



Denali Borough
P.O. Box 480
Healy, AK 99743 Phone: 683-1330
dbgovt@mtaonline.net
www.denaliborough.org
www.facebook.com/denali.borough
cwalker@denaliborough.com



Denali Borough Mayor's Annual Report

September 3, 2020

Greetings Neighbor,

Looking out on the golden aspens, the beautiful fall colors offer familiar and predictable change in a year of unstable and disruptive change. While the COVID-19 pandemic impacted all our lives and businesses, I hope you have counted the many blessings we enjoy living in the Denali Borough. Our vast open spaces, small population, healthy lifestyles, neighborly communities, and tremendous freedoms have helped us weather this time of crisis.

As we move toward winter, please do stay well and safe by following public health guidelines and help to keep our at-risk neighbors well.

In past annual reports, I aligned the report with borough functions, which are education, planning/platting, taxation/administration, and solid waste. This year, COVID-19 and the associated public health and economic crises, overshadows every function. I am pleased to report that a silver lining within the storm has been the solid communication, relationships, and partnerships within the borough and with our state and federal partners. It takes strong teamwork to get through this and the borough has worked hard to cultivate those relationships.

Public Health

We are thankful that we have seen very few COVID-19 cases here. At the onset, the borough stood up its Incident Management Team and reported on cases along the way, maintaining a case dashboard on our website and issuing press releases with as much information as is allowable and relevant for each case.

Denali Borough was one of the last counties in the nation to have a confirmed case. Contact tracing has determined that every case was introduced from outside the borough. To date, there is no evidence of any community transmission.

Early on, our testing rates were very low, with limited capacity. In response, the borough utilized federal CARES Act funding to offer free and widely available COVID-19 testing. Currently, our testing rates are robust, cases are identified, and affected individuals isolate. The borough is grateful to the State Division of Public Health for support and guidance as well as the local health care providers at our three clinics, who have all participated in a borough-organized Health Care Working Group. Special thanks go to Nurses Karri Keith and Anne Barker for serving as Denali Borough COVID-19 Community Testing Coordinators.

Economic Impact

With a vibrant and growing visitor industry, the Denali Borough was deeply impacted by the travel restrictions, mandates, and closures imposed due to the public health emergency. Many jobs were lost and livelihoods threatened. While the negative economic impacts have been felt widely, the economic stability provided by our essential industry employers including mining, energy, Dept. of Defense, and Dept. of Interior is recognized and appreciated.

With 99% of the borough's tax revenue coming from the 7% overnight accommodations tax receipts, the borough felt the impact acutely. Overnight accommodations tax receipts fell by 96% the quarter ending June 30. This spring, we worked through multiple budget amendments for the FY 20 budget, reducing planned spending, cancelled projects, and reduced fund transfers along with declining revenue projections. The FY 21 budget, which started July 1, is a rather balanced budget due to halted capital spending, cancelled programs, reduced budget line items, and strategic use of federal relief.

The borough is well-positioned to sustain an economic shock. Our founders not only saved start-up monies in a Permanent Fund, but also mandated a conservative fiscal stance by forward funding our government. This year, the borough is using last year's monies. With very little debt and a healthy unrestricted fund balance, which has been maintained over the years, the Denali Borough can withstand the shock of this very down year. This position affords us time and opportunity to adjust for the years ahead – for this low revenue year will carry forward.

Federal Relief – CARES Act

Federal relief through the CARES Act helped to support the unemployed, impacted businesses, state and local governments, and more. Thankfully, Governor Dunleavy and the Alaska State Legislature agreed to share the state's distribution with its municipalities. When I learned of the sum proposed for the Denali Borough - \$3.8 million – I thought, "Perfect, that is how much we will lose in revenue this year!" Alas, when U.S. Treasury issued guidance for using these monies, supplanting lost tax revenue was specifically excluded. We got to work formulating plans to put these monies to best use throughout our communities, in accordance with Treasury guidance. With the assistance of the Finance Committee and Chamber of Commerce Director, we established new programs to support our small businesses, non-profit organizations including Volunteer Fire Departments, the Denali Borough School District, the City of Anderson, as well as direct borough expenditures to support the COVID response, such as a Community COVID Testing Program. We called the new program Denali CARES.

Through Denali CARES, we distributed about \$750,000 in relief to our small businesses, \$300,000 to our non-profits (excluding emergency services), \$260,000 to the City of Anderson for their response, \$730,000 to the Denali Borough School District for their COVID expenses, and \$1,170,000 to the Volunteer Fire Departments for both their response and for necessary infrastructure improvements.

Looking Ahead to Recovery

With the future arrival of COVID treatments and, hopefully, vaccines, recovery is in sight. To examine how to best aid recovery within our local economy, the borough partnered with the Denali Chamber of Commerce in forming the Denali Recovery Alliance. Based upon public input, the Alliance drafted an Economic Impact and Recovery Plan, which identifies goals, strategies, and tasks to achieve those goals. Information can be at: www.denalichamber.com/recovery/.

In the November 2019 election, Denali Borough voters approved new revenue measures of a one-half-of one percent increase in the overnight accommodations tax (to 7.5%) and a five percent alcohol and marijuana tax, effective January 1, 2021. While visitors will pay the bulk of these taxes and visitation next season will likely be lower than 2019, this new revenue will still play an important role in stabilizing the borough's revenue stream.

2020 U.S. Census

Conducting a decennial U.S. Census is constitutionally mandated and participation is a legal responsibility. The self-response deadline has been adjusted to September 30, 2020. If you have yet to respond, please visit www.2020census.gov. Census data is used to apportion our representative government and to help distribute federal funds. Our Congressional Delegation urges all Alaskans to participate and claim our fair share of federal funding.

The Denali Borough has one of the lowest participation rates in the country. Our current self-response rate is 21%, while the state average is 53%, and the national average is 64%. Now, some of that can be explained by the seasonal influence here; but short counting ourselves short-changes our communities. Participating in the U.S. Census is safe, easy, and important!

E911 Street Naming and Addressing

Responsive to requests from emergency responders, the borough, through our deliberative bodies, has moved forward with steps toward an addressing system which will help responders find a residence in a time of need. Also, the benefits of verified street addresses to the business community and the flow of commerce are recognized. The first step is to uniformly name roads in the borough. This winter, the borough plans a public process soliciting input on street names, as some streets are un-named and others need to be re-named to meet a standard.

Thankful to Those Who Serve

In fulfilling the State of Alaska constitutional directive of “maximum local self government”, the Denali Borough is grateful to those who serve their communities in one way or another. From local boards and councils, to the twenty-seven neighbors who serve the borough-wide Assembly, Planning Commission, and School Board, our Home Rule Borough does well because our people step up and contribute.

Also, I am personally thankful for our hard working and dedicated borough staff. We are small but mighty!

Stay In Touch and Stay Well

For the foreseeable future, we continue with virtual Denali Borough Assembly meetings to mitigate potential COVID-19 spread. These public meetings welcome participation and viewing on both Facebook and YouTube. The borough website and Facebook page are good places to look for up to date information. To receive borough public postings in your email, contact our Borough Clerk Amber Renshaw at: arenschaw@denaliborough.com. Always, feel free to call or email with any questions or concerns you may have.

Let’s continue to work to keep ourselves and our neighbors well. We are hardy, resilient people. We will persevere and emerge stronger and wiser.

Sincerely,



Clay Walker, Denali Borough Mayor