November 2017**

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# ALASKA MUNICIPAL LEAGUE

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## **ALASKA MUNICIPAL LEAGUE**

### **FY 2018 STATEWIDE PRIORITIES**

#### **LEGISLATIVE ADOPTION OF A SUSTAINABLE AND BALANCED BUDGET**

The Alaska Municipal League has sent the Legislature our views on a sustainable and balanced budget plan for the last three years; a plan that relies on revenue generation; use of earnings of the permanent fund; and budget cuts. To date, except for deep cuts, the Legislature has not acted on the other two “legs.” While piecemeal changes have been adopted, there is no sustainable plan in place, leaving municipalities unable to budget and plan, leaving schools unable to keep teachers in place and putting our State economy at great risk. Our infrastructure is failing; our public safety has decreased throughout the State. Small municipalities no longer have any state presence. During this upcoming FY 2019 budget session, our priority is to commit ourselves to substantially increase our efforts to see that the Legislature does their job and provide the people of Alaska with a sustainable and balanced budget.

#### **COMMUNITY ASSISTANCE**

While Community Assistance was scaled back to \$30 million during last years’ session, that amount remains a small part of the State’s yearly budget. While we are appreciative of the \$30 million, we will push the State to increase that amount, as many State services have been transferred to local municipalities at the same time that our revenues from the State have decreased. The vast majority of Alaskans reside within a municipality and we must have the tools available to make our communities safe, provide for a great education, transportation modes for better access and most of the other services that most of our residents want and expect. We must not be in a position of watching the State make cuts in order to avoid taxation, causing us no choice but to raise our own taxes.

#### **PERS/TRS INCREASES/TERMINATION STUDY FIX**

As the State continues to find ways to decrease their expenditures, one of the means discussed is often the past liability of the PERS/TRS systems. The PERS/TRS system is the legal and moral responsibility of the State of Alaska. It is THEIR program. Municipalities do and will continue to pay 22% of salary on the past and current service costs. Municipalities, however, cannot afford to pay any more of this State controlled plan. Also, the Alaska Municipal League continues to work towards some sort of solution to the termination study costs which leave municipalities unable to manage their workforce, especially in this time of severe cuts to municipalities.



## **ALASKA MUNICIPAL LEAGUE**

### **2018 FEDERAL PRIORITIES**

#### **SUPPORT THE PAYMENTS IN LIEU OF TAXES (PILT) AND SECURE RURAL SCHOOLS (SRS) PROGRAMS**

The Alaska Municipal League supports restoring full mandatory funding for the Payments in Lieu of Taxes (PILT) program which compensates cities and boroughs for tax-exempt federal land within their boundaries. The Alaska Municipal League also supports extending the Secure Rural Schools (SRS) program as a transitional funding mechanism until the federal government fully implements a long-term forest management program with adequate revenue sharing for forest cities, boroughs and schools.

#### **PROMOTE FEDERAL TRANSPORTATION PRIORITIES**

The Alaska Municipal League will work to ensure that any transportation and infrastructure measures reflect Alaska's municipal priorities, including allocating more funding for locally owned infrastructure, increasing local decision making authority and prioritizing investments that advance economic development, mobility and safety. The Alaska Municipal League will also continue to urge Congress to resolve the long-term solvency of the Highway Trust Fund.

#### **PROTECT MUNICIPAL BONDS**

The Alaska Municipal League supports preserving the tax-exempt status of municipal bonds that provide critical funding for public facilities, infrastructure and development. Provisions like the tax exemption for municipal bond interest have been part of the federal tax code for over 100 years, helping to efficiently and safely finance trillions of dollars in public works projects throughout the U.S.



## ALASKA MUNICIPAL LEAGUE

### RESOLUTION #2018-01

#### **A RESOLUTION BY THE ALASKA MUNICIPAL LEAGUE SUPPORTING, AGREEING AND BACKING THE ALASKA CONFERENCE OF MAYORS' STRONG ENTREATY FOR THE ALASKA STATE LEGISLATURE TO PROVIDE A SUSTAINABLE AND BALANCED BUDGET FOR THE CITIZENS OF ALASKA**

**WHEREAS**, in both 2015 and 2016, the Alaska Municipal League and the Alaska Conference of Mayors passed position statements and resolutions that “strongly encouraged the Alaska State Legislature to adopt a long-term fiscal plan that includes elements of revenue generation, budget cuts and the use of earnings from the permanent fund;” and

**WHEREAS**, the lack of a comprehensive solution, that includes all three components of a sustainable budget, has put the State’s economy at risk and harmed the well-being of Alaskans; and

**WHEREAS**, given the sharp decline in the price of oil, we understand that cuts have been necessary and accordingly, spending has been reduced 44%; and

**WHEREAS**, deep cuts, however, that adversely impact public safety, transportation, education and other key services, have started to erode the reasons that so many of us live in this great state; and

**WHEREAS**, these deep cuts limit municipalities’ ability to recruit and retain the workers that make our economy strong; and

**WHEREAS**, many smaller Alaskan municipalities, already in financial distress, are feeling the most recent budget cuts very acutely; and

**WHEREAS**, due to the above, the Alaska Conference of Mayors started a campaign to strongly urge the Legislature to act in this 4<sup>th</sup> and last Special Session to solve the deficit that is crippling the economy of the State of Alaska. They, once again, did not act on the issue.

**WHEREAS**, now we are asking the Alaska State Legislature to act quickly, upon their return to Juneau for the 2018 Regular Session to solve the deficit by drawing from the permanent fund earnings and generating revenue with some combination of one or more broad-based tax that balances the diverse economic conditions throughout our vast state.

**NOW, THEREFORE BE IT RESOLVED** that the Alaska Municipal League supports, agrees and 100% backs the Alaska Conference of Mayors' strong entreaty to provide a sustainable and balanced budget for the citizens of Alaska.

**PASSED AND APPROVED** by the Alaska Municipal League on this 17<sup>th</sup> day of November, 2017.

Signed:   
Pat Branson, President, Alaska Municipal League

Attest:   
Kathie Wasserman, Executive Director, Alaska Municipal League



## ALASKA MUNICIPAL LEAGUE

### RESOLUTION #2018-02

#### **A RESOLUTION OF THE ALASKA MUNICIPAL LEAGUE OPPOSING ANY LEGISLATION WHICH WOULD INCREASE THE BURDEN ON PRS/TRS EMPLOYERS BEYOND THE CURRENT EMPLOYER CONTRIBUTION LIMITS OF 22% FOR PERS AND 12.56% FOR TRS**

**WHEREAS**, the State of Alaska established the Public Employee Retirement System (PERS) in 1961 and since that time has:

1. Had sole administrative control of the plan; and
2. Selected, contracted with, and been the sole contact with PERS actuaries; and
3. Had sole access to oversight for, and responsibility for actuarial methods and assumptions for PERS; and
4. Had sole control over the investment of all PERS assets; and
5. Set the rates for, billed for, and collected on all PERS contributions; and

**WHEREAS**, the state has managed the investment income since 1969; and

**WHEREAS**, the state administratively created the Retirement Reserve Account (RRA) in 1971, although it was not authorized by statute until 1974; and

**WHEREAS**, the state began paying retiree benefits with “blended” employer dollars in 1971 and absorbed the RRA shortfall balance in 1972; and

**WHEREAS**, although member employers were told, and believed, from 1961 until approximately 2006, that individual employer retirement accounts and activity were kept and tracked separately by the state since 1971, the state has actually blended, reallocated and comingled employer contributions such that no single employer’s contributions can be accounted for accurately; and

**WHEREAS**, the comingled nature of the funds creates a statewide system such that one employer’s actions affect other employer’s liabilities; and

**WHEREAS**, the state did not administer PERS in accordance with its own laws; and

**WHEREAS**, the state established the “shared consolidated (blended) normal cost” rate in 1977; and

**WHEREAS**, the state started allocating income to the RRA in 1984; and

**WHEREAS**, in 1994, the state stopped transferring employer contributions to the RRA as employees retired; and

**WHEREAS**, the state reallocated each employers' and employees' RRA contributed assets, based upon RRA liabilities; and

**WHEREAS**, the state determined each employers' unfunded obligation after reallocating the employers' assets; and

**WHEREAS**, the state, prior to 2006, set the employers' past service cost rates, based upon reallocated asset results; and

**WHEREAS**, the state, before 2006, set and paid prior normal cost rates that were lower than they should have been; and

**WHEREAS**, the state, from July 1999 until as recently as 2006, paid refunds from employee accounts, yet booked payments as if they were coming from the RRA; and

**WHEREAS**, the state, from July 1999 until as recently as 2006, sent direct employee accounts, yet booked payments as if they were coming from the RRA; and

**WHEREAS**, the state has pervasive authority over public education in Alaska; a responsibility which it shares with no other unit of government; and

**WHEREAS**, in the exercise of its pervasive authority over public education, the state established a Teachers' Retirement System (TRS) and statutorily requires that all teachers in public schools be included in that system; and

**WHEREAS**, the state has prescribed the terms of the TRS system and program since the beginning and has exercised exclusive control over the operation, investment and administration of that system in much the same manner as it has the PERS system; and

**WHEREAS**, the state does not allow any local school district the discretion to decline to have teachers employed in those districts participate in TRS; and

**WHEREAS**, the state has, as with PERS, comingled each district's contributions to TRS and set rates at inadequate levels such that there is no method to accurately allocate the unfunded liability for TRS pension or health benefits to any particular school district; and

**WHEREAS**, in recognition of the state's responsibility for the majority of the unfunded pension and health benefit liability, in 2008, the state amended its statutes regarding

employer contributions to PERS and TRS, placing a cap on employer contributions to PERS at 22% of payroll and on TRS contributions at 12.56% of payroll, with the state accepting responsibility for any costs in excess of this amount. This action substantially reduced the reported individual liability of many communities and increased the allocation of liability to others. The reallocation of responsibility was agreed to by PERS employers and the state, in recognition that it was in the best interests of all to settle the allocation of liability and provide certainty of set rates for all employers; and

**WHEREAS**, in connection with the 2008 legislative change, the Legislature acknowledged state responsibility for the unfunded liability in the TRS system and accepted responsibility, subject to annual appropriation, for payments required to satisfy the PERS/TRS contribution rates required to amortize the unfunded pension liability over 25 years; and

**WHEREAS**, during the 2016 regular legislative session, the second regular session of the 29<sup>th</sup> Legislature, bills were introduced which would have increased the employer contribution rates for PERS and TRS employers from the rates set in 2008, in accordance with the resolution of the problem the state had in accurately allocating liability to individual employers; and

**WHEREAS**, the Alaska Municipal League believes that apart from being unfair, any increase from the employer contribution rates set in 2008 would risk unraveling the resolution of the liability allocation reached in 2008, and could motivate PERS employers to seek to enforce their rights to limit their individual employer liability. Such action would likely cost the state and all employers more in the long run due to the overwhelming costs of sorting out individual employer responsibilities.

**NOW, THEREFORE BE IT RESOLVED** that the Alaska Municipal League opposes any legislation which would increase the burden of PERS/TRS employers beyond the current employer contribution limits of 22% for PERS and 12.56% for TRS.

**PASSED AND APPROVED** by the Alaska Municipal League on this 17<sup>th</sup> day of November, 2017.

Signed:   
Pat Branson, President, Alaska Municipal League

Attest:   
Kathie Wasserman, Executive Director, Alaska Municipal League





**ALASKA MUNICIPAL LEAGUE**

**RESOLUTION #2018-03**

**A RESOLUTION BY THE ALASKA MUNICIPAL LEAGUE REQUESTING THAT THE ALASKA STATE LEGISLATURE MAKE CONCERTED EFFORTS TO NO LONGER SUBMIT FUTURE LEGISLATION THAT TRANSFERS UNFUNDED MANDATES TO MUNICIPALITIES AND/OR ERODES CONSTITUTIONAL LOCAL GOVERNMENT POWERS**

**WHEREAS**, before and especially since the deficit problem currently being experienced in the state, the Legislature has had a tendency to pass costs of state services to municipalities; and

**WHEREAS**, much of that time, there is no funding accompanying these services; and

**WHEREAS**, the only means possible for a municipality to raise revenues to pay for these increased costs is through raising taxes and/or fees and/or a decrease in services; and

**WHEREAS**, municipalities find themselves in the position of operating or maintaining a service or infrastructure which was formerly a state provision; and

**WHEREAS**, while the Alaska State Legislature avoids imposing state taxes, municipalities find themselves needing to raise local taxes to pay for these increased costs; and

**WHEREAS**, while this cost-shifting comes at a time of decreases in Community Assistance (i.e. Revenue Sharing); and

**WHEREAS**, in times of decreasing financial revenues, municipalities have also experienced the erosion of local government authority as provided under the Alaska Constitution and Alaska Statute 29.

**NOW, THEREFORE BE IT RESOLVED** that the Alaska Municipal League requests that the Alaska State Legislature make concerted efforts to no longer submit future legislation that transfers unfunded mandates to municipalities and/or erodes constitutional local government powers.

**PASSED AND APPROVED** by the Alaska Municipal League on this 17<sup>th</sup> day of November, 2017.

Signed:   
Pat Branson, President, Alaska Municipal League

Attest:   
Kathie Wasserman, Executive Director, Alaska Municipal League





## ALASKA MUNICIPAL LEAGUE

### RESOLUTION #2018-04

#### A RESOLUTION BY THE ALASKA MUNICIPAL LEAGUE SUPPORTING PUBLIC EMPLOYEE RETIREMENT SYSTEM REFORM

**WHEREAS**, many municipalities throughout the state contribute to the Public Employees Retirement System (PERS); and

**WHEREAS**, included in the 2008 Senate Bill 125, was language requiring municipalities to pay termination costs and “below the floor” costs on the termination of a department, group or classification of employees; and

**WHEREAS**, those lay-offs that are made up of a department, group, or classification will result in a charge to local governments for the impact study, followed by charges for each of those employees’ past service cost for approximately 30 years into the future; and

**WHEREAS**, if the total base salary of any municipality falls below what it was in 2008, (at the creation of SB 125) then charges will be assessed on that drop, as well; and

**WHEREAS**, these rules severely limit the ability of municipalities from being agile in the workplace, including the elimination of no longer needed departments, groups or classifications; and

**WHEREAS**, these rules severely limit the ability of municipalities from creating new needed departments, groups or classifications for fear of future termination costs extending out to 30 years in the future; and

**WHEREAS**, municipalities require agility and adaptability in the workforce to meet our changing needs and fluctuating revenues; and

**WHEREAS**, with our current fiscal crisis, municipalities may need to make reductions or increases in the workforce, including entire departments, groups or classification of employees; and

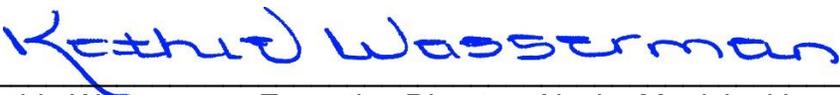
**WHEREAS**, the state is not subject to these rules as an employer and the state is making serious cuts in their workforce, subjecting all municipalities to added costs.

**NOW, THEREFORE BE IT RESOLVED** that the Alaska Municipal League supports reform in the Public Employee Retirement System. These reforms include eliminating terminations studies and all costs for reducing or eliminating departments, groups or

classifications of employees, as well as not inhibiting future additions of departments, groups or classifications of employees.

**PASSED AND APPROVED** by the Alaska Municipal League on this 17<sup>th</sup> day of November, 2017.

Signed:   
Pat Branson, President, Alaska Municipal League

Attest:   
Kathie Wasserman, Executive Director, Alaska Municipal League



## ALASKA MUNICIPAL LEAGUE

### RESOLUTION #2018-05

#### **A RESOLUTION OF THE ALASKA MUNICIPAL LEAGUE REQUESTING THAT THE ALASKA STATE LEGISLATURE REVISIT THE STANDARD FOR RECALLING MUNICIPAL OFFICIALS TO DETERMINE THE SUFFICIENCY OF DEFINITIONS AND PROCESSES THEREIN**

**WHEREAS**, recall elections concerning municipal elected officials have recently been held or contemplated in the City of Homer, the Kenai Peninsula Borough, the Haines Borough, the City of Cordova and the Petersburg Borough; and

**WHEREAS**, recall elections are an important part of the democratic process and therefore, the rules governing recall must be clear and easily understood by voters, elected officials, and municipal employees; and

**WHEREAS**, Alaska Statutes 29.26.240 through AS 29.26.360 govern recall elections for municipal officials; and

**WHEREAS**, the standards for what constitutes both an action that would justify recall and how a local municipal official should evaluate the recall petition's sufficiency are not clearly defined in the Alaska Statutes, leading to a wide range of interpretations; and

**WHEREAS**, in 1984, the Alaska Supreme Court suggested that the Legislature clarify the recall statutes. The court made the following statement in *Meiners v. Bering Strait School District*, 867 P.2d 287, 296 (Alaska 1984):

“Each issue in this case arises because one or another of the provisions of Alaska’s recall statute is in some way ambiguous. The need for judicial participation in the recall process could be decreased by more carefully drawn statutes. Article XI, Section 8, of the Alaska Constitution commands the Legislature to prescribe both the procedures and the grounds for recall. The political nature of the recall makes the legislative process, rather than judicial statutory interpretation, the preferable means of striking the balances necessary to give effect to the Constitutional command that elected officers shall be subject to recall.....(W)e commend to the Legislature the suggestion that these statutes be revised to clarify its intentions;” and

**WHEREAS**, over the past 30 years, and despite the Alaska Supreme Court’s request, the Alaska Legislature still has not clarified the statutes related to recalling municipal officials; and

**WHEREAS**, “misconduct in office,” currently one of the grounds for recalling a municipal official, is undefined in the Alaska Statutes and the level and type of misconduct required is not specified; and

**WHEREAS**, the Alaska Supreme Court has stated that it was not advisable to force municipal clerks who are not attorneys to rely on in-depth legal analyses including reviews of case law to determine the sufficiency of recall petitions; and

**WHEREAS**, the Alaska Legislature can look to at least 29 other states for examples of laws when deciding how to clarify Alaska's recall statutes, as recall of local officials is allowed in Alabama (Ala. Code §11-44-130), Arizona (Const. Art. 8), Arkansas (Ark. Code §14-47-112), California (Const. Art. 2, §19 and Cal. Election Code §11000), Colorado (Const. Art. 21, §4 and Rev. Stat. §31/4/501), Florida (Fla. Stat. §100.361), Georgia (Const. Art. 2, §2.4 and Ga. Code §214-1), Idaho (Const. Art. 6, §6 and Id. Code §34-1701), Kansas (Const. Art. 4, §3 and Kan. Stat. §25-4301), Louisiana (Const. Art. 10, §26 and La. Rev. Stat. §18:1300), Michigan (Const. Art. 2, §8 and Mich. Comp. Laws §168.951), Minnesota (Minn. Stat. §351.14), Missouri (Mo. Rev. Stat. §77.650 and §78.260), Montana (Mont. Code §2-16-601), Nebraska (Neb. Rev. Stat. §31-786 and §32-1309), Nevada (Const. Art. 2, §9), New Hampshire (N.H. Rev. Stat. §49D:3(e)), New Jersey (Const. Art. 1, §2(b)), New Mexico (Const. Art. 10, §9), North Dakota (Const. Art. 3, §10), Ohio (Ohio Code §705.92), Oregon (Const. Art. 2, §18 and ORS §249.865), South Dakota (S.C. Codified Laws §9-13-29), Tennessee (Tenn. Code §6-31-301), Washington (Const. Art. §33-34 and Wash. Code §29A.56.110), West Virginia (W.Va. Code §8-12-4(3)), Wisconsin (Const. Art. 13, §12 and Wis. Stat. §9, 10), and Wyoming (Wyo. Stat. §15-4-110); and

**WHEREAS**, Alaska can look to at least seven other states that require a specific ground for recall to be stated when a person or group attempts to recall an elected official: Georgia (Ga. Code §21-4-3(7) and 21-4-4(c)), Kansas (KS Stat. §25-4301), Minnesota (Const. Art. VIII §6), Montana (Mont. Code §2-16-603), Rhode Island (Const. Art. IV §1), Virginia (Va. Code §24.2-233) and Washington (Const. Art. 1, §33.

**NOW, THEREFORE BE IT RESOLVED** that the Alaska Municipal League requests that the Alaska Legislature revisit the standards for recalling municipal officials to determine the sufficiency of the definitions and processes therein.

**PASSED AND APPROVED** by the Alaska Municipal League on this 17<sup>th</sup> day of November, 2017.

Signed:   
Pat Branson, President, Alaska Municipal League

Attest:   
Kathie Wasserman, Executive Director, Alaska Municipal League



## ALASKA MUNICIPAL LEAGUE

### RESOLUTION #2018-07

#### **A RESOLUTION IN SUPPORT OF FULL FUNDING (\$9,820,141) FOR THE STATE OF ALASKA MUNICIPAL HARBOR FACILITY GRANT PROGRAM IN THE FY 2019 STATE CAPITAL BUDGET**

**WHEREAS**, the Alaska Municipal League recognizes the majority of the public boat harbors in Alaska were constructed by the state during the 1960s and 1970s; and

**WHEREAS**, these harbor facilities represent critical transportation links and are the transportation hubs for waterfront commerce and economic development in Alaskan coastal communities; and

**WHEREAS**, these harbor facilities are ports of refuge and areas for protection for ocean-going vessels and fishermen throughout the state, especially in coastal Alaskan communities; and

**WHEREAS**, the State of Alaska, over the past nearly 30 years, has transferred ownership of most of these State-owned harbors, many of which were in poor condition at the time of transfer due to the state's failure to keep up with deferred maintenance; and

**WHEREAS**, the municipalities took over this important responsibility even though they knew that these same harbor facilities were in poor condition at the time of transfer due to the state's failure to keep up with deferred maintenance; and

**WHEREAS**, consequently, when local municipal harbor masters formulated their annual harbor facility budgets, they inherited a major financial burden that their local municipal governments could not afford; and

**WHEREAS**, in response to this financial burden, the Governor and the Alaska Legislature passed legislation in 2006 to create the Municipal Harbor Facility Grant program, AS 29.60.800; and

**WHEREAS**, the Alaska Municipal League is pleased with the Department of Transportation and Public Facilities administrative process to review, score and rank applicants to the Municipal Harbor Facility Grant program since state funds may be limited; and

**WHEREAS**, for each harbor facility grant application, these municipalities have committed to invest 100% of the design and permitting costs and 50% of the construction cost; and

**WHEREAS**, the Municipality of Anchorage, the City & Borough of Juneau, the City of Ketchikan, the City & Borough of Sitka, the City of Whale Pass and the City of Whittier have all offered to contribute \$9,820,141 in local match funding for FY2019 towards eight harbor projects of significant importance locally, as required in the Harbor Facility Grant program; and

**WHEREAS**, completion of these harbor facility projects is all dependent on the 50% match from the State of Alaska's Municipal Harbor Facility Grant program; and

**WHEREAS**, during the last ten years, the backlog of projects necessary to repair and replace these former state-owned harbors has increased to over \$100,000,000.

**NOW, THEREFORE BE IT RESOLVED** that the Alaska Municipal League urges full funding by the Governor and the Alaska Legislature for the State of Alaska's Municipal Harbor Facility Grant program in the FY 2019 State Capitol Budget, in order to ensure enhanced safety and economic prosperity among Alaskan coastal communities.

**PASSED AND APPROVED** by the Alaska Municipal League on this 17<sup>th</sup> day of November, 2017.

Signed:   
Pat Branson, President, Alaska Municipal League

Attest:   
Kathie Wasserman, Executive Director, Alaska Municipal League



## ALASKA MUNICIPAL LEAGUE

### RESOLUTION #2018-08

#### **A RESOLUTION OF THE ALASKA MUNICIPAL LEAGUE IN SUPPORT OF SB 92; AN ACT RELATING TO ABANDONED AND DERELICT VESSELS**

**WHEREAS**, hundreds of derelict vessels currently litter Alaska's coastline and harbors and these numbers will increase every year unless action is taken to address aging fleets and changing commercial fisheries; and

**WHEREAS**, in the past two years alone, there have been numerous derelict vessel situations that have cost the state, municipalities, and the federal government, considerable expense, including two ex-Navy tugs in Adak, abandoned barges in Steamboat Slough near Bethel, and the tug Challenger that sunk off Juneau; and

**WHEREAS**, the Alaska Municipal League recognizes the widespread costs and then environmental and navigational risks for both municipalities and the state, associated with derelict vessels; and

**WHEREAS**, neighboring states have dramatically strengthened their derelict vessel prevention laws in the past five years to better prevent, track and manage derelict vessels, including raising fees to support state management of derelict vessels and requiring vessel insurance; and

**WHEREAS**, in 1990, the Alaska Legislature passed a resolution acknowledging the need to better understand and address the existing and growing problem of derelict vessels around the state; and

**WHEREAS**, the State of Alaska has outdated statutes regarding derelict vessels, which lack the ability to track vessel owners, agency enforcement authority, statewide coordination of response, funding and vessel insurance requirements; and

**WHEREAS**, in 2013, an ad-hoc Derelict Vessel Task Force was put into place and included representatives from state and federal agencies, municipal representatives, regional tribal representatives, federal and state legislative offices and private industry; and

**WHEREAS**, over nine full-day meetings, the task force developed thoughtful, robust and meaningful proposed changes that will help all stakeholders around the state, including harbor facilities, better address and prevent derelict vessels; and

**WHEREAS**, this will help our members protect harbor infrastructure, keep valuable moorage space available in our harbors and prevent unsustainable, economic, environmental and navigational hazards; and

**WHEREAS**, the proposed changes will improve communication and coordination between Alaska's harbors and state and federal agencies, directly leading to decreased cost associated with managing derelict vessels.

**NOW, THEREFORE BE IT RESOLVED** that the Alaska Municipal League fully supports the passage of SB 92 by the State Legislature.

**PASSED AND APPROVED** by the Alaska Municipal League on this 17<sup>th</sup> day of November, 2017.

Signed:   
Pat Branson, President, Alaska Municipal League

Attest:   
Kathie Wasserman, Executive Director, Alaska Municipal League



**ALASKA MUNICIPAL LEAGUE**

**RESOLUTION #2018-09**

**A RESOLUTION BY THE ALASKA MUNICIPAL LEAGUE OPPOSING THE IMPLEMENTATION OF A STATE-WIDE SALES TAX**

**WHEREAS**, the Alaska Municipal League recognizes the State of Alaska is in a financial crisis for which long-term solutions are needed; and

**WHEREAS**, the State of Alaska has reduced spending by 44%; and

**WHEREAS**, some additional proposals call for a state-wide sales tax; and

**WHEREAS**, the Governor called for a 4<sup>th</sup> Special Session in October to focus on new revenues; and

**WHEREAS**, the Legislature adjourned without addressing the financial crisis and will reconvene in January for the 2018 Regular Session at which time they should seriously look at new revenue streams; and

**WHEREAS**, many municipalities rely primarily (110 out of 165) on a local sales tax for a high portion of their revenues; and

**WHEREAS**, an additional state sales tax would be an enormous burden upon the people of the State of Alaska; and

**WHEREAS**, an additional state sales tax would inhibit the ability of many municipalities to raise needed revenue for local services; and

**WHEREAS**, there are many other revenue proposals that may have less negative impact on Alaska's municipalities.

**NOW, THEREFORE BE IT RESOLVED** that the Alaska Municipal League opposes a new state-wide sales tax.

**PASSED AND APPROVED** by the Alaska Municipal League on this 17<sup>th</sup> day of November, 2017.

Signed: \_\_\_\_\_

Pat Branson, President, Alaska Municipal League

Attest: \_\_\_\_\_

Kathie Wasserman, Executive Director, Alaska Municipal League





One Sealaska Plaza, Suite 200 ♦ Juneau, Alaska 99801

Tel (907) 586-1325 ♦ Fax (907) 463-5480 ♦ [www.akml.org](http://www.akml.org)

## Local Control

Article X of the Alaska State Constitution makes mention, throughout, of “maximum local self-government...” The Alaska Supreme Court has used this section to make close calls in favor of municipalities in many court proceedings. While Title 29 lays out the laws under which a municipal government must operate, liberal construction is given to municipalities under the State Constitution.

Due to the large geographical land mass of Alaska; due to the different cultures that are in place in the many large areas of Alaska; due to the differing array of climates and environment experienced by each area of Alaska; and due to the differing infrastructure, facilities and services provided within each area, it is common knowledge that most “one size fits all” legislation that might attempt to envelop the entire State does not usually work well in Alaska. Therefore, it is imperative that, unless prohibited by law, municipalities closest to the electorate be able to provide their constituents with the laws, services, benefits, and taxation that the local populations, through their local elected officials, feel is appropriate.

The Alaska Municipal League has always based their positions upon two guiding principles: Does it allow for maximum local control, and/or does it create an unfunded mandate.



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## **Community Assistance**

The State's Constitution entrusts state government with managing the state's resources to the maximum benefit of all Alaskans. The Constitution also promotes maximum self-governance at the local level. It is therefore incumbent upon the Governor and Legislature to manage and distribute the wealth of Alaska's resources to local governments each and every year. Predictable, dependable, and direct Community Assistance is therefore required for the State to meet its Constitutional obligations. To that end, the State should designate a specific long-term funding source that would perpetually sustain the Community Assistance program.



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## **PERS/TRS Unfunded Liability**

Management of Alaska's public retirement system has always been the responsibility of State government. Participating municipalities have had no choice but to rely on information provided by the State when making decisions regarding their own contributions to the system. Decades of improper accounting and inaccurate actuarial data provided by the State to municipalities, has now created a huge unfunded pension liability that can no longer be accurately apportioned among all participating employers. The League recognizes that there is municipal responsibility to participate in solving this fiscal problem. However, as the primary responsible party and the only entity with the long-term resources to effectively deal with the magnitude of the issue, the State should incorporate into its long-term fiscal planning strategy a leading position that ensures this ongoing obligation is met, while maintaining close coordination with participating employers to avoid the potential of shifting too great a burden to local governments.

The Alaska Municipal League strongly supports reforms that would allow flexibility with regards to the management of the local government workforce (i.e., termination study costs, below-the-floor penalties).



## **Fiscal Policy**

It is critical for the State to establish long-term financial policy as opposed to short-term reactive approaches that primarily focus on annual revenue/expenditure fluctuations or fiscal austerity. Accumulation of reserves during good years should continue as part of that policy, however draws from reserves during lean years should be more process driven and not as subject to political bartering.

When necessary, State budget cuts in one department's program area must be coordinated with complimentary programs in other departments. The same needs to occur between State and local municipal programs. To do otherwise will sacrifice critical service delivery and the health of the economy statewide. The League calls upon the Governor to provide Cabinet level leadership during budget formulation to balance these interrelated effects. At the legislative level the League asks that the Director of Management and Budget works closely with the Director of the Legislative Finance Division to assure that programs remain balanced during the Legislature's budget deliberations.

The Legislature must also ensure that State initiatives always include the necessary State resources required for implementation. Unfunded mandates to local governments are tantamount to unilaterally usurping critical local income and priorities.

State funding reductions to municipalities, when necessary, should occur over a number of years to provide those municipalities with the reaction time to make adjustments. New revenue sources, if considered, must always consider impacts to existing local government revenue sources first. Local municipal sources already in place must always take primacy over new State revenue schemes.



## Education

Funding of Public School Districts: The Alaska Constitution provides that the State shall “establish and maintain a system of public schools.” The State established school districts to be the basic unit for the administration of schools. The funding of these school districts is complex and segmented with Federal, State, and local sources. Additionally, State and Federal categorical funds are available to meet special circumstances, which adds to the complexity.

- Sudden alterations in funding and dramatic shifts in funding levels cause havoc as the districts try to implement programs. Thus, stability of funding is required for the adequate management of school districts. Funding levels will change; but *predictable, phased* increases (or reductions if necessary) are essential.
- Additionally, billions of State and local dollars have been expended on educational infrastructure, sudden reductions in funding inevitably cause the deferral in maintenance of this massive investment. Such deferral of maintenance increases the eventual price tag when minor maintenance issues become critical failures.

Local Control: One of the League’s guiding principles is local control. AML recognizes that ultimate control of education rests with the State Legislature by constitutional dictate; but also recognizes that every educational mandate by the Legislature can impact other important locally developed programs. Every School District is unique with widely different populations, cultures, lifestyles, educational backgrounds, and expectations. AML therefore challenges the Legislature to maximize local control over education and to provide flexibility for local circumstance wherever possible.

Evaluation of School Performance: Evaluation of schools is a process of assessing and reporting a set of key indicators, such as student standardized test results, proficiency rates, graduation rates, drop-out rates, etc. This evaluation process should provide the community with the data on how well the students and district are performing, and to provide the school district with the benchmarks for programmatic improvement. The goal is to continuously improve local educational programs. Almost every new Administration brings a new performance or accountability program, with a different twist, tool, or plan requiring school district action or adaptation. Each alteration has the potential of interfering with the longitudinal evaluation data stream. Thus it is essential that each change be tailored to avoid that disruption. In Alaska, the evaluation process needs to be local, positive, and focused on continually enhancing the local educational performance.

Education Programs for Workforce Development: The primary task for Alaska’s University System and the vocational technical centers in Alaska is to prepare Alaskans with the skills needed by Alaskan industries and employers. There are, of course, other tasks performed by these educational institutions, but preparing the populace to meet the economic and workforce needs in Alaska needs to be kept as the principal priority.



## Energy

Energy Policy. Alaska's economy depends heavily on increasingly expensive gasoline and diesel fuel for heating, transportation, and electric power. Energy costs in rural areas are generally significantly higher, but vary widely depending on transportation costs, seasonal usage peaks, nearby petroleum development infrastructure, and many other factors. Wind and hydroelectric power are abundant and underdeveloped. Processing and distribution facilities to use some of the oil and gas produced in Alaska are virtually non-existent. There are extensive gas reserves, but no current way to get it to the lower 48 or other markets. Production, transportation, storage, and distribution systems to take advantage of these resources in Alaska must be developed immediately.

Alaska's current oil and gas energy policy is complicated and to some extent, driven by the industry and national political decisions which are outside Alaska's control. Support, other than financial, should be provided to encourage new exploration and development of oil and gas resources. Alaska policy needs to emphasize the production, distribution, use and sale of our oil and gas resources to benefit all Alaskans.

Alaska's energy policy therefore requires a thorough review with emphasis on the needs of Alaska residents. Permitting and future development of energy resources need to emphasize "Alaska First." Processing facilities and distribution for Alaskans must be a very high priority. Other opportunities abound for the use of alternative energy. The technology to build and operate facilities utilizing some of Alaska's natural resources to provide biomass for heat and fuel also needs more emphasis. Revenues from a new natural gas pipeline must be made available for local communities and rural residents to draw upon for energy related grants or for low interest rate loans to help diversify sources and reduce energy costs.

Energy Planning. Alaska is one of the most energy rich states in the union, yet the cost of energy throughout the State is far above the national average. Most local governments have identified the cost of energy as a primary detrimental influence affecting quality of life and economic expansion within their communities.

As the State moves forward with plans to develop a North Slope LNG pipeline to tidewater, it is critical that strategic planning continue at the State level to identify local energy needs statewide, and to develop a comprehensive plan to use either the natural gas itself, or the revenue from the sale of natural gas, to mitigate the high cost of energy throughout the State. This planning must occur in time to influence the design of any LNG pipeline and/or associated processing/shipping facilities, as to maximize the ability of those facilities to meet the strategic energy needs of the State.

PCE Program. The PCE program was created in 1984 as part of a larger legislative effort to reduce the cost of electricity for Alaskans all across the state. Today, the PCE program provides price relief for electricity to approximately 83,000 people in 190 communities. Approximately \$31 million in price relief was paid to these communities in FY16. However, the PCE program did not envision that a number of communities would eventually work to



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significantly reduce their reliance on diesel fuel by investing in renewable/clean energy generation. Now, the PCE rules and regulations should be revised to provide a source of investment for renewable/clean energy projects that could be leveraged for additional public or private investment by de-coupling the PCE payment from diesel fuel consumption and instead, use PCE as a guaranteed energy-revenue stream to all eligible communities.



## Transportation

Transportation infrastructure in Alaska includes much more than roads. When we say transportation we mean surface, air, trail, rail and water. All of these modes work together to move people, goods and services throughout our great state.

Transportation investment has been studied and proven to be a critical economic driver over and over again. Alaska's transportation infrastructure is pivotal to the state's economy and facilitates access to markets, supplies, and most of all, resources. Improving and investing in Alaska's transportation system will enhance the global competitiveness of Alaska business and economic opportunities for its people. Alaska needs new transportation infrastructure development to provide access to resources, reduce barriers for communities to participate in the economy, allow for safe and efficient transportation for all Alaskans, and to dramatically improve Alaskan's quality of life statewide. It is equally important to ensure the maintenance of our existing infrastructure.

Historically, the federal government has been funding 85%-90% of Alaska's transportation infrastructure budget. The Federal Highway Trust Fund is experiencing significant shortfalls, contributing to a decrease in federal funds for Alaska, which is not likely to rebound. The League therefore supports a State Transportation Fund with predictable funding that will provide continuity between Administrations and be applicable to all our modes of transportation.



## Fishing

Alaska has over 34,000 miles of coastline on three different seas: Arctic Ocean, Pacific Ocean, and the Bering Sea. Over half of the nation's commercially harvested fish, crab and shrimp come from Alaska, nearly four times more than the next largest seafood producing state. A rich variety of other species, such as sea cucumbers, abalone, sea urchins, herring, etc. also come from Alaskan waters and provides unique export markets. More than eight of Alaska's ports consistently rate in the top 30 U.S. ports in terms of volume or value of seafood delivered. Seafood has been and remains one of Alaska's top export commodities.

The vast fishery resources of Alaska are of significant importance to the economies of the state and the nation. Local benefits from these resources are not uniformly spread throughout Alaska, but heavily concentrated in communities along the coast of Alaska. The economies of many Alaskan coastal communities are largely dependent on the fishing industry.

Throughout most of the state, there is also a subsistence and recreational need and lifestyle associated with fish resources. These are critically important sectors of our culture and economy that must also be considered in any resource management plan for the industry.

Revenues to local communities from fishing vary considerably and are dependent on a number of factors including the overall health and strength of various fisheries, quota allocations, changing management schemes, as well as the location of processors and the public and private docks or ports to which the catches are delivered. As state funding declines many of the coastal communities face major challenges to maintain community services provided, in part, to the large seasonal influx of fisherman. It will therefore be almost impossible to maintain these current ports and harbor facilities without some other sources of revenue, including consideration of recreational demand on these facilities. As the fishing industry adjusts to change, the state needs to review its current laws and regulations regarding the collection and distribution of revenues from fishery resources and ensure they are equitably allocated to Alaska's fishing communities.



## Public Safety

The State provides needed public safety services to areas not covered by local law enforcement agencies (per AS 44.41.020) and assistance to municipal police departments with the enforcement of criminal laws (AS 18.65.090). It is also critical for the State to maintain all necessary training for Village Public Safety Officers (VPSOs) as they provide essential public safety services to communities that otherwise would not have law enforcement.

Municipalities often depend on the State, which has the responsibility for search and rescue operations (AS 18.60.120), to conduct search and rescues within their municipalities.

The State provides a criminal justice information system that is utilized by State and local law enforcement agencies (AS 44.41.020(b)) and is vital to municipal law enforcement, as it provides information unavailable through any other sources. Further, the State Crime Lab provides basic forensic services to law enforcement agencies free of charge. State and local law enforcement rely on these services for aiding in the investigation and prosecution of crimes and in solving other non-criminal cases.

The State has implemented and maintains an interoperable communication system that is used by an increasing number of public safety personnel in the state. This system allows for an increased range of operation and the ability to communicate with other local and state agencies. As long as the cost of these systems continues to be borne by the State, municipalities will continue to find them to be very useful tools.

The State operates the Public Safety Academy which trains many law enforcement officers and provides consistency with public safety services statewide. The training for municipal police officers at the academy is generally funded, upon request through the Alaska Police Standards Council (APSC). APSC is also responsible for setting the standards for police officers and for certifying police officers.

Some municipalities operate contract holding facilities for in-custody persons. These municipalities rely on funding from the State to operate these facilities. In lieu of this, the Department of Corrections or law enforcement would be required to transport prisoners at an increase in both time and state expense.

Emergency Medical Technician certifications and Paramedic licensing (required by AS 18.08.84 and 12 AAC 40.300-390 respectively) represent essential life safety functions of the state that must be continued. The required Division of Forestry training for response to wild land fires is also critically important to ensure the protection of all state lands and threatened nearby infrastructure. Funding for this program should be maintained.



## **Economic Development**

Economic development permeates all AML position statements. Effective communication between the Governor, the Legislature, and local governments is critical to the success of any strategic long range state or local economic development strategy.

Even though government cannot affect all the factors important to economic development, it can have a significant impact through both its traditional role as a public service provider and regulator, and its entrepreneurial role as a dealmaker and business recruiter. Of these two roles, the former is essential – government must provide quality basic services and an efficient regulatory environment if it wishes to create economic development. Providing further incentives to businesses are optional; whether it makes sense depends on what government can reasonably offer, the extent to which such offerings are necessary to attract or retain firms, and that the cost of such offerings can be fully funded by the State be entirely a local option.

Public policy can affect factors that are important to businesses, primarily through regulations, taxes, and incentives. It is therefore incumbent upon the Governor and Legislature to maintain a long-term commitment to Alaska's future by considering local stability and growth, as well as local community plans to develop and implement a comprehensive State vision for economic growth and diversification. Such a vision then needs to guide all future State policy and budgetary decisions.



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## Minerals

Alaska's size and complex geology provide immense opportunity for a wide variety of minerals to occur, including coal, gold, copper, silver, molybdenum, zinc, and rare earth minerals. Before statehood, the mineral industry made up about 30% of the economy as compared to about 5% today. Vast untapped mineral reserves still exist.

Some of the disadvantages in Alaska are the distances from markets, lack of road systems to move the material, and in some cases, the lack of technology to develop and process the mineral. All these factors raise the cost of production and make it harder for the industry to compete with other parts of the U.S. and the world.

Alaska enjoys a unique position in that there are vast untapped minerals for the future. These minerals are available to be developed when needed. Such development should occur while incorporating the best environmental practices to protect the environment. Bonds need to be required to protect the resources and people in case of default.

AML supports and encourages research efforts, whether public or private, into new and improved methods to overcome Alaska's disadvantages, to negate potential adverse impacts, and to improve mineral recovery. Special emphasis should be aimed at improving discharge quality from mine operations and to reduce the risk of dam failures.

The Governor and Legislature need to be active advocates in the responsible development of our mineral resources.



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## Clean Water

Alaska's abundance of rivers, lakes, wetlands, snowfields, and glaciers comprise an estimated 40% of the Nation's surface water. There are more than 12,000 rivers in Alaska, and three of those rivers, the Yukon, the Kuskokwim, and the Copper, are among the ten largest rivers in the United States. Alaska has more than 3 million lakes ranging from pond size to 1,000 square miles. Despite Alaska's wealth of water, its water resources are not uniformly distributed geographically or seasonally.

Water is highly important to Alaskans, not only for domestic use, but also for the fishing and tourism industries. Alaska needs to assure that policies are in place to protect the quality of its waters, while not inhibiting responsible development, and that those policies are reviewed and updated periodically to assure they include the most up to date and proven science, and are applicable to the unique characteristics of our state.

Alaska also needs to take an active role in the trans-boundary protection of rivers and streams. Treaties with Canada on the protection of rivers need to be reviewed to assure they include new technologies and practices.

All types of development need to account for the costs of putting the best mitigation practices in effect.