

## **POSSIBLE MOTION**

**I MOVE TO** authorize Mayor Paxton to sign a joint letter in response to Governor Dunleavy's proposed budget.

**Sara Peterson**

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**Subject:**

FW: Final advocacy

On Apr 26, 2019, at 9:32 AM, Nils Andreassen <[nils@akml.org](mailto:nils@akml.org)> wrote:

Dear Alaska Mayors,

As AML prepares for the final days of session, and post-session, we want to produce the attached as part of our public advocacy. The goal is to encourage the Governor to protect what's in the budget that's important to local governments. Just say no to veto, basically. It's a good way to get our message out there, and we plan on running it in print and online, as much as possible.

To be most impactful, we would ask you to sign onto this as a joint letter by Alaska's mayors. The more the better, generally. All we need is your signature that we can add.

The final product will be designed differently than this, and we might see some edits, but these won't change the substance or intent, and we'll share with you before we publish.

Can you email me or Betty your approval and signature? sign your name on a white piece of paper, scan and send; or send a jpeg if you already have it. If it's already on a document or PDF, we can probably use that.

If you have edits or questions for the content, please do contact me, too. We've tried to keep this positive, fair and balanced.

Best,  
Nils

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"Strengthening Alaska Municipalities"

<Strengthen Alaska, Together.docx>

## **Local Governments Encourage Governor to Work Toward Solutions, Together**

### **A Stronger Alaska Depends on Strengthening Local Governments**

#### **165 cities and boroughs in Alaska – local decision-making to address local issues**

- Subdivisions of the State – taxing authority coupled with shared responsibilities
- Decision Making – locally elected officials – mayors, councils and assembly who regularly meet and hear from residents
- Local issues – wide-ranging, but including local law enforcement, utilities and local infrastructure, libraries, parks and rec, education

#### **In response to the Governor's proposed budget, AML expressed concern that it:**

- Took local taxing authority away, and suggested that petroleum property tax and fisheries taxes no longer be available to local governments, affecting some at 25% of their budget, and others at more than 80%, for a total of nearly \$450 million
- Shifted costs to local governments – shifting \$900 million in school construction costs to taxpayers in 21 communities; increased expectations of local contributions to transit, broadband and education
- Made drastic cuts – cuts to the ferry, education, health and the university all affect the sustainability of communities, and the well-being of residents and the economy – none of these reduce the size of State government, but directly impact Alaskans.

#### **Governor, as you reflect on the Legislature's budget revisions, Alaska's mayors call on you to:**

- Follow current laws – legislators have recognized the importance to communities of taxes on local economic activity – Petroleum Property Tax and Shared Fisheries Taxes – as well as the formulas in statute for Power Cost Equalization and Community Assistance
- Keep the State's promises – shifting School Bond Debt back to municipalities will be met by an increase in local residential and commercial taxes, and for some without that tax base, will be extremely difficult to make up
- Work with the Legislature to update the formula for dividend payments, based on a sustainable allocation from the draw on the Earnings Reserve
- Continue to reduce State spending over time, so that communities, business and residents can accommodate the pace of change relative to the scale

#### **We welcome this approach, which in many ways is like a Community Dividend:**

AML is encouraged by the Legislature's approach to protecting the impact to local governments, which recognizes the important role that cities and boroughs play in responding to Alaskans. In many ways, this approach is consistent with a community dividend, which sets aside a portion of State revenue so that local governments can avoid raising local taxes and continue providing essential services to residents. This reallocation puts decision-making back at the local level, which in many ways meets the Administration's goals to let the people decide. Instead of direct statewide votes, Alaskans can engage at the local level to determine how those State resources are allocated within the community.

The governing boards of both the Alaska Municipal League and the Alaska Conference of Mayors, joined by many other mayors from across the State, ask that you respect the hard work that has been taken up this year. Vetoes won't strengthen Alaska. But keeping Alaska's local governments healthy will. Let's work toward solutions, together.

Signatures – AML Board of Directors

Signatures – AcoM Board of Directors

Signatures - Additional Mayors

Produced by the Alaska Municipal League: A member-driven organization comprised of locally elected officials and municipal employees who are directly responsible for ensuring community development, providing services that include public safety, public works and quality of life programs, contributing to education and school districts, and keeping local taxes stable.