



# **2017 Priorities, Resolutions & Position Statements**

**Approved by AML Membership  
November 2016**

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# ALASKA MUNICIPAL LEAGUE

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## **ALASKA MUNICIPAL LEAGUE**

### **FY 2017 STATEWIDE PRIORITIES**

- **LEGISLATIVE ADOPTION OF A SUSTAINABLE BUDGET PLAN**

The Alaska Municipal League supports a Legislative adoption of a sustainable budget plan that does not rely primarily on cuts, but on new sources of revenues. We feel that the leaders of our State must immediately adopt changes that stop the bleeding that we are currently experiencing. Despite the cuts experienced this last year by local governments, municipalities must continue to provide basic and essential services. The Alaska Municipal League stands behind their updated FY 2017 Sustainability Plan and encourages the Legislature to quickly take action. As more responsibilities are passed down to the “political subdivisions” of the state, municipalities must be given the tools to provide for themselves.

- **REVENUE SHARING (COMMUNITY ASSISTANCE)**

The Alaska Municipal League realizes that the State is in a fiscal crisis. We have attempted to work with the Legislature through the decrease of Revenue Sharing by half. We cannot agree to the ending of Revenue Sharing, however. As our Revenue Sharing goes down and as the State continues to cost shift to municipalities, many local governments will find themselves in the position of closing their doors. The current \$30 million is a small part of the yearly state budget. With the recent loss of Timber Receipts and the potential loss of PILT, a sustainable and predictable allocation is necessary for municipal budget purposes. This money allows for the provision of basic local services and as a means to keep taxes down.

- **PERS/TRS**

The Alaska Municipal League recently fought back a proposal by the Alaska State Legislature that would have seen municipalities acquire a larger percentage of the PERS/TRS unfunded liability. The PERS/TRS system is the legal and moral responsibility of the State, as it is THEIR program. Municipalities simply pay an amount set by the State in order to be participants in the plan. We do not provide retirement benefits; we do not have a say in any of the fiduciary decisions. AML and its member municipalities will hold fast to the previously agreed upon 22% of salary towards the pay down of the unfunded liability.



## **ALASKA MUNICIPAL LEAGUE**

### **FY 2017 FEDERAL PRIORITIES**

- **SUPPORT PILT AND SRS**

The Alaska Municipal League supports restoring full mandatory funding for the Payment in Lieu of Taxes (PILT) program, which compensates municipalities 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 sustainable long-term forest management program with adequate revenue sharing for forest counties and school.

- **PROTECT MUNICIPAL BONDS**

The Alaska Municipal League supports preserving the federal deductibility of local property and income taxes and 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 finance trillions of dollars in public works projects.

- **PRESERVE MUNICIPAL INTERESTS IN “WATERS OF THE U.S.” REGULATIONS**

The Alaska Municipal League believes that local streets, gutters and human-made ditches should be excluded from the definition of “Waters of the U.S.,” under the federal Clean Water Act. The Alaska Municipal League calls on Congress to require the U.S. Environmental Protection Agency and U.S. Army Corps of Engineers to withdraw the new rule and rewrite it in consultation and collaboration with state and local governments.

- **PROMOTE LOCAL GOVERNMENT PRIORITIES IN SURFACE TRANSPORTATION IMPLEMENTATION**

The Alaska Municipal League will work to ensure that the new surface transportation law is implemented to reflect municipal priorities, including allocating more funding for locally owned infrastructure, increasing local decision making authority, prioritizing investments that increase safety, as well as continuing to urge Congress to resolve the long-term solvency of the Highway Trust Fund.



## ALASKA MUNICIPAL LEAGUE

### RESOLUTION #2017-01

#### **A RESOLUTION URGING THE ALASKA STATE LEGISLATURE TO ADOPT A SUSTAINABLE BUDGET PLAN FOR FY18 AND BEYOND; TO CAREFULLY CONCENTRATE ON INCREASED REVENUES RATHER THAN JUST CUTS; AND TO GIVE SERIOUS CONSIDERATION TO THE FY17 SUSTAINABILITY PLAN SUBMITTED BY THE ALASKA MUNICIPAL LEAGUE**

**WHEREAS**, due to the continued plunge in the price of oil, coupled with the decreased amount of oil flowing through the pipeline, the State of Alaska continues to find itself in a huge budget deficit situation for FY 18; and

**WHEREAS**, the Legislature alleviated some of the problem through a number of cuts to government provisions and services; and

**WHEREAS**, the Legislature basically cut down the capital budget to necessities only; and

**WHEREAS**, cutting across the board alone will not solve our fiscal challenge and will only serve to push our state into an economic recession; and

**WHEREAS**, there is not a sufficient balance in the Constitutional Budget Reserve to cover next years' projected budget deficit, which will for the first time, likely require the use of the Permanent Fund Earnings Reserve to help fund state government operations; and

**WHEREAS**, municipal Revenue Sharing has been reduced by 50%; an additional \$2.5 billion in PERS liability costs have been shifted to municipalities; school debt reimbursement has been significantly reduced; and airport funding, community jails, road maintenance, the capital budget, and infrastructure support has been reduced or eliminated; and it appears that other cost shifts are on the horizon; and

**WHEREAS**, Alaska's local governments have also federal Secure Funding for Rural Schools (Timber Receipts) and might yet be faced with the elimination of federal Payment in Lieu of Taxes funding (PILT); and

**WHEREAS**, In February of 2015, the President of AML created an ad hoc committee to address this issue from the perspective of local government; and

**WHEREAS**, this committee is cognizant that municipalities must have a sustainable commitment from the Legislature in order for municipalities to remain viable; and

**WHEREAS**, despite a fiscal challenge, municipalities must continue to provide basic and essential services; and

**WHEREAS**, with these facts in mind, and taking into consideration what happened last session, the Sustainability Committee has revisited their Sustainability Plan from the perspective of Alaska’s local governments; and

**WHEREAS**, AML believes that the leaders of our state should immediately adopt changes to the manner with which the State of Alaska raises revenues, while continuing to watch for situations of obvious government waste or redundancy; and

**WHEREAS**, AML believes that the lack of new state revenues, as part of a balanced fiscal plan, will force additional state budget cuts to programs such as the municipal school debt reimbursement program, PERS/TRS state on-behalf payments for municipalities, state funding for the BSA education formula, as well as other current state functions that will “roll downhill,” becoming the responsibility of municipal governments to fund; and

**WHEREAS**, at the same time, Alaska’s local governments realize that the state and federal government will no longer be able to fund local government as in the past; and

**WHEREAS**, as more responsibilities are passed down to the “subdivisions” of the state during this fiscal challenge, local governments must be given the “tools” in order to provide those services required under law.

**NOW, THEREFORE BE IT RESOLVED** that the Alaska Municipal League urges the Alaska Legislature to adopt a sustainable budget plan for FY18 and beyond; to carefully concentrate on increased revenues rather than just cuts; and to give serious consideration to the Sustainability Plan submitted by the Alaska Municipal League. AML also calls upon every member municipality to actively engage with the Legislature and the Administration during the Legislative process throughout the entire session of the 30<sup>th</sup> Alaska State Legislature.

**PASSED AND APPROVED** by the Alaska Municipal League on this 18<sup>th</sup> day of November, 2016.

Signed:   
\_\_\_\_\_  
Mayor Clay Walker, President, Alaska Municipal League

  
Attest: \_\_\_\_\_  
Kathie Wasserman, Executive Director, Alaska Municipal League



## ALASKA MUNICIPAL LEAGUE

### SUSTAINABILITY PLAN

The Alaska Municipal League appointed a committee of interested local elected and appointed officials tasked with the goal of helping to identify available options through a municipal perspective that will allow our State to remain financially healthy. As local elected officials, we are adamant that local governments are in great need of stability and predictability, a luxury that we do not have at the present time.

We first want to thank those State elected officials who stepped up to the plate and proposed changes that would lead to a more sustainable future. We know the task is not simple, but local elected officials feel very strongly that Alaska cannot cut its way to financial health.

We believe that the leaders of our State, as they find ways to lower the cost of government, must also identify ways in which our State can raise revenues. Cuts can only accomplish a portion of the answer to our problems and cuts without restraint will have a serious impact on the credit rating of our state and will cause massive economic dislocation issues. The choices made by the Legislature and the Administration will have a huge impact on the viability of municipalities.

Local governments have only three ways in which to raise revenue:

- Taxation (sales/property)
- Fees
- Revenue passed down from the federal or state government

As the revenues from the federal or state government decrease, the gap must be filled through taxation and/or an increase in fees.

While we agree with the Governor that our fiscal situation is an “opportunity” to rethink how we spend money, local governments must still provide basic and essential services to their citizens.

We have discussed our findings at great length. While many of the revenue options are painful, we believe it is time to make the decisions that will bring us back to the path that will allow Alaska to remain a viable, inviting, safe and healthy state in which to live. Alaska’s municipalities are ready and willing to step up and be part of the solution rather than part of the problem. While we believe decisions to address this situation must be made immediately, we believe the actions themselves can be spread over a number of years in order to soften the effects to some degree.



## ALASKA MUNICIPAL LEAGUE

### FY 2017 SUSTAINABILITY COMMITTEE RECOMMENDATIONS

#### Endowment/Permanent Fund

- Imperative to protect corpus of Permanent Fund;
- Support and move to Permanent Fund Board's position on Endowment Fund or similar approach that sustainability utilizes earnings;
- Continue to ensure growth of the permanent fund, continue to inflation proof, and set a minimum floor on the Permanent Fund Dividend;
- Continue to pay permanent fund dividends without a cap while enabling an adjustable Percent of Market Value (POMV) or other sustainable system that allows a portion of permanent fund dividend earnings to support state government, benefitting all Alaskans.
- Using part of the permanent fund dividend payout, as one piece of a larger balanced and sustainable state fiscal plan, is now a necessary consideration;
- Action on a comprehensive state fiscal plan needs to continue.

#### Income Tax

- Income tax captures out-of-state employees
- Income leaving state is 20% of total Alaska income
- Income tax is deductible from Federal Income Tax
- Income Tax gives Alaska residents skin-in-the-game

#### Sales Tax

- This would be last choice of Alaska's municipalities
- Would erode tax base and simply shift revenue from one entity to another
- We believe it should remain a local government power
- Municipalities will, however, not take it off the table and agree to work on solutions revolving around Sales Tax

#### Other Revenues

- School Tax
- Collatorization of Assets is too risky
- Consider adjusting oil tax credits

#### Other Actions

- Cuts have been addressed; now is the time to address revenues
- Cost shifting (PERS, state responsibilities) is not a solution
- School bond debt reimbursement must be restored

A successful solution to our financial challenges involves shared sacrifices from Alaskans, resources industries and in finding government efficiencies.



## ALASKA MUNICIPAL LEAGUE

### RESOLUTION #2017-03

#### A RESOLUTION OF THE ALASKA MUNICIPAL LEAGUE SUPPORTING PUBLIC EMPLOYEES RETIREMENT SYSTEM REFORM

**WHEREAS**, most of Alaska's municipalities contribute to the Public Employee Retirement System (PERS); and

**WHEREAS**, included in SB 125 in 2008, was language requiring municipalities to pay for a termination study and ensuring costs upon the termination of a "department, group or classification" of employees; and

**WHEREAS**, also included in SB 125, was language requiring municipalities to pay a penalty when and if their salary base went below the 2008 salary base; and

**WHEREAS**, termination study costs must be paid to the state actuarial company plus the past service cost for those positions for the next 30 years; and

**WHEREAS**, if the municipal total base salary falls below what it was in 2008, charges will be assessed on that drop; and

**WHEREAS**, in light of the financial situation, municipalities will most likely have to lay off more people than usual; resulting in higher costs; and

**WHEREAS**, the State of Alaska will also be facing more layoffs than usual and the state has exempted themselves from these costs; and

**WHEREAS**, these rules severely limit the ability of municipalities from being agile with regards to their workforce and tends to prohibit wise financial choices; and

**WHEREAS**, these rules also severely limit municipalities from creating new needed departments, groups, or classifications for fear of future termination study costs; and

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

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

**NOW, THEREFORE BE IT RESOLVED** that the Alaska Municipal League supports reform in the Public Employees Retirement System (PERS). These reforms might include eliminating termination studies or requiring the State to also pay termination study costs for reducing or eliminating departments, groups or classifications of employees.

**PASSED AND APPROVED** by the Alaska Municipal League on this 18<sup>th</sup> day of November, 2016.

Signed:   
Mayor Clay Walker, President, Alaska Municipal League

Attest:   
Kathie Wasserman, Executive Director, Alaska Municipal



## ALASKA MUNICIPAL LEAGUE

### RESOLUTION #2017-04

#### A RESOLUTION SUPPORTING LEGISLATION ADOPTING REAL PROPERTY SALES DISCLOSURE IN ALASKA

**WHEREAS**, the Alaska Association of Assessing Officers' (AAAO) overall goal is to promote the fair and equitable distribution of the property tax burden which funds local governments; and

**WHEREAS**, the goals of AAAO include education of government officials and the public on the assessment process and the importance of achieving fair and equitable values of real property within all taxing jurisdictions in the State of Alaska; and

**WHEREAS**, an assessor is required, per AS 29.45.110, to assess all property at full and true value, as of January 1 of the assessment year. The full and true value is the estimated price that the property would bring in an open market and under the then prevailing market conditions in a sale between a willing seller and a willing buyer both conversant with the property and with prevailing general price levels; and

**WHEREAS**, while the legal mandate for assessment at full and true value exists, the sales data that is necessary to determine full and true value is not readily available due to the lack of sales disclosure in the State of Alaska; and

**WHEREAS**, the Legislative Research Services Division reported in 2014, that Alaska is one of six states for which sales disclosure for property exchanges are not disclosed; and

**WHEREAS**, sales disclosure would assist in the fair distribution of the tax burden to all taxpayers and would enhance the accuracy and the timeliness of assessments; and

**WHEREAS**, sales disclosure would enhance the ability of assessment professionals to meet the full and true value mandate and would also aid the public in obtaining information in order to interact within local real estate markets; and

**WHEREAS**, the lack of sales data in some jurisdictions limits the ability to fairly distribute the tax burden and also to fund local services; and

**WHEREAS**, sales disclosure would enable property owners to gather data to provide support for legally entitled property tax appeals under AS 29.45.190.

**NOW, THEREFORE BE IT RESOLVED** that the Alaska Municipal League urges the Alaska State Legislature to enact legislation requiring disclosures of all real property sales in the State of Alaska.

**PASSED AND APPROVED** by the Alaska Municipal League on this 18<sup>th</sup> day of November, 2016.

Signed:   
Mayor Clay Walker, President, Alaska Municipal League

Attest:   
Kathie Wasserman, Executive Director, Alaska Municipal League



## ALASKA MUNICIPAL LEAGUE

### RESOLUTION #2017-06

#### **A RESOLUTION OF THE ALASKA MUNICIPAL LEAGUE OPPOSING ANY LEGISLATION WHICH WOULD INCREASE THE BURDEN ON PERS/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 caused the shifting of employees from cities to boroughs as it formed mandatory boroughs in 1963/64; and

**WHEREAS**, the state has managed the investment income since 1969 and has credited investment income to employee accounts solely from the current employer's active account, versus directly; 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 controlled the timing of employee "appointment" to retirement and the subsequent employee account transfers to the RRA; 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 employer's assets; and

**WHEREAS**, the state, prior to 2006, set the employer's 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 acquiesced in 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 on 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 18<sup>th</sup> day of November, 2016.

Signed:   
Mayor Clay Walker, President, Alaska Municipal League

Attest:   
Kathie Wasserman, Executive Director, Alaska Municipal League



## ALASKA MUNICIPAL LEAGUE

### RESOLUTION #2017-08

#### **A RESOLUTION SUPPORTING PROVISIONS FOR ENHANCED LOCAL CONTROL IN THE ISSUANCE OF ALCOHOL BEVERAGE LICENSES AND PERMITS WITHIN ALL MUNICIPALITIES**

**WHEREAS**, the Alaska Municipal League position statement on Local Control is that, “.....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;” and

**WHEREAS**, Article X of the Alaska State Constitution references the intent of “maximum local self-government;” and

**WHEREAS**, the issuance of alcohol beverage licenses and permits within organized municipalities in the state is regulated by Title 4 of the Alaska State Statutes; and

**WHEREAS**, under Alaska Statutes, Title 4, local municipalities are provided the opportunity to object to the issuance or renewal of alcoholic beverage licenses and permits within their jurisdiction, but otherwise have no authority in the issuance, number, or type of licenses or permits; and

**WHEREAS**, the recently implemented marijuana regulations provide for “maximum local self-government” by giving local municipalities the authority to determine whether to allow marijuana establishments within its border, and if allowed, the number and types of establishments to be permitted; and

**WHEREAS**, the same level of local control is not afforded to municipalities when it comes to regulating alcoholic beverage licenses and permits under Alaska Statutes, Title 4; and

**WHEREAS**, local control is the preferred method of regulating, controlling and managing socially affected economic issues; and

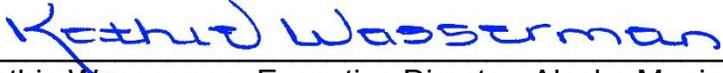
**WHEREAS**, municipalities with effective law enforcement powers, land use controls, and health facilities, are well-suited to determine the number and types of alcoholic beverage industries within their borders, and the effects and impacts thereof; and

**WHEREAS**, providing a mechanism for municipalities to participate in determining the appropriate number and types of alcoholic beverage licenses and permits within their community, will provide for more effective regulation of licenses and permits across our vast and diverse state.

**NOW, THEREFORE BE IT RESOLVED** that the Alaska Municipal League supports amendments to Title 4 of the Alaska State Statutes which would provide for maximum local self-government to include establishing a mechanism for municipalities to participate in determining the appropriate number and types of alcoholic beverage licenses and permits in their communities, especially in those municipalities with local law enforcement powers, land use controls and sufficient health and human services resources.

**PASSED AND APPROVED** by the Alaska Municipal League on this 18<sup>th</sup> day of November, 2016.

Signed:   
Mayor Clay Walker, President, Alaska Municipal League

Attest:   
Kathie Wasserman, Executive Director, Alaska Municipal League



## ALASKA MUNICIPAL LEAGUE

### RESOLUTION #2017-09

#### A RESOLUTION OF THE ALASKA MUNICIPAL LEAGUE SUPPORTING AN AMENDMENT TO ALASKA STATUTE TO CHANGE THE FIRE SPRINKLER EXEMPTION FROM A MANDATORY EXEMPTION TO AN OPTIONAL EXEMPTION

**WHEREAS**, AS 29.45.030(l) requires municipalities to provide a property tax exemption of 2% of the assessed value of a structure that has a fire protection system installed, such as sprinklers; and

**WHEREAS**, the value of this property tax exemption in 2015 was \$815,637; and

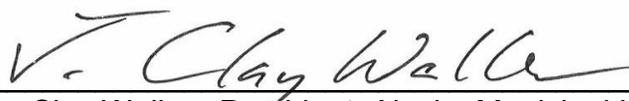
**WHEREAS**, building codes in many of the larger municipalities require fire sprinkler systems in many buildings; and

**WHEREAS**, relocating the fire sprinkler exemption from AS 29.45.030 – Required Exemptions – to AS 29.45.050 – Optional Exemptions and Exclusions – allows other municipalities without fire sprinkler requirements in code to offer the exemption as an incentive for safe building practices; and

**WHEREAS**, elimination of the mandatory fire sprinkler tax exemption was suggested by the Municipality of Anchorage Budget Advisory Commission.

**NOW, THEREFORE BE IT RESOLVED** that the Alaska Municipal League supports changing the fire sprinkler statute from a mandatory exemption to an optional exemption.

**PASSED AND APPROVED** by the Alaska Municipal League on this 18<sup>th</sup> day of November, 2016.

Signed:   
Mayor Clay Walker, President, Alaska Municipal League

Attest:   
Kathie Wasserman, Executive Director, Alaska Municipal League





## ALASKA MUNICIPAL LEAGUE

### RESOLUTION #2017-11

#### A RESOLUTION IN SUPPORT OF FULL FUNDING FOR THE STATE OF ALASKA MUNICIPAL HARBOR FACILITY GRANT PROGRAM IN THE FY2018 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 1060s and the 1970s; and

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

**WHEREAS**, these harbor facilities are ports of refuge and areas for protection for ocean-going vessels and fishermen throughout the State of Alaska, 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 at or near the end of their service life at the time of transfer, to local municipalities; 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 harbormasters 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 Legislature passed legislation in 2006, supported by the Alaska Association of Harbormasters and Port Administrators, to create the Municipal Harbor Facility Grant program, AS 29.60.800; and

**WHEREAS**, AML 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 costs; and

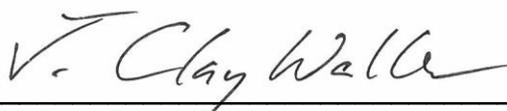
**WHEREAS**, the municipalities of the City of Kake, the City of Ketchikan, the City and Borough of Sitka, the Municipality of Skagway, the City of Valdez and the City and Borough of Wrangell have offered to contribution \$18,160,055 in local match funding for FY18 towards seven harbor projects of significant 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 FY18 State Capital Budget, in order to ensure enhanced safety and economic prosperity among Alaskan coastal communities.

**PASSED AND APPROVED** by the Alaska Municipal League on this 18<sup>th</sup> day of November, 2016.

Signed:   
\_\_\_\_\_  
Mayor Clay Walker, President, Alaska Municipal League

Attest:   
\_\_\_\_\_  
Kathie Wasserman, Executive Director, Alaska Municipal League



## ALASKA MUNICIPAL LEAGUE

### RESOLUTION #2017-13

#### A RESOLUTION OF THE ALASKA MUNICIPAL LEAGUE IN SUPPORT OF PROPOSED CHANGES TO ALASKA STATUTES 30.30 AND 05.25, IMPROVING THE MANAGEMENT AND PREVENTION OF 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 year 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 sank off Juneau; and

**WHEREAS**, the Alaska Municipal League recognizes the widespread costs and the 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 or vessel insurance requirements; and

**WHEREAS**, in 2013, the Alaska Clean Harbors program convened an ad-hoc derelict vessel task force at the urging of the Alaska Association of Harbormasters and Port Administrators which includes representatives from state and federal agencies, as well as the Alaska Association of Harbormasters and Port Administrators, 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**, these changes will protect municipal harbor infrastructure, keep valuable moorage space in harbors available, and will 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 costs associated with managing derelict vessels.

**NOW, THEREFORE BE IT RESOLVED** that the Alaska Municipal League fully supports the passage by the State Legislature, of all proposed revisions in Alaska Statutes 30.30 and 05.25.

**PASSED AND APPROVED** by the Alaska Municipal League on this 18<sup>th</sup> day of November, 2016.

Signed:   
Mayor Clay Walker, President, Alaska Municipal League

Attest:   
Kathie Wasserman, Executive Director, Alaska Municipal League



## ALASKA MUNICIPAL LEAGUE

### RESOLUTION #2017-15

#### **A RESOLUTION IN SUPPORT OF FULL FUNDING FROM THE STATE OF ALASKA FOR SCHOOL BOND DEBT REIMBURSEMENT AND STATE AID FOR CONSTRUCTION IN REGIONAL EDUCATIONAL ATTENDANCE AREAS**

**WHEREAS**, the State of Alaska has a constitutional responsibility to “maintain a system of public schools” under Article 7, Section 1 of the Alaska Constitution; and

**WHEREAS**, since 1970, the State of Alaska has encouraged municipalities to bond for school major maintenance projects by reimbursing municipalities with bonding authority for a fixed portion of principal and interest payments; and

**WHEREAS**, the Alaska Legislature has, for decades, provided major maintenance for rural Regional Educational Attendance Area schools through appropriations in the annual capital budget; and

**WHEREAS**, between 2006 and 2015, the Legislature determined that school projects which passed the Department of Education and Early Development’s criteria and were approved by local voters, would receive 70% debt reimbursement, and those that did not meet the department’s criteria would receive 60% reimbursement; and

**WHEREAS**, since 2010, the Legislature provided consistent funding parity for rural schools’ major maintenance needs by automatically funding major maintenance projects in areas without the ability to bond, with a percentage of the school bond debt reimbursement funding; and

**WHEREAS**, relying on these programs and the State of Alaska’s commitment to fund its moral and constitutional obligations, Alaskan municipalities and Regional Educational Attendance Areas have maintained schools for the education of our state’s most precious resource, our children; and

**WHEREAS**, Alaskan municipalities issued bonds relying in good faith on the State of Alaska to live up to its financial and constitutional commitments to education; and

**WHEREAS**, in 2015, the Legislature responded to a difficult fiscal situation by placing a five-year moratorium on any new projects being eligible for school bond debt reimbursement, thus giving municipalities and voters across the state, notice that bonds sold within the five-year period would be the sole responsibility of local taxpayers; and

**WHEREAS**, some municipalities, in an effort to mitigate deterioration of school facilities during the capital funding moratorium, began allocating local tax revenues to provide funding for major deferred maintenance school projects; and

**WHEREAS**, in 2016, the Legislature recognized the State responsibility to honor past project funding and appropriated funds to the municipalities for school debt reimbursement, as well as major maintenance funding for schools in Regional Educational Attendance Areas; and

**WHEREAS**, in 2016, Governor Bill Walker, in trying to address the budget deficit, cut 25% of the funding for both municipal and rural schools from appropriation bills, using his line-item reduction power; and

**WHEREAS**, this unexpected fiscal shift required municipalities to use large portions of their fiscal reserve accounts; and

**WHEREAS**, Alaska’s municipalities do not have the fiscal resources to close the state’s revenue gap; and

**WHEREAS**, the State of Alaska should not reach a long-term solution to its revenue problems by ignoring its constitutional obligation to public education.

**NOW, THEREFORE BE IT RESOLVED** that the Alaska Municipal League:

1. Calls on Governor Bill Walker to fully fund the FY18 and future State of Alaska’s moral and constitutional obligation to public schools through both school bond debt reimbursement and state aid for construction in Regional Educational Attendance Areas in his submittal to the Alaska State Legislature.
2. Calls on the Alaska Legislature to continue its practice of fully funding these moral and constitutional obligations to public schools as it has in the past.
3. Calls on Governor Bill Walker and the Alaska Legislature to adopt an FY17 budget supplemental that reinstates full funding for this year’s school debt reimbursement payments and state aid for school major maintenance in Regional Educational Attendance Areas.

**PASSED AND APPROVED** by the Alaska Municipal League on this 18<sup>th</sup> day of November, 2016.

Signed:   
Mayor Clay Walker, President, Alaska Municipal League

Attest:   
Kathie Wasserman, Executive Director, Alaska Municipal League



## ALASKA MUNICIPAL LEAGUE

### RESOLUTION #2017-16

**A RESOLUTION REQUESTING THE ALASKA LEGISLATURE AND GOVERNOR WALKER TO NOT IMPOSE ANY MORE CUTS TO THE ADF&G BUDGET AND PARTICULARLY TO THE DIVISION OF COMMERCIAL FISHERIES BUDGET AND THAT ANY TAX REVENUE GENERATED FROM NEW OR INCREASED STATE TAXES ON THE COMMERCIAL SEAFOOD INDUSTRY BE USED TO FILL THE FUNDING GAP FOR ADF&G AND PAY FOR CONTINUING EFFECTIVE MANAGEMENT OF ALASKA'S COMMERCIAL FISHERIES**

**WHEREAS**, subsistence, sport and commercial harvests of Alaska's fish and game resources are vital to the social, cultural and economic health of the State of Alaska; and

**WHEREAS**, the Alaska seafood industry is the second largest contributor to Alaska's economy; and

**WHEREAS**, the Alaska seafood industry directly provides over 60,000 direct jobs and thousands more indirectly, making it the largest private-sector employer in the state; and

**WHEREAS**, Alaska's commercial seafood industry directly pays over \$250 million annually in taxes and fees which exceeds current State commercial fisheries management spending; and

**WHEREAS**, Alaska's seafood industry pays business and landing taxes that directly benefit over 65 communities and boroughs in Alaska and reduces community dependence on State funds; and

**WHEREAS**, the seafood industry relies on strong State commercial fishery research and management programs in order to provide that economic benefit; and

**WHEREAS**, the Commercial Fisheries Division budget has been reduced by more than 20% in the past 2 years, from \$50 million to \$40 million, which includes offsets from CFEC funding and the unrestricted general fund has been reduced by 30%; and

**WHEREAS**, the Alaska Department of Fish and Game (ADF&G) is preparing for additional budget cuts of 10-14% in FY18 which could result in another \$5.7 million reduction to the Division of Commercial Fisheries; and

**WHEREAS**, when the Division of Commercial Fisheries budget is reduced, the seafood industry loses research and resource management programs that are necessary to allow for harvest opportunity; and

**WHEREAS**, impacts of these budget cuts are already apparent in the recently released Togiak herring fishery 2017 harvest forecast and harvest limits where inadequate funding precluded sampling necessary for scientific modeling used to set harvest limits, resulting in reliance on historical average catch and a 20% harvest reduction for an uncertainty buffer; and

**WHEREAS**, reduced harvest opportunities in any fishery result in fewer jobs, less income and decreased tax revenue for the State of Alaska and coastal communities; and

**WHEREAS**, Governor Walker's previous fiscal plan included raising taxes on the fishing industry, up to 33% in some areas, and the future fiscal plan is as yet, unknown.

**NOW, THEREFORE BE IT RESOLVED** that the Alaska Municipal League strongly requests the Alaska Legislature and Governor Walker to not impose any more cuts to the ADF&G budget and particularly to the Division of Commercial Fisheries budget.

**PASSED AND APPROVED** by the Alaska Municipal League on this 18<sup>th</sup> day of November, 2016.

Signed:   
Mayor Clay Walker, President, Alaska Municipal League

Attest:   
Kathie Wasserman, Executive Director, Alaska Municipal League



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## 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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## Revenue Sharing

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 Revenue Sharing 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 Municipal Revenue Sharing 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 Alaskan'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, although expensive, abound for the use of alternative energy from the sun, water, wind, and tidal surges. 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 be started immediately 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.



## 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.



## 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.



## 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.