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The Denali Borough Mayor's Annual Report

July 22, 2016

Happy summer to you. Even with a rainy summer, I hope you are able to enjoy the many opportunities this amazing season brings to one of the most beautiful places on earth.

As the Home Rule Denali Borough celebrated our 25th anniversary this past year, I'll add a few historical perspectives to this annual report. Past years' annual reports, as well as new monthly mayoral reports to the Denali Borough Assembly, are available on our website under the Mayor tab. I will structure this report in alignment with the borough powers, or responsibilities. More information, including meeting minutes and agendas, is available on our website. And, of course, feel free to call with any questions.

Taxation/Finance

I am again pleased to report that the Denali Borough remains in a strong and healthy financial position. On our website under the Finance tab, you'll find links to monthly financial reports, annual budgets and annual audits. Declining State of Alaska revenue, coupled with increasing burdens shifted from the state to our municipality, result in an increasingly cautious budgeting approach. For example, the amended fiscal year 2016 budget is the most balanced Denali Borough budget since 2004. Because we are forward funded, a balanced budget is less meaningful when compared to other municipalities, but it illustrates a trend.

As Denali Borough residents we are fortunate in many ways. The local government imposes no property or sales taxes, yet we have been in a position to fund our schools to the maximum allowable contribution and generously contribute to our local non-profits. While our state is facing an economic contraction, we are poised for continued growth in the visitor industry, welcome new investments at Clear Air Force Station, and look to other positive developments such as the re-start of Healy 2 power plant. As the State of Alaska continues to adjust to the dramatic decline in its main source of revenue, we should all be cognizant that 74% of borough revenue does come from one source – the overnight accommodations tax. We, too, have “most of our eggs in one basket.” Fortunately, it is the most beautiful basket many have seen.

Education

The requirement to fund the school district and provide for major maintenance of the school buildings was the biggest responsibility we assumed when our borough was formed over 25 years ago. The Borough Assembly funded the school district to the full amount requested by the district in both fiscal years (FY) 2016 and 2017.

Also, between FY 2016 and 2017, \$260,000 was committed to our Major School Maintenance Reserve fund. This past year, the assembly commissioned a comprehensive facility condition survey of the borough school buildings. This report will guide our improvement plans for years to come. I greatly appreciate the coordination and contributions from the school district in relation to school building improvements. This is a busy summer for school projects, with both the Cantwell School Sprinkler Project and the Tri-Valley Energy Upgrade (tying the coal boiler to the elementary wing) well underway.

I would like to applaud both the Denali Borough School District Board and the school district administration for working cooperatively with the borough, and, most importantly, creating a positive learning environment throughout the borough schools.

Planning and Platting and Land Use Regulation

In approving borough formation, the people of the Denali Borough voted to accept the responsibilities of planning, platting and land use regulation.

This past year, the borough undertook an extensive review of our land management code, with the goal of creating a more workable code that provides tools to better plan and manage over 47,000 acres of borough owned land for a variety of uses. The complete rewrite of Denali Borough Code Title 4 was amended and passed by the Planning Commission, and is now in front of the Borough Assembly for review and approval. Once completed, the next phases of planning for borough land will follow. Maps identifying borough lands are found under the Land Management tab on our website.

This past year the Planning Commission completed, and the Assembly adopted, a revision of the Denali Borough Comprehensive Plan. This plan is also available on the website under the Land Management tab.

Solid Waste

Exercising taxation, education and planning powers is required of all boroughs. The one additional power we assumed was voting to undertake solid waste powers in 1998.

Operations are proceeding very well at the Denali Borough Landfill. We received a 99% score on our most recent regulatory inspection. Every year in the history of the Denali Borough Solid Waste Enterprise, we have operated at a net loss. Although the final numbers are still to come, projections are that FY16 may be the first year without a deficit. New this year, coal ash is accepted at the landfill at a steeply reduced rate - \$14/ton.

Please consider bringing your used motor oil, or even vegetable oil, to the landfill where it will help heat the shop building. Household hazardous waste, such as oil-based paints, solvents, and corrosives, from *residential* sources are accepted at the Denali Borough Landfill and Cantwell Transfer Station for no charge when segregated by product and in their original closed container.

The Native Village of Cantwell is operating a recycling center at Cantwell Transfer Station. They accept mixed paper, aluminum, and type #1 and #2 plastics. The borough is happy to host the center and is a proud partner in this effort to divert waste from the landfill. Projections are that we have about 30 years remaining in our currently permitted landfill footprint. Every diversion helps our landfill last longer. The borough is also a proud partner of the Subaru-Denali National Park Zero Landfill Initiative.

General Administration

Please join in a well-deserved congratulations to Karl Jewett, recipient of the third annual Denali Borough Mayor's Community Service Award. Karl has steadfastly served Tri-Valley Volunteer Fire Department for over 30

years. Whether driving the ambulance or working on maintenance projects, Karl could always be counted on to help the team help the community. Thanks Karl!

The Healy Transportation and Pedestrian Safety Committee accomplished their mission and submitted the Healy Transportation and Pedestrian Safety Plan to the Assembly for adoption and inclusion into the Borough's Comprehensive Plan. This will be a valuable tool in advocating for improvements in Healy, which was considered the area of highest pedestrian/bicycle - vehicular conflict in the borough. This work can also serve as a template for other communities to develop similar plans. Many thanks to the committee members for all their hard work.

The rotation of Assembly meetings changed this year. We'll be in Cantwell in January and July, McKinley in March and September, Anderson in May and November, with the other meetings in Healy.

Some services the borough office offers include copy, fax, passport, notary, and document witnessing services. Office hours are Monday through Thursday 9:00 a.m. to 4:00 p.m. Stop in and see us.



Denali Borough Staff (from left): Amber Renshaw, Deputy Clerk/Financial Clerk; Dan Atkins, Cantwell Transfer Station Gatekeeper; Chris Noel, Emergency Planner and Projects Coordinator; Teri Lewis, Administrative Aide; Marsha Lambert, Planner; Annette Ziegman, Treasurer; Gail Pieknik, Clerk; Clay Walker, Mayor; Misty Smart, Seasonal Landfill Gatekeeper; Travis Olson, Landfill Operator; Paul VanDyke, Landfill Operator

Your limited local government works hard to serve the borough's needs. Many thanks to our dedicated staff!

Sincerely,

A handwritten signature in cursive script that reads "Clay Walker". The signature is written in dark ink on a white background.

Clay Walker, Mayor