



March 4, 2019

Representative Kreiss-Tomkins  
Room 411 Capitol Bldg.  
Juneau, AK, 99801

Senator Stedman  
Room 30  
Juneau, AK 99801

Dear Sirs;

The Petersburg community, like many towns in Alaska, is very sensitive to abrupt changes. The loss of a few jobs, an increase in the cost of living, the reduction in local services, all can push us over the edge and into a downward spiral affecting the viability of the community. Governor Dunleavy's proposed budget is not just a "push", but a "SHOVE" in that direction.

As you know, the cornerstone of success in a small town is the combination of our schools, our health care system, our business community, our local government, and our people. The Governor's proposed budget attacks each of these institutions.

For the schools, including early development and the university, a reduction of over \$1.4M in local impact. This will cost jobs, reduce the quality of our educational offerings, the success of our children, and increase taxes on our citizens. For our health care system, the reduction in Medicaid spending, and the WWAMI elimination, will make it more difficult to provide quality health care and recruit the professionals necessary for our success. While the State may pay less in Medicaid, our Hospital, Assisted Living, and other health services will see reduced income without reduced workloads. For our business community, the loss of the ferry system, the harbor facility grant program, the fish taxes (\$867K last year), and the inevitable loss of local spending, will cost jobs. How many commercial or recreational fisherman will buy new gear, new boats, or choose to live in Petersburg if moorage rates must double to support the loss of the fish taxes and maintenance costs of the harbors? For our local government, reductions in areas like the Police Standards Council, the Alaska State Troopers, and Fire and Life Safety programs, make it harder for our Police & Fire Departments to provide a safe community. The loss of public broadcasting makes us less accessible to our citizens and eliminates our only real time communication system for the community.

Last, and most important, the impact on our people is tremendous. Local taxes will go up, our quality of life will go down, and we will see a reduction in our local economy. The loss of the ferries will increase transportation costs and make it harder to live here. The reductions in health care, education and general infrastructure will cost jobs, and increase the cost of living in Petersburg. Quoting one of our multi-generational families, "...if these changes go through, why should I stay in Alaska? It is almost like the Governor wants us all to leave the state."

**Borough Administration**

PO Box 329, Petersburg, AK 99833 – Phone (907) 772-4425 Fax (907) 772-3759

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To summarize, the Petersburg Assembly is adamantly opposed to Governor Dunleavy's proposed budget and encourages the Alaskan Legislature to do everything in their power to support our communities. This includes, a reduced PFD, selective cuts in State expenditures, revised industry tax structure, and a broad-based tax solution.

Thank you for hearing our concerns.

Mayor Mark Jensen

Vice Mayor Jeigh Stanton-Gregor

Assembly Member Brandi Marohl

Assembly Member Taylor Norheim

Assembly Member Jeff Meucci

Assembly Member Kurt Wohlhueter

Assembly Member Bob Lynn

### **Summary of Direct Petersburg Impacts**

Business Fish Tax	\$866,000
Landing Fish Tax	\$5,766
School Bond Reimbursement	\$466,000
Education	\$1.4M
Reduction in Medicaid and Health Spending	8% cut in revenue at the Hospital & Clinic with some impact on Assisted Living
Elimination of the Harbor Grant Program	Used to offset major harbor maintenance projects
Reduction in Police Standards Council	\$20-30,000 a year local impact
Elimination of the Local Emergency Planning	\$12K a year local impact
Loss of the Ferry System	10-12 local jobs, unknown fiscal impact of no ferry service on transportation costs
University System cuts	One local Alaska Sea Grant Marine Advisory Agent position that works with the school, local fishermen and on Economic Development issues

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