



City of Valdez, Alaska 2018 State Legislative Priorities

KEY:

- ❖ = AML Adopted Resolutions
- ✓ = City of Valdez Priorities

State Legislation/Regulation/Programmatic Priorities:

- ❖ Legislative Adoption of Sustainable Budget Plan: The Alaska Municipal League and the Alaska Conference of Mayors support a Legislative adoption of a sustainable budget plan that does not rely primarily on cuts, but on new sources of revenues. Mayors from around Alaska united to encourage the Legislature to achieve a sustainable and balanced budget during the fourth special session. Once again, the Legislature could not agree on a sustainable path forward. The inability to agree on a comprehensive statewide solution has put our local economies and, therefore, the State's economy at risk. Deep cuts that adversely impact public safety, transportation, education and other key services have begun to erode the reasons that so many Alaskans live in this great state, and may also limit the private sector's ability to recruit and retain the workers that have made our economy strong. Many smaller Alaskan communities, already in financial distress, are feeling the budget cuts very acutely. We urge you to take this opportunity to solve the deficit that is crippling our economy by drawing from the Permanent Fund earnings and generating revenue with some combination of one or more broad-based taxes that balance the diverse economic conditions throughout our vast state. This is a unique time in Alaska's history and passing a sustainable and balanced budget is critically important for the continued growth and prosperity of Alaska.
- ❖ Revenue Sharing (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 appreciative of the \$30 million, we encourage the State to increase this amount as many State services have been transferred to local municipalities. 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 costs to local taxpayers.
- ❖ PERS/TRS/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/TERS systems. Municipalities 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. We encourage the legislature to work toward a solution to the termination study costs which leave municipalities unable to manage their workforce, especially in this time of severe cuts to municipalities.

- ✓ Statewide Energy Policy: As progress continues on a large diameter LNG pipeline, the State must also concurrently develop a comprehensive strategy to maximize the distribution of that energy outside the pipeline corridor, and to dedicate appropriate revenues from the sale of that gas to support other energy projects serving all areas of Alaska.
- ✓ Alaska Marine Highway System: The City of Valdez supports the findings of the AMHS Governance Study overseen by Southeast Conference. The recommended governance model includes 1) creation of a public corporation to manage AMHS; 2) maintain State ownership of AMHS assets; and 3) interim enhancement as Line Agency of State Government. The City of Valdez is committed to finding a statewide solution for AMHS and has contributed \$10,000 to this effort.

The City of Valdez supports Governor Walker's supplemental funding request embodied in House Bill 286, which provides the necessary funding to ensure AMHS operations for the balance of SFY2018. We urge the House Finance Committee to ensure that the Alaska Marine Highway System has the necessary resources to fully operate throughout the current fiscal year and into the future.

- ✓ Alaska Tourism Marketing: The City of Valdez encourages a strong investment by the State of Alaska in a Statewide Tourism Marketing Program. Valdez supports the efforts that the Alaska Travel Industry and the Alaska Tourism Marketing Board are taking to create a new sustainable marketing funding formula in the form of a Tourism Investment District.
- ❖ State Harbor Grants: The state has established a Harbor Facility Grant program (AS 29.60.800) to provide 50% of construction costs for local harbor maintenance and upgrade projects. Local governments must fund all design costs and half the construction cost. In an environment of shrinking capital dollars, this program should be fully funded by the state as it evaluates projects against standard criteria for prioritization and significantly leverages available state funding. If funding the grant program is not possible, the City encourages the State to bond for port and harbor projects as a means to further strengthen these economic engines around Alaska.
- ✓ Community Jails: Maintain funding at the 2018 level. Continue working with the Department of Corrections to conduct electronic monitoring for both post-conviction and pre-trial releases. Strive towards a local model of supervision and identify additional areas in which the community jail can better be utilized

to maximize efficiency, diversify services provided, and partner with the State of Alaska to produce the most cost effective solution.

- ❖ Real Property Sales Disclosure: 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.
- ❖ Provisions for Enhanced Local Control in the Issuance of Alcohol Beverage Licenses and Permits within First Class and Home Rule Municipalities: Amendments to Title 4 of the Alaska State Statutes which would provide for maximum local self-government to include establishing a mechanism for first class and home rule municipalities to participate in determining the appropriate number and types of alcoholic beverage licenses and permits in their communities.
- ❖ Support of Proposed Changes to Alaska Statutes Chapter 30.30 and 05.25 Improving the Management and Prevention of Derelict Vessels: 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.
 - ✓ Maintaining Local Alaska Wildlife Trooper Position: Maintaining the Valdez post for an Alaska Wildlife Trooper (AWT) is vitally important to the regional fishing community of Valdez and Prince William Sound. Valdez is home to 41 permit holders and homeport to 91 vessels participating in various commercial fisheries. The local AWT provides:
 - Regulation enforcement and protection of wild and hatchery fishery resources in Valdez and Prince William Sound. Port Valdez and Valdez Arm are home to one of the largest purse seine salmon fisheries in Alaska. Up to 200 commercial vessels fish each summer in close proximity to the Solomon Gulch Hatchery, the Alyeska Marine Terminal and regulatory closed waters. The on-water presence of the Valdez AWT is essential to ensure an orderly fishery and maintain established boundaries for resource protection and marine traffic.
 - Regional enforcement of hunting regulations in Prince William Sound and the Copper Basin
 - Local Valdez fishery registration, administrative and education needs.

As it the position relates to interagency work with the Valdez Police Department (VPD) having the AWT stationed in Valdez is not a luxury – it is a necessity. The local AWT is responsible for enforcement of area fishing and hunting regulations. Without this on-water presence there would be no enforcement as the VPD lacks both the vessel and personnel to staff it.

The local AWT acts as a liaison and resource for the VPD to contact larger State resources when necessary. Without this position the closest law enforcement officer, other than VPD, is a State Trooper (AST) stationed in Glennallen – 120

miles away. Often this distance is further as AST jurisdiction out of Glennallen reaches as far away as Paxson, Palmer and Tok.

VPD Dispatch is contracted to dispatch calls to the local AWT. This means he is able to hear radio traffic and activity of the VPD. Correspondingly, VPD is tied into the AWT radio traffic as well. This provides a measure of local knowledge and security when he must individually contact people. The AWT is also routinely used as a force multiplier during more significant events. He is locally trained to help respond to Active Shooter and Domestic Violence situations.

- ✓ Alaska Department of Fish & Game Budget: The Legislature must recognize the need for a balanced approach to budget reductions that create minimal impacts on the core functions of fisheries resource management. Valdez and Prince William Sound fishermen rely on these functions to provide for maximum fishing opportunity and sustainable resource management. Key elements include:
 - Maintaining adequate staffing levels in Prince William Sound to provide for effective and dedicated fisheries management;
 - Full funding for in-season data collection through aerial surveys, stream assessments and other methods. This establishes accurate in-season reporting to provide the tools necessary to maximize fishing time and area for Valdez and PWS fishermen;
 - Ensure budget reductions do not reduce or eliminate economic opportunity for industry and resource users; and
 - Continued support for ongoing research projects.

- ✓ Alaska Seafood Marketing Institute: The functions and programs of the Alaska Seafood Marketing Institute (ASMI) are vital to the promotion of Alaska's seafood resources and the development of new markets for local seafood producers. Any future budget reductions must fully consider the impacts to ASMI's ability to effectively promote the benefits and sustainability of Alaska's seafood products.

- ✓ Expand Incentives for Community Development: State laws regarding taxation need to be revised to allow local jurisdictions the ability to develop their own tax-based incentive tools for community development and redevelopment. Across the country, states and local jurisdictions utilize tax-based incentives to achieve the goals of community and neighborhood plans. One example is the Multi-Unit Housing Tax Incentive laws in Washington state that give local jurisdictions the ability to encourage multiple-unit housing development and redevelopment in targeted areas, and at no cost to state government. As implemented in Tacoma, WA, this incentive program stimulates housing development in their downtown and other targeted neighborhoods by providing property tax exemptions on qualifying multi-family housing construction, conversion, or rehabilitation improvements. The City of Valdez joins with the Municipality of Anchorage respectfully requesting state

legislation that authorizes tax-based incentives for local jurisdictions similar to the example set in Washington and that of HB 374, which received a broad coalition of support from both public and private stakeholders and was introduced and passed by the Alaska House of Representatives during the 2016 State Legislative Session.

Other Ongoing Important Issues:

South Central Alaska Port Maximization – The Port of Anchorage is a critical port; however the staggering capital and maintenance costs of this port are excessive and non-sustainable. It also puts all our eggs in one basket in the event of a disaster and fails to spread jobs and economic impact to other areas of the state. The infrastructure exists in other South Central Alaska ports (like Seward and Valdez - especially for Interior Alaska) to diversify this traffic. A more strategic allocation of resources is needed to develop and sustain port networks. The State is encouraged to evaluate cost benefit ratios for investing in other South Central ports before allocating such huge sums of money to only Cook Inlet.

East Alaska (Richardson Highway) Transportation Corridor – The State is encouraged to recognize the strategic importance of improving and maintaining the infrastructure of the East Alaska Transportation Corridor (Richardson Highway). In the event of any emergency that resulted in the incapacity of the Parks Highway Corridor, alternate means for connecting the state must remain available. Developing and maintaining this capacity will require a long-term commitment to allocate resources appropriately. To this end, the City of Valdez supports the AML position calling for the dedication of funds for the Alaska Transportation Infrastructure Fund and within such a fund, an increased importance placed on the strategic investment of resources to include necessary maintenance and upgrades to the Richardson Highway.

Education Priorities:

The City of Valdez fully supports the following priorities outlined by Valdez City Schools.

- TRS/PERS;
- Extend Reserves beyond 10%;
- Intensive Services Funding portability;
- Predictable funding (keeping the School District whole); and
- Early Childhood Funding