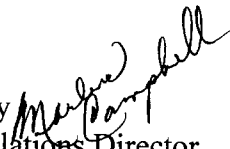


December 6, 2010

MEMO TO: Municipal Administrator Jim Dinley 
FROM: Marlene Campbell, Government Relations Director
SUBJECT: Lobbyist Services for Remainder of FY'2011

Per our discussion, this is a request to renew lobbyist Larry Markley's contract for lobbyist services for the remainder of FY'11. Due to the budget shortfall in the FY'11 General Fund budget, the lobbyist contract was only renewed for the Electric Department's projects. Since July 1, 2010, no GF funding has been available to cover non-electric municipal state and federal advocacy.

Not having a lobbyist to "sit in" during the spring Legislative Session as well as coordinate with staff and monitor the Congressional sessions has become increasingly problematic. I have a good working relationship with the State Legislative staff and Legislators Senator Stedman and Representative Wilson, but I can't be present at the Session to keep daily track of the bills, budget development, and initiatives of importance to CBS. The Federal staff and Congressional Delegation are even more removed and very difficult to reach due to their high workload and distance. Neither can provide regular updates, research, etc. to CBS.

For more than a decade Mr. Markley has kept in regular, often daily contact with me to keep me up to date on all the State and Federal actions that may impact CBS, as well as advocating for CBS requests. He has been under annual contract to do this year-round, meet in person with Legislative and Congressional staff, "run the trapline" for requests and monitor and research issues, charging an annual fee of \$65,000 for both State and Federal lobbying. Very few lobbyists have the capacity to be present through the State Session and also when needed in Washington D.C. as well.

Mr. Markley is willing to renew his contract to provide both Legislative and Congressional services beyond his Electric Department contract through June 30 for \$15,000. I would greatly appreciate your and the Assembly's consideration of this request to permit Mr. Markley to go back to work for all CBS issues and project requests, both Federal and State. He has been especially needed to track Congressional appropriations and authorizations requests. The Legislature now moves so fast with the 90-day sessions that it is crucial to have a seasoned lobbyist on-site to advocate or problem solve. Mr. Markley hasn't been as visible in Juneau as in D.C., but he is willing to be more aggressive in his efforts this year, starting with a formal meeting in person with the Sitka Mayor, Assembly, Administrator and department heads to discuss the State and Federal status and processes.

There has been some confusion over the respective roles of a paid lobbyist and elected officials. The role of the Mayor and Administrator in meeting with key Legislators and the Alaska Congressional Delegation is extremely important to present and justify the City's requests, as well as showing gratitude for their assistance. This is a completely different role from the lobbyist, who is CBS "behind the scenes" contact, present for the entire Legislative Session and at key periods when Congress is in session. He is Sitka's eyes and ears, keeping us informed on status of bills, budgets, language, issues, and actions which often happen without warning and require swift response (such as Assembly resolutions, testimony at hearings, documentation for requests, etc.). Without the support of CBS's long-standing lobbyist, CBS may be at a significant disadvantage during fast-moving sessions. Your consideration of this request is much appreciated.