



Alice Ruby, **Mayor**

Council Members

- Chris Napoli (Seat A) • Chris Maines (Seat B) • Aksel Buholm (Seat C)
 - Curt Armstrong (Seat D) • Andy Anderson (Seat E) • Gregg Marxmiller (Seat F)
-

**DILLINGHAM CITY COUNCIL
WORKSHOP AGENDA**

David B. Carlson Council Chambers

Dillingham City Hall, 141 Main Street, Dillingham, AK 99576 (907) 842-5212

WORKSHOP – COUNCIL TRAINING	5:30 – 7:00P.M.	APRIL 4, 2019
------------------------------------	------------------------	----------------------

1. WORKSHOP¹

- a. Powers & Duties of Cities (including Home Rule)
- b. Taxing Powers for First Class Cities
- c. Taxing Limitations
- d. State Budget Update

2. ADJOURNMENT

WORKSHOP – GO Bond	7:00 – 7:30P.M.	APRIL 4, 2019
---------------------------	------------------------	----------------------

Note:

¹Workshops are informal discussions, sessions held for purposes of exchanging and gathering information. No action may be taken, formal rules of order are relaxed, and minutes are not kept.

This page left intentionally blank



Alice Ruby, **Mayor**

Council Members

- Chris Napoli (Seat A) • Chris Maines (Seat B) • Aksel Buholm (Seat C)
- Curt Armstrong (Seat D) • Andy Anderson (Seat E) • Gregg Marxmiller (Seat F)

**DILLINGHAM CITY COUNCIL
David B. Carlson Council Chambers**

Dillingham City Hall, 141 Main Street, Dillingham, AK 99576 (907) 842-5212

WORKSHOP Council Training	5:30 P.M.	APRIL 4, 2019
WORKSHOP – GO Bond	7:00 P.M	APRIL 4, 2019
REGULAR MEETING	7:30 P.M.	APRIL 4, 2019

1. **CALL TO ORDER**
2. **ROLL CALL**
3. **APPROVAL OF MINUTES**
 - a. Regular Council Meeting, March 7, 2019 page 5
4. **APPROVAL OF CONSENT AGENDA**
APPROVAL OF AGENDA
5. **STAFF REPORTS**
 - a. City Manager and Staff Reports page 9
 - b. Standing Committee Reports page 29
6. **PUBLIC HEARINGS**
7. **CITIZEN’S DISCUSSION (Prior Notice or Agenda Items)**
8. **ORDINANCES AND RESOLUTIONS**
 - a. Adopt Resolution 2019-10, A Resolution of the Dillingham City Council Accepting the Certification of the Canvassing Committee Results and Certifying the March 26, 2019 Special City Election page 41
 - b. Adopt Resolution 2019-11, A Resolution of the Dillingham City Council Authorizing the City Manager to Request Competitive Bids for Cleanup of the Bingman Property Area at the Harbor page 47
9. **UNFINISHED BUSINESS**
 - a. Citizen Committee Appointments
 - 1) Senior Advisory Commission – 1 seat open
 - 2) Friends of the Landfill – 2 seats open (*four letters of interest*) page 51
 - b. Progress Report
 - 1) Dave Carlson House Property

2) Territorial School

10. NEW BUSINESS

- a. Schedule a Board of Equalization Meeting May 16, at 5:30 PM
- b. Schedule Special Meeting to Adopt the Dillingham City School District Budget Appropriation
- c. Approve Action Memorandum 2019-04, Authorize the City Manager to Collaborate with Nushagak Cooperative for a Community Clean Up, May 3, 4, and 5 page 55
- d. General Obligation Bond Discussion

11. CITIZEN'S DISCUSSION (Open to the Public)

12. COUNCIL COMMENTS

13. MAYOR'S COMMENTS

14. ADJOURNMENT

1. CALL TO ORDER

A regular meeting of the Dillingham City Council was held on Thursday, March 7, 2019, at the Dillingham City Council Chambers, Dillingham, Alaska. Mayor Ruby called the meeting to order at 7:00 p.m. The meeting was preceded by a workshop to review the city's financial statement.

2. ROLL CALL

Mayor Ruby was present.

Council members present and establishing a quorum (a quorum being four):

Andy Anderson Chris Maines Curt Armstrong
Aksel Buholm via phone Gregg Marxmiller via phone

Chris Napoli was excused

Staff in attendance:

Tod Larson Lori Goodell Dan Pasquariello Anita Fuller

3. APPROVAL OF MINUTES

- a. Regular Council Meeting, February 7, 2019

MOTION: Chris Maines moved and Andy Anderson seconded the motion to adopt the minutes of February 7, 2019.

VOTE: The motion passed unanimously by roll call vote.

4. APPROVAL OF CONSENT AGENDA

There was no consent agenda.

APPROVAL OF AGENDA

MOTION: Chris Maines moved and Curt Armstrong seconded the motion to approve the amend 2 version of the agenda.

VOTE: The motion passed unanimously by roll call vote.

5. STAFF REPORTS

- a. City Manager and Staff Reports

The following items were reported on:

- State of Alaska UMOT and Attorney approved non substantive changes recommended for Title 7 were requested by the City Clerk. The Mayor recommended these changes be made by the Clerk without the need to go through the Code Review Committee.

MOTION: Chris Maines moved and Andy Anderson seconded the motion to concur with the Mayors recommendation.

VOTE: The motion passed unanimously by roll call vote.

- The landfill incinerator is still down. There is no date yet for the item to be fixed, the manufacturer will be contacted regarding needed repairs.

b. Standing Committee Reports

There were no committee reports.

6. PUBLIC HEARINGS

There were no public hearings.

7. CITIZEN'S DISCUSSION (Prior Notice or Agenda Items)

Henry Strub and Bob Himshoot – Nushagak Cooperative:

- Reported that better flow data and geological information is needed at this time.
- The hydro project will have a minimum life of 40 years and is sustainable. Current diesel system capabilities are maxed out.
- The resolution is required for them to move forward with requesting studies.
- The expectation is for permitting to be done in this legislature. A trip to Juneau is scheduled.
- They have been working with the appropriate State of Alaska agencies.

8. ORDINANCES AND RESOLUTIONS

- a. Adopt Resolution 2019-08; A Resolution of the Dillingham City Council Authorizing the City Manager to Award the Landfill Groundwater Monitoring Wells Construction Contract

MOTION: Chris Maines moved and Curt Armstrong seconded the motion to adopt Resolution 2019-08.

This is a time sensitive project and part of the CIP priorities. The bid process was adhered to. ADEC loan has been applied for but not yet awarded. There is a potential risk of fines, as well as loss of self-management if this work is not done.

Question called, no objection.

VOTE: The motion passed by unanimous roll call vote.

- b. Adopt Resolution 2019-09; A Resolution of the Dillingham City Council in Support of Nushagak Electric & Telephone Cooperative's (NETC) Continuing Study and Evaluation Efforts for Development of a Hydroelectric Facility on the Nuyakuk River and Support for the Legislation to Allow Access to Wood Tikchik State Park (WTSP) for This Effort

MOTION: Chris Maines moved and Andy Anderson seconded the motion to adopt Resolution 2019-09.

VOTE: The motion passed by unanimous roll call vote.

9. UNFINISHED BUSINESS

- a. Citizen Committee Appointments
1) Senior Advisory Commission – 1 seats open

There were no letters of interest.

- 2) Friends of the Landfill – 11 seats open (*9 letters of interest received*)

Mayor Ruby recommended to appoint Todd Radenbaugh, Mark Lisac, Denise Lisac, Susan Flensburg, Paul Liedberg, Susanna Henry, Chris Napoli, Kaleb Westfall, and Jennifer Skarada to the Friends of the Landfill committee.

MOTION: Aksel Buholm moved and Chris Maines seconded the motion to concur with Mayor Ruby's recommendation.

VOTE: The motion passed by unanimous roll call vote.

b. General Obligation Bond Update

Presentations have been given to BBEDC and Chogguing, with one scheduled at Togiak National Wildlife Refuge. The USPS Postmaster has expressed concern regarding the condition of the road in front of the post office. Facebook live feeds continue to focus on the GO Bond election and associated projects. Advertisements for neighborhood meetings have gone out.

c. Progress Report

1) Dave Carlson House Property

2) Territorial School

There were no progress reports.

10. NEW BUSINESS

a. Approve Action Memorandum 2019-01; Award a one year contract for Engineering Services to CRW Engineering Group, LLC, Anchorage AK

MOTION: Chris Maines moved and Curt Armstrong seconded the motion to approve Action Memorandum 2019-01.

The scoring, summary, and criteria sheet show the breakout for the award decision. The City does have previous positive experience with CRW.

VOTE: The motion passed by unanimous roll call vote.

b. Approve Action Memorandum 2019-02; Authorize the City Manager to Enter into an Agreement with Bristol Engineering Services Company LLC (BESC) for the Oversight of the Landfill Groundwater Monitoring Wells Construction Project and Well Sampling

MOTION: Chris Maines moved and Curt Armstrong seconded the motion to approve Action Memorandum 2019-02.

VOTE: The motion passed by unanimous roll call vote.

c. Approve Action Memorandum 2019-03; Authorize the City Manager to Purchase a Top Handler

MOTION: Chris Maines moved and Andy Anderson seconded the motion to approve Action Memorandum 2019-03.

The current top handler failed twice last season. A new one is needed and will allow the existing one to go in to be refurbished and used as a backup.

VOTE: The motion passed by unanimous roll call vote.

11. CITIZEN'S DISCUSSION (Open to the Public)

There was no citizen discussion.

12. COUNCIL COMMENTS

Gregg Marxmiller:

- Thanked staff for their efforts on the Bond campaign and outreach, stating it helps everyone take ownership of the city.

Aksel Buholm:

- Inquired regarding the status of recruitment for seasonal EMT's, and Public Works Director.

13. MAYOR’S COMMENTS

Alice Ruby:

- Reminded council of scheduled training prior to the April 7th meeting, and requested they notify the clerk of any topics they are interested in adding to the agenda.
- Spoke regarding the Governor’s proposed budget and resources for dealing with the impact from AML and SWAMC. Noting one of the best things to be done is to be heard; have a presence in Juneau.
- She will submit a trip report from attending SWAMC.
- Encouraged council to promote the election.
- A moment of silence was observed for all those recently lost.

14. ADJOURNMENT

Mayor Ruby adjourned the meeting at 8:06 p.m.

Mayor Alice Ruby
[SEAL]

ATTEST:

Lori Goodell, City Clerk

Approval Date: _____

Mayor
Alice Ruby

Manager
Tod Larson



Dillingham City Council
Chris Napoli
Chris Maines
Aksel Buholm
Curt Armstrong
Andy Anderson
Gregg Marxmiller

MEMORANDUM

Date: April 4, 2019
To: Mayor and City Council
From: Tod Larson
Subject: April 2019 City Manager Report

Personnel. Welcome to our new employees and thank you to those that have served the City faithfully and are moving on to other positions/careers.

New Employees:	Dylan Thompson – Water/Wastewater Operator
Promotions:	Hayes Casteel – Corrections Sergeant
Resignations:	Leaca Young – Executive Assistant
Transfers:	Bryon Nanalok, Buildings and Grounds Assistant
Vacancies:	Corrections Officer Dispatcher Public Works Director Fleet Mechanic Executive Secretary/HR
Seasonal:	Dock Operator Harbor Assistant Seasonal EMT Fire Department Laborer (3)

FY20 Budget. All departments have submitted their budget requests to me and I'm gathering up any data related to our FY20 budget to incorporate. Concurrently, we will be determining revenue estimates for FY20.

Denali Commission. Don Antrobus from the Village Infrastructure Protection Program Manager at the Denali Commission reported on Tuesday, March 19th that he had a statement of work to review. I had a meeting with Pete Bellezza and some of his staff from CRW in Anchorage on Wednesday the 20th in part to discuss the Wastewater

Our Vision. To have an infrastructure and city workforce that supports a sustainable, diversified and growing economy. We will partner with others to achieve economic development and other common goals that assure a high quality of living, and excellence in education.
City of Dillingham

Treatment Lagoon Erosion Mitigation Study. The Denali Commission has set aside \$165,000 for our study.

PND Engineers. I also had a meeting with PND while I was in Anchorage this past week. They continue to move forward and we just discussed a few details for decisions.

General Obligation Bond Update. The Alaska Municipal Bond Bank is aware of the status of our city bond and is standing by for the decision on its execution. I'm pleased with the completeness of the campaign and the process we established to get the word out to citizens.

Requested Decisions.

- Decision on whether to bond the streets project or not.

Respectfully Submitted,
Tod Larson

City of Dillingham

House District 37 / Senate District S

~ 3/29/19 ~

31st Alaska State Legislature ~ 1st Session

MARCH 2019 – LEGISLATIVE REPORT

Cliff Stone / City Lobbyist

~ Lack of vision and leadership by the governor cited by citizens all over Alaska ~



The slash and burn mentality of the current administration to the state's operating budget has caught the indignation of people and municipalities all over the state. Residents have been contacting their legislators; they've been showing up at committee hearings in record numbers, and attending town hall meetings across Alaska. Most folks have asserted they are willing to give up their Permanent Fund Dividend (PFD) or take a reduced dividend if it means schools, public safety, health care, seniors, and the marine highway system are funded properly to ensure the well being of the state.

As testified in committee after committee over the past two months, the current administration admitted to the fact that they did not really contact anybody out in the state as to the proposed budget cuts and how it would affect them. The Office of Management and Budget (OMB) simply had a bottom line number to get to and decided in a vacuum as to where to cut the budget. Many officials admitted to the fact that no research or economic analysis had been conducted on several aspects of the impending cuts as to how it would affect communities. The OMB director even stated with some annoyance that it wasn't her job.

As a result, the House and Senate Finance Committees demanded to hear from state economists as to the impact these cuts would have. In dramatic testimony, even the Dept. of Labor's own economist stated that, "we don't begin to understand the details of the governor's proposed budget well enough to even take a rough stab at estimating job losses."

The head economist with OMB tried to downplay an analysis by the state's own Institute for Social and Economic Research (ISER) when that report says that Alaska's current recession will extend far beyond 2019 if these radical cuts are allowed to go through. ISER concluded that a net loss of over 7,000 jobs would be the end result of the governor's overall budget. On top of that, the newly created jobs would pay quite a bit less than those lost by the budget cuts, thus contributing to the recession. The same economist with OMB further stated, "There's no way anybody can tell you exactly what's going to happen." Legislators expressed a great deal of frustration with the governor's office for the failure in explaining the indirect effects that job losses will have on the economy. What I heard in the halls continually this year is the fact that the governor and his administration had not done their homework.

As reported by the House Majority Coalition, thousands of people across the state have been telling legislators what they want the state to look like. The numbers have been overwhelming in favor of not implementing the draconian cuts that the governor has proposed. The people certainly weighed in about the governor's desire to eliminate the Alaska Marine Highway System (AMHS), as we know it. Over 600 people testified in support of AMHS and voiced strong opposition to the governor's proposal to eliminate service after October 1st of this year. That number of testifiers is unprecedented in the state's history.

Leadership in both bodies decided not to use the governor's proposed budget as their starting point, but rather using the approved budget for the current year and then review possible changes or reductions. Each subcommittee did vet the governor's proposals, but in the end decided against most of his recommendations, in part because of the folks across the state that came out and spoke to what they wanted to see our state look like. They were adamant about keeping essential services intact.

All of the subcommittees of House Finance have now been closed out with their final reports made to the full committee. Those reports with numbers and language have just been posted to the Division of Legislative Finance website at: <http://www.legfin.akleg.gov> That's part of the reason I waited until now to draft the final of this report so you would have their recommendations at your fingertips.

After a cursory look through the revised House FY20 budget (HB 39), I can share the following. The House has kept K-12 education funding whole along with reaffirming the \$30 million one time extra for education signed into law last year. They have also kept AMHS and the University System fully funded. They have also rejected the governor's plan to eliminate the fisheries taxes that have historically been shared with municipalities. They have also voiced concern over the cost shifting that would happen by the elimination of the sharing mechanism in place for the petroleum property taxes. There are both House and Senate bills that deal with these issues. On the issue of school bond debt reimbursement, SB 106 will be heard in House Finance on April 1st. I will continue to monitor these bills and others that impact Dillingham and report back to you as soon as possible with any updates.

Although the PFD is not taken care of in this amended version of the budget, it has been stated that roughly \$600 million is being considered by the House for inclusion at a later date for the dividend. The governor's proposal is at \$1.9 billion, which would roughly pay out a \$3,000 PFD. I suspect that the final number agreed to will be in between these two numbers somewhere. The amount of the PFD will play an integral part of the end of session debate and bargaining chips to send everyone home.

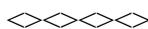
In addition, there are several bills and resolutions dealing with various aspects of the Permanent Fund and Dividend. I'll keep track of these and report on them as necessary. One example is the governor's PFD payback bills. So far testimony has been decidedly in opposition if it means large budget reductions. I don't see these proposals going anywhere, as it would cost the state billions of dollars more in payouts. Both bodies are also privately talking about revisiting the subject of oil tax credits with discussions on a reduction or elimination of those credits.

It's quite a bit of information to wade through, and of course it's not the final bill. Now the committee substitute will go to be debated, amended, and voted on by the full House. From there it then goes to the Senate for deliberation, more public hearings, and finally a vote in that body as well. In talking with Senate leadership, it is their hope to have its budget work complete around April 15th. This date is perhaps optimistic, but everyone is hopeful. Eventually the bill will wind up in a conference committee of both the House and Senate to hammer out the finer details before sending the final budget to the governor.

If the legislature is still in session when the bill is transmitted to the governor, he then has 15 days to sign it. At this stage, it's too early to say what if anything the governor may veto in the bill. He can eliminate entire line items of funding or make a reduction to a dollar amount in a line item as he sees fit. Reconsideration of vetoed bills or items may come before a joint session of the Legislature.

The following breakdowns are the votes necessary to override a governor's veto.

- 3/4 vote (45) of full body is necessary to override a veto of revenues or appropriations.
- 2/3 vote (40) of full body is necessary to override a veto of all other measures.



SPRING 2019 REVENUE FORECAST

The Dept. of Revenue released its Spring 2019 revenue forecast. The link is listed below. I would encourage you to look at this publication as it is jammed packed full of good information. The forecast predicts a decrease of \$89 million in expected unrestricted general funds (UGF) for FY 2019. However, it does display an increase of \$39 million in UGF for FY20 compared to the Fall 2018 forecast. The forecast is based on a per barrel, Alaska North Slope (ANS) price of \$68.90 for FY19 and \$66 for FY20.



GOVERNOR'S CORNER

<http://gov.alaska.gov>

Handy phone numbers for Governor's offices: Anchorage: 907-269-7450 and Juneau: 907-465-3500

The governor has nominated Cora Campbell and Nicole Kimball for two State of Alaska seats on the North Pacific Fishery Management Council (NPFMC). Consideration of these nominees and alternates are in the hands of the U.S. Secretary of Commerce as set in law. An announcement is anticipated in June with the selected individuals taking their respective seats in August. For more information, go to the following website. <https://gov.alaska.gov/newsroom/2019/03/11/governor-announces-nominations-to-north-pacific-fishery-management-council/>



WEBSITES OF INTEREST

Online Public Notices for Alaska <https://aws.state.ak.us/OnlinePublicNotices/default.aspx>

2019 Legislators contact information <http://akleg.gov/docs/pdf/whoswho.pdf>

2019 1st Session Staff contact list http://akleg.gov/docs/pdf/session_phone_list.pdf

2019 1st House / Senate Committee list <http://akleg.gov/docs/pdf/commlist.pdf>

Legislative Publications List <http://akleg.gov/publications.php>

Legislative Finance Division <http://www.legfin.akleg.gov>

View specifics for the Capital and Operating Budgets.

Alaska Tax Division – Spring 2019 Revenue Sources Book

<http://www.tax.alaska.gov/programs/documentviewer/viewer.aspx?1531r>

Congressional Delegation websites (Current phone numbers will be listed on these sites)

<http://murkowski.senate.gov/public> www.sullivan.senate.gov <http://donyoung.house.gov>



~ End Report ~

Enjoy your family and friends!

~ Cliff

This page left intentionally blank

Mayor
Alice Ruby

Manager
Tod Larson



Dillingham City Council
Chris Napoli
Chris Maines
Aksel Buholm
Curt Armstrong
Andy Anderson
Gregg Marxmiller

MEMORANDUM

Date: March 28, 2019
To: Tod Larson, City Manager
From: Lori Goodell, City Clerk
Subject: Monthly Staff Report

Special Election:

The March 26, 2019 special election ran smoothly. The clip on lights were a welcome addition. We'll see if they are strong enough during the October election when the available natural light is reduced.

The election judges are a pleasure to work with and I truly appreciate the time and effort they are willing to contribute on behalf of the community. The election judges are also the canvass committee and met on March 28th to review absentee ballots. There were no questioned ballots this election, Election Judge Keggie Tubbs says this is the first time in his experience this has occurred.

Foreclosure:

The finance department is working on a current foreclosure list for the 2018 tax year. The action filed last November is in the one year redemption period. I will be working with the attorney to finalize the few properties remaining on the action filed in 2017.

Internet Sales Tax:

Based on the Supreme Court case South Dakota v. Wayfair decision the City Attorney advises the City to amend Dillingham Municipal Code to reflect the change in authority to collect sales tax based on a virtual presence. I have attached a memorandum from the attorney explaining reasoning for code changes. Please let me know if you would like the code review committee to undertake this issue.

UMOT:

As authorized from council I have begun to update Title 7 based on recommendations from the State UMOT and Code Publishing. I will be meeting with Public Safety to go over proposed changes.

Vacation:

I am taking a vacation and will be out of the country and unavailable April 16 through April 30, and back in the office on May 2. I am working with Finance for coverage of essential duties while I am away.

STANDING ITEM(S):

Liquor & Marijuana License Renewals/Transfers/New Licenses.

There are no license renewals at this time.

Commission/Board Seats Vacant.

- One open seat on the Senior Advisory Commission. No letter of interest received.
- Two open seats on the Friends of the Landfill Committee. Four letters of interest received.

Advertising to fill commission seats is ongoing.

★
CERTIFICATE OF COMPLETION

Presented to

Lori Goodell

for completing IIMC & Municode's training seminar

“Unlocking the Mystery of your Municipal Code”

Earning .5 CMC Education Point



Julie Lovelace
Julie Lovelace

Tassy Spinks
Tassy Spinks

Thu 14th Mar 2019
Date

This page left intentionally blank

BOYD, CHANDLER, FALCONER & MUNSON, LLP

Attorneys At Law
Suite 302
911 West Eighth Avenue
Anchorage, Alaska 99501
Telephone: (907) 272-8401
Facsimile: (907) 274-3698
bcf@bcfaklaw.com

MEMORANDUM

TO: Tod Larson, City Manager
Dillingham City Council



FROM: Brooks Chandler
City Attorney

DATE: March 16, 2019

RE: Taxing Interstate Sales: *South Dakota v. Wayfair*

The Supreme Court of the United States disavowed the physical presence rule that has governed collection of sales tax on interstate transactions since 1967 by a vote of 5-4¹. In so doing, *South Dakota v. Wayfair* cleared a previously insurmountable barrier to compelling out-of-state sellers to collect sales taxes. The Court essentially replaced the physical presence rule - *one part of the undue burden on interstate commerce principle* - with the substantial nexus rule. But the fundamental question is, was and remains the same: Does the sales tax regime discriminate against or place an undue burden on interstate commerce?

Based on a careful review of the Court's decision we have reached the following conclusions:

1. The current version of the City of Dillingham sales tax ordinance requires companies who sell goods over the internet for delivery within Dillingham to collect the Dillingham sales tax.

¹ Retiring Justice Kennedy wrote the opinion. Should his replacement disagree with his legal reasoning the Wayfair decision may be very narrowly applied by the Supreme Court in the future.

2. However, because of possible legal challenges we recommend the City adopt an ordinance amendment changing the definition of when a sale is “made within the city” to specifically reference internet sales.
3. Even if the City changes the sales tax ordinance so as to require internet sellers to collect city sales tax it is possible sellers will successfully resist complying unless cities across Alaska can agree on a set of uniform definitions, exemptions and sales tax collection procedures so as to reduce the burden of tax collection for internet sellers or unless a uniform sales tax process is adopted by state legislation.

The reasons for these conclusions are discussed in greater detail below. We do not have any specific recommendations for the City Council. Whether to tax internet sales is a policy question. We are actively reaching out to other Alaska municipal attorneys to discuss the possibility for adoption of a uniform set of sales tax definitions, exemptions and procedures for possible adoption by agreement among communities who do wish to tax internet sales.

I. *Wayfair* Scope and Status.

Wayfair is as important for what it does not say as for what it does. Disavowing the physical presence rule is a radical change, but the decision is narrow. After determining that the physical presence rule is outdated and that South Dakota’s sales tax act (“Act”) satisfied the alternative “substantial nexus” requirement as applied to these sellers (large e-commerce companies), the case was remanded back to South Dakota to determine whether, without applying the now-invalidated physical presence rule, the Act still places an unconstitutional undue burden on interstate commerce. Although the Court’s holding is limited to consigning the physical presence rule to the trash heap, several non-controlling remarks intended to guide the South Dakota Supreme Court implicitly guide all states and municipalities that would have out-of-state sellers collect sales taxes on the same basis as local sellers.

Wayfair should be seen as the starting line on a path requiring internet sellers to collect municipal sales taxes. Between here and the finish line are numerous hurdles including further constitutional challenges, the possibility of Congressional intervention, the probable necessity of

coordinated action by municipalities, if not state legislation, to create sales tax uniformity, and, easiest to clear, appropriate local ordinance amendments.

I. *Wayfair*: A Vivisection

The abandoned physical presence requirement was intended as a bright-line *rule* to determine if a tax violated the constitutional *principle* that a state cannot unduly burden interstate commerce. The physical presence rule is dead, but the undue burden principle, and litigation of this case under it, live on. The Court remanded the case to the South Dakota courts to determine whether the Act violates established principles of interstate commerce jurisprudence – whether the local tax discriminates against or unduly burdens interstate commerce.

Although the Court only specifically determined that the Act as applied to these sellers meets the physical presence rule replacement - the substantial nexus requirement - it also suggested reasons why the South Dakota Act would *not* constitute an undue burden on interstate commerce. The Court emphasized the streamlined uniformity of South Dakota sales tax. Alaska's individualized municipal tax ordinances and tax reporting requirements differ from one city to another. The result is the opposite of streamlined uniformity. This creates doubt about whether requiring internet sellers to collect sales tax on purchases made in the more than fifty Alaska communities with a sales tax will be considered an undue burden on interstate commerce.

A. Physical Presence: The Antiquated 20th Century

The physical presence rule is familiar to municipal tax officials and attorneys as the constitutional limitation on imposing sales tax across state borders. Although the history and application of the rule to certain transactions can be nuanced, the rule itself is simple. Under the Dormant Commerce Clause of the US Constitution, a state or its political subdivisions cannot discriminate against or unduly burden interstate commerce. From 1967 until *Wayfair*, that meant that a municipality could not compel an out-of-state seller to collect sales taxes on sales to local buyers *unless* the seller had some in-state physical presence. This rule was first adopted in 1967 in *National Bella Hess, Inc. v. Department of Revenue of Ill.*² and re-affirmed by the Court in

² 386 U. S. 753 (1967)

1992.³ The essential logic of the rule was that it was too complex and burdensome for out-of-state sellers to comply with the sales taxes imposed by every state and municipality and that requiring a physical presence provided an (allegedly) easy to apply, bright-line rule.

The physical presence rule held on for fifty years, though what constituted an acceptable physical presence broadened over time. (Virtually any physical presence, even an agent of the company, would do.) Most Alaska municipalities codified the physical presence rule in their sale tax ordinances. But many go further than required by the physical presence rule and ordain that the seller has to have a physical presence *in the municipality* rather than anywhere in the state, although the latter satisfied constitutional requirements.

In any case, *Wayfair* does not require any changes to existing ordinances in order to meet the new substantial nexus rule. The policy question *Wayfair* raises is whether an Alaskan community wishes to include internet sales in the universe of taxable sales. If the answer is yes an ordinance change is the first step.

B. Substantial Nexus: A *Complete Auto*-mated World

Although the principle has always been and remains whether the tax places an undue burden on interstate commerce, the way to determine if there's such a burden has changed with changing technology. Instead of asking if a seller has a physical presence in the state, the Court asked if the seller has a "substantial nexus" to it. The substantial nexus test is broader, but is anything but new. It lurked as a confusing and confused alternative to the physical presence rule for the 15 years between the Court's decision in *Complete Auto* in 1977 and *Quill* in 1992.⁴

With *Wayfair*, the Court suggests that the four-pronged test announced in *Complete Auto* guides, but does not necessarily govern, sales tax cases. Under that test, a seller can be compelled to collect taxes if (1) it has a substantial nexus to the taxing state, and the tax is (2) fairly apportioned, (3) does not discriminate against interstate commerce, and (4) is fairly related to the services provided by the state. But the Court also left open the possibility that sales tax regimes could be attacked as unduly burdening interstate commerce even if all four prongs are met.

Of these four factors, the Court only addressed whether the South Dakota Act, when applied to these sellers, met the substantial nexus prong. A "substantial nexus is established

³ *Quill Corp. v. North Dakota*, 504 US 298 (1992).

⁴ *Complete Auto Transit, Inc. v. Brady*, 430 U. S. 274 (1977); *Quill Corp. v. North Dakota*, 504 US 298 (1992).

when the taxpayer [or collector] ‘avails itself of the substantial privilege of carrying on business in that jurisdiction.’”⁵

Though broader than the physical presence rule, “substantial nexus” is not as clear-cut. The South Dakota Act applied only to sellers that deliver to South Dakota more than \$100,000 or 200 individual sales annually. The Court found that “nexus is clearly sufficient” based on the monetary limitation together with the sellers-litigants’ web presence. \$100,000 in annual sales to the state and a website is *clearly* sufficient, but the Court did not elaborate on what would be *minimally* sufficient to establish a substantial nexus to the taxing state.

The Supreme Court held that these sellers had a substantial nexus to South Dakota as a result of their annual sales and websites. On remand, South Dakota courts must determine if the South Dakota Act, as applied to these collectors, otherwise places an undue burden on interstate commerce. The Court suggested that the Act likely does not unduly burden interstate commerce, in no small part because South Dakota is party to the Streamlined Sales and Use Tax Agreement.

C. Undoing Burdens: Streamlined Sales and Use Tax Agreement

Because of the way the case was litigated, the Court did not definitively say that the Act is constitutional. But the Court approvingly mentioned three features of South Dakota law and the Act “designed to prevent discrimination against or undue burdens upon interstate commerce.” First, the Act has the \$100,000 or 200 transaction safe harbor, identified above, that exempts small sellers who may be unable to economically comply with administrative costs of complying with South Dakota sales tax law. Second, the Act specifically disclaimed any retroactive liability. Finally, the Court noted that South Dakota is party to the Streamlined Sales and Use Tax Agreement (“SSUTA”). As the minimum requirements for a substantial nexus “safe harbor” are unknown and no retroactivity is self-explanatory, only SSUTA remains to be discussed.

The SSUTA is the centerpiece of a multi-state project to develop uniform legislation to enable remote retailers to efficiently collect foreign-state sales taxes. The SSUTA, which 23 states have joined, primarily relied upon voluntary compliance by sellers. But the SSUTA was drafted with the intent that a mandatory collection regime would not constitute an undue burden

⁵ *Wayfair*, p. 22.

on interstate commerce should Congress or the Court eliminate the physical presence rule. The SSUTA is, intentionally, the answer to questions raised but left unanswered by *Wayfair*.

The SSUTA focuses on four major requirements for simplification of state and municipal sales tax codes aimed at creating consistency and uniformity: 1) state level administration, 2) uniform tax base, 3) simplified tax rates, and 4) uniform sales sourcing rules. The first three requirements primarily relate to standardizing sales taxes *within* the state. The fourth requirement ensures that all participating locations, states and municipalities, have a shared understanding of whose tax applies

State-level administration means that sales taxes are remitted to a single state agency. Sellers must collect sales taxes for each municipality at the rate set by the municipality, but a single state-wide agency serves as a single point of contact for the sellers and municipalities. The uniform tax base requirement means that the same goods and services would be taxed or exempt the same way *within* each state. In other words, exemptions are state-level, not municipal. With an exception for food and drugs, simplified sales tax rates means that each state and municipality has one sales tax rate. For example, a municipality cannot tax most goods and services at 5% but tobacco products at 7%. This standard does *not* mean that all municipalities within the state must have the same rate, only that each has one rate: Akutan could have a 4% rate, Adak a 6% rate, and Unalaska a 3% rate. Finally, the uniform sourcing requirement is intended to create uniformity among definitions that determine which jurisdiction's - origin or destination - taxes apply. The purpose is to avoid situations where Akutan and Adak use different definitions resulting in both claiming to be the appropriate taxing jurisdiction. The Alaska Municipal League previously prepared an FAQ relating to the SSUTA and Alaska. A copy is included with this memo.

D. Alaska Municipalities have significant sales tax autonomy, but little uniformity.

Alaska is not an SSUTA state. *Wayfair* does not say that a state *must* be an SSUTA state in order to tax internet sales. The decision's focus on the SSUTA demonstrates why, without further state or collective action, requiring out-of-state sellers to collect and remit Alaska municipal sales taxes has the potential to be considered an undue burden on interstate commerce. Even if all Alaska municipalities adopted a \$100,000/ 200 annual Alaska transactions safe harbor, out-of-state sellers would still need to contend with dozens of different Alaska tax regimes, each with its own exemptions, definitions, forms, and reporting requirements.

This was not a problem for South Dakota, but Justice Roberts, dissenting, noted the burdens that non-uniform sales taxes would place on sellers: “New Jersey knitters pay sales tax on yarn purchased for art projects, but not on yarn earmarked for sweaters. Texas taxes sales of plain deodorant at 6.25 percent but imposes no tax on deodorant with antiperspirant. Illinois categorizes Twix and Snickers bars—chocolate and-caramel confections usually displayed side-by-side in the candy aisle—as food and candy, respectively (Twix have flour; Snickers don’t), and taxes them differently.”⁶ Alaska municipalities may not distinguish between Twix and Snickers, but the burdens of complying with dozens of varying taxing regimes in Alaska alone creates a similar legal issue.

Given *Wayfair*’s emphasis on the how the SSUTA reduces the burdens on out-of-state sellers but simplifying compliance and ensuring uniformity, it appears that the lack of uniformity among Alaska’s many taxing jurisdictions would result in municipal efforts to mandate tax collection by out-of-state sellers being held to as unconstitutional burdens on interstate commerce.

II. Conclusion

Wayfair removes a previously insurmountable barrier to requiring out-of-state sellers to collect Alaska municipal sales taxes, but other barriers remain. First, the city must decide whether to tax internet sales. Given the Court’s emphasis on the importance of uniformity in sales tax regimes, it is likely that the cost of compelling out-of-state sellers to collect sales taxes is some loss of autonomy. The Constitution does not require SSUTA membership, but it is unlikely to allow municipalities to each set numerous sales tax rates with each determining what goods and services are not taxed and each having its own reporting and audit requirements. So if a decision is made to tax internet sales additional action to coordinate with other cities in Alaska wishing to tax such sales is likely required,

⁶ *Wayfair* (Roberts, CJ., dissenting) (citations omitted), p. 6.

This page left intentionally blank

Mayor
Alice Ruby

Manager
Tod Larson



Dillingham City Council
Chris Napoli
Chris Maines
Aksel Buholm
Curt Armstrong
Andy Anderson
Gregg Marxmiller

MEMORANDUM

Date: 03/28/2019
To: Tod Larson, City Manager
From: Anita Fuller, Finance Director
Subject: Monthly Staff Report (03/01/19 to 03/28/19)

Statistics:

Payrolls run: 3
Cash Receipts; \$776,665
All checks amount: \$622,501

AccuFund was upgraded in January. The upgrade revealed an error that caused interest to not run on property tax for all years in February. The issue was resolved in March and is functioning correctly now.

Personal property tax assessments notices were mailed out on 03/15/2019. Real Property tax assessment notices were mailed out on 03/18/2019. Customers have 30 days to appeal. Calls are coming in requesting reviews and appeals of the assessments which are being handled as they arrive.

A list of 233 customers with past due balances totaling \$632,878 was created and a notice of denied services was sent out on 03/13/2019. This list reflects all unpaid balances that are 90 days or more past due.

FY 2020 Budget revision work continues.

FY 2018 Audit work is still in progress.

Our office has also completed a list of 2018 real property taxes that have gone unpaid. Letters will be sent out soon to initiate the process for an upcoming foreclosure list.

Due to a family medical emergency the Finance Director was out of the office and working remotely from 03/11/2019 to 03/26/2019.

This page left intentionally blank

Mayor
Alice Ruby

Manager
Tod Larson



Dillingham City Council
Chris Napoli
Chris Maines
Aksel Buholm
Curt Armstrong
Andy Anderson
Gregg Marxmiller

MEMORANDUM

Date: March 27, 2019
To: Tod Larson, City Manager
From: Sonja Marx, Librarian
Subject: Monthly Staff Report for March

The Librarian has been very busy with various grants that came due in March. The Curyung Tribal Council filed a \$10,000 IMLS grant on our behalf for library materials, books and audio visuals, the summer reading program, and travel expenses for continuing education. The PLA grant of \$7,000 for books and collection preservation is also due April 1st. Employer applications for two BBEDC summer positions (youth intern and seasonal employee) are being submitted to help cover our busiest season.

Form 470 for internet services was submitted in December with bids coming in January and February. We had four proposals this year. GCI was awarded the bid and E-rate Form 471 was filed and certified on March 27th. We depend on E-rate covering 90% of our internet expense. The remaining 10% was covered in the past with OWL funding and a small portion from the city budget. Currently, OWL funding is not in the state budget.

The LAB met at the scheduled time; however, there was not a quorum to conduct official board business. The Librarian and the two board members present discussed library issues. A meeting will be rescheduled for April when all board members can attend.

The FOL board met Saturday, March 16th at 10 am at the library. They also did not have a quorum to conduct official business, but they did discuss their upcoming Beaver Round Up event. They sponsored a Dr. Seuss "Green Eggs and Ham" breakfast from 9-11 am for \$5 a plate at the Elementary school on Saturday, March 23rd. The Cat in the Hat read stories and there was lots of fun with Eskimo bingo, prizes, and a craft table!

I have the privilege of attending a NASA STEM workshop in Anchorage April 12-13. The Alaska State Library offered 12 travel grants for this continuing education opportunity. I'm so excited to learn more about using Science, Technology, Engineering, and Mathematics in the library setting for our young patrons during the Summer Reading Program. NASA programs fit right in with the theme this year, "A Universe of Stories".

Library Stat report for February 25th – March 23rd, 2019:

**Patron Visits: 1,555 Computer Use: 617 Wireless Use: 58
Story Hour: 0 Other Visits (including Students): 50 Museum Use: 25
Movies Shown: 3 AWE Station Use: 21 Volunteer Hours Logged: 2**

Library Advisory Board meeting to be rescheduled

Our loaner server was switched out, and in the process, some of our programs needed updating. We lost information in our Time Limit Manager that records wired computer use and wireless internet use. The stats are showing lower this month; however, the computers and internet were being used, just not recorded. We also had to upgrade our Deep Freeze licenses for all patron computers once the new server was in place. March was a month of many technology challenges and changes for the library.

Mayor
Alice Ruby

Manager
Tod Larson



Dillingham City Council
Chris Napoli
Chris Maines
Aksel Buholm
Curt Armstrong
Andy Anderson
Greg Marxmiller

MEMORANDUM

Date: March 27, 2019
To: City Manager Tod Larson
From: Chief Dan Pasquariello
Subject: Public Safety April 2019 council report

Reporting period 2-28-19 to 3-27-19

Dispatch:

- ❖ 322 Calls for service dispatched
- ❖ 85% Dispatched to Dillingham Police
- ❖ 8% Dispatched to Animal Control
- ❖ 5% Dispatched to Fire/EMS
- ❖ 2% Dispatched to Alaska State Troopers

Corrections:

- ❖ 29 Total Inmates held at jail
- ❖ 27 Title 47 Protective custodies

Patrol:

- ❖ 274 Calls for service
- ❖ 22 Persons arrested by DPD
- ❖ 27 Title 47/Protective custody by DPD
- ❖ 23 Citations issued by DPD
- ❖ 32 Incident reports by DPD

Approximately 1 out of 10 calls for police service require an incident report to be completed by officers. A partial breakdown of our incident reports is as follows:

Violation release/probation conditions	6
Assault/Disorderly Conduct	5
DUI	5
Traffic offenses	3
Vehicle accidents	2
Thefts	2
Drug offenses	2
Criminal Mischief	2
Trespass	1
Death investigation	1

Our Vision. To have an infrastructure and city workforce that supports a sustainable, diversified and growing economy. We will partner with others to achieve economic development and other common goals that assure a high quality of living, and excellence in education.

Animal Control:

- ❖ 6 Dogs/cats impounded
- ❖ 6 Dogs/cats returned to owners
- ❖ 1 Dog sent to ARVO Rescue in Anchorage
- ❖ 3 Compassionate euthanasia
- ❖ 2 Citation issued
- ❖ 64 Rabies/parvo shots given
- ❖ 29 Dog licenses sold

DMV:

- ❖ 74 Registrations/Titles
- ❖ 4 Boat registrations
- ❖ 74 Driver's License/IDs
- ❖ 6 CDLs
- ❖ 2 Road tests
- ❖ 13 Written tests

CO Hayse Casteel is the newly promoted Corrections sergeant. Sgt. Casteel has worked at DPD at various times throughout the last three decades. At times he has been a dispatcher, police officer, and corrections officer. We are in the process of preparing for our bi-annual jail audit in early April. We have one vacant corrections officer position.

One of our dispatchers was 'stolen' by the Public Works department, where he is transferring to buildings and grounds. So we now have one vacant dispatcher position.

Officer Maines and Officer Lowery spoke to several high school seniors who are interested in careers in law enforcement.

The patrol division attend a two day active shooter course, sponsored by AST. The course was taught at the high school by members of the FBI. Six Dillingham police officers, as well as AST, AWT, USF&W and the State park Ranger attended the course.

DPD led the Beaver Roundup parade, as well as the Choose Respect March.

Dillingham Police officers continue to participate in Bingo at the Senior Center.

ACO Boyd held his annual Rabies Clinic at the shelter during Beaver Roundup. With the help of volunteers from the community. A total of 49 rabies vaccinations were given and 29 dog licenses were sold.

We responded to two weapons calls this month. Both were resolved with the suspect in custody and no one injured.

Our Vision. To have an infrastructure and city workforce that supports a sustainable, diversified and growing economy. We will partner with others to achieve economic development and other common goals that assure a high quality of living, and excellence in education.

Mayor
Alice Ruby

Manager
Tod Larson



Dillingham City Council
Chris Napoli
Chris Maines
Aksel Buholm
Curt Armstrong
Andy Anderson
Gregg Marxmiller

MEMORANDUM

Date: 3-26-19
To: Tod Larson, City Manager
From: Jean Barrett / Public Works, Port Director
Subject: Monthly Staff Report

Spring has sprung, the roads are keeping us busy, the ice is going to be out of the harbor within a week I'm guessing, and someone said they saw a seagull, a real one not a "seagull fisherman".

Port

I have been steadily spending more and more time at the Harbor getting ready for the summer rush. I will have help down there the first week of May and hope the dredge is done early so we can get everything in the water prior to the rush.

- The best news I can share about the port this month is that Ben Glosser has completed his crane training in Washington and scored in the 90th percentile.
- Dean and Ben will be starting at the dock in early May getting things ready for what I'm sure will be a busy summer; the numbers for the fish run on the Nushagak are again looking to be record setting.
- We are currently taking applications for an additional operator on the dock to fill our one vacancy.
- I would like to thank the council for approving of the new top handler for the dock. This is a very important piece of equipment and the old one has become a safety issue. I placed the order the day after it was approved and we are hoping it will be on an early barge to Dillingham.

Public Works

Things haven't slowed down, we seem to always have a project or a small fire to extinguish.

Streets

- The melting snow is causing havoc with the City streets, luckily we spent time moving the large snow piles around town so it is not going to last as long as it would have otherwise.
- At the time of this report both of our graders are inoperable, one is down with hydraulic leaks and the other needs to be diagnosed by a technician.
- Just today I put in an emergency request for a tech to come out from Anchorage, we should know tomorrow when they will be here. We are doing our best with what we have.

Landfill

- We have made some real progress at the landfill – the wood pile is less than half the size it was two months ago and we will continue to burn as long as things stay wet and the wind is calm.
- The metal pile has been moved towards the back of the cell and we will be close to ready to put an access road to the back by the time summer hits.
- I have a technician coming to town on the 8th of April to work on the incinerator. As you know it has been down for going on two months without us being able to successfully troubleshoot it. It will be nice to have it gone through for the upcoming summer so (fingers crossed) it will run smoothly.
- The Friends of the landfill committee has been formed and will have their first meeting this Friday the 29th of March. This should be a helpful tool for us to continue to keep the landfill running as smoothly as possible, and I look forward to working with the volunteers.

Shop

- We are still working with only one mechanic. We don't have any applications that I know of at this time. We are in desperate need of a good heavy equipment mechanic who has experience working on the type of equipment we have.

Water / Waste Water

- We have a new hire in this department as of last week, Brooks Stevenson , who we thought was going to be here through the summer suddenly resigned and moved with his family back to Oklahoma. Brooks was becoming a very good operator and it is unfortunate he couldn't stick around.
- Billy NoonKesser and Brooks Stevenson both passed their water distribution and waste water collection level one tests on the first try, they will both have their provisional certificate until they get a year under their belts and can get their level one Certificate. Congratulations to them.

Buildings and Grounds

- All good in this department, we have a new employee starting this week, we stole him from dispatch, sorry Chief!
- We are working hard on getting an inventory finalized for parts we have duplicate uses for around town, this will hopefully help us when things breakdown in the middle of the night.
- We have a long punch list of things to repair this summer and hopefully we can get it all done before next winter. There has been a lot inattention to the buildings and grounds and let's face it that is what the public sees.

Admin/ Public works

- There isn't a lot of praise for what Hope Jackson does for us. I would like take a minute and thank her for her hard work, diligence, and help, and for keeping us in line and on time.
 - Hope has finished all of our BBEDC packets for summer positions, she even did the one for the harbor position.
 - Hope takes care of all the purchase requests that we push across her desk and is working hard at persistently following up on the orders.
 - Hope has made it her mission to make shipping all of our calcium, salt and chemicals as inexpensive as possible, she has learned to squeeze a lot into two 20 foot containers!

Just a quick "Atta Girl" for Hope as she is a real asset to what we do here at the Public Works department

That is all for this month from the Port and Public works department

Jean

This page left intentionally blank

Mayor
Alice Ruby

Manager
Tod Larson



Dillingham City Council
Chris Napoli
Chris Maines
Aksel Buholm
Curt Armstrong
Andy Anderson
Gregg Marxmiller

MEMORANDUM

Date: March 20, 2019
To: Tod Larson, City Manager
From: Ida Noonkesser, Director
Subject: Monthly Staff Report

During the month of February the Senior Center served 551 congregate meals to 49 individuals, 431 home delivered meals to 26 individuals, gave 243 assisted rides to 18 individuals and 308 unassisted rides to 32 individuals.

We had two new renters in the month of February.

Teresa Capo, who works for AmeriCorps Vista Opioid Task Force & Healthy Futures Volunteer has been visiting to talk with our elders. She has been explaining the seriousness of the opioid epidemic to our Elders.

Adolph Roehl has been coming with his drum and the ladies have been participating in Yup'ik dance. It is a healthy physical activity that all enjoy.

Our next Advisory Board meeting will be on April 10th.

This page left intentionally blank

1. CALL TO ORDER

The Finance and Budget Committee met on Monday, January 21, 2019, in the City Council Chambers, Dillingham, AK. Andy Anderson called the meeting to order at 5:34 p.m.

2. ROLL CALL

Committee Members present:

Andy Anderson	Tod Larson	Aksel Buholm via phone
Curt Armstrong	Anita Fuller	

Mayor Ruby - excused

3. APPROVAL OF MINUTES

- a. Minutes of December 17, 2018

MOTION: Tod Larson moved and Curt Armstrong seconded the motion to approve the minutes of December 17, 2018.

VOTE: The motion passed unanimously by roll call vote.

4. APPROVAL OF AGENDA

MOTION: Curt Armstrong moved and Tod Larson seconded the motion to approve the agenda.

VOTE: The motion passed unanimously by roll call vote.

5. STAFF REPORTS

- a. Financial Report

The Finance Director commented on the December 2018 financial report. Revenues are at acceptable levels. Jail contract reports have been sent in. 2018 foreclosure list will be worked on beginning in February. Expenses are at 53% for the fiscal year. Equipment replacement / maintenance plan is still being explored, with a potential date of October to have in place. An overview of what we do have was requested to have next month. Research and data collection are still in process for the wage and staff study.

6. UNFINISHED BUSINESS

- a. FY20 Budget Schedule

The budget schedule is approved by the committee.

7. NEW BUSINESS

- a. GO Bond Update / Financial Obligation Schedule

The City's current bond payment schedule was reviewed. A schedule showing the additional bond payment if approved by the voters will be created. Proposed changes to revenue and expense reports to reflect the same formatting for both, and will be presented with basics, eliminating excess information not related to budgeting.

8. PUBLIC/COMMITTEE COMMENT(S)

Aksel Buholm: Thanked committee for their patience and willingness to work with his schedule.

9. ADJOURNMENT

The meeting adjourned at 6:34 p.m.



Andy Anderson, Chair

ATTEST:



Lori Goodell, City Clerk

Approved: March 18, 2019

CITY OF DILLINGHAM, ALASKA

RESOLUTION NO. 2019-10

A RESOLUTION OF THE DILLINGHAM CITY COUNCIL ACCEPTING THE CERTIFICATION OF THE CANVASSING COMMITTEE RESULTS AND CERTIFYING THE MARCH 26, 2019 SPECIAL CITY ELECTION

WHEREAS, the Election Judges tallied the votes cast at the polls on March 26, 2019, and then serving as the Canvassing Committee, met on March 28, 2019, and tallied the votes of Absentee and Questioned ballots cast by voters; and

WHEREAS, the tallies recorded by the Canvassing Committee are as follows:

Proposition No. 1, General Obligation Bond for Road Construction (Ordinance 2019-01)			
Official Results	Poll Votes	Questioned/Absentee	Total
Yes	166	12	178
No	76	4	80

Proposition No. 2, General Obligation Bond for Fire Hall Addition (Ordinance 2019-01)			
Official Results	Poll Votes	Questioned/Absentee	Total
Yes	143	10	153
No	98	6	104

Ballots Cast on Election Day	243	Ballots Counted on Election Day	243
Absentee in Person Ballots Received	15	Absentee in Person Ballots Counted	15
Absentee by Mail Ballots Received	0	Absentee by Mail Ballots Counted	0
Absentee by Personal Rep Ballots Received	1	Absentee by Personal Rep Ballots Counted	1
Questioned Ballots Received	0	Questioned Ballots Counted	0
Number of Spoiled or Mismarked	1	Mismarked Ballot Counted	0
Total Ballots Issued	260	Total Ballots Counted	259

NOW, THEREFORE, BE IT RESOLVED by the Dillingham City Council that the March 26, 2019, Special City Election was held valid to the best of our knowledge; and

BE IT FURTHER RESOLVED that the results are certified as follows:

1. That Proposition No. 1. Shall the City of Dillingham incur debt and issue general obligation bonds in an amount not to exceed Three Million Four Hundred Nine Thousand Nine Hundred Forty One Dollars (\$3,409,941) to finance road rehabilitation of D Street, Seward Street, Main

Street, and Central Avenue, including some sidewalk, curb and gutter replacement, was passed having received the greatest number of votes cast.

2. That Proposition No. 2. Shall the City of Dillingham incur debt and issue general obligation bonds in an amount not to exceed Six Hundred Forty Four Thousand Dollars (\$644,000) to finance City capital improvements consisting of the construction of the Lake Road Fire Hall addition, was passed having received the greatest number of votes cast.

PASSED and ADOPTED by the Dillingham City Council on April 4, 2019.

Alice Ruby, Mayor

ATTEST:

SEAL:

Lori Goodell, City Clerk

A meeting of the Canvassing Committee was held on Thursday, March 28, 2019, in the City Council Chambers.

1. CALL TO ORDER

Precinct Chair Keggie Tubbs called the meeting to order at 12:15 p.m.

2. ROLL CALL

Canvass Committee Members present:

Keggie Tubbs Sherry Christensen Diane Wetter
Dana Clark

Staff Present: Lori Goodell

3. APPROVAL OF AGENDA

MOTION: Sherry moved, and Dana seconded the motion to approve the agenda.

VOTE: The motion passed unanimously by consent.

4. SPECIAL BUSINESS

(Note: DMC 3.70.030, Record of canvass, states the minutes shall indicate the disposition of all questioned, absentee, write-in and voided ballots.)

There were no write-ins, or questioned ballots.

(Note: All valid/accepted ballot types are set to the side and opened at the same time. The ballots are shuffled before they are counted.)

a. Review Absentee Ballots

1) Absentee Voting in Person Ballots

Keggie Tubbs read the names of the Absentee In-Person Register for the absentee ballots cast in person. Fifteen absentee in person ballots were submitted. The City Clerk reviewed the Absentee In-Person Register List, verified that all were registered voters with residence in Dillingham. The committee members were asked to comment on whether or not they questioned the residency of any one individual, it was verified all voters reside in city limits.

MOTION: Sherry moved, and Diane seconded the motion to accept fifteen absentee voting in-person ballots.

VOTE: The motion passed unanimously by consent.

(Clerk Note: If a ballot is refused a letter will be distributed to the voter who filled out an absentee ballot, informing them it was rejected, and the reason for the decision.)

2) Absentee Voting by Personal Representative Ballots

Keggie Tubbs read the name of the Special Needs Voting Register for the absentee ballot by a Personal Representative. One ballot was submitted. The City Clerk reviewed the Special Needs Voting Register List, verified that all were registered voters with residence in Dillingham. The committee members were asked to comment on whether or not they questioned the residency of any one individual, no comments were received.

MOTION: Dana moved, and Sherry seconded the motion to accept one absentee ballot voted by personal representative.

VOTE: The motion passed unanimously by consent.

b. Review Voided Ballots
There was one voided (spoiled) ballot.

c. Tally Accepted Ballots

Keggie Tubbs oversaw the opening of the sixteen accepted ballot envelopes. The privacy sleeves were removed, the ballots were taken out of the sleeve and placed on the table. The ballots were shuffled, and a count was made to verify there were a total of sixteen ballots.

The Committee determined to make a hand count of the absentee and questioned ballots, with one member reading the ballot, one watching while the ballot was read, two members tallying the votes, and one watching the tallies being made. The ballot results were read aloud by Keggie Tubbs and entered on the Certification of the Canvassing Committee Report/Official Tally Report.

d. Approve the Official Tally Report

MOTION: Sherry moved and Diane seconded the motion to approve the Official Tally Report.

VOTE: The motion passed unanimously by consent.

TALLY VOTES		
Proposition 1	Yes	12
	No	4
Proposition 2	Yes	10
	No	6

(Clerk Note: The Official Tally Report and the minutes of the March 28 Canvassing Committee meeting will be presented at the Regular Council Meeting, April 4 to certify the election.)

e. Rejected Ballot Voter Statements
There were no rejected ballots.

5. OTHER BUSINESS

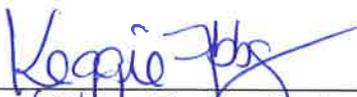
There was no other business.

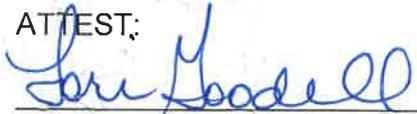
6. COMMITTEE COMMENTS

- It was reported a citizen commented on the Vote sign with the custom logo outside city hall on Election Day.
- The committee was thanked for their participation, noting this is the best team of judges, and a pleasure to work with.

7. ADJOURNMENT

Keggie Tubbs adjourned the meeting at 12:35 p.m.


Keggie Tubbs, Election Chair

ATTEST:

Lori Goodell, City Clerk

Attachment: Certification of Canvassing Committee Results/Official Tally Report

CERTIFICATE OF CANVASSING COMMITTEE RESULTS

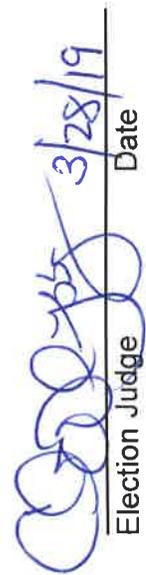
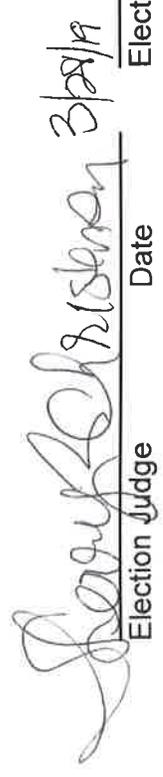
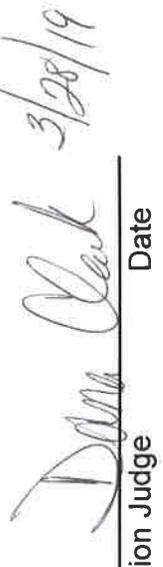
**CITY OF DILLINGHAM
OFFICIAL TALLY REPORT
March 28, 2019**

Special City Election – March 26, 2019

Ballots Cast on Election Day	243	Ballots Counted on Election Day	243
Absentee in Person Ballots Received	15	Absentee in Person Ballots Counted	15
Absentee by Mail Ballots Received	0	Absentee by Mail Ballots Counted	0
Absentee by Personal Rep Ballots Recd	1	Absentee by Personal Rep Ballots Counted	1
Questioned Ballots Received	0	Questioned Ballots Counted	0
Number of Spoiled or Mismatched	1	Mismatched Ballot Counted	0
Total Ballots Issued	260	Total Ballots Counted	259

Proposition No. 1, General Obligation Bond for Road Construction (Ordinance 2019-01)			
Official Results	Poll Votes	Questioned/Absentee	Total
Yes	166	12	178
No	76	4	80

Proposition No. 2, General Obligation Bond for Fire Hall Addition (Ordinance 2019-01)			
Official Results	Poll Votes	Questioned/Absentee	Total
Yes	143	10	153
No	98	6	104

 Election Judge 3/28/19 Date
 Election Judge 3/28/19 Date
 Election Judge 3/28/19 Date

Attest:
 Attest:
 Lori Goodell, City Clerk

CITY OF DILLINGHAM, ALASKA

RESOLUTION NO. 2019-11

A RESOLUTION OF THE DILLINGHAM CITY COUNCIL AUTHORIZING THE CITY MANAGER TO REQUEST COMPETITIVE BIDS FOR CLEANUP OF THE BINGMAN PROPERTY AREA AT THE CITY HARBOR

WHEREAS, the City of Dillingham has identified a health and safety area in need of cleanup; and

WHEREAS, the citizens of Dillingham have voiced concern regarding the condition of the area known as the 'Bingman Property'; and

WHEREAS, the Bingman Property experienced a fire July 27, 2018 exacerbating the condition of the property and exposing additional hazards; and

WHEREAS, the removal of materials will need to be transported to the city landfill; and

WHEREAS, safe access for disposal at the landfill metal pile for this project and for citizens in general will require a new road; and

WHEREAS, the City will advertise the project for bids in April 2019 and likely award the contract at the June 6, 2019 meeting; and

WHEREAS, the City has allocated \$279,250 in insurance funds which were received after the structure was destroyed in the fire;

NOW, THEREFORE, BE IT RESOLVED that the City Council authorizes the City Manager to request bids to cleanup the Bingman Property at the City harbor, and a road constructed at the landfill to allow access to the metal pile.

BE IT FURTHER RESOLVED that the Dillingham City Council approves expenditures for the cleanup and landfill road construction not to exceed \$279,250.

PASSED and ADOPTED by the Dillingham City Council on April 4, 2019.

Alice Ruby, Mayor

ATTEST:

[SEAL]

Lori Goodell, City Clerk

This page left intentionally blank

City of Dillingham Information Memorandum

Agenda of: April 4, 2019

Attachment to:

Ordinance No. _____ / Resolution No. 2019-011

Subject:

A Resolution of the Dillingham City Council Authorizing the City Manager to Request Competitive Bids for Cleanup of the Bingman Property at the City Harbor

City Manager: Recommend Approval

Signature: 

Fiscal Note: Yes No

Funds Available: Yes No

Other Attachments:

Summary Statement:

The Bingman Property at the city harbor was acquired through the foreclosure process in 2016. The property was received in a state of disrepair with accumulated debris and refuse. The lot has stayed in the state it was received until the structure on the property caught fire in July of 2018. The current state of the property is an eye sore, as well as being a safety hazard.

Further, the cleanup will require taking items to the metal pile at the landfill which currently is not easily accessible. For safety reasons it is proposed to construct a road to allow safe access to this area of the landfill.

The City submitted a claim through the insurance company and received \$279,250 for the loss of the structure in the fire. This revenue will be utilized for the clean up effort of the property.

The public process for contractor selection will be adhered to with RFP being posted in April.

Attachment to:
Ordinance No. _____ / Resolution No. 2019-011

Summary Statement continued:

Route to	Department Head	Date
	Finance Director	
X	City Clerk	

03/11/2019

Mayor Alice Ruby
City of Dillingham
P.O. Box 889
141 Main St.
Dillingham, AK 99576

Daniel Decker
Curyung Tribal Council
P.O. Box 216
Dillingham, Ak 99576

Letter of interest for involvement with the Friends of the Landfill group

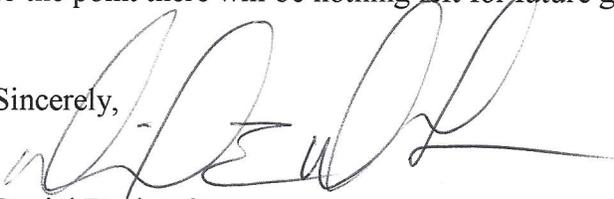
Dear Mayor Ruby,

I am writing this letter of interest in becoming a seated member of the Friends of the Landfill group.

I am interested in sitting on this group because I believe our landfill needs are of such great importance to this community. I would like to offer my time and effort to help address these needs.

I feel strongly that if we do not address the needs of the landfill at our soonest possible opportunity, the landfill will create such an unmitigated hazard that it will pollute our community to the point there will be nothing left for future generations.

Sincerely,



Daniel Decker Sr.
Environmental Program Assistant
Curyung Tribal Council

Gabe Dunham
Box 1148
Dillingham, AK 99576
(907) 830-4487
gabedunham@gmail.com

Mayor Alice Ruby
City of Dillingham
PO Box 889
Dillingham, AK 99576

Re: Letter of interest to serve on Dillingham Friends of the Landfill Committee

Dear Mayor Ruby,

I'm writing this letter to express my interest in serving on the Dillingham Friends of the Landfill Committee. I believe that the landfill is important to the community for its role in waste management and as a capital investment. I have been a resident of Dillingham for almost 5 years, and I have knowledge and experience in composting and general project management that could make me a useful committee member. Thank you for your consideration, and please contact me if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read 'Gabe Dunham', with a long horizontal flourish extending to the right.

Gabe Dunham

18 March 2019

Honorable Mayor:

My name is June Ingram.

My phone number is

843-0850

P.O. Box 851

Dillingham, AK. 99576

Thank you for all what you do
for our community. I know
it takes a lot of your time.

I am interested to serve as
an appointed member with
Friends of the Landfill.

Thank you.

June Ingram

received

3/18/19 KMB

WALKED IN

Honorable Mayor

of
Dillingham

Curyung Tribal Council
P.O. Box 216 – 390 West D. Street
Dillingham, Alaska 99576
Phone: (907) 842-2384 - Fax: (907) 842-4510

February 21, 2019

Atten: Alice Ruby, Mayor

City of Dillingham

Dear Alice,

My name is Renee and I am the Environmental Coordinator for Curyung Tribal Council. I am interested in becoming a team player on the Friends of the Landfill committee. I will bring a great deal of knowledge to the committee, because of my current position. Taking part in various trainings, meetings, and summits, I have come to know different professionals working in the solid waste arena. I have talked with other environmental professionals that have done different projects to lengthen the lives of their landfills and we have discussed the pros, cons, and what actually works for them and why. I currently have been in contact with Delta Backhaul and Central Recycling Services, discussing the possibility of removing metal out of the landfill for recycling.

I am looking forward to working with others in our community, to make our landfill sustainable and self-reliant.

Thank you for your consideration.

Sincerely,



Renee Roque

Environmental Coordinator

City of Dillingham Action Memorandum

Agenda of: April 4, 2019

Action Memorandum No. 2019-04

Subject:

Authorize the City Manager to collaborate with Nushagak Cooperative for a Community Clean-Up, May 3, 4, and 5

City Manager: Recommend Approval

Signature: 

Fiscal Note: Yes No

Funds Available: Yes No

Other Attachments:

- None

Summary Statement:

The Community Clean-Up has been an annual event that has typically been scheduled for the month of May. This year the dates would be May 3, 4, and 5.

City workers will collect the bags from picking up the highway. ALPAR (Alaskans for Litter Prevention and Recycling) bags and gloves will be available at City Hall, the DMV lobby, Nushagak Cooperative, and the Public Library.

Action Memorandum No. 2019-04

Summary Statement continued:

PASSED and APPROVED by a duly constituted quorum of the Dillingham City Council
on _____.

Mayor

ATTEST: [SEAL]

City Clerk

Route to	Department Head	Date
	Finance Director	
X	Public Works Director	
X	City Clerk	

3/21/2019

RECEIVED

MAR 26 2019

CITY OF BILLINGHAM

Dear Mayor & Dillingham City Council:

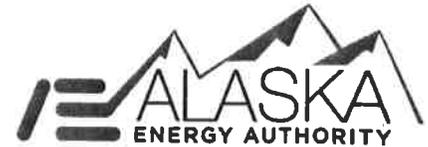
Forget that 55 Billion dollar pipeline to get LNG from Prudhoe. All we need to do is let the Japanese consortium or oil companies build a liquification plant at Prudhoe. They already have LNG tankers and barges to carry gas from Prudhoe around the coast to Naknek on the Bristol Bay side of the Alaska Peninsula. Then a 115 mile road would need to be built from Naknek headed towards Lake Iliamna and going to McNeil Cove on the Cook Inlet side. The road on land managed by BLM wouldn't be difficult to build, crosses only one river, wouldn't exceed 600 feet and isn't parkland. Eventually a pipeline could be built when we can afford it right alongside the road, but for now gas could be trucked from Naknek to McNeil cove in semi-trailers capable of holding up to 13,000 gallons of LNG & the Alaska Railroad is now certified to ship LNG, so maybe a railroad could move gas from Naknek to McNeil Cove, whichever is most economical.

Shipping gas right from Prudhoe could benefit many towns along the coast, with the Gas Storage Act that passed a few years ago, 95% of Alaskans could be using natural gas from Prudhoe. This road could also decrease shipping costs to the whole west coast of Alaska, promote tourism, promote recreational sport fishing opportunities to Lake Iliamna. Someday Ferry Service could go from Homer to McNeil Cove and maybe from Naknek to Nome or Utquigvik and Pebble's ore could be shipped out without harming Bristol Bay.

If we don't do something soon, besides just dreaming of a pipeline we can't afford and the Inlet runs out of gas, our electric rates as well as our natural gas will skyrocket in cost. Isn't this road more practical than the Ambler Road, the Juneau Road, the Susitna Dam or the Knik Arm Bridge?

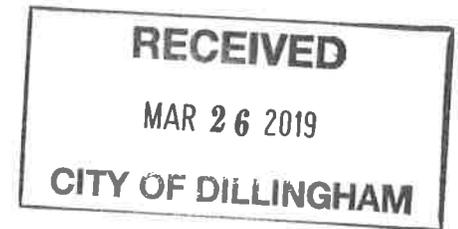
Brother Tom Patmor





March 5, 2015

Mr. Tom Patmor
P.O. Box 124
Clam Gulch, AK 99568



Dear Mr. Patmor:

Thank you for forwarding a copy of your letter to municipal officials encouraging the examination of delivering natural gas directly from the North Slope to Alaska markets and beyond via LNG tanker along the lines of the project envisioned by Esso in 1969. I recall the initial trial of tanker deliveries from the North Slope when the SS Manhattan was refitted with an icebreaker bow and then made its way through the Northwest Passage to Prudhoe Bay.

The Alaska Industrial Development and Export Authority (AIDEA) has been charged by Alaska's elected officials to determine how Alaska natural gas can be delivered to a larger number of state residents at an affordable price. Working closely with the Alaska Energy Authority (AEA) the immediate target for this project is the energy needs of the Fairbanks North Star Borough and has therefore been labeled the Interior Energy Project (IEP). Unfortunately, the initial evaluation of supplying LNG from the North Slope via trailer appears to be too expensive. With the recent success of natural gas exploration in Cook Inlet, Governor Walker has directed the AIDEA/AEA team to evaluate sourcing natural gas from this region.

Your letter suggests the state should expand its efforts by reexamining delivery from the North Slope in ice-hardened tankers. With maritime delivery from the North Slope to Naknek, or Cook Inlet, you propose the LNG could then be transported to the Interior via pipeline or rail. With the knowledge gained over the last 12 months on supply chain cost components, I am certain delivering the small volume needed to meet Interior energy needs within the target timeline makes this option uneconomic.

The IEP effort is likely to include a call for proposals at which time your concept could be considered if it were submitted by a company, or consortium of companies. In addition, I will make sure the letters and map you sent to me is reviewed by our IEP project lead.

Thank you again for taking the time to express your opinion on how to finally access our North Slope natural gas reserves. Through the efforts currently underway, officials of the state are determined to make this long held desire a reality.

Sincerely,

Gene Therrault
IEP Project Team Member



MEMBERSHIP RESOLUTION FY19-01

A RESOLUTION BY THE SOUTHWEST ALASKA MUNICIPAL CONFERENCE MEMBERSHIP REQUESTING THE ALASKA LEGISLATURE AND GOVERNOR TO ADEQUATELY FUND THE ALASKA DEPARTMENT OF FISH & GAME (ADF&G) BUDGET AND PARTICULARLY THE DIVISION OF 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 summer salmon season is critical to fishermen, processors, and communities in Southwest Alaska; and

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

WHEREAS, the Alaska seafood industry 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 to provide that economic benefit; and

WHEREAS, the Commercial Fisheries Division budget has been reduced significantly the past four years, which includes offsets from CFEC funding and the unrestricted general fund has been reduced by 30%; and

WHEREAS, the State has joint management agreements with the National Marine Fisheries Service and funding reductions could negatively impact these agreements; 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 opportunities; 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.

NOW BE IT RESOLVED that the Southwest Alaska Municipal Conference Membership strongly requests the Alaska Legislature and Governor Dunleavy to not impose any further cuts to the ADF&G budget and particularly to the Division of Commercial Fisheries budget.

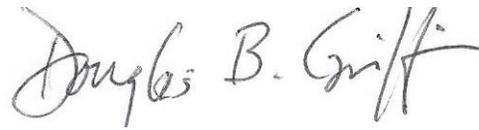
BE IT FURTHER RESOLVED that SWAMC urges the Legislature to guarantee that the 2019 summer salmon season will be staffed and fully managed even if the Legislature runs into special Legislative sessions in summer with no budget in place.

PASSED AND ADOPTED by the Southwest Alaska Municipal Conference Membership this 28th day of February 2019.

IN WITNESS THERETO:



Mary Swain, SWAMC Board President



Doug Griffin, SWAMC Executive Director



MEMBERSHIP RESOLUTION FY19-02

A RESOLUTION BY THE SOUTHWEST ALASKA MUNICIPAL CONFERENCE MEMBERSHIP SUPPORTING FUNDING FOR K-12 PUBLIC EDUCATION AT LEVELS PROJECTED IN THE ORIGINAL STATE OF ALASKA FY20 OPERATING BUDGET AND MAINTAINING THE SCHOOL DEBT REIMBURSEMENT PROGRAM

WHEREAS, Article 7, Section 1 of the Alaska Constitution provides that the State of Alaska will establish and maintain a system of public schools; and

WHEREAS, a sound public-school system is vital to produce qualified workers and attract new businesses to locate in Alaska, two important tenants of economic development; and

WHEREAS, schools located in the SWAMC region are more expensive to support and operate due to small population bases spread out over a large rural area not connected to the Alaska road system; and

WHEREAS, historically, based on its constitutional mandate, the State of Alaska has provided significant support for urban and rural school districts; and

WHEREAS, the Governor's proposed FY20 budget calls for a 25.7% cut in unrestricted general funding for the School Foundation formula totaling \$303,648,200; and

WHEREAS, the Governor's proposed FY20 budget calls for a 100% cut of \$30,000,000 in unrestricted general funding in the original FY20 budget to supplement the School Foundation formula; and

WHEREAS, these combined cuts reduce State School Foundation funding for the nine school districts in the SWAMC region by an estimated \$15,175,253; and

WHEREAS, the Governor's proposed FY20 budget introduces legislation, SB 64 and its companion HB 66, in the 31st Legislature to repeal the State reimbursement for municipal school construction programs; and

WHEREAS, several school districts in the SWAMC region constructed school facilities in recent years in reliance on receiving significant reimbursement from the State based on a population-based formula; and

WHEREAS, these State cuts will force local governments in the SWAMC region and around the State to raise local taxes and fees significantly to adequately fund public education or allow education programming to deteriorate due to larger class sizes, increased teacher and administrator turnover, fewer key support personnel, and less preventive maintenance for school facilities; and

WHEREAS, reduced resources for public education will significantly affect the quality of life in Alaska communities, the education of Alaska's next generation of workers and citizens, and competitive compensation for teachers, administrators, and key school personnel.

NOW BE IT RESOLVED that the Southwest Alaska Municipal Conference Membership urges the Governor to work with the 31st Legislature to restore undesignated general funding to the School Foundation program to adequately fund Alaska's public schools.

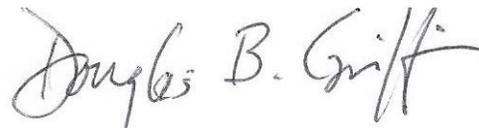
BE IT FURTHER RESOLVED that the Southwest Alaska Municipal Conference Membership opposes enactment of SB 64 or HB 66 repealing the State reimbursement for municipal school construction programs.

PASSED AND ADOPTED by the Southwest Alaska Municipal Conference Membership this 28th day of February 2019.

IN WITNESS THERETO:



Mary Swain, SWAMC Board President



Doug Griffin, SWAMC Executive Director



MEMBERSHIP RESOLUTION FY19-03

A RESOLUTION BY THE SOUTHWEST ALASKA MUNICIPAL CONFERENCE MEMBERSHIP SUPPORTING ADEQUATE FUNDING FOR THE UNIVERSITY OF ALASKA

WHEREAS, a strong university system is integral to an environment of economic and business development; and

WHEREAS, the University of Alaska system provides a wide variety of course offerings with tuition rates that are competitive with other institutions of higher learning; and

WHEREAS, the University of Alaska is rated as the number one Arctic research university in the U.S., does work in Alaska fisheries, and economic and business development; and

WHEREAS, any State that wishes to claim it is open for business to diversify its economy must have a vibrant and distinguished University system to support advances in technology and innovation; and

WHEREAS, the University of Alaska has had to absorb \$246 million in cuts since 2015; and

WHEREAS, the Governor's FY20 budget calls for a reduction of \$134 million in the University of Alaska budget; and

WHEREAS, University President Jim Johnson testifying before the Senate Finance Committee says the University system has dealt with funding cuts in recent years by reducing its workforce by about 1,300 employees, has raised tuition by about 8 percent over the past five years, and reduced classes and programs; and

WHEREAS, Johnson further warned the Senate Finance Committee that the cuts proposed by the Governor in his FY20 budget, if adopted, could push the university system into a self-perpetuating downward spiral of more layoffs, tuition hikes, and cutbacks in classes, programs, and research; and

WHEREAS, the rural University campuses in the SWAMC region are important resources for residents and contribute a great deal toward economic and workforce development; and

WHEREAS, it is unclear how these cuts will be allocated throughout the university system, but SWAMC members fear that rural campuses in its region may be eliminated or severely restructured.

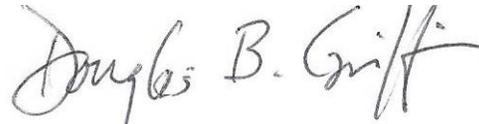
NOW BE IT RESOLVED that the Southwest Alaska Municipal Conference Membership supports continued funding for the University of Alaska to maintain the level of academic programming and research in which it is presently engaged and provide additional time to seek other revenue sources and cost containment measures that do not impact the quantity and quality of service it delivers.

PASSED AND ADOPTED by the Southwest Alaska Municipal Conference Membership this 28th day of February 2019.

IN WITNESS THERETO:



Mary Swain, SWAMC Board President



Doug Griffin, SWAMC Executive Director



MEMBERSHIP RESOLUTION FY19-04

A RESOLUTION BY THE SOUTHWEST ALASKA MUNICIPAL CONFERENCE MEMBERSHIP SUPPORTING CONTINUATION OF SHARED FISHERIES TAX PROGRAMS AND OPPOSING HB 65 AND SB 63 REPEALING THE SHARING OF FISHERIES TAX PROGRAM TAXES WITH QUALIFYING MUNICIPALITIES

WHEREAS, the State of Alaska collects various taxes and fees on businesses engaged in the fishing and fish processing activities in Alaska; and

WHEREAS, under provisions of AS 43.75.130 the State provides a “Refund to local governments” of Fisheries Business Taxes of up to 50% of taxes collected to municipalities where fishery resources are processed; and

WHEREAS, under provisions of AS 43.77.060 the State provides for “Revenue Sharing” with municipalities of the Fisheries Resource Landing Tax of up to 50% of taxes collected on floating fisheries where fishery products are landed; and

WHEREAS, these two Fisheries Tax programs are a means of taxing fishing economic activity and reflect the partnership between State and municipalities in providing services that support the fishing industry in Alaska; and

WHEREAS, municipalities receiving these Shared Fisheries Taxes provide services like water, wastewater collection and treatment, road maintenance, docks, ports, boat harbors, fire protection, police services, emergency medical services, electricity, and education in support of the fishing industry; and

WHEREAS, in FY18 over \$20.8 million dollars were shared with municipalities in the SWAMC region through these Shared Fisheries Taxes; and

WHEREAS, these Shared Fisheries Taxes are significant general fund revenues that municipalities rely on as part of their tax base to provide municipal services that benefit residents and the fishing industry; over \$20.8 million was shared with SWAMC municipalities; and

WHEREAS, many SWAMC municipalities have sold bonds and entered other long-term obligations in anticipation of receiving Shared Fisheries Taxes revenues; and

WHEREAS, proposed legislation HB 65 and its companion bill SB 63 in the 31st Legislature would repeal the provisions in the Shared Fisheries Taxes that share these State-collected taxes with qualified municipalities that support the fishing industry; and

WHEREAS, this legislation would shift more costs for services like education to municipalities while at the same time reducing general tax revenue by in effect reducing municipal tax bases.

NOW BE IT RESOLVED that the Southwest Alaska Municipal Conference Membership supports continuation of the Fisheries Business and License Tax and Fisheries Resource Landing Tax programs as currently operated to share proscribed taxes collected with qualifying municipalities.

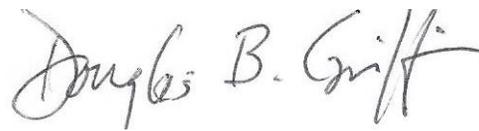
BE IT FURTHER RESOLVED that the Southwest Alaska Municipal Conference Membership opposes passage of HB 65 and SB 63 that would repeal the sharing of State-collected Fisheries Business and License Tax and Fisheries Resource Landing Tax with qualifying municipalities.

PASSED AND ADOPTED by the Southwest Alaska Municipal Conference Membership this 28th day of February 2019.

IN WITNESS THERETO:



Mary Swain, SWAMC Board President



Doug Griffin, SWAMC Executive Director



MEMBERSHIP RESOLUTION FY19-05

A RESOLUTION BY THE SOUTHWEST ALASKA MUNICIPAL CONFERENCE MEMBERSHIP SUPPORTING A PROGRESSIVE GRADUATED STATEWIDE INCOME TAX AS PART OF A SUSTAINABLE BUDGET FOR THE STATE OF ALASKA

WHEREAS, the Southwest Alaska Municipal Conference recognizes that the State of Alaska may consider raising revenues as part of a comprehensive plan to address the State’s budgetary shortfall; and

WHEREAS, broad based taxes have previously been identified as part of a potential revenue package to close the State’s fiscal gap and construct a sustainable budget; and

WHEREAS, options for a broad-based tax include a graduated income tax and a State sales tax; and

WHEREAS, the amount of sales tax paid increases with the price of goods being purchased and penalizes rural residents of Alaska already facing higher prices for goods and services; and

WHEREAS, a sales tax uniformly imposed Statewide would require rural residents to shoulder a disproportionate share of any such tax; and

WHEREAS, a sales tax is a regressive tax that would disproportionately burden low income Alaskans, especially Alaskans with large families; and

WHEREAS, imposing a sales tax would raise the already high cost of living for rural Alaskans and further jeopardize the viability of rural cities and villages; and

WHEREAS, sales taxes have historically been levied by municipal governments to pay for vital public services such as public safety, transportation, infrastructure maintenance, and education; and

WHEREAS, a progressive graduated income tax would tax Alaskans based on income and ability to pay; and

WHEREAS, a progressive income tax based on a percentage of Federal tax paid would tax all income earned in Alaska allowing the State to collect from out-of-state seasonal and year-round income earners that now benefit from government services without contributing toward this service support.

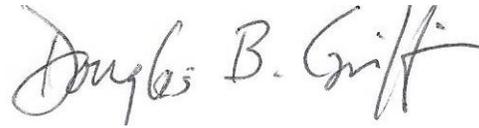
NOW BE IT RESOLVED that the Southwest Alaska Municipal Conference Membership supports a progressive graduated income tax rather than a sales tax as part of any comprehensive plan to enact a sustainable State budget.

PASSED AND ADOPTED by the Southwest Alaska Municipal Conference Membership this 28th day of February 2019.

IN WITNESS THERETO:



Mary Swain, SWAMC Board President



Doug Griffin, SWAMC Executive Director



MEMBERSHIP RESOLUTION FY19-06

A RESOLUTION BY THE SOUTHWEST ALASKA MUNICIPAL CONFERENCE MEMBERSHIP SUPPORTING THE FUNDING OF THE ALASKA MARINE HIGHWAY SYSTEM OPERATING BUDGET AT SUSTAINABLE LEVELS UNTIL REFORM RECOMMENDATIONS ARE ENACTED AND MAINTAINING FUNDING FOR REPLACEMENT OF THE M/V TUSTUMENA

WHEREAS, the Alaska Marine Highway System (AMHS) has been providing essential transportation to Alaska’s coastal communities since 1963; and

WHEREAS, the AMHS has 11 vessels that serve 33 Alaskan communities stretching from Metlakatla to Unalaska, including service to Kodiak Island; and

WHEREAS, the AMHS is vital for coastal Alaskan communities, particularly those that are not located on the State’s road system; and

WHEREAS, the AMHS has already sustained significant funding reductions that have reduced service throughout the system; and

WHEREAS, further reductions in the AMHS will harm tourism, commerce, economic development, and quality of life for nearly 100,000 Alaskans; and

WHEREAS, the Southeast Conference is completing an AMHS Reform Plan to recommend changes in the way the AMHS is structured and managed to provide system services without increasing State contributions; and

WHEREAS, the Governor’s proposed FY20 budget proposes a 68.4% cut in the AMHS budget and a likely discontinuation of service on October 1, 2019, the hiring of a “qualified marine consultant” to recommend cuts the ferry system, and reallocation of about \$25 million in state match to leverage federal funds to build a badly needed replacement for the M/V Tustumena; and

WHEREAS, cuts that lead to discontinuation of AMHS service prior to completion of the AMHS Reform Plan and recommendations from a “qualified marine consultant” are premature and will do damage to rural communities, governments, schools, and businesses that have few transportation alternatives.

NOW BE IT RESOLVED that the Southwest Alaska Municipal Conference Membership supports sustainable funding for the AMHS for FY20 pending completion and implementation of the AMHS Reform Plan.

BE IT FURTHER RESOLVED that any newly formed governing board for the AMHS include at least one representative from the Southwest Alaska region.

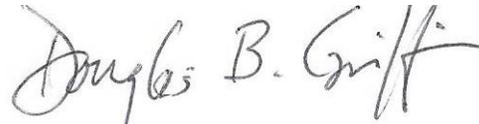
BE IT FURTHER RESOLVED that the State keep funding for replacement of the M/V Tustumena in place to replace a vessel that is operating beyond its intended life and has a recent history of extensive repairs that has kept the vessel out of service for extended periods of time.

PASSED AND ADOPTED by the Southwest Alaska Municipal Conference Membership this 28th day of February 2019.

IN WITNESS THERETO:



Mary Swain, SWAMC Board President



Doug Griffin, SWAMC Executive Director



MEMBERSHIP RESOLUTION FY19-07

A RESOLUTION BY THE SOUTHWEST ALASKA MUNICIPAL CONFERENCE MEMBERSHIP TO PRESERVE THE POWER COST EQUALIZATION ENDOWMENT FUND FOR ITS INTENDED PURPOSE OF ASSISTING ALASKANS AND ALASKAN COMMUNITIES WITH THE HIGH COST OF ELECTRICITY

WHEREAS, the Power Cost Equalization (PCE) Program was established in 1985 as part of a Statewide Energy Plan to provide for a long-term stable funding source for provision of affordable levels of electric utility costs in high-cost service areas of the State; and

WHEREAS, the PCE program was established to assist rural residents at the same time state funds were used to construct major energy projects like the Four Dam Pool projects, Bradley Lake, and Alaska intertie that benefited more urban areas of Alaska; and

WHEREAS, in FY 2001 a PCE Endowment Fund was created and capitalized from the Constitutional Budget Reserve and Four Dam Pool proceeds and further capitalized in FY 2007 with General Funds; and

WHEREAS, the PCE Endowment Fund is invested and managed by the Alaska Department of Revenue on behalf of the Alaska Energy Authority with a goal of earning sufficient income to fund PCE payments to rural communities and residents that pay three to five times or more for electricity than urban residents pay; and

WHEREAS, the PCE program serves 91 utilities, 194 communities (37 in the SWAMC region), and 83,510 customers; and

WHEREAS, the PCE Endowment has been very successful in growing to a level of a perpetual fund with a balance of \$1.01 billion as of November 30, 2018; and

WHEREAS, the PCE Endowment Fund is the source of funding for the Community Assistance Program that provides funding to municipalities, reserves, and communities; and

WHEREAS, the Governor is proposing to dismantle the PCE Endowment Fund to help fill the State's budget gap and replace the endowment funding stream with annual appropriations from the general fund; and

WHEREAS, this proposal by the Governor is contrary to the original intent of PCE program to remove uncertainty and competition with other State needs and goes against the promise to rural residents to have a sustainable program for energy assistance in lieu of the benefits of expensive hydroelectric projects and interties.

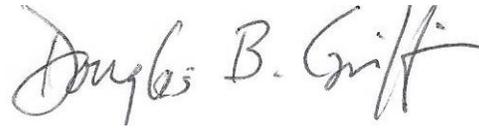
NOW BE IT RESOLVED, the Southwest Alaska Municipal Conference Membership fully supports continuation of the Power Cost Equalization Program with the PCE Endowment Fund kept intact to fulfill the historical intended purpose of the program and the promise made to rural Alaskans of assisting rural residents and communities in offsetting high electricity costs.

PASSED AND ADOPTED by the Southwest Alaska Municipal Conference Membership this 28th day of February 2019.

IN WITNESS THERETO:



Mary Swain, SWAMC Board President



Doug Griffin, SWAMC Executive Director



MEMBERSHIP RESOLUTION FY19-08

A RESOLUTION BY THE SOUTHWEST ALASKA MUNICIPAL CONFERENCE MEMBERSHIP SUPPORTING CONTINUED SUSTAINABLE FUNDING FOR THE ALASKA PUBLIC BROADCASTING COMMISSION AND PUBLIC BROADCASTING IN ALASKA

WHEREAS, public broadcasting plays a vital role in Alaska, particularly in rural parts of the State that often have no practical alternative for information; and

WHEREAS, State of Alaska support provided through the Alaska Public Broadcasting Commission (APBC) is vital for rural radio stations that provide life-saving weather forecasting and warnings for mariners and fishermen, support and information for search and rescue efforts, public safety notifications serving as the emergency broadcast system, community announcements, state and national news, and local programming that fosters a sense of community in isolated cities and villages in Alaska; and

WHEREAS, many rural communities served by public broadcasting do not have private radio stations or other sources of news, weather, sports, and entertainment; and

WHEREAS, the Governor’s proposed FY20 budget cuts about \$3.6 million to totally eliminate the APBC and all State support for public broadcasting in Alaska; and

WHEREAS, the loss of this valuable asset of local and regional public broadcasting will probably close down rural stations that provide information to improve the safety, health, and well-being of rural Alaskans.

NOW THEREFORE BE IT RESOLVED that the Southwest Alaska Municipal Conference Membership supports continued sustainable funding for the Alaska Public Broadcasting Commission that provides timely, life-saving information, news, and entertainment to the residents of Alaska.

PASSED AND ADOPTED by the Southwest Alaska Municipal Conference Membership this 28th day of February 2019.

IN WITNESS THERETO:

Mary Swain, SWAMC Board President

Doug Griffin, SWAMC Executive Director



MEMBERSHIP RESOLUTION FY19-09

A RESOLUTION BY THE SOUTHWEST ALASKA MUNICIPAL CONFERENCE SUPPORTING THE CONTINUATION OF THE CURRENT EXPANSION OF STATE MEDICAID FUNDING

WHEREAS, access to affordable health care for all Alaskans is important for the economic vitality of all regions of Alaska; and

WHEREAS, as of 2018, Medicaid covered over 210,000 Alaskans, including 92,556 children and 8,478 residents of the SWAMC region; and

WHEREAS, in 2015, the State of Alaska expanded Medicaid coverage under the Patient Protection and Affordable Care Act which covered an additional 1,777 SWAMC area residents and over 50,000 Alaskans statewide as of 2018; and

WHEREAS, Medicaid expansion resulted in a huge economic boost to the Alaska economy by injecting over \$1 billion in Federal dollars during a recession in Alaska; and

WHEREAS, a recent study by Halcyon estimates that elimination of Medicaid expansion will cost the State of Alaska nearly 3,700 jobs, \$267 million in annual labor income, and \$556 million in annual total economic output; and

WHEREAS, the Governor's FY20 proposed operating budget cuts about \$225 million in the State's Medicaid budget, a reduction of more than 33%; and

WHEREAS, the Alaska State Hospital and Nursing Home Association responded to Medicaid cut proposals by saying these cuts and the loss of Federal match would amount to about \$700 million in reduced Medicaid spending, would cause some hospitals to close, health care specialists to leave the State, reduce access to addiction and behavioral health treatment, cost between 8,000 and 10,000 health care related jobs, and "fundamentally restructure" Alaska's health care system; and

WHEREAS, the rural hospitals in Kodiak and Dillingham are threatened by closure and 39 other health care providers in the SWAMC region would be negatively impacted by proposed Medicaid cuts; and

WHEREAS, we anticipate additional proposed legislation to revise the State's entire Medicaid program and seek new ways of providing Medicaid coverage at a reduced cost to the State; and

WHEREAS, the approach of cutting State funding that leverages substantial Federal match to support Alaska's health care system prior to restructuring the Medicaid program in Alaska creates an environment of uncertainty in the delivery of health care services in rural Alaska and the SWAMC region; and

WHEREAS, this uncertainty will deter health care delivery investment, recruitment, and service delivery in rural Alaska and the SWAMC region.

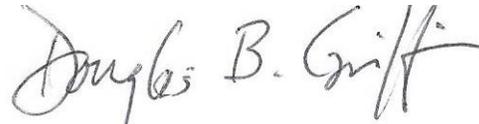
NOW BE IT RESOLVED that the Southwest Alaska Municipal Conference Membership supports the continuation of the current expansion of State Medicaid match spending.

PASSED AND ADOPTED by the Southwest Alaska Municipal Conference Membership this 28th day of February 2019.

IN WITNESS THERETO:



Mary Swain, SWAMC Board President



Doug Griffin, SWAMC Executive Director