

**CITY OF UNALASKA
UNALASKA, ALASKA**

RESOLUTION 2017-45

**A RESOLUTION OF THE UNALASKA CITY COUNCIL REQUESTING STATE FY18
PAYMENT IN LIEU OF TAXES FUNDING FROM THE DEPARTMENT OF
COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT.**

WHEREAS, 19 AAC 152.100 requires the governing body of a city to adopt a resolution requesting funding from the Payment in Lieu of Taxes Program for cities in the unorganized borough and to submit the resolution to the Department of Commerce, Community and Economic Development; and

WHEREAS, the city shall use the funds for any governmental purpose and establish and maintain a financial management and accounting system that conforms to generally accepted accounting principles; and

WHEREAS, the city recognizes that the State of Alaska may, at any time, request a report on how the funds were expended;

NOW THEREFORE BE IT RESOLVED BY THE UNALASKA CITY COUNCIL THAT the Unalaska City Council, by this resolution, hereby requests distribution from the FY18 Payment in Lieu of Taxes Program by the Department of Commerce, Community, & Economic Development on the date required by law.

PASSED AND ADOPTED BY A DULY CONSTITUTED QUORUM OF THE UNALASKA CITY COUNCIL THIS 13TH DAY OF JUNE, 2017.


MAYOR

ATTEST:


CITY CLERK



MEMORANDUM TO COUNCIL

TO: MAYOR AND CITY COUNCIL MEMBERS
THRU: DAVID MARTINSON, CITY MANAGER
FROM: CAT HAZEN, CITY CLERK
DATE: JUNE 13, 2017
RE: RESOLUTION 2017-45 REQUESTING FY18 PAYMENT IN LIEU OF TAXES FUNDING FROM THE DEPARTMENT OF COMMERCE, COMMUNITY AND ECONOMIC DEVELOPMENT

SUMMARY: Each year, the State of Alaska requires that municipalities adopt a resolution requesting Payment in Lieu of Taxes (PILT) funding from the State of Alaska and certifying that certain standards have been met. Through Resolution 2017-45, the City will officially request PILT funding and certify that we have met the requirements of the program.

PREVIOUS COUNCIL ACTION: In May of 2016, Council approved Resolution 2016-29 requesting PILT from the Department of Commerce, Community and Economic Development (DCCED).

BACKGROUND: Funding for this program originates from the US Department of the Interior. Program regulations require that to receive a PILT payment, a municipality must submit to the department a resolution that requests payment and that certifies that Unalaska has met the following requirements:

- We have held a regular election during the preceding year;
- We have reported the results of the election to the Commissioner;
- Our governing body holds regular elections;
- We keep a record of the proceedings of our Council meetings; and
- Our ordinances have been adopted by the Council and codified in accordance with state statute.

Program regulations also require that we submit a copy of our FY18 approved budget and a copy of our most recently completed and approved audit.

Because DCCED is in the process of revising the Payment in Lieu of Taxes program regulations, they have waived the requirement for this year that our resolution certifies the bullet points above, so Resolution 2017-45 does not follow the same format as PILT resolutions from prior years.

DISCUSSION: On May 5, 2017 the President signed the Consolidated Appropriations Act, 2017 (H.R. 244) which appropriated \$465 million in discretionary funding for Payment in Lieu of Taxes. The State of Alaska expects to receive the PILT funds in June, 2017 for distribution in July, 2017. At this time it is unknown how much the State of Alaska will receive for the cities in the unorganized borough.

In FY17, the City of Unalaska received PILT of \$829,334 from this program.

ALTERNATIVES: Adopt Resolution 2017-45 to request funding as required by the State, or fail to adopt the resolution and forego PILT funding.

FINANCIAL IMPLICATIONS: The State has not provided us with an amount for FY18 PILT, but suggests a conservative estimate of 25% less than last year, which would be \$622,000.

LEGAL: None

STAFF RECOMMENDATION: Staff recommends adoption of Resolution 2017-45.

PROPOSED MOTION: This resolution is on the consent agenda.

CITY MANAGER'S COMMENTS:



THE STATE
of **ALASKA**
GOVERNOR SEAN PARNELL

Department of Commerce, Community, and Economic Development

DIVISION OF COMMUNITY AND REGIONAL AFFAIRS

P.O. Box 110809
Juneau, Alaska 99811-0809
Main: 907.465.4731
Programs fax: 907.465.4761

May 24, 2017

David Martinson, City Manager
City of Unalaska
PO Box 610
Unalaska, AK 99685



RE: FY 18 PAYMENT IN LIEU OF TAXES PROGRAM FOR CITIES IN THE UNORGANIZED BOROUGH

Dear Municipal Official:

On May 5, 2017, the President signed the Consolidated Appropriations Act, 2017 (H.R. 244) which appropriated \$465 million in discretionary funding for Payment in Lieu of Taxes (PILT). The U.S. Department of Interior is currently preparing the necessary calculations to issue payments for the FY 2017 PILT program.

The State of Alaska expects to receive the funds for the PILT program in June 2017. This will allow the Department of Commerce, Community, and Economic Development to disburse payments to PILT recipients in July 2017. At this time, it is unknown how much the State of Alaska will receive for the cities in the unorganized borough.

If your city is waiting for an estimated payment in order to prepare an annual budget, please know that DCRA has not received any payment information from the US Department of the Interior yet. As in prior years, DCRA suggests that the city budget \$0 if possible under this program. If a balanced budget is unattainable with a \$0 line item for PILT, then it is suggested that the city estimate a minimum of a 25% reduction of the FY17 actual PILT payment received.

In order to receive payment under the PILT program, a city must submit to the Department the attached application, which includes a cover page and resolution requesting payment. A number of requirements have been waived for the State Fiscal Year 2018, so please read the application and resolution thoroughly to understand what is required to receive a payment.

The completed application must be received by **June 30, 2017**. Enclosed is a sample resolution for the FY 18 Payment in Lieu of Taxes (PILT) Program for cities in the unorganized borough. The cover page and adopted resolution should be submitted to:

Division of Community and Regional Affairs
Attention: Robin Park
Payment in Lieu of Taxes Program
P.O. Box 110809
Juneau, AK 99811

Or submitted via email to robin.park@alaska.gov

Should you have any questions regarding the FY 17 PILT program, please feel free to contact me. I can be reached via email at robin.park@alaska.gov, or you may call me at 907-465-4731. You may also contact Debi Kruse at debi.kruse@alaska.gov or call her at 907-465-4451.

Sincerely,

A handwritten signature in blue ink, appearing to read "Robin Park", with a horizontal line extending to the right.

Robin Park
Grants Administrator II

Enclosures: FY 18 PILT Cover Page
Sample FY 18 PILT Resolution