Seldovia City Council

Monday March 11, 2019 6:00 PM

Regular Meeting
Multi-Purpose Room
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AGENDA FOR A REGULAR MEETING
OF SELDOVIA CITY COUNCIL
COUNCIL CHAMBERS
Monday
March 11, 2019
6:00pm

A. Call to Order & Roll Call:
B. Pledge of Allegiance:
C. Excused Absences:
D. Agenda Approval:
E. Consent Agenda: (All items under the Consent Agenda are approved with a single motion, no discussion, and one vote. A Council Member may request to remove an item(s) for discussion and a separate vote.)
   1. Approval of Minutes: Minutes of the Regular Meeting, February 25, 2019
   2. Payment Approval Report:
   3. Ordinance Introduction:

F. Mayoral Proclamations:
G. Public Presentation Prior Notice: (each presenter has up to 10 min)
H. Public Presentation for Items not on Agenda: (public has 3 min each)
I. Committee and Advisory Board Reports: (each member has 5 min)
J. Public Hearings:
   1. RESOLUTION 19-17 A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SELDOVIA, ALASKA REQUESTING THE ALASKA LEGISLATURE TO ACT ON BEHALF OF THE COMMUNITIES OF ALASKA TO PASS A FAIR BUDGET THAT WILL NOT PLACE SUCH AN ENORMOUS BURDEN TO FUND ESSENTIAL SERVICES ON LOCAL BOROUGH AND MUNICIPAL GOVERNMENTS, AND TO THE DETRIMENT OF ALASKA’S SMALL RURAL COMMUNITIES
      a. Presentation by Staff or Council
      b. Council Discussion
      c. Public Presentation or Hearing (public has 3 min each)
      d. Action/Disposition

K. Unfinished Business:
   1. Discussion- DOT Land Relinquishment Application- Seldovia Airport
      a. Presentation by Staff or Council
      b. Council Discussion
      c. Public Presentation or Hearing (public has 3 min each)
      d. Action/Disposition

L. New Business:
   1. Discussion- Seldovia Municipal Impact Statement
      a. Presentation by Staff or Council
      b. Council Discussion
      c. Public Presentation or Hearing (public has 3 min each)
      d. Action/Disposition

   2. Discussion- Harbor Small Business Proposal
      a. Presentation by Staff or Council
      b. Council Discussion
      c. Public Presentation or Hearing (public has 3 min each)
      d. Action/Disposition

1 Posted 03/06/2019 at cityofseldovia.com., Post Office and City Office
3. Discussion- Harbor Gangway Project Update
   a. Presentation by Staff or Council
   b. Council Discussion
   c. Public Presentation or Hearing (public has 3 min each)
   d. Action/Disposition

M. Administration Reports:
   1. Treasurer’s Report: None
   2. City Manager’s Report: See Laydown
   3. Chief of Police Report: None

M. Informational Items Not Requiring Action:
   1. The ACS and HEA Community Meeting will be Thursday, March 14th, 2019, 2:00pm, at the SOCC.
   2. The City Office will be closed Monday, March 25, 2019 in observation of Seward’s Day.
   3. A Special Council Meeting will be held Wednesday, March 27, 2019 at 6:00pm.
   4. The next FY20 Budget Workshop is scheduled for March 27, 2019 at 4:00pm.

O. Executive Session:

P. Council and Mayor Comments Concerning Items Not on the Agenda:

Q. Next Meeting: Special Meeting will be held on **Wednesday, March 27, 2019 at 6:00 pm**

R. Adjournment:

* IF YOU REQUIRE SPECIAL ASSISTANCE TO ATTEND THE MEETING, PLEASE NOTIFY THE CITY OFFICE 24 HOURS IN ADVANCE AND ARRANGEMENTS WILL BE MADE *
Seldovia City Council
Regular Meeting
March 11, 2019

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MINUTES FROM A REGULAR MEETING
OF SELDOVIA CITY COUNCIL
COUNCIL CHAMBERS
Monday
February 25, 2019
6:00pm

A. Call to Order & Roll Call: MEETING CALLED TO ORDER BY MAYOR LENT AT 6:00 PM
PRESENT: COUNCILMEMBERS: SWEATT, COLBERG, CAMPBELL-telephonic, MORRISON, ROJAS, and LETHIN-telephonic

STAFF: CITY MANAGER CAMERON
FINANCE OFFICER TAYLOR
POLICE CHIEF CUSHMAN
CITY CLERK GEAGEL

B. Pledge of Allegiance: Held
C. Excused Absences: None
D. Agenda Approval:
ROJAS/COLBERG MOVED TO APPROVE THE AGENDA FEBRUARY 25, 2019
VOICE VOTE/UNANIMOUS/MOTION PASSED

E. Consent Agenda: (All items under the Consent Agenda are approved with a single motion, no discussion, and one vote. A Council Member may request to remove an item(s) for discussion and a separate vote.)
1. Approval of Minutes: Minutes of the Regular Meeting, February 11, 2019
3. Ordinance Introduction:

ROJAS/SWEATT MOVED TO APPROVE THE CONSENT AGENDA
VOICE VOTE/UNANIMOUS/MOTION PASSED

F. Mayoral Proclamations: None
G. Public Presentation Prior Notice: (each presenter has up to 10 min) None
H. Public Presentation for Items not on Agenda: (public has 3 min each)
LAUREL HILTS, resident and president of the Seldovia Arts Council- Discussed that the following evening at 6pm there would be a community gathering at the SOCC to discuss climate action and its effects. It would be an ongoing series, Brett would do a 15-minute talk on a topic followed by question and answers, eventually they will try to make some action goals and plans. SVT, the Arts Council, and the Sea Otter Community Center met to discuss the Seldovia fine arts camp, they took a one-year hiatus last summer and are looking to start again. They will be planning a community meeting in regards to what ideas the community might have for how the fine arts camp takes place in Seldovia, things they have done in the past or may want to do.

I. Committee and Advisory Board Reports: (each member has 5 min)
1. Cemetery Update- GREG WOLFER, cemetery commission member- Reported on the cemetery meeting held the previous week where they discussed a wish list for a $14,000.00 Rasmuson grant. He reported that there was $950.00 in the cemetery fund account, with $350.00 collected in January. The wish list included a 16x20 shed, a lawn mower, a trailer, two more weed eaters, a utility trailer, push mower, and grass seed. They had about 160 finished crosses and 300 more to go. MAYOR LENT- Discussed that they needed 173 stands for name plates out of material.

J. Public Hearings: None
K. Unfinished Business: None
L. New Business:
1. Discussion- DOT Land Relinquishment Application- Seldovia Airport
   a. Presentation by Staff or Council
CM CAMERON- Presented the city council with a Land Relinquishment Application from the DOT, along with an email discussing the process for land relinquishment. She had been in discussion with the deputy commissioner and had been emailed a very in-depth path forward. She discussed that the beginning fees would be $8000.00 plus the purchase price and could take three months up to one to two years before they actually have ownership, if indeed FAA would like to relinquish that piece of the property, it was not guaranteed. Once the city submitted the application and the as-built, they would need to advertise on behalf of the state that the land was being disposed. Then a survey and a replat would need to be done and everything would be at the cost of the buyer. She discussed that they did currently have a utility permit that was completed in August allowing the city to maintain the utility. She had inquired with DOT if that included access to the utility and was informed that it did even though the definition was not included in their code. She discussed that funds for the purchase could come from the Permanent Fund. The utility permit the city had now had no limitations and was for the life of the utility. After speaking with the Deputy Commissioner Mr. Binder, the DOT was not convinced that FAA would grant a public easement for FAA land as a matter of Homeland Security, the land was FAA managed as it was an airport. She described the land being discussed for purchase as the property on the road behind George’s shop up to the reservoir, from the small corner of the ridge to the Y. She apologized if she had misunderstood the want for a public easement in the conversation and discussed that the acquisition of the land was a global solution for all the property owners on the hill to have unfettered access to their lands, without regulations from FAA and DOT. She stated it was a non aeronautical space. She inquired if council would like her to go back to Mr. Binder to inquire about public easement access.

b. Council Discussion

COLBERG- Inquired where the funds would come from and spoke in support of moving forward with the land relinquishment application.

MORRISON- Inquired if the city was given long-term access with the utility permit and if the city’s main concern was to open the access for someone else to be able to use.

LETHIN- Spoke in support of a public easement instead of an acquisition of the property. He disclosed that he had talked with Fred with the state airport leasing, who had stated that it would be a lot easier and cheaper to get a public easement. He discussed that it was not FAA land, it was state land.

ROJAS- Inquired about the cost of the application and associated costs and asked for a description of the property being discussed. She spoke in support of moving forward with the land relinquishment application and asked the city manager to talk to Fred one more time and then come back to the next meeting so that the city council could vote and move forward.

SWEATT- Spoke in support of moving forward with the land relinquishment application and inquired if the acquisition would allow the city to take care of the Rocky Ridge trail. She spoke in support of having the city manager make one more phone call.

CAMPBELL- Inquired about access for people crossing the Rocky Ridge Trail and discussed that it was unknown what would happen with FAA in the future. He discussed that usually easements followed with life of property, but that it would depend on the definition of what type of public easement was granted, if it was truly public or just access for those property owners in the area.

c. Public Presentation or Hearing (public has 3 min each)

MAYOR LENT called for public comment and none was offered.

d. Action/Disposition

THE CITY COUNCIL DIRECTED THE CITY MANAGER TO MAKE ONE MORE PHONE CALL ABOUT OBTAINING A PUBLIC EASEMENT AND THEN COME BACK TO THE CITY COUNCIL

2. Discussion- Governor Dunleavy FY2020 Amended Budget State of Alaska

a. Presentation by Staff or Council

CM CAMERON- Presented an informational memorandum about the potential impacts to the City of Seldovia from Governor Dunleavy’s proposed budget. She discussed that AML (Alaska Municipal League) had been communicating extensively with communities and were wanting communities that wanted to respond to the
Council Discussion

Public Presentation or Hearing (public has 3 min each)

3. Treasurer’s Report:

COMMUNITY AND IMPACT STATEMENT QUANTIFYING THE POTENTIAL IMPACTS TO A SMALL CITY

THE CITY COUNCIL DIRECTED THE CITY MANAGER TO DRAFT A RESOLUTION OR A LETTER AND AN IMPACT STATEMENT QUANTIFYING THE POTENTIAL IMPACTS TO A SMALL COMMUNITY

M. Administration Reports:

1. Treasurer’s Report: See Laydown
F/O TAYLOR- Presented the treasurer’s report for December 2018 and January 2019 as written.

2. City Manager’s Report: See Laydown

CM CAMERON- Presented the city manager’s report as written and included; that two water infrastructure projects were on hold due to staff illness and weather. She was working on FY2020 budget prep, work sessions, fee schedule, as well as a state budget analysis. Altman and Rogers were drafting an FY17 audit report which should be available for the next council meeting. She met with Chief Cushman and as well as EMS and the fire department about the Emergency Operations Plan, she was working through the feedback she was given and it was coming along. HEA and ACS had agreed to come over and hold a public meeting with a back in forth as well as public information on what they are doing to mitigate issues that they had been having on March 14th at the Sea Otter Community Center. She will be meeting with HEA and ACS in the afternoon prior to the meeting. If there were any specific questions HEA and ACS would like to know and those questions could be emailed or the city office could be called and the questions would be passed on to both businesses in order for them to prepare for the meeting. She discussed that they were hoping to have the auction from the clinic clean up in April. Community cleanup was scheduled for May 1st, the City would be partnering with SOCC for the event. Jan Yaeger and herself were working with Karen Bornheimer for the SWPPP public outreach piece to get the kids up to the water treatment plant. She discussed that last year it worked very well to arrange with DOT for the street sweeper equipment and the city guys did the sweeping. It was a little more cost effective to have the guys labor and the price of a ferry ticket for the equipment for the street sweeping. There would be an auction list and the auction would be a very public process.

LAUREL HILTS, resident- Inquired if the streets would be able to be swept before tourist season.

ALIX CHARTIER, resident- Inquired if there would be a list for auction.


ROJAS- Inquired about the meaning of a 10-50.

CHIEF CUSHMAN- Discussed that a 10-50 was a car accident. The animal call was for a dead eagle that was sick initially. He discussed digitizing 11,000 old log sheets of the daily calls received equaling four boxes, he had not gotten to the reports yet, just the log sheets.

MORRISON- Inquired if the animal call was an early bear.

SWEATT- Stated that it was great to see everything getting cleaned up and thanked Paul.

M. Informational Items Not Requiring Action:

1. The next FY20 Budget Workshop is scheduled for March 11, 2019 at 4:00pm

O. Executive Session: None

P. Council and Mayor Comments Concerning Items Not on the Agenda:

SWEATT- Thanked everybody for being there and the girls for all the hard work they do. She thanked Roger for taking an interest in the P&Z.

COLBERG- Thanked everyone for coming and the ladies in the office for their hard work. He discussed that the governor’s budget was just scare tactics, such as repealing the current legislation providing property taxes, to get his way, but that they really could cut frivolous things out of the way. One of those things for him was the school districts, he stated he did not believe they were a school district any longer, they are a management corporation, 90% of the money they received went to management, cut 80% management and hire more teachers and then they would have a school district. Spending the Permanent Dividend Fund on state government would not do them any good, it would take them two years to spend all of the fund and then they would be broke again. He discussed that in the 80s the media went into the finance division and there were checks returned all over on the floor, $380,000,000, addressed to cartoon characters and dead presidents. The legislatures said they would fix the problem, the next year the media went back and saw the same thing. The legislatures fixed the problem after that by passing a law that the media was no longer allowed in the finance department. In writing the state was audited from 1972 to 1985, and 50% of all the money the state received, not counting the money that went in to the permanent fund, disappeared without a trace, but there was a trace of checks being cashed all over the world, the smallest ones for 13 million. He discussed that he would like to see that if Cassidi goes to Juneau that she reminds them of that fact, there was lots of money it just needs to be accounted for and recovered. 50% of 13 years’ worth of money is in the trillions, if they recovered all that money every person in this state would be a multi-millionaire. He stated it was just scare tactics, it would get changed and if they were really hurting for money, then it was time that the state started recovering money. He stated that the price of oil was supposed to go up in the third week of June, watch the news they are talking about why the oil is going to go up, it does it every single year. He stated that yes, the definitely needed to get together and talk to the government in Juneau.
CAMPBELL- Thanked the public and the staff for all the information put together. He stated that he appreciated a good chunk of John’s remarks, some of them were spot on, including the part about the pfd. If you let them spend it, they were going to spend it all and it would be gone forever. The remark also echoed what Laurel had to say in the audience. He spoke in appreciation for everyone coming tonight.

MORRISON-Thanked everybody for being there, congrats on the planning and zoning. good job on the cemetery Greg, Paul good job, ladies keep up the good work, thanks.

ROJAS- Gave thank you’s all around, and asked the public to please come back to the next meeting and budget meeting, it was always good to have input. She congratulated Roger for joining P&Z, and stated that they were still missing two people on that board, so if anyone wants to step forward or pass the word around. Thank you all, we had a short meeting tonight.

LETHIN- Thanked the staff for all their hard work and everybody that was there from the public.

MAYOR LENT- Stated ditto to everything, and spoke in appreciation of everyone being there.

Q. Next Meeting: Regular Meeting will be held on Monday, March 11, 2019 at 6:00 pm

R. Adjournment:

ROJAS/ COLBERG MOVED TO ADJOURN AT 7:15 PM
NO OBJECTION/MOTION PASSED

I certify the above represents accurate minutes of City of Seldovia Council meeting of February 25, 2019.

__________________________________________
Heidi Geagel, City Clerk

Approved by Council____________________
CITY OF SELDOVIA
RESOLUTION 19-17

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SELDOVIA, ALASKA REQUESTING THE ALASKA LEGISLATURE TO ACT ON BEHALF OF THE COMMUNITIES OF ALASKA TO PASS A FAIR BUDGET THAT WILL NOT PLACE SUCH AN ENORMOUS BURDEN TO FUND ESSENTIAL SERVICES ON LOCAL BOROUGH AND MUNICIPAL GOVERNMENTS, AND TO THE DETRIMENT OF ALASKA’S SMALL RURAL COMMUNITIES

WHEREAS In February, 2019 the Governor of Alaska, Michael J. Dunleavy, proposed an FY20 State of Alaska Budget that included substantial cuts across state funding in order to close a 1.6 billion dollar deficit; and

WHEREAS the proposed budget puts the burden on local and borough and municipal governments to fund necessary services being cut; and

WHEREAS 55% of the State of Alaska’s 162 municipalities have a population of less than 500 residents, including the City of Seldovia; and

WHEREAS the proposed budget will cut the Alaska Marine Highway funding by 75%; and

WHEREAS the City of Seldovia is one community among 86% of the State of Alaska communities that are not connected to the road system; and

WHEREAS the Alaska Marine Highway system has been operating year-round since 1963, providing regular scheduled passenger and vehicle service to over 30 communities in Alaska, many of which are not accessible via the road system; and

WHEREAS the City of Seldovia is one among many other small rural communities that depend on the Alaska Marine Highway for employment, transportation, groceries, supplies, and their connection to the rest of the State of Alaska that cannot be readily reached without the assistance of boats or planes; and

WHEREAS the State of Alaska’s K-12 education formula will be cut $303 million dollars in the proposed, a $20.9 million dollar cut to the Kenai Peninsula Borough School District and a direct impact to all the schools they fund, including the City of Seldovia’s only school, Susan B. English, K-12; and

WHEREAS the proposed budget eliminates the State of Alaska Senior Benefits program, eliminating needed services that municipalities, including the City of Seldovia, provide for their aging population; and

WHEREAS the proposed budget cuts 11.5% from the Public Safety Budget, potentially diminishing funding received by small municipalities, including the City of Seldovia, in order to
facilitate public safety for the entire community, including those who reside outside of city limits, in a community that is not readily accessible by the Alaska State Troopers; and

WHEREAS the City of Seldovia recognizes that Governor Dunleavy’s FY20 proposed budget for the State of Alaska impacts the entire state and asks for recognition that the proposed cuts put the burden of necessary services on local borough and municipal governments, potentially diminishing small rural communities to the point of detriment; and

WHEREAS the City of Seldovia is committed to working together with the State of Alaska and its leaders to find a joint solution to the State’s fiscal challenge where the impacts will not be cost shifting to local borough and municipal governments.

NOW, THEREFORE, BE IT RESOLVED THAT: The City Council of the City of Seldovia, requests the Alaska Legislature to act on behalf of the communities of Alaska to pass a fair budget that does not place such an enormous burden to fund essential services on local borough and municipal governments, and to the detriment of Alaska’s small rural communities.

BE IT FURTHER RESOLVED THAT: copies of this resolution be sent to U.S. Senator Lisa Murkowski, U.S. Senator Dan Sullivan, U.S. Congressman Don Young, Alaska Governor Dunleavy, Alaska Senator Peter Micciche, Alaska Senator Gary Stevens, Alaska Representative Gary Knopp, Alaska Representative Sarah Vance, Alaska Representative Ben Carpenter, and Alaska Representative Louise Stutes.

PASSED AND APPROVED by a duly constituted quorum of the City Council of the City of Seldovia on this ____ day of_______, 2019

ATTEST:  
________________________
Heidi Geagel, City Clerk

APPROVED:  
________________________
Dean Lent, Mayor
Good day Ms Cameron,

Please find below response from Ms Simpson, Property Management Supervisor.

Regards,

Fred Thoerner
Right of Way Agent
Property Manager
State of Alaska DOT/PF
Phone: 907-269-0679

Fred,
A PUE would give access unrestricted to the general public. As there is no other way to get to the requested route except through the airport... a PUE would create in essence an unauthorized and unrestricted boundary crossing of the airport. This would be in direct violation of the FAA grant assurances used to fund the airport and could possibly require repayment of FAA funds if not a total loss of funding for noncompliance. Any divestiture of airport lands would require a repayment of funds to FAA at fair market value.

When we last spoke of this issue, it was indicated the City only needed access to the water tower. With the additional information and research on hand, we now know there are other stake holders and interests to take into consideration.

At the end of the day there are so many issues to work through, we really need the requested conference call with Ms. Cameron, to discuss the actual land amount the city would truly need to make their idea work. As well as the other caveats discussed including an alternative to development from existing platted routes and not through the airport.

Danika Simpson
Right of Way
Property Management Supervisor
(907) 269-0687

From: Thoerner, Frederick D (DOT)
Sent: Tuesday, February 26, 2019 11:18 AM
To: Simpson, Danika L (DOT) <danika.simpson@alaska.gov>
Subject: FW: Public Easement?

FYI

From: Cassidi Cameron [mailto:citymanager@cityofseldovia.com]
Sent: Tuesday, February 26, 2019 10:15 AM
To: Thoerner, Frederick D (DOT) <fred.thoerner@alaska.gov>
Subject: Public Easement?

Hi Fred,

Thank you for sending on the Land Relinquishment Application a few weeks ago regarding the possibility of a reconveyance of a small portion of state land located at the Seldovia Airport. At our council meeting last night, the application and topic was discussed. Previously the council directed me to see what would be the considerations for the possible purchase of that sliver of land, thus you sent on that application. During our discussion last night, our council member Kris Lethin disclosed that he had spoken to you directly about this issue and that you had stated an easier path to this matter would be to redefine the portion of land in question to a public easement status. Could you please expand on this path and what is involve with that route for a solution?

Thank you in advance,

Cassidi Cameron
City of Seldovia City Manager
P.O. Drawer B
Seldovia, Alaska 99663
Office: (907) 234.7643
Fax: (907) 234.7430
Web: www.cityofseldovia.com
March 11, 2019

Honorable Governor Dunleavy
Alaska State Legislature, State Capitol
120 4th Street
Juneau, Alaska 99801

Re: City of Seldovia Municipal Impact Statement

Honorable Governor Dunleavy and Members of the Alaska State Legislature,

We appreciate the State’s commitment to sustainable spending; however, we like so many others around the state want to draw attention to the unsustainable impact the proposed FY20 budget will have on local governments in Alaska.

The City of Seldovia is responsible for municipal governance in our community of 216. We have seven full time employees and ten to fifteen seasonal/part time employees who fulfill the obligations of a local government. Our ability to do so is limited by statute, public interest and available resources. Traditionally those resources have included State and Federal funding, which offset the burdens that might otherwise be felt by a local tax base.

On average, our tax revenue comprises 72% of our total General Fund budget, and any impact from State decision-making on local economies further weakens Seldovia’s ability to sustainably serve our community. This includes cuts to the AMHS, education, and public safety and Community Assistance.

Based on the proposed FY20 budget, we have highlighted below some of the impacts that your decisions will have on our residents.

- Our Community Assistance funding in FY19 was $78,008 and comprises 13.5% of our General Fund budget. These funds support our Fire and EMS services, our Police department, our Public Works Department and our City Office Staff.
- The City of Seldovia is serviced by the Alaska Marine Highway System; it is a central mode of transportation for residents and visitors to Seldovia which is located off the road system. The docking fees received from AMHS goes into our dock fund for operational expenses; the ferry provides year around
employment for several members of our community. Our economy and business owners heavily depend on the ferry system to transport goods and services, the ability to transport goods and services is directly related to our sales tax revenues. A loss in ferry service translates into less sales tax revenues, loss of business and commerce, loss of economic growth. Seldovia will be stunted in an already underdeveloped economy.

- The Kenai Peninsula Borough’s receipt of the Petroleum Property Tax, totaling 15 million dollars, and represents a significant portion of their budget; cuts to this program would eventually trickle down to Seldovia in the form of higher property taxes and sales taxes from the Borough.
- Our share of the Shared Fisheries Business Tax in FY19 is $2,341; these funds are invested directly into our fish dock to support our commercial fishing industry.
- The anticipated cuts to our school district are detrimental to our community as our school is already existing on a minimal budget; it continues to face low enrollment and high operating costs. Cuts to education mean cuts to Alaska’s success in the future.

While Community Assistance remains funded, we are concerned for its long-term viability as it consists of 13.5% of our General Fund Budget. In FY17, Community Assistance, or Revenue Sharing as it was referred to then, was cut 34% to our community. This assistance is essential to our General Fund and our ability to provide essential services. We managed the significant cut back then by cutting our expenditures, implementing staff reductions, and significant raised our mil rate. The increase in property tax was a difficult decision for our community, but was a necessary means to bridge the budget deficit and provide essential services to our community members. During the FY17 budget session, council and community members recognized the requirement to manage our budgets without depending on outside assistance, however, there will always be a call to the State for support of our Alaskan community. Seldovia has been taking the initiative to minimize expenditures and create revenues at a municipal level, as a result, there is no room from our tax base or budget for further cost shifting.

The combined reductions and cost-shifting will mean that the City of Seldovia anticipates:
- Potential staff reductions = 2 FTEs; less workforce=less services
- Public Safety budget reduced by 13%
- Public Works budget reduced by 13%
- Important significant programs potentially eliminated include Seldovia Senior Meal Program, Parks and Recreation, and overall quality of life for Seldovians and visitors alike.

We believe the proposed FY20 budget and approach that you have outlined reflects little concern for the burden that you have passed on to residents of Alaska. The City of Seldovia is committed to work together with our legislative leaders to mitigate the damage from the administrative actions, including to develop solutions that reflect the public’s interest. We recognize and understand the immense challenge that is before the state’s
administration, we also recognize that the challenges may be better resolved collectively amongst all Alaskans with all Alaskans in mind.

Very Sincerely,

Seldovia City Council

Mayor Dean Lent  Kris Lethin  Vivian Rojas  John Colberg

Bobbi Sweatt  Jeremiah Campbell  Perley Morrison
The Alaska Municipal League (AML) represents the 165 incorporated cities and boroughs in Alaska, who together include 97% of Alaskans. Local elected officials and municipal leaders engage daily with citizens and taxpayers who demand essential public services and a commitment to improved quality of life.

In its review of the Governor’s FY 20 proposed budget, the Alaska Municipal League:

- Recognizes the State’s fiscal position and has argued for the last four years that a sustainable fiscal plan be enacted
- Understands that within any budgeting process officials must review and adjust both revenue and expenditures, and that this process occurs annually and prudently within 165 municipalities
- Believes that the Administration has made a choice to not address revenue but that this will result in a municipal tax increase to Alaskans and/or a loss of services

AML has preliminarily reviewed the budget for municipal impact and expresses its concern that our initial findings indicate that there are three approaches within this budget that unravel the relationship between the State and local governments that have developed over the last six decades. AML:

- Objects to preemption, the State restricting in any way the local taxing authority and collection, or reduction of local control
- Objects to rescission, the State taking funding intended for local government and other political subdivisions of the State and using that to make up a State budget deficit
- Objects to cost-shifting and unfunded mandates, which are likely as the State devolves itself of its Constitutional and statutory obligations

AML believes that rather than rightsizing the size of State government, the Governor has severed the long-time partnership that has maximized local government consistent with Alaska’s Constitution.

AML understands that this partnership has rested on the sharing of State resource wealth with communities that undertake, on behalf of the State, the provision of public safety, education and transportation, as well as efforts to improve the quality of life of all residents.

AML emphasizes that this partnership is also one in which local tax rates have been kept reasonable and stable for decades.

Therefore, we find that the Governor’s FY20 proposed budget:

- Significantly weakens the institutions that define Alaska’s well-being and future prosperity
- Neglects some of the State’s responsibilities, both Constitutional and statutory
- Pits communities and programs against one another
- Underestimates the impacts to Alaskans, and does not signal that Alaska is open for business

Alaska’s municipal leaders commend to the Alaska State Legislature the willingness of local governments to work alongside and in support of legislative leadership to produce a measured approach that meets the State’s fiscal challenges, mitigates the immediacy of negative impacts, and offers a continued role for municipalities as partners.
The Alaska Conference of Mayors (ACoM) met during the Alaska Municipal League’s (AML) 2019 Annual Legislative Conference and produced the following in response to the Governor’s proposed FY20 budget.

Alaska’s mayors define the challenges facing the State of Alaska as comprised of both decreased revenues and traditional/decreased spending over the last four years. We recognize the Governor’s commitment to streamline the budget, and we believe the administration’s responsibility is to address both revenues and expenditures. As currently proposed, it is a policy position that ignores the need to increase revenues. Alaska’s mayors believe that the budget as proposed will result in very real negative impacts to Alaska’s residents and to the state’s economy.

In our review of the proposed FY20 budget, and with the caveat that local leaders have had less than a week to evaluate municipal impact, we can ascertain that the proposed budget is less about State budget cuts and more about cost-shifting to lower levels of government. The impacts to municipalities are diverse, and range from:

- Increased and added taxation
- Costs absorbed by current savings in near term
- Decreased or eliminated public services
- Dissolution of local government

Local government officials are ultimately answerable to taxpayers, and residents demand both good stewardship of local revenues and the provision of public services.

ACoM is firm in its resolve to remain united in support of one another. Alaska’s local leaders have a unity of purpose, in the face of a proposed budget that has the potential to pit community against community, and program against program. Alaska’s future is not a zero-sum game. A collective response is critical and through the Alaska Conference of Mayors we will amplify the voices of individual mayors who must respond in the public interest.

ACoM will advance solutions that mitigate the negative impacts of the proposed budget at the community level. These solutions will protect and support citizens, quality of life and economic prosperity. To begin with, mayors insist on rationality in implementation – impacts must be scaled over a reasonable time horizon.

ACoM insists that the coordination between the State and local government result in effective outcomes. This means that solutions we propose will increase the capacity of municipalities to adapt. We will support a combination of revenue measures that produce sustainable funding for the State. We expect to be included in the State’s efforts to find the right approach to education funding, continuation of the Alaska Marine Highway System, and so many other programs that enhance Alaskans’ quality of life.

In the next few months, mayors have committed to developing impact statements that describe community-level trade-offs. The results of these will inform mayor-led conversations with community residents, and the legislative process, even as we contribute to the Governor’s request to hear from Alaskans. Alaska’s mayors are available to testify and be part of this process and will meet again in Juneau to ensure that local governments are included in the negotiation process and deliver on resident and taxpayer priorities.
Severing a 60 Year Partnership
Big Picture – Budget and Implications

• Those municipalities that contribute the greatest to the state’s GDP, experience the brunt of cuts and cost-shifting
• Indirect costs to municipalities are the more significant challenge
• These cuts do not reduce state government, they eliminate the state’s support for institutions that are fundamental to quality of life and economic health
Community Assistance

$30,000,000

Background: In place since 1968, this is a redistribution of state resource wealth for equitable use by local governments to provide essential services and keep local tax rates low.

Challenge: This is a necessary resource for approximately 30% of communities that don’t have a tax base.

Options:
1. Absorb through current revenues – difficult with addition of other cost-shifting
2. Increase taxes – 25% of local governments did this in the 2000s, when revenue sharing went away under Murkowski
3. Close – this represents more than 70% of 14 local government budgets, and they will no longer be able to operate

Impact:
• Local government services revert to the state
• Local governments divest of powers
• Local governments increase taxes

Affects every single community, with ranges from:
• Small cities - $75-80,000
• Medium cities - $80-95,000
• Large cities - $115-250,000
• Boroughs - $300-900,000
• Largest boroughs - $1.4-6.1 M

$30M will be paid out this year, but removed from all future budgets.

An additional $20M will be paid out as 50% of Alcohol Tax.
School Bond Debt Reimbursement  $105,000,000

Background: State had committed to paying 70% of all school bond debt, with 30% match by communities, but with clause that held municipalities liable for 100%. There’s a current moratorium, but this represents past obligations.

Challenge: The total debt accrued equals $961,000,000.

Options:
1. Absorb through current or added revenues
2. Examine legal options based on past payments by State creating condition of confidence
3. Not paying affects credit rating

Impact:
• Other priorities removed from budgets
• Taxes increase

Action: AML opposes
Petroleum Property Tax

$439,500,000

Background: State exempts oil and gas property from municipal taxation, but credits that funding back to municipalities. Change removes funding from municipalities, as State preempts collection.

Affects this year:
- Municipality of Anchorage $2,000,000
- Fairbanks North Star Borough $11,800,000
- Kenai Peninsula Borough $15,000,000
- Mat-Su Borough $100,000
- North Slope Borough $372,100,000
- City of Valdez $38,400,000
- City of Cordova $100,000

Challenge: This represents 97% and 80% of North Slope Borough and City of Valdez budgets, respectively.

Options:
1. Work with legislature to ensure this bill does not move forward
   1. Could they still just not pay it?
2. Collaborate with industry to push back

Impact:
- Savings offset abrupt closure, but both see drastic reductions
- Current services, powers and program revert to the State

Action: AML opposes rescission (claw back) and preemption (prohibiting collection).

Local contribution is calculated utilizing “the full and true value of the taxable real and personal property in the district as of January 1 of the second preceding fiscal year”. If the assessed value of AS 43.56 property is no longer taxable at the local level, not only will districts lose funding as a reduction in the state foundation formula but both the required and maximum local contribution will be reduced. Because there is a two-year, taxable value look back, the City or Borough would be required to contribute for two-years on an amount including the current taxable value of AS 43.56 but without the tax revenue from those assets to pay for the required contributions.
Fisheries Business Tax
Fisheries Resource Landing Tax

$25,900,000
$6,300,000

Background: State reimburses local governments collection of these taxes.

Challenge: This represents 22% of Bristol Bay’s budget, or 27% of Aleutians East. The two together represent 24% of Unalaska’s budget

Impact:
• Dramatic loss of services to economic actors in region
• Threats to public service delivery and infrastructure

Action: AML opposes rescission (claw back) and preemption (prohibiting collection).

Lake and Peninsula Borough $256,767
Wrangell $314,455
Juneau $389,022
Dillingham $398,350
Ketchikan $404,971
Ketchikan Gateway Borough $404,971
Seward $440,958
Sand Point $458,805
King Cove $499,257
Kenai Peninsula Borough $771,171
Petersburg $877,158
Saint Paul $892,296
Kodiak $926,525
Sitka $953,324
Kodiak Island Borough $1,022,586
Akutan $1,090,445
Cordova $1,160,157
Aleutians East Borough $2,093,687
Bristol Bay Borough $2,705,606
Unalaska $3,649,322

Sand Point $102
Seward $2,071
Kenai Peninsula Borough $4,469
Akutan $4,916
Aleutians East Borough $5,017
Petersburg $5,766
Kodiak $9,587
Saint Paul $9,833
Kodiak Island Borough $12,985
Atka $23,950
Togiak $35,339
Yakutat $39,078
Adak $74,247
Unalaska $4,291,531

Pilot Point $31
Houston $60
Wasilla $67
Akhiok $99
Fairbanks North Star Borough $101
North Pole $101
Matanuska-Susitna Borough $127
Education $332,421,200

Background: The BSA was reduced by $1,100 per student, in a proposed $280M reduction of education funding. Also eliminated was last year’s $30M addition.

Challenge: Beyond impacts to schools and students, local governments will need to evaluate their local contribution.

Options:
1. Work with the legislature to address different approaches to education
2. Remove maximum local contribution cap or suggest other alternatives
3. Partner with districts to flat out oppose

Impact:
• Local taxes increase to offset state cuts and contribute to schools
• Increased class sizes, fewer teachers, reduced administration, maintenance backlog increases

Examples of cuts to education formula:
- Aleutians East $1,055,141
- Anchorage $74,364,715
- Cordova $959,309
- Dillingham $1,450,528
- Fairbanks $26,766,900
- Haines $521,391
- Juneau $8,406,516
- Kenai $18,256,328
- Ketchikan $5,674,708
- Kodiak $5,803,116
- Lake and Pen $2,078,416
- Mat-Su $38,542,561
- Nome $1,889,891
- North Slope $3,963,927
- Northwest Arctic $8,379,818
- Petersburg $1,387,439
- Sitka $2,893,763
- Unalaska $1,007,733
- Valdez $1,169,462
- Wrangell $880,991

Based on 22.9% reduction to FY19 #s
SB 59: Repeal of HB528 $32,450,199

Background: State commitment in 2003 to fund DOT port and harbor projects, and AEA projects, transferred by the State to municipalities but requiring substantial investment in capital maintenance and upgrades.

DOT
- Mat Su Borough – deep water port and road upgrade FY20 $712,513 Total $4,972,002
- Aleutians East Borough/False Pass – small boat harbor FY20 $166,400 Total $2,867,653
- City of Valdez – harbor FY20 $210,375 Total $2,730,534
- Aleutians East Borough/Akutan – small boat harbor FY20 $215,308 Total $3,604,242
- Fairbanks North Star Borough – Eielson AFB schools FY20 $333,193 Total $4,737,896
- City of Unalaska – harbor improvement FY20 $365,695 Total $6,624,136

AEA
- Kodiak Electric Association FY20 $943,676 Total $5,970,060
- Copper Valley Electric Association, Valdez FY20 $351,180

Total Impact $32,450,199
Additional Cuts

- University of Alaska would see a $155 million cut
  - Fairbanks
  - Anchorage
  - Juneau
  - Kodiak
  - Nome
  - Sitka

- Health spending would be cut $270 million
  - Bartlett Regional Hospital, Juneau
  - Central Peninsula, Soldotna
  - Cordova Community Medical Center
  - PeaceHealth Ketchikan Medical Center
  - Petersburg Medical Center
  - Sitka Community Hospital
  - Wrangell Medical Center
Alaska Marine Highway System

Expected to end service in October; 65% cut and planned divestiture

State support of $71,949,000 in FY18
Power Cost Equalization

Established in 1985

Provides economic assistance to communities and residents in areas where kWH costs are 3 to 5 times as high as the average of urban areas.

PCE was established at the same time that urban communities benefited from major state-subsidized energy projects such as the Four Dam Pool, Bradley Lake, and the Alaska Intertie.

Rural communities not on the road system that are dependent on diesel fuel do not benefit from the large subsidized energy projects, and PCE is a cost-effective alternative to provide comparable rate relief to rural residents.

City of Angoon $255,108.21
City of Quinhagak $265,129.47
City of Mountain Village $277,312.35
City of Saint Mary’s $285,683.91
City of Chevak $288,114.53
City of Kake $298,322.13
City of Togiak $322,917.24
City of Selawik $339,059.89
City of Hooper Bay $342,048.11
City & Borough of Yakutat $351,731.65
City of Emmonak $357,551.25
City of Fort Yukon $411,483.51
City of Sand Point $420,266.88
City of Cordova $489,000.35
City of Hoonah $613,081.96
City of Unalaska $654,258.99
City of Nome $673,631.40
City of Dillingham $745,993.70
City of Kotzebue $942,900.04
City of Bethel $971,701.99
Not bad things
These programs remain in the budget for now.

Approx. $310,726,800

<table>
<thead>
<tr>
<th>Program</th>
<th>Amount</th>
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<tbody>
<tr>
<td>PCE</td>
<td>$32,355,000</td>
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<tr>
<td>AMLR</td>
<td>$4,263,100</td>
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<td>PILT ($10,428,200) and SRS ($600,000 est)</td>
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<td>AEA Rural Energy Assistance</td>
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<td>ASMI</td>
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<td>Regional and Community Jails</td>
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<td>Spill Prevention and Response</td>
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<td>Fish and Game</td>
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<td>DEC Water</td>
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<td>Public Assistance</td>
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<td>VPSO</td>
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<td>Municipal Bond Bank</td>
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<td>PERS on behalf payment</td>
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<tr>
<td>Fisheries taxes</td>
<td>$3,100,000</td>
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</table>

Shared taxes and fees
- Electric and telephone coop tax $4,600,000
- Liquor license fee $900,000
- Aviation fuel tax or surcharge $136,600
- Commercial vessel passenger tax $21,500,000
Department of Administration

- DoA – muni and school district admin hearing services $75m, program receipts / Total $175,000,000 in FY20
- DoA – reverse funding for Health Care Cost Reduction and Health Care reform / $1 million
- p82 – DoA - In addition, the future liabilities for Other Post-Employment Benefits (OPEB) are reduced by an estimated $520,000.0 to $694,000.0 for the Public Employee Retirement System (PERS) and Teachers Retirement System (TRS). This in turn results in a reduction in the state assistance payment of $40,000.0 to $52,000.0 annually
- DOA – Public Broadcasting / zeroed out - $3,496,100

Department of Commerce and Community Development

- 17.8% reduction to DCRA
- $1 million general reduction via “efficiencies” – do less with less
- ABC board?
- AEA – PCE $32,736,800 from GF (program plus distribution)
- Community Assistance missing, but statutorily obligated
  - $20 million this year
  - $13.3 million this year, $8.9 million, $5.9 million $0 in FY24
Department of Education and Early Development

- $30M reduction of one time additional foundation funding
- Elimination of early learning coordination ($7.6M) and Pre-K grants ($3.2M)
- Elimination of Alaska State Council on the Arts ($3.8M)
- Mt. Edgecumbe reductions ($1.1M)
- OWL eliminated ($671,000)
- WWAMI eliminated ($3.9M)

Department of Environmental Conservation

- Air Quality reduced by 4.4% ($474,000)
- Water Quality reduced by 16.6% ($3.7M)
- Spill Prevention and Response reduced by 5% ($390,000)
- Elimination of Ocean Ranger program, created by ballot initiative in 2006
- Elimination of State dairy program
Department of Military and Veterans Affairs

• Elimination of Local Emergency Planning Committee ($300,000)
• Elimination of Alaska State Defense Force
• Reduction of Alaska Military Youth Academy by 27% ($5.7M)

Department of Public Safety

• Reduction by 6% of Fire and Life Safety - $313,700
• Reduction by 13% of Alaska State Troopers - $21,343,300
• Reduction by 22% of Village Public Safety Officers - $3,098,300
• Reduction by 33.8% of Police Standards Council - $656,500
• Elimination of Civil Air Patrol

Department of Transportation & Public Facilities

• Elimination of Harbor Facility Grant Program - $7,500,000
"Open for business" but closing doors

<table>
<thead>
<tr>
<th>Municipality</th>
<th>SchoolBond</th>
<th>PetPropTax</th>
<th>FishBus</th>
<th>FishLand</th>
<th>EducCuts</th>
<th>Total cuts</th>
<th>FY17TaxRev</th>
<th>Cuts%ofTaxRev</th>
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<td>Aleutians East Borough</td>
<td>$654,762</td>
<td>$2,093,687</td>
<td>$5,017</td>
<td>$1,055,141</td>
<td>$3,808,607</td>
<td>$4,714,403</td>
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<td>$8,551,446</td>
<td>$2,705,606</td>
<td>$234,134</td>
<td>$5,017</td>
<td>$234,134</td>
<td>$8,740,516</td>
<td>$234,134</td>
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<td>$2,458,721</td>
<td>$389,022</td>
<td>$8,406,516</td>
<td>$17,346,984</td>
<td>$100,925,169</td>
<td>$100,925,169</td>
<td>$100,925,169</td>
<td>17.19%</td>
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<td>$314,455</td>
<td>$880,991</td>
<td>$1,363,481</td>
<td>$4,401,243</td>
<td>$30.98%</td>
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<td>City &amp; Borough of Wrangell</td>
<td>$218,773</td>
<td>$39,078</td>
<td>$213,866</td>
<td>$471,717</td>
<td>$100,925,169</td>
<td>$100,925,169</td>
<td>$100,925,169</td>
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<td>City of Akutan</td>
<td>$1,109,045</td>
<td>$1,095,361</td>
<td>$1,109,045</td>
<td>$1,095,361</td>
<td>32.82%</td>
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<tr>
<td>City of Cordova</td>
<td>$962,072</td>
<td>$1,160,157</td>
<td>$959,309</td>
<td>$3,181,538</td>
<td>$5,789,958</td>
<td>54.95%</td>
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<td>City of Dillingham</td>
<td>$744,230</td>
<td>$1,450,528</td>
<td>$2,593,108</td>
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<td>49.57%</td>
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<td>City of Kodiak</td>
<td>$926,525</td>
<td>$9,587</td>
<td>$936,112</td>
<td>$12,182,890</td>
<td>7.68%</td>
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<td>City of Nome</td>
<td>$221,202</td>
<td>$1,889,891</td>
<td>$2,161,785</td>
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<td>$670,819</td>
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<td>City of Valdez</td>
<td>$1,786,718</td>
<td>$38,400,000</td>
<td>$1,169,462</td>
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<td>$11,800,000</td>
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<td>$113,690,918</td>
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<td>Haines Borough</td>
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<td>$128,174</td>
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<td>$1,553,755</td>
<td>26.09%</td>
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<td>Kenai Peninsula Borough</td>
<td>$2,845,713</td>
<td>$15,000,000</td>
<td>$771,171</td>
<td>$36,877,681</td>
<td>$97,026,067</td>
<td>38.01%</td>
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<td>Ketchikan Gateway Borough</td>
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<td>$5,674,708</td>
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<td>$17,876,648</td>
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<td>Kodiak Island Borough</td>
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<td>$1,022,586</td>
<td>$12,985</td>
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<td>$17,335,413</td>
<td>72.59%</td>
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<td>Lake &amp; Peninsula Borough</td>
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<td>$256,767</td>
<td>$2,078,416</td>
<td>$3,297,535</td>
<td>$1,778,179</td>
<td>185.44%</td>
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<td>Matanuska-Susitna Borough</td>
<td>$19,954,904</td>
<td>$100,000</td>
<td>$38,542,561</td>
<td>$58,597,592</td>
<td>$134,158,246</td>
<td>43.68%</td>
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<td>Municipality of Anchorage</td>
<td>$43,153,298</td>
<td>$2,400,000</td>
<td>$92,250</td>
<td>$120,010,263</td>
<td>$595,642,854</td>
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<td>North Slope Borough</td>
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<td>$372,100,000</td>
<td>$3,963,927</td>
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<td>Petersburg Borough</td>
<td>$466,050</td>
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<td>$5,766</td>
<td>$2,736,413</td>
<td>$6,402,255</td>
<td>42.74%</td>
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</table>
Total Costs to 24 Highest-Value Municipalities
Based on only five variables

$774,822,158

Cost-shifting as % of Tax Revenue = 49.02%
Solutions – broad policy

“Anything you take off the table has to be replaced” – Mike Barnhill, OMB Policy

• Use of Earnings Reserve
• Implementation of broad-based tax
• Reduce or reallocate payout of PFD
  • Equitable distribution of PFD
• Decrease repayment of oil tax credits
• Reduce actual size of State government
The Governor has requested solutions

Improve local government ability to adapt to cost-shifting:

• Municipal severance tax
• Raise municipal tax cap, and maximum level of education contribution
• Reduce Title 29 compliance requirements and burdens
• School taxing authority, with municipal oversight
• 5% resource revenue sharing to form municipal-held community dividend
• Intergovernmental agreement to accept federal PILT and SRS funds within Unorganized Borough
• Impact Aid as part of local contribution – break the formula

AML willing to:

• DCRA grant management to AML - unfunded
• DCRA RUBA program to AML – federal funds
• LGS program to AML – 50% funding levels
Communications

• Alaskans as citizens deserve their share of the state’s resource wealth. Alaskans as taxpayers deserve public services that their wealth contributes to.
• Governor Dunleavy’s proposal increases taxes and eliminates essential services.
• All cuts are not created equal.
• “Prudent behavior” by local governments rewarded by cost-shifting and burdens.
• Erosion of quality of life, loss of jobs, etc. = preparation for recession (i.e.; rainy day).
• Budget plan accepts status quo as good enough for Alaskans – no growth scenario.
The harbor serves as a gateway and first impression to our incredible community set in picturesque Alaska. The City of Seldovia owns Lots 4, 5, 6 Block 10 on the waterfront north of the Gateway Pavilion. This area currently serves as long term parking for the community and is mostly vacant throughout the year. These lots would be an ideal location for visitors to be introduced to the resourceful, idyllic setting while visiting a straight forward charming storefront. Small, quaint, temporary buildings that would serve as retail/business space in Seldovia’s busiest season. A small business storefront concept will add to the distinctiveness to downtown Seldovia while contributing to the sales tax base, create economic opportunities and complementing the existing business Community along the Commercial Marine Zone.
Project Goals:

- Contribute to Seldovia’s economic base by creating commercial opportunities for individuals and business owners in the form of low risk, low overhead, retail and business space for lease/rent on city properties by the harbor.
- The commercially leased buildings will create a vibrant storefront vibe that will be noticeable from the water and Main Street.
- The concept is in line with the City of Seldovia’s Comprehensive Plan in the following ways:
  - *City parcels will be strategically used for maximum community benefit* (page 25 COS Comprehensive Plan)
  - *Develop Seldovia’s Workforce* (page 26 COS Comprehensive Plan): *Residents see the need to retain and grow new locally-owned and operated business that circulate money and make the community more livable and vibrant.*
  - *Maximize Seldovia’s working and commercial waterfront* (page 27 COS Comprehensive Plan): *The City of Seldovia owns key waterfront parcels, tidelands, and infrastructure that residents believe need to be carefully stewarded, leveraged, and maximized in support of marine-dependent activities and sustained city revenue.*
  - *Enhance tourism* (page 27 COS Comprehensive Plan): *Residents expressed a strong desire to strengthen Seldovia’s tourism sector by enhancing visitor’s experiences for 4-hour, day trip, and multi-day experiences to a tipping point where most visitors feel the extra time and money it takes to visit Seldovia is well worth the investment. Although private sector has a major role to play in advancing tourism, residents see the City as taking an essential role in enhancing and maintaining iconic features, creating visitor friendly walking routes and public spaces, enabling access to outdoor attractions, and providing incentives and flexible support to locally based tourism operations.*

Timeline: Ready for Spring of 2020

Location: North side of pavilion, water’s edge

Investment/Expense Strategy:

- Allocate from Reserves
- Borrow from the Permanent Fund and have a repayment proposal detailed out
- Procure a small loan- with a modest interest rate and pay back investment in detailed plan

Cost Range: what is the City willing to invest, and what will be the return on investment

Low Risk Investment: buildings would be easily turned over for other uses or sell outright if desired outcomes are not met

Financing opportunities for entrepreneurs through KPEDD Microloan Program, sweat equity possibilities
**Vision Concept:**

2 buildings initially  
16 x 16 Shed Structure  
Trimmed out  
No water/sewer service initially, see what outcomes arise out of first two-three years  
Temporary placement on skidders—placed in the spring removed in the fall; store in locked city lot east side of town  
Initial design and construction – Advertise Request for Proposals  
Outside color scheme to be decided – simple color scheme  
Beadboard/Wainscot Paneling on inside  
Explore simple electrical delivery – off of existing power on lot  

Sidings: Duratemp, Vinyl, or Locally milled Spruce  
Paint Color Options  
Single and/or Double Doors  
Windows  
Z Shutters  
Flower Boxes  
5’ Flex Ramp/Boardwalk Style Ramp
BUSINESS POSSIBILITIES:

Adventure & Ecotourism

Bike Rentals
Kayak, Paddle Board Rentals

Retail & Shopping

Arts, Crafts & Gifts

Clothing, Outdoor Wear & Shoes

General Merchandise

Sporting Goods, Equipment & Rentals