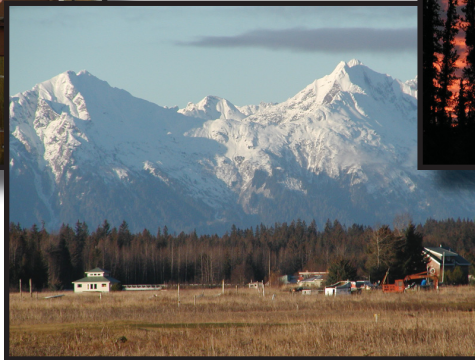


City of Gustavus: Three-Year Anniversary Review



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State of Alaska
Department of Commerce, Community, and Economic Development
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City of Gustavus: Three-Year Anniversary Review

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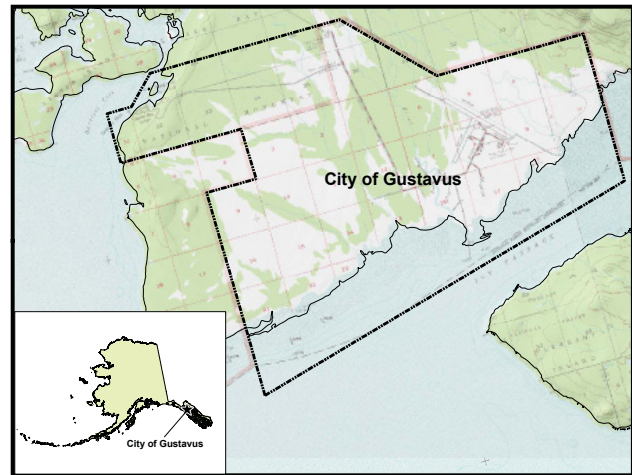
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INTRODUCTION

Using local option city incorporation procedures, thirty-eight qualified Gustavus voters¹ (hereafter “Petitioner”) petitioned the State of Alaska in 2003 to incorporate the City of Gustavus, thereby initiating a rigorous process of petition review by the State of Alaska’s Local Boundary Commission (LBC) and Department of Commerce, Community, and Economic Development (DCCED) staff. Following a local election, the City of Gustavus was duly incorporated as a second class city in the Unorganized Borough on April 1, 2004.



Municipal Boundaries

The city incorporation petition and subsequent DCCED and LBC review represents a period of comprehensive evaluation of a proposed municipality’s feasibility, potential challenges, and long-term viability. Once incorporated, rarely do fledgling cities evaluate the local government’s resources, performance, and growth in as systematic or thorough manner. In an effort to provide the City of Gustavus with an objective review of the new municipality’s post-incorporation evolution, the Alaska Division of Community & Regional Affairs (DCRA) conducted a three-year anniversary review of Gustavus’ newly incorporated city government. Primary project objectives include:

- Compare Petitioner and DCCED projections to current City of Gustavus conditions with focus on services, revenue, and expenditures;
- Review the evolution of the City of Gustavus’ organizational structure; and
- Collect public input regarding city government performance, local quality of life, community development opportunities, and areas of community concern.

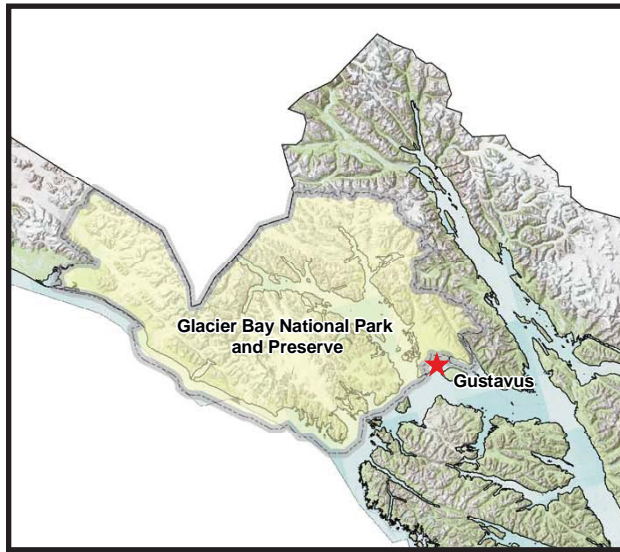
This report, *City of Gustavus: Three-Year Anniversary Review*, summarizes local government review findings, provides supplemental discussion related to local government performance, summarizes public input, and establishes a foundation for guiding city government decisions. Project findings are organized into five substantive sections including:

- Community Profile
- City Government Profile
- Southeast Second Class Cities
- Three-Year Anniversary Review
- Community Survey Excerpts

Local government review findings provide a framework for developing locally-appropriate strategies to enhance community quality of life, guide community development, plan projects of local importance, and address community concerns regarding local government performance.

¹ The petition contained 47 signatures; however, only 38 were confirmed to meet qualifications set out in AS 29.05.060(12).

COMMUNITY PROFILE



Northern Southeast Alaska

Gustavus is located approximately 48 miles northwest of Juneau on the north shore of Icy Strait on an outwash plain created by glaciers that once filled Glacier Bay. Gustavus is surrounded by Glacier Bay National Park and the waters of Icy Strait. It is located approximately seven miles southwest of Point Gustavus at the mouth of the Salmon River.

History

Early historical accounts suggest Huna Tlingits largely used Glacier Bay and the Gustavus area for seasonal subsistence activities including fishing, berry picking, and seagull egg harvesting. During 1805

to 1880, a clan house existed at Point Gustavus and approximately six fish and summer camps were located in the nearby Gustavus area. The clan house was inhabited until 1922 and played an important role in Wooshketaan Tlingit history. Tlingit oral history suggests human habitation of the Gustavus area up to 4,500 years ago when a Tlingit settlement existed in Bartlett Cove (*Gustavus Strategic Plan*, 2005). Tlingits still consider the Glacier Bay area to be ancestral lands, although legal claims to the land were largely nullified by the establishment of the national monument and extinguished by the passage of the Alaska Native Claims Settlement Act on December 17, 1971.

Once known as Strawberry Point due to an abundance of wild strawberries, Gustavus was founded as an agricultural homestead in 1914 by three young couples: Bill and Margaret Taggart, John and Bernice Davis, and Verne and Janet Henry. By 1917, several other adventurous homesteaders including the Goods, Lester Rink, and Abraham Lincoln Parker joined the original settlers with dreams of inhabiting a beautiful, natural resource rich, and remote piece of flat land surrounded by mountains and an iceberg-laden sea. During the next 30 years, Gustavus' population fluctuated between two and 30 residents. Homesteaders' livelihoods and activities largely focused on clearing land, planting and harvesting crops, and animal husbandry (Gustavus Historical Archives and Antiquities, 2007).



First Permanent Strawberry Point Home "The Honeymoon Ranch," built in 1914. Photo Credit: Gustavus Historical Archives & Antiquities.

During 1925, President Coolidge established the Glacier Bay National Monument including Central and Upper Glacier Bay. Threatening the viability and security of local homesteads, the National Monument was significantly expanded in 1939 to encompass 3,850 square miles. After many assertive appeals and a long-fought battle, Gustavus homesteaders successfully requested to be excluded from Glacier Bay National Monument (1955) and subsequently excluded from Glacier Bay National Park (established 1980, Alaska National Interest Lands Conservation Act), laying the foundation for an independent community to grow adjacent to one of America's environmental treasures. In total, 14,741 acres were returned to the public domain; 8,210 acres were again available for homesteading.



Strawberry Fields, A. L. Parker Homestead, Strawberry Point, Alaska, circa 1920. Photo Credit: Gustavus Historical Archives & Antiquities.

Additional significant historical milestones include the construction of a first-rate air field during World War II, Alaska Statehood and the subsequent ending of homesteading (1959), establishment of National Park Service headquarters at Bartlett Cove (1952), and the opening of Glacier Bay Lodge (1966). Over time, Glacier Bay National Park became a financial resource for Gustavus as local entrepreneurs permanently transformed the character, evolutionary direction, and economy of the local community.



Gustavus Dock Road

Description

Gustavus' historical roots as a community rich in natural resources exists today. Many of the residents who migrated to Gustavus value a rural lifestyle, access to abundant natural resources, scenic beauty, and ability to practice subsistence activities. With Glacier Bay National Park as its immediate neighbor and largest employer, Gustavus' economy is largely seasonal. An estimated 25,000 visitors annually transit the small community² creating economic opportunities including accommodations, eco-tourism activities, retail sales, and sport fishing.

² Source: McDowell Group (2008)

Many services and facilities are available in Gustavus including a U.S. Post Office, school, airport, small boat harbor, dock, electric utility, bulk fuel facility, library, Internet access, refuse disposal, recycling, visitors association, parks, telecommunications, places of worship, emergency services, medical services, road maintenance, and various retail and commercial establishments. Gustavus is governed by a second class city government (established 2004), which provides a limited number of public facilities and services.



Gustavus Dock

Demographics

2000 U.S. Census Bureau figures indicate Gustavus' total population is 429. DCCED's 2007 certified population estimate similarly reports 442 residents. U.S. Census Bureau figures indicate steady population growth from 98 to 429 residents during the past 30 years (Figure 1). In recent years, Gustavus has experienced less robust population growth fluctuating between 418 and 459 residents (Figure 2). Long-term projections indicate Gustavus' local population will grow to nearly 725 residents by 2020 (Figure 1).

Figure 1. Long-Term Population Change (1980-2020)

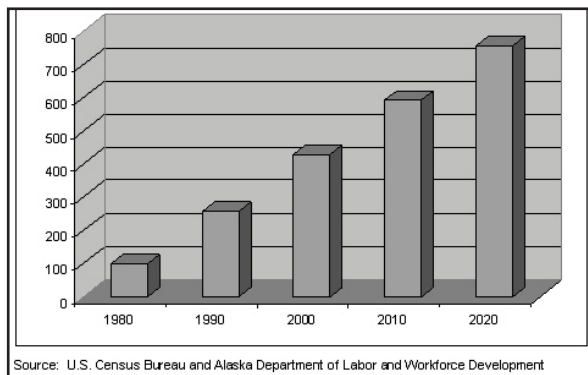
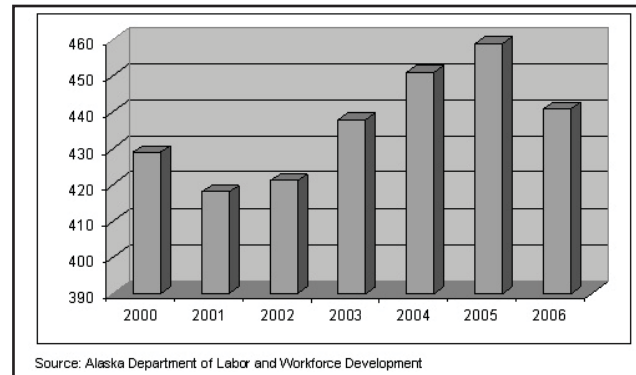


Figure 2. Short-Term Population Change (2000-2006)



The time period of largest population growth (1980 – 1990, 163% increase) likely occurred due to the establishment of a centralized electric utility, upturn in commercial fishing, and transition of Glacier Bay from monument status to a national park (*Gustavus Strategic Plan*, 2005). As long-term projections indicate, Gustavus will likely experience moderate future population growth. The establishment of a hydro power facility and subsequent lower power rates, new dock, and potential Alaska Marine Highway System (AMHS) service will all likely support long-term future population growth.

Gustavus' population is highly seasonal – peaking during the summer months. While exact monthly population counts are unavailable, it is estimated Gustavus' population may fluctuate up to 50% depending on the season (McDowell Group, 2008).

Table 1. 2000 Population by Race

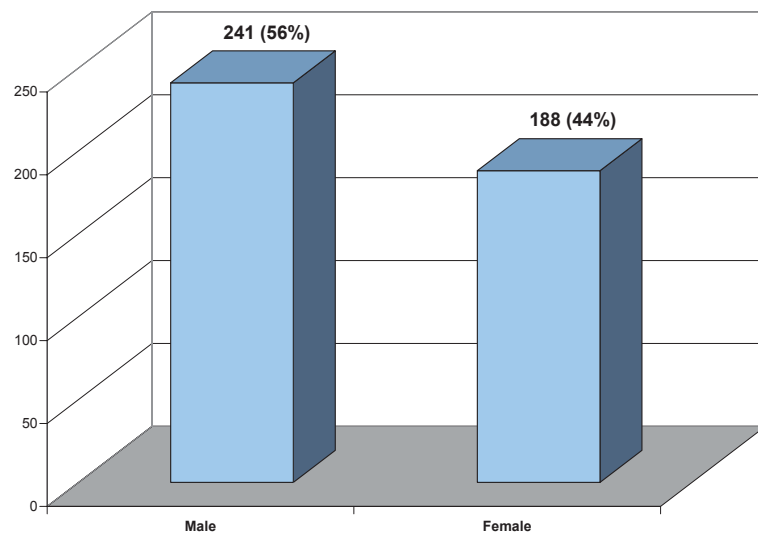
Race	Quantity	Percentage
White	383	89%
Alaska Native or American Indian	18	4%
Black	0	0%
Asian	1	0%
Hawaiian Native	1	0%
Other Race	7	2%
Two or More Races	19	5%
Total	429	100%

Source: 2000 U.S. Census

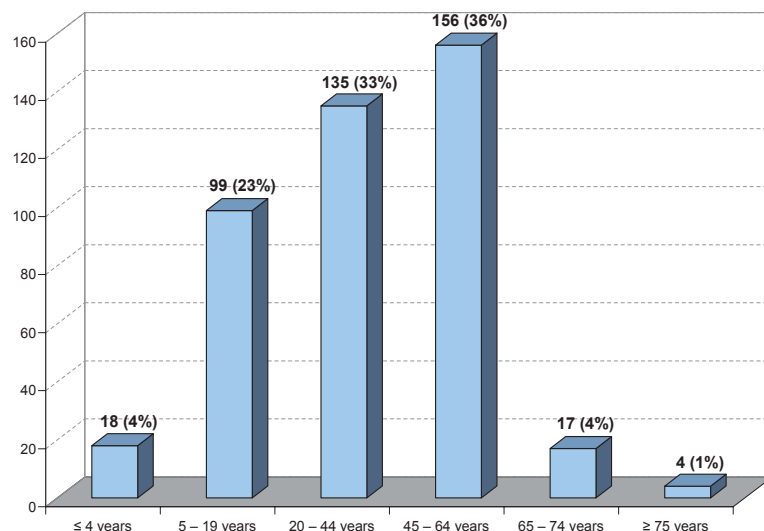
U.S. Census 2000 figures suggest nine in ten residents are white (Table 1); only four percent are Alaska Native or American Indian. Gustavus' population is somewhat equally distributed between males (56%) and females (44%) (Figure 3). Gustavus' population is also relatively balanced with a majority of

residents (69%) between the ages of 20 to 64 years old; median age is 40 years (Figure 4). A significant portion of the population is young with over one-quarter (27%) under 20 years of age. Similar to other Alaska communities, Gustavus' population may be growing older as indicated by 16% of the local population being 55+ years of age compared to 13% statewide (2000 U.S. Census). Furthermore, Gustavus' median age of 40 years is 20% higher than the statewide median age of 32 years.

In total, there are 199 households in Gustavus; 114 are family households and 85 are non-family households (2000 U.S. Census). Gustavus' average household size is two people; average family size is nearly three people. Gustavus' median household income is

Figure 3. 2000 Population by Gender

Source: 2000 U.S. Census

Figure 4. 2000 Population by Age

Source: 2000 U.S. Census

\$34,766; median family income is \$51,786 (Table 2). Approximately 15% of Gustavus' local population exists below the federal poverty threshold.

School enrollment is oftentimes an indicator of community well-being; an increasing school enrollment suggests a balanced and growing population. The Gustavus School provides kindergarten through 12th grade education. During recent years, Gustavus has experienced an overall decline (-10%) in school enrollment (Table 3). While kindergarten through fifth grade school enrollment is up (+16%), sixth through 12th grades experienced significant declines up to -28%.

Table 2. 2000 Income and Poverty Levels

Income and Poverty Levels	Quantity
Per Capita Income	\$21,089
Median Household Income	\$34,766
Median Family Income	\$51,786
Persons in Poverty	62
Percent Below Poverty	15%

Source: 2000 U.S. Census

Table 3. Gustavus School Enrollment

Grade	2003 - 2004	2004 - 2005	2005 - 2006	2006 - 2007	2007 - 2008	% Change 2003 - 2008
K - 5	19	13	19	27	22	+16 %
6 - 8	15	16	12	12	12	-20 %
9 - 12	18	14	16	16	13	-28 %
K - 12 Total	52	43	47	55	47	-10 %

Source: Chatham School District

In addition to human residents, Gustavus is also rich in residents of the critter kind including moose, black bear, brown bear, wolves, coyotes, marten, river otter, and seals (Streveler, 1996). Hundreds of geese, thousands of ducks and shorebirds, and tens of thousands of cranes annually migrate through Gustavus. Similar to many Southeast Alaska locales, Gustavus has a healthy flock of year-round eagles, ravens, crows, jays, Canada geese, and magpies. In Gustavus, local wildlife are considered neighbors and are highly valued in utilitarian, symbolic, and aesthetic ways.

Table 4. 2000 Employment Type

Employment	Quantity	Percent
Private-Sector Wage and Salary Workers	66	35%
Self-Employed Workers	45	24%
Government Workers	75	39%
Unpaid Family Workers	4	2%
Total Employment	190	100%

Source: 2000 U.S. Census

Employment and Wages

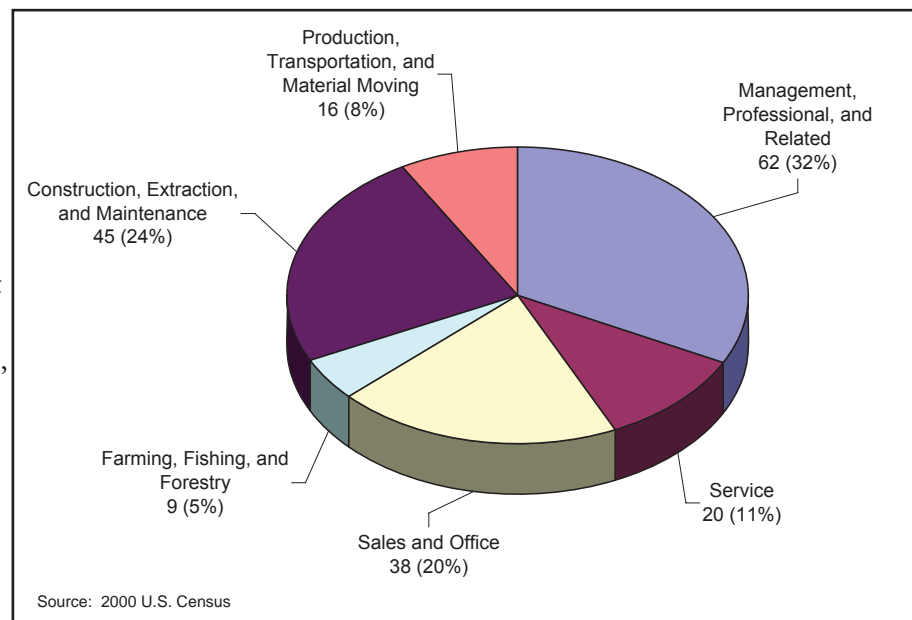
In total, there are 348 Gustavus residents that are at least 16 years old and subsequently eligible for employment. In Gustavus 190 residents are employed,

which is over half (55%) the potential workforce (N = 348). Forty-five percent of residents are unemployed and not seeking work. Of residents that are employed (N = 190), the greatest quantity are government workers (39%) including city, state, or federal employees (Table 4). Over one-third (35%) are private wage or salary workers and nearly one-quarter (24%) are self-employed.

Gustavus' workforce is widely distributed across various occupations. The largest quantity (33%) of workers describe their occupation as largely managerial or professional in nature (Figure 5). Nearly one-quarter suggest they work in sales (20%) or construction, extraction, and maintenance (24%).

The Alaska Department of Labor and Workforce Development (DOLWD) provides a more current summary of Gustavus

Figure 5. 2000 Employment by Occupation



employment. Accurate analysis of the data is significantly limited by inconsistent reporting of Glacier Bay Lodge concessionaire employees. Prior to 2004, Goldbelt, Inc. operated the Glacier Bay Lodge and all employees were reported as local Gustavus workforce. In 2004, Goldbelt, Inc. discontinued services and Aramark began services as the concessionaire. Aramark, the largest private-sector employer in Gustavus, does not report employees as local Gustavus workforce. Consequently, 2004 – 2006 private-sector employment figures underestimate the total quantity of local private-sector employees. Currently, there are approximately 60 seasonal jobs at Glacier Bay Lodge (McDowell Group, 2008).

During 2006, annual average employment in Gustavus was 158 jobs – excluding approximately 60 jobs at Glacier Bay Lodge (Table 5). Government employs the majority (56%) of the local workforce including federal, state, and local government jobs. Of noteworthy importance, federal jobs at Glacier Bay National Park account for three-quarters (76%) of total government employment (56%). Local jobs in 2005 and 2006 include approximately 12 positions with the Chatham School District and seven with the City of Gustavus. During 2002 to 2006, local employment has remained largely stable ranging from 199 to 218 local jobs – including approximately 60 Glacier Bay Lodge jobs.

Table 5. 2002 – 2006 Employment

Sector	2002	2003	2004	2005	2006
Private-Sector*	134	138	61	63	69
Federal Government	82	77	75	70	68
State Government	2	2	1	2	2
Local Government**	-	-	1	20	19
Total***	218	216	139	154	158

Source: Alaska Department of Labor and Workforce Development
McDowell Group (2008)

* 2004 – 2006 private-sector employment does not include Glacier Bay Lodge, managed and operated by Aramark.

** Local government prior to 2005 does not include the Chatham School District.

*** Summation may not equal total due to rounding inconsistencies.

Of noteworthy importance, employment and wage data are based on employers' unemployment insurance filings with DOLWD, and therefore, include only wage and salary employees. Self-employed individuals are excluded in these figures. For Alaska communities, this exclusion negatively impacts overall data validity because a large portion of the workforce are commercial fishermen, self-employed eco-tourism operators, or contract workers. In short, Gustavus' private-sector employment figures underestimate total employment considering the inconsistent reporting of Glacier Bay Lodge employees (approximately 60) and high percentage of self-employed (up to 24%) workforce.

According to DOLWD, there are approximately 26 employers in Gustavus (2006). The largest employer, Glacier Bay National Park, employees an annual average of 66 staff. The second largest employer, Gustavus Electric, Inc., employs an annual average of 16 people. Additional significant employers include the Chatham School District (12 employees), City of Gustavus (seven employees), and Bear Track Mercantile (six employees). Although excluded from Table 6, Glacier Bay Lodge is the second largest seasonal employer with approximately 60 staff during the summer season. In sum, eco-tourism related enterprises represent the largest group of employers in the community.

Table 6. 2006 Gustavus Employers

Employer	Low Month Employment	Average Employment	Peak Month Employment
National Park Service	47	66	87
Gustavus Electric, Inc.	7	16	22
Chatham School District	1	12	17
City of Gustavus	6	7	9
Bear Track Mercantile	1	6	10
Bear Track Inn, LLC	0	5	12
Gustavus Community Clinic	3	4	5
Gustavus Inn	0	3	9
Berry's Specialty Contracting	2	3	4
Wings of Alaska	2	3	4
Peak Construction Inc.	0	3	7
Gusto Building Supply	1	3	5
Alaska Airlines, Inc.	0	3	10
Glacier Bay Country Inn	0	3	8
U.S. Postal Service	2	3	3
Annie Mae Corporation	0	2	9
Alaska Natural History Association	0	2	5
Alaska Department of Transportation	2	2	2
Homeshore Café	0	2	5
Fairweather Construction and Rental	1	2	3
Glacier Bay's Great Chinook Fishing	1	2	3
Spirit Walker Expeditions of Alaska	0	2	7
Glacier Bay Sea Kayaks, Inc.	0	2	5
LAB Flying Service, Inc.	0	2	6
Salmon River Electric	0	1	2
Deep Blue Charters LLC	0	1	3

Source: Alaska Department of Labor and Workforce Development; McDowell Group (2008)

Note: Does not include Glacier Bay Lodge, managed and operated by Aramark. Aramark employs approximately 60 people during summer months.

DOLWD provides a current summary for Gustavus employment by industry sector. In general, Gustavus' workforce is distributed across six primary industry sectors including: 1) government (i.e., local, state, and federal); 2) leisure and hospitality; 3) education and health services; 4) trade, transportation, and utilities; 5) construction; and 6) financial activities. For the time period 2003 to 2006, government employment accounted for the largest quantity of Gustavus employment ranging from 37% (2003) to 59% (2005). The leisure and hospitality industry is the second largest employer ranging from 12% (2004, 2005, 2006) to 36% (2003) of the local workforce. Trade, transportation, and utilities accounts for approximately one-quarter of local employment (range 16% - 23%).

Over time, the distribution of employment across industry sectors has remained largely stable with government and eco-tourism providing the greatest employment opportunities. Of noteworthy importance, the

leisure and hospitality sector is underrepresented in 2004, 2005, and 2006 figures because Aramark, Glacier Bay National Park's concessionaire, no longer reports lodge employees as local Gustavus workforce. In contrast to Figure 6, the leisure and hospitality industry has likely maintained stable employment from 2003 to 2006, providing up to one-third of local employment opportunities.

In 2006, the average annual wage earned in Gustavus was \$35,396 (excluding Glacier Bay Lodge) (Table 7). Over half (56%) the local workforce are employed by the government, which paid the highest annual salary (\$44,485) during 2006. In contrast, the private-sector employs 44% of the local workforce and jobs pay approximately 46% less at \$23,829 per year (2006). During 2006, Gustavus' total annual payroll was valued at \$5.6 million (Table 8). During the past five years, declining total payroll figures may be misleading considering the exclusion of Glacier Bay Lodge from employment estimates (Table 9).

Figure 6. 2003 – 2006 Employment by Industry Sector

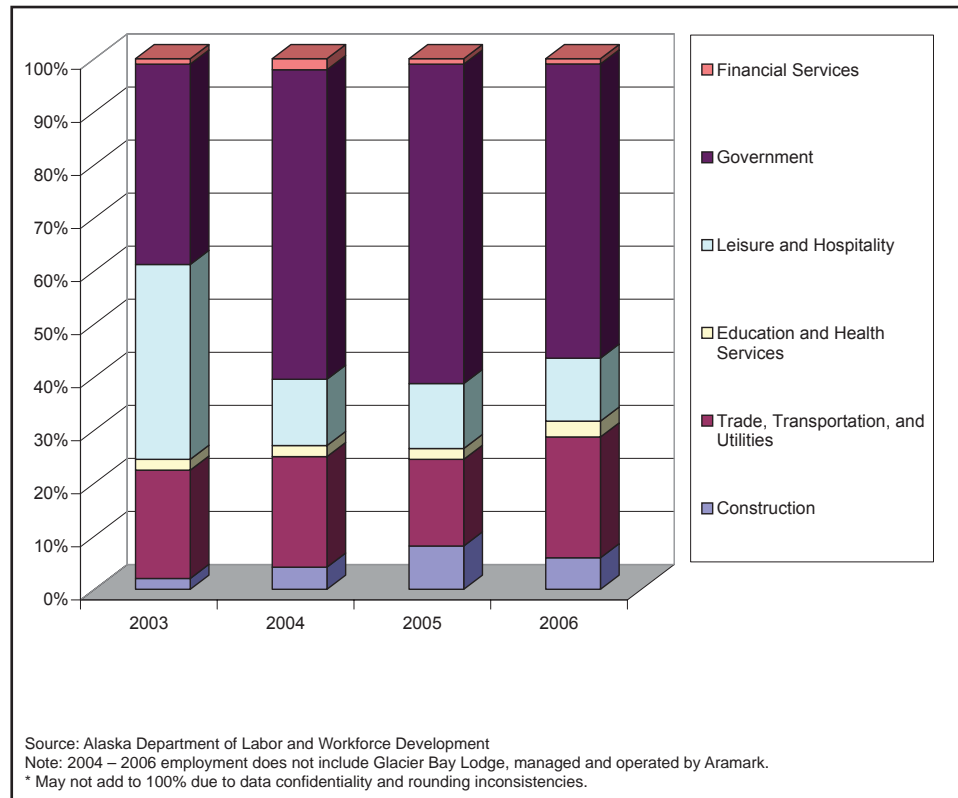


Table 7. 2002 – 2006 Average Wages

Industry	2002	2003	2004	2005	2006
Government*	\$39,372	\$40,150	\$47,394	\$41,232	\$44,485
Private-Sector	\$22,001	\$22,709	\$18,390	\$21,678	\$23,829
Total	\$28,733	\$29,185	\$34,374	\$33,615	\$35,396

Source: Alaska Department of Labor and Workforce Development

* McDowell Group estimates (2008)

Note: 2004 – 2006 private-sector employment does not include Glacier Bay Lodge, managed and operated by Aramark.

Table 8. 2006 Average Employment, Wages, and Payroll

Industry	Average Employment	Average Wages	Total Payroll
Government*	89	\$44,485	\$3,959,145
Private-Sector	69	\$23,829	\$1,648,207
Total	158	\$35,396	\$5,607,352

Source: Alaska Department of Labor and Workforce Development

* McDowell Group estimates (2008)

Note: Private-sector employment does not include Glacier Bay Lodge, managed and operated by Aramark.

Table 9. 2002 – 2006 Total Payroll

Industry	2002	2003	2004	2005	2006
Government*	\$3,307,253	\$3,171,910	\$3,649,351	\$3,793,337	\$3,959,145
Private-Sector	\$2,944,504	\$3,131,992	\$1,117,181	\$1,369,345	\$1,648,207
Total	\$6,251,757	\$6,303,902	\$4,766,532	\$5,162,682	\$5,607,352

Source: Alaska Department of Labor and Workforce Development

* McDowell Group estimates (2008)

Note: 2004 – 2006 private-sector employment does not include Glacier Bay Lodge, managed and operated by Aramark.

Economic Base

In addition to government, Gustavus' economy has a thriving entrepreneurial segment as indicated by a large quantity of active business licenses spanning seven federally-designated industry sectors. There are currently 108 active business licenses encompassing various accommodations, service industry, professional services, construction, and transport businesses serving Gustavus visitors and residents. The largest quantity (20%) of licenses represent the arts, entertainment, and recreation industry, which includes businesses such as artists and writers, kayak rentals, sport fishing charters, and wilderness adventure providers. Thirteen percent of business licenses represent trade-related businesses including retail or other service-

*Businesses in Gustavus*

sector enterprises. Another 13% include accommodation and food service businesses such as bed and breakfasts, cafes, lodges, and restaurants. Other business licenses are for construction (10%), transportation and warehousing (8%), services (8%), and professional, scientific, and technical service businesses (7%).

Table 10. 2008 Active Gustavus Business Licenses

Industry Category	Total	Percentage
Arts, Entertainment, and Recreation	21	20%
Trade	14	13%
Accommodation and Food Services	14	13%
Construction	11	10%
Transportation and Warehousing	9	8%
Services	9	8%
Professional, Scientific, and Technical Services	7	7%
Other	23	21%
Total	108	100%

Source: Alaska Department of Commerce, Community, and Economic Development

In 2003, DCCED reported:

...although somewhat seasonal in nature, the economic base of the community of Gustavus is best classified as expanding and sound. With neighboring Glacier Bay National Park as the foundation, the tourist industry and associated business opportunities should continue to grow and develop. Government jobs, whether state or federal, should remain steady. The community enjoys a relatively high level of property valuation and business activity.³

The same remains true today. Due to its location, Gustavus will remain a small community challenged by its remote location, off the beaten path, and relative isolation from larger Southeast Alaska communities. On the other hand, its strategic location adjacent to internationally-recognized Glacier Bay National Park provides an economic niche that should continue to produce opportunities for Gustavus' business sector to explore for the benefit of entrepreneurs, the city government, and greater Gustavus community. On a more cautionary note, the increase in cruise-related traffic in Glacier Bay may continue to yield various direct and indirect impacts to the local economy until the volume of independent tourism stabilizes. With effort, the desire of many residents to preserve what is unique about Gustavus as a wild and beautiful place can be satisfied while simultaneously supporting locally-appropriate economic development.

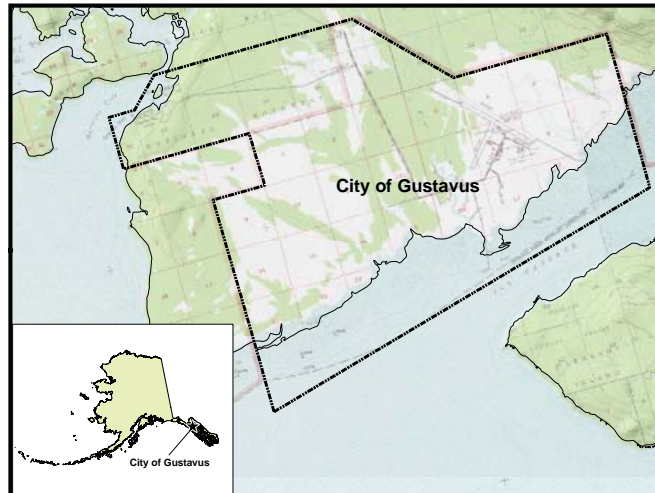


Gustavus Forelands

³ Preliminary Report to the Local Boundary Commission Regarding the Proposal to Incorporate the City of Gustavus, August 2003, DCCED

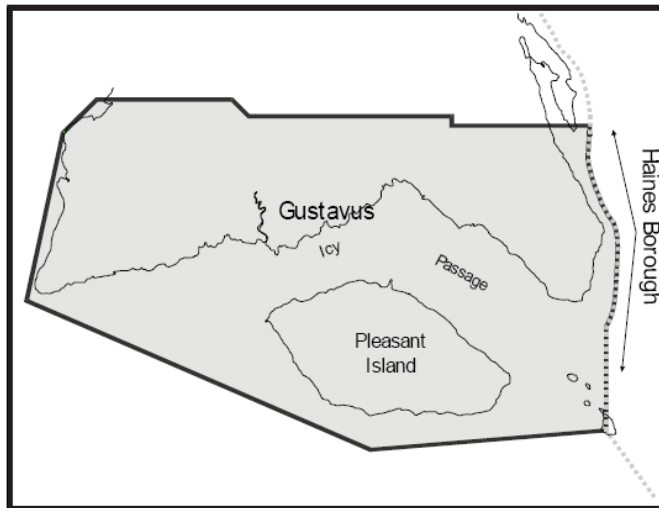
CITY GOVERNMENT PROFILE

The City of Gustavus was incorporated by the State of Alaska as a second class city in the Unorganized Borough during April 2004. The total jurisdictional area of the City of Gustavus is 39.25 square miles, which includes 29.23 square miles of land and 10.02 square miles of tidelands and submerged lands. In sum, the City of Gustavus delivers six primary services, employs approximately seven staff, and locally generates revenue via a two-percent sales tax and four-percent bed tax.



City of Gustavus Boundaries

Figure 7. 1996 Proposed Municipal Boundaries



History

The incorporation of the City of Gustavus (2004) was preceded by two prior failed attempts. During 1979, the first attempt was denied by the Local Boundary Commission (LBC) based on two primary criticisms: 1) community lacked adequate financial resources to operate a city government; and 2) the Petitioner failed to demonstrate a need for a city government in Gustavus. At the time, Gustavus' population was estimated to be approximately 98 residents.

In 1996, 17 years after the first failed attempt, voters in Gustavus initiated a second city incorporation proposal. By that time, Gustavus' population had grown to 357 residents – a 267% increase in less than 20 years. The second attempt proposed to incorporate nearly 144 square miles within municipal boundaries (Figure 7). The proposed city would offer six primary services⁴ including:

- landfill;
- library;
- road maintenance;
- emergency services;

⁴ The 1996 petition did not call for the proposed city to directly operate fire protection, rescue services, and the clinic. Rather, it proposed the prospective city would provide financial support to organizations that would provide those services to Gustavus.

- health clinic; and
- planning, platting, and land use regulation.

In June 1997, following a public hearing, the LBC amended the Gustavus incorporation petition by reducing the proposed jurisdictional area of prospective city from nearly 144 square miles to 39.25 square miles. Following the amendment, the LBC approved the petition.

In October 1997, the State of Alaska's Division of Elections conducted a mail-out election presenting the city incorporation proposition to the voters. In total, 280 votes were cast and the final tally revealed Gustavus registered voters were nearly equally split regarding support or opposition to city incorporation. By the narrowest of margins, the city incorporation failed by two votes – less than one percent of total votes cast (Table 11).

Table 11. 1997 City Incorporation Vote Results

Incorporate	Quantity	Percent
Yes	139	49.6%
No	141	50.4%
Total	280	100%

City of Gustavus Summary

Name: City of Gustavus

Classification: second class

Borough Affiliation: unorganized borough

Jurisdictional Area:

29.23 square miles of land

10.02 square miles of water

39.25 square miles of total area

Taxes:

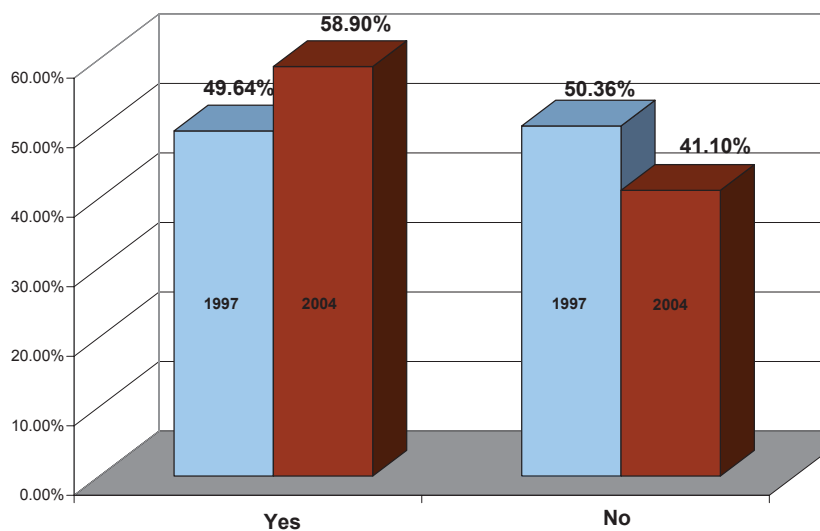
- 4% bed tax/vacation package tax
- 2% general sales tax

Services and Facilities:

- Library
- Disposal and Recycling Center (DRC)
- Emergency Response
- Road Maintenance
- Gustavus Community Network
- Small Boat Harbor

Seven years later, with a 67% voter turnout rate, Gustavus' third city incorporation attempt succeeded by 55 votes – an 18% margin (total registered voters = 465). Specifically, 309 votes were cast via mail-out election and 59% supported the incorporation of the City of Gustavus; 41% opposed the city incorporation (Figure 8). Furthermore, the majority supported both the two-percent sales tax (60%) and four-percent bed tax (61%).

Figure 8. 1997 and 2004 Incorporation Vote Results



Organizational Structure

The City of Gustavus is governed by seven city council members, one of which is designated as the mayor (Table 12 and Table 13). The City delivers six primary services via two full-time, five part-time, and five seasonal part-time positions. Of noteworthy importance, four seasonal part-time positions are funded by the State of Alaska to provide emergency response services required for jet service (Table 14). An additional seasonal part-time position is funded by the Chatham School District to provide specific assistance at the Library. In total, there are seven “regular” City of Gustavus employees including two full-time and five part-time positions (Table 15).

Table 12. City Organizational Structure

City Position	Quantity
City Council	7
Mayor*	1
Employees**	7
Committees	14
Citizen Volunteers***	147

Source: City of Gustavus

* The Mayor is also a member of the city council.

** Excludes seasonal part-time positions funded by outside entities.

*** Includes committee members and city service volunteers.

Table 13. Current City Council Members

Member	Term
Ken Klawunder (Mayor)	2008
Mike Atkins	2008
John Nixon	2009
Sandi Marchbanks	2009
Wayne Howell	2009
Bill Unkel	2010
Paul Berry	2010

Source: City of Gustavus

Table 14. City Employees

Employment Type	Quantity
Full-Time	2
Part-Time	5
Seasonal Part-Time*	5
Total	12

Source: City of Gustavus

* Includes one Library position and four aircraft rescue and fire fighting (ARFF) positions. All positions are funded by outside entities.

Table 15. Current (Regular) City Employees

Employee	Type
City Clerk	Full-Time
Dumpmaster	Full-Time
Assistant Operator	Part-Time
Assistant Operator	Part-Time
Librarian	Part-Time
Outreach Librarian	Part-Time
GVFD Administrative Assistant	Part-Time

Source: City of Gustavus

Note: Excludes seasonal part-time positions funded by outside entities.

There are 14 committees (i.e., standing, special, and sub) comprised of 71 volunteer members that work to deliver services, advise the city council, collect public input, and explore important community issues. Each primary city service has an assigned standing committee to provide service or facility-related recommendations and guidance. The remaining committees are largely dedicated to city administration, finances, planning, or special topic purposes.

In addition to 71 volunteer committee members, there are also approximately 76 volunteers that work at the Library, DRC, Gustavus Community Network (GCN), and Gustavus Volunteer Fire Department (GVFD). In total, there are approximately 147 citizen volunteers involved with delivering city-related services to the greater Gustavus community.

Table 16. City Committees

Committee	Type	Members	Service
Borough	Special	11	Explores issues and options related to the City of Gustavus joining or forming a borough or remaining in the Unorganized Borough.
Planning	Standing	7	Works to protect Gustavus' future through long- and short-range planning.
Disposal and Recycling Center (DRC)	Standing	5	Oversees the DRC – including the Community Chest. The DRC's mission is to reuse locally or to recycle as much material from the community's waste stream as possible. What cannot be reused or recycled is disposed of in a safe and environmentally responsible manner.
Finance	Standing	4	Manages the Gustavus Endowment Fund, assists committees through the budget process, and is the advisory committee for all things fiscal and budgetary. Also houses the Investment Subcommittee.
Fish Box Tax Implementation	Special	3	To explore administrative issues and options related to the City of Gustavus adopting and implementing a "fish box tax". A fish box tax generally includes a flat rate fee on packaged fish or seafood caught or taken and retained by fish charter customers as part of a fish charter.
Gustavus Community Network (GCN)	Standing	5	facilitates communication, collaboration, and information sharing to strengthen the community. Oversees dial-up and broadband Internet access.
Gustavus Volunteer Fire Department (GVFD)	Standing	6	Oversees all fire response and emergency medical services (EMS) for the community, working with the Gustavus Volunteer Fire Department (GVFD) and the Gustavus Emergency Response Volunteer Association (GERVA).
Investment	Sub	1	Oversees and manages the Gustavus Endowment Fund as a subcommittee of the Finance Committee.
Lands	Standing	6	Oversees issues related to acquiring lands for the City of Gustavus, including land authorized as part of becoming a new municipality. It also houses the Water Quality Subcommittee.
Library Board	Standing	5	Oversees the operations and planning for the Gustavus Public Library.
Marine Facilities	Standing	5	Works to obtain necessary funding and approval to improve marine facilities and to make recommendations for long-term maintenance.
Parks and Recreation	Standing	2	Oversees the Salmon River Park, community 4th of July celebration, and other items such as trails and other community "park" land.
Road	Standing	6	Oversees the maintenance, plowing, and other issues related to city roads
Water Quality	Sub	5	Is a subcommittee of the Lands Committee and functions similar to a watershed council, dealing with issues related to water quality within the City of Gustavus.
Total	14 Committees	71 Committee Members	

Source: City of Gustavus

Note: Committee membership includes one city council liaison per committee.

Primary Services and Facilities

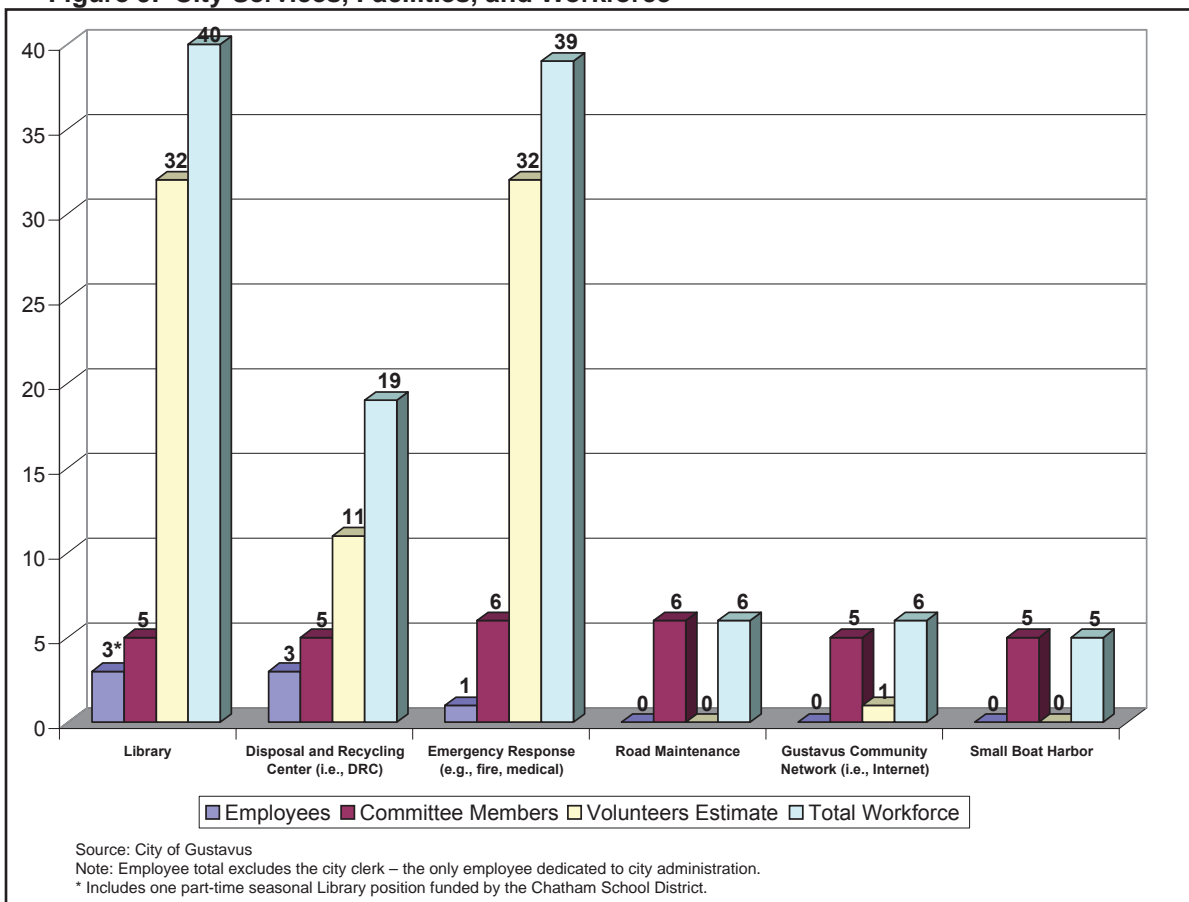
As petitioned in 2003, the City of Gustavus offers five primary services and/or facilities including library, recycling and refuse disposal, emergency response, road maintenance, and Internet service. The City added the small boat harbor as the sixth primary municipal service during 2007.

A standing committee composed of volunteers is assigned to each primary city service to advise the city council, collect public input, and explore issues related to the respective city service. In total, six city government services are delivered via seven paid staff, 32 appointed volunteer committee members, and 76 additional volunteers (Figure 9).

A total workforce of approximately 115 people (i.e., paid and unpaid) participate in planning, managing, and delivering six municipal services to a local population of over 400 residents. Of noteworthy importance, there are 15 unpaid citizen volunteers for every one paid city employee. Notably, the citizen volunteer workforce is a valuable community resource that is not easily quantified, but city employees provide the consistency needed to effectively deliver municipal services.

The Library and DRC employ the largest quantity of city staff at three employees each. Library and emergency response services utilize the largest quantity of volunteers at 32 volunteers each. Road maintenance services are delivered via competitive city contract and consequently does not employ any regular staff; activities are guided by a volunteer committee of six members. The Gustavus Community Network and Small Boat Harbor are maintained by a small fleet of volunteers ranging from five to six committee members.

Figure 9. City Services, Facilities, and Workforce



Revenue and Expenses

The City of Gustavus has been incorporated for 4.25 fiscal years (FY) including 4th quarter FY 04, FY 05, FY 06, FY 07, and FY 08. The current fiscal year, FY 09, represents the City's fifth full year of existence. One of the most critical elements of city management and administration is financial planning, budgeting, and reporting.

Analysis of the City of Gustavus' certified financial statements (CFS) suggests the City has generated enough revenue to cover costs and generate substantial surpluses during each of the prior four years (Appendix X). Of cautionary note, surplus figures may be misleading considering the inclusion of revenue and expenditures for multiple capital projects. During this time period, the City was awarded significant grant funds for marine facility projects including ramp barge landing, planning and design of dock and boat launch, and boat harbor disposal and recycling center. Project planning, design, and construction oftentimes occur over several years and financial resources and expenditures are carried over from year-to-year, which further challenges accurate financial analysis. The inclusion of capital project-related revenue and expenses provides a somewhat exaggerated perspective of overall city financial resources and expenses. Where appropriate, City revenue and expenses have been further aggregated to more effectively differentiate between operating and capital project revenue and expenses.

During its first full fiscal year (FY 05), the City of Gustavus generated \$464,568 and expended \$258,178; total surplus equaled \$206,390 (Table 17). The following year (FY 06), the city generated 44% more revenue (\$668,077) and expended 37% more revenue (\$354,035); total surplus equaled \$314,042. During FY 07, the City generated \$970,966 and expended \$664,727; total surplus equaled \$306,239. Again, year-to-year comparison indicates the City's revenue and expenses increased 45% and 88% respectively from FY 06 to FY 07. During the prior three fiscal years (FY 05 – FY 07), the City generated an average of \$275,557 in annual surplus. As previously mentioned, significant surpluses may be the result of carry-over capital project grant revenue.

Table 17. City of Gustavus Revenue and Expenses

Fiscal Year	Revenue	Expenses	Surplus
2004	\$50,024	\$1,549	\$48,475
2005	\$464,568	\$258,178	\$206,390
2006	\$668,077	\$354,035	\$314,042
2007	\$970,966	\$664,727	\$306,239
Total	\$2,153,635	\$1,278,489	\$875,146

Source: City of Gustavus, Certified Financial Statements

During FY 07, the most recently adopted CFS at the time of report printing, the City of Gustavus generated \$970,966 via 22 various revenue sources including taxes, grants, user fees, interest gains, sales, and miscellaneous fees. Total city revenue is relatively equally split between locally- and externally-generated revenue. Specifically, locally-generated revenue accounts for 54% of all revenue and includes sales tax, bed tax, Endowment Fund unrealized gain, DRC income, GCN income, and other fees (Table 18). Local taxation and Endowment Fund unrealized gain account for nearly half (41%) of all city revenue; taxation accounts for nearly one-quarter (22%). Furthermore, local

taxation and Endowment fund unrealized gain account for 74% of locally-generated revenue; taxation accounts for 40%.

In contrast, externally-generated revenue (\$437,378) accounts for 46% of all FY 07 revenue and includes various grants and financial assistance funds from the State of Alaska, U.S. Economic Development Administration (EDA), and U.S. Forest Service (USFS). Multiple state and federal financial assistance programs account for 19% of total revenue and can be spent on general operating expenses. Timber Receipts Program funds are designated for road maintenance (12%). Gustavus' marine facilities have benefited from significant investment from the State of Alaska and EDA (12%). The State of Alaska also funds aircraft rescue and fire fighting services required for summer jet service (2%), which employs four part-time seasonal positions.

Table 18. FY 2007, City of Gustavus Revenue

Revenue	Total	Percent Total Revenue
Locally-Generated Revenue		
Sales/Room Tax	\$212,116	22%
Endowment Fund Unrealized Gain	\$179,878	19%
DRC Income	\$62,815	6%
GCN Income	\$38,575	4%
Interest Income	\$22,909	2%
Fundraising	\$8,506	1%
Library Income	\$3,286	0%
Donations	\$2,201	0%
Marine Facilities Income – RFQ Bid Packet Fee	\$550	0%
Tax Exempt Cards	\$210	0%
Public Records Request Fee	\$15	0%
Other Income	\$2,527	0%
Subtotal	\$533,588	54%
Externally-Generated Revenue		
Grants – State/Federal Financial Assistance	\$179,951	19%
USFS, Timber Receipts Program	\$113,771	12%
Marine Facilities Income – Grants	\$117,737	12%
GVFD – ARFF Payment	\$17,230	2%
Fisheries Business Tax Payment	\$5,907	1%
Legislative Grant	\$2,782	0%
Subtotal	\$437,378	46%
Total	\$970,966	100%

Source: City of Gustavus, Certified Financial Statement

During FY 07, the City of Gustavus expended \$664,727 on approximately 59 line-items including payroll, professional services, city services, equipment, supplies, utilities, travel, training, utilities, insurance, fees and dues, capital projects, and many other city-related expenses. Approximately

two-thirds (69%) of all city expenditures include general operating expenses; nearly one-third (31%) is related to capital project expenses (Table 19). Capital project expenditures totaling \$206,800 include expenses related to marine facility capital projects funded by the State of Alaska and EDA (19%) and other capital expenses (12%). For FY 07, marine facilities projects accounted for 61% of all capital project expenditures.

City of Gustavus operating expenses totaling nearly a half-million dollars (\$457,927) accounts for 69% of all FY 07 expenditures. Workforce-related expenses including city employee payroll, professional services, and contractual services account for nearly one-third (29%) of all city expenditures. City employees account for 17% of all city expenses and 25% of operating expenses. One in every ten dollars (10%) spent goes towards road maintenance. In comparison, significantly smaller operating expenses include Gustavus Visitors Association (3%), Library (1%), Community Clinic (2%), and miscellaneous city administration costs (i.e., insurance, supplies, equipment, freight, travel, training, fees, and dues).

Table 19. FY 2007, City of Gustavus Expenses

Expenses	Total	Percent Total Expense
Operating Expenses		
Payroll	\$115,509	17%
Professional and Contractual Services	\$81,719	12%
Road Maintenance	\$65,142	10%
Telephone, Internet, Broadband	\$37,898	6%
Gustavus Visitors Association	\$18,781	3%
Insurance	\$17,043	3%
Equipment	\$16,501	2%
Supplies	\$16,442	2%
Freight	\$15,266	2%
Donation	\$13,872	2%
Utilities	\$13,316	2%
Fees and Dues	\$15,387	2%
Travel	\$11,549	2%
Training	\$7,677	1%
Library (i.e., books, periodicals, videos, DVDs, summer reading)	\$7,667	1%
Maintenance and Repairs	\$4,158	1%
Subtotal	\$457,927	69%
Capital Projects Expenses		
Marine Facilities	\$125,951	19%
Capital Expense	\$80,849	12%
Subtotal	\$206,800	31%
Total	\$664,727	100%

Source: City of Gustavus, Certified Financial Statement

A two-percent sales tax and four-percent bed tax accounts for a significant portion of City of Gustavus revenue. During FY 07, local taxation accounted for 22% of all City revenue and 40% of

locally-generated revenue. Of noteworthy importance, approximately half of the bed tax revenue is paid directly to the Gustavus Visitors Association for economic development purposes.

During the past three years, the City of Gustavus has collected substantial amounts of sales and bed taxes, but in a relatively inconsistent pattern. During FY 05, the first full year of tax collection, the City of Gustavus collected \$86,965 in sales tax and \$12,111 in bed taxes, totaling nearly \$100,000 in local tax revenue. One year later (FY 06), local tax revenue increased 142% as the City collected \$239,834 in sales and bed taxes (Table 20). FY 07 yielded a seven percent decrease in total tax revenue as the City collected less sales and bed taxes than the prior year.

Table 20. City of Gustavus Tax Revenue

Fiscal Year	Sales Tax (2%)	Bed Tax (4%)	Total Tax
2005	\$86,965	\$12,111	\$99,076
2006	\$187,737	\$52,097	\$239,834
2007	\$174,414	\$46,197	\$220,611
Total	\$449,116	\$110,405	\$559,521

Source: City of Gustavus, Certified Financial Statements

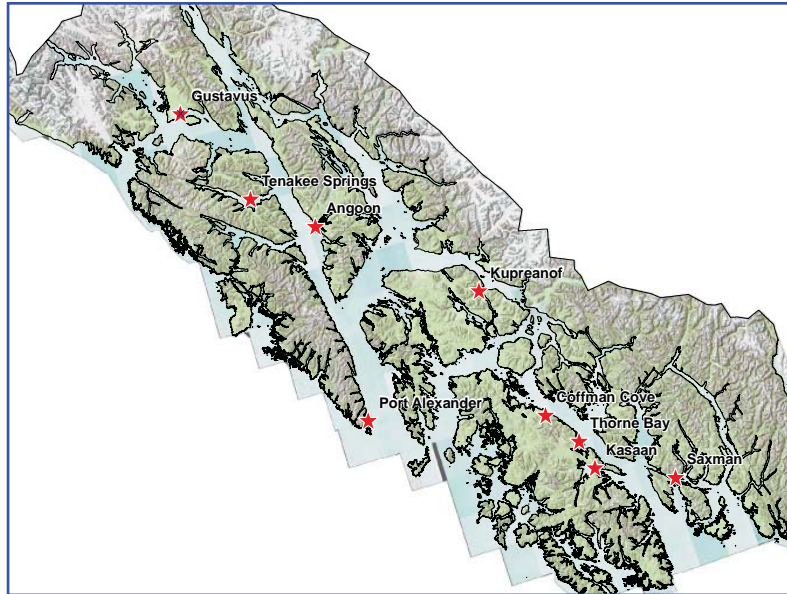
Note: FY2005 was the first full year of sales and room tax collection. Note: Figures exclude late return penalties, overpayment, seller's compensation, and tax exempt cards.



Gustavus Inn

SOUTHEAST ALASKA SECOND CLASS CITIES

Following the incorporation of the City of Gustavus in 2004, there are now nine second class city governments in Southeast Alaska including Angoon, Coffman Cove, Gustavus, Kasaan, Kupreanof, Port Alexander, Saxman, Tenakee Springs, and Thorne Bay. Before the incorporation of the City of Gustavus, it had been 19 years since the last second class city was incorporated in Southeast Alaska (Coffman Cove). The majority of Southeast Alaska's second class cities were incorporated in the 1970s and 1980s; however, the City of Saxman dates back to 1929.



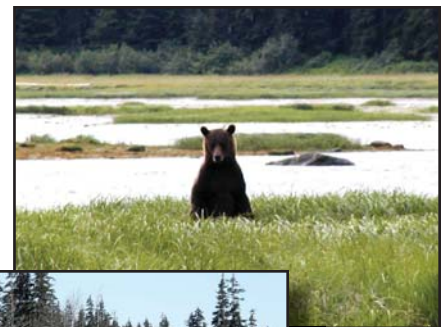
Southeast Alaska Second Class Cities

Community Demographics

Of the nine second class cities, only Saxman is located within an organized borough – Ketchikan Gateway Borough. The remaining eight Southeast second class cities are in the Unorganized Borough. Second class cities in the Unorganized Borough comprise 54% of all municipal governments in Alaska, but they serve only 5% of Alaska's total population.

In comparison to other Alaska regions, Southeast Alaska is active in regards to borough formation and municipal annexation activities. Multiple local boundary changes are currently being studied, proposed, or implemented across much of Southeast Alaska and implicate several Southeast second class cities including Angoon, Gustavus, Kupreanof, and Tenakee Springs.

In 2007, Southeast second class city populations ranged from 26 (Kupreanof)



*Wildlife is Abundant
in Southeast Alaska
Communities*

to 478 (Angoon); the average population was 247 residents (Table 21). With a population of 442 residents (2007), Gustavus is significantly larger than the average Southeast second class city. During the past seven years, the majority (5) of Southeast second class cities experienced population declines ranging from -2% (Tenakee Springs) to -26% (Coffman Cove and Port Alexander). In comparison, Gustavus was one in four communities that experienced a population increase (3%). In total, while the majority of Southeast Alaska is experiencing significant population declines, Gustavus is at least maintaining – and perhaps growing its local population.

The median age of Southeast Alaska second class cities ranges from 32 years (Angoon and Saxman) to 47 years (Tenakee Springs). Comparatively, Gustavus residents are of average age, with a median age of 40 years.

Table 21. Community Demographics

City (Incorporated)	Borough Affiliation	2007 Population	2000 Population	2000 - 2007 Population Change	Median Age
Angoon (1963)	Unorganized	478	572	-16%	32
Coffman Cove (1989)	Unorganized	147	199	-26%	40
Gustavus (2004)	Unorganized	442	429	3%	40
Kasaan (1976)	Unorganized	63	39	62%	45
Kupreanof (1975)	Unorganized	26	23	13%	46
Port Alexander (1974)	Unorganized	60	81	-26%	38
Saxman (1929)	Ketchikan Gateway	438	431	2%	32
Tenakee Springs (1971)	Unorganized	102	104	-2%	47
Thorne Bay (1982)	Unorganized	467	557	-16%	39
Average (N = 9)		247	271	-1%	40

Source: Alaska Department of Commerce, Community, and Economic Development and U.S. Census Bureau

Active business licenses issued to Southeast second class city residents range from seven (Kasaan) to 108 (Gustavus); average quantity of business licenses is 39 (Figure 10).

Gustavus is one of the most entrepreneurial second class cities in Southeast Alaska with 108 active business licenses, or one business license for every four residents. With nearly equal populations, Thorne Bay and Angoon have 25% and 85% less business licenses respectively than Gustavus.



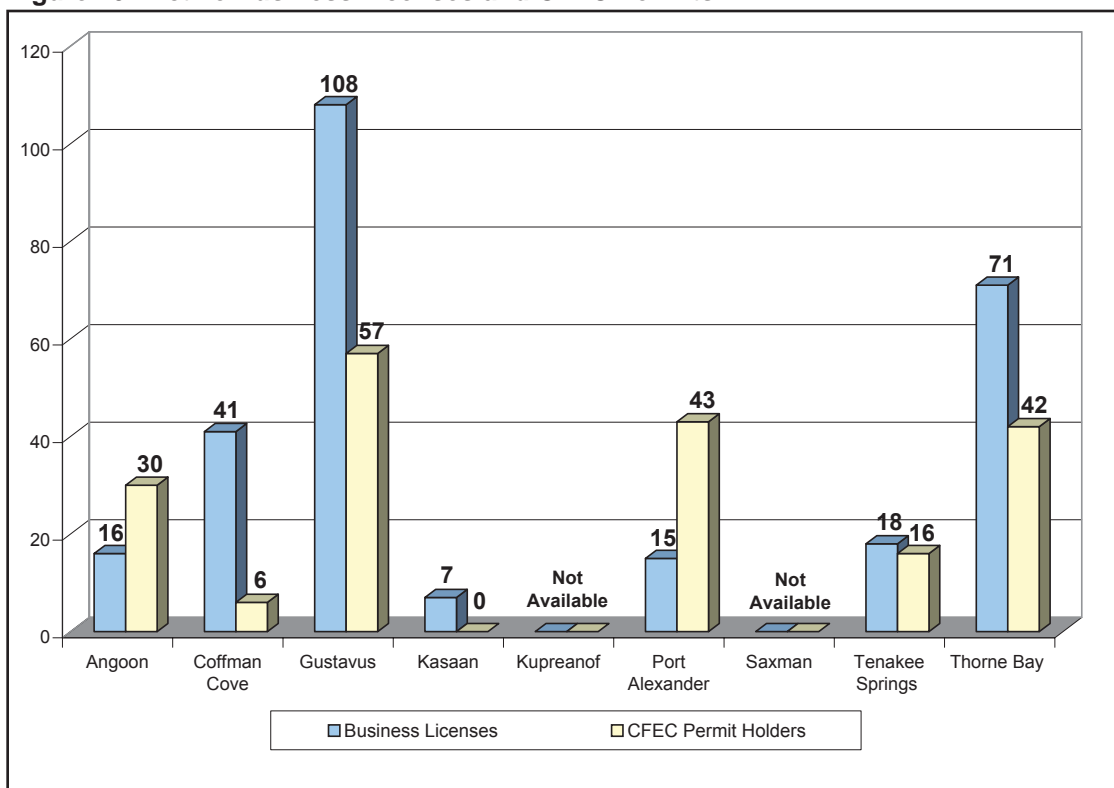
One of the 108 Licensed Businesses in Gustavus

The majority of Southeast second class cities participate in commercial fishing. On average, one Commercial Fisheries Entry Commission (CFEC) permit is issued per every nine second class city residents in Southeast Alaska. Residents of Gustavus hold 57 CFEC permits, more than any other second class city in Southeast Alaska. In short, Gustavus has approximately twice as many business licenses and commercial fishing permits than the average Southeast second class city.



Small Boat Harbor on the Salmon River

Figure 10. Active Business Licenses and CFEC Permits



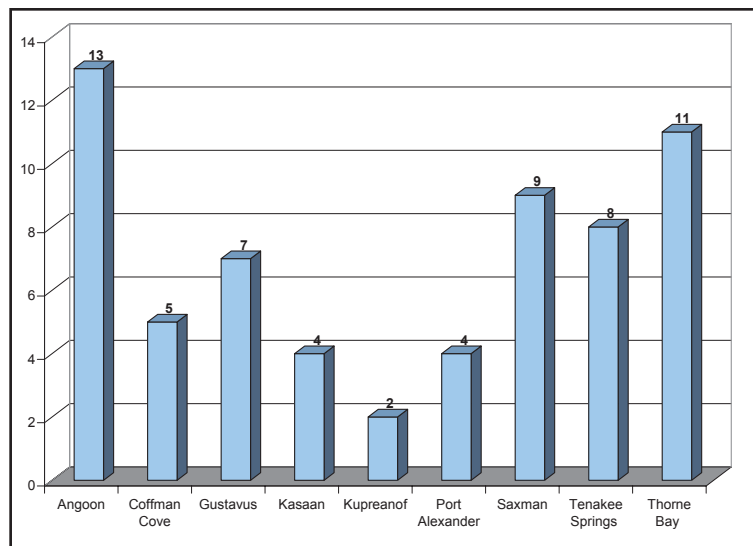
Source: Alaska Department of Commerce, Community, and Economic Development and Alaska Commercial Fisheries Entry Commission
 Note: Business license and CFEC Permit information is unavailable for Kupreanof and Saxman due to data limitations.

Organizational Structure

Second class cities in Southeast Alaska share a similar municipal structure. Each has a seven member city council and operates under the strong-mayor form of government, whereby the mayor is popularly elected or elected by the city council and has broad administrative authority. In all second class cities, the mayor is also a member of the city council.

Southeast second class cities employ a range of staff from as few as two (Kupreanof) to as many as 13 (Angoon) employees; average quantity of employees is nine (Figure 11). City employees are largely dedicated to administration, city clerk, finances, public safety, and public works duties (Table 22). At seven regular city employees, Gustavus employs an average quantity of staff; however, compared to cities of similar size including Angoon, Saxman, and Thorne Bay, Gustavus employs a significantly smaller staff to deliver services.

Figure 11. Total Regular City Employees



Source: Alaska Department of Commerce, Community, and Economic Development

Table 22. Regular City Employees

City	Administrator	City Clerk	Finance Officer	Public Safety	Public Works	Additional	Total
Angoon	-	1	2	1	5	4	13
Coffman Cove	-	1	1	-	2	1	5
Gustavus	-	1	-	-	3	3	7
Kasaan	1	1	-	-	1	1	4
Kupreanof	-	1	1	-	-	-	2
Port Alexander	-	2	-	-	1	1	4
Saxman	1	1	1	-	3	3	9
Tenakee Springs	-	1	1	-	-	6	8
Thorne Bay	1	1	2	1	5	1	11

Source: Alaska Department of Commerce, Community, and Economic Development

Note: Public works includes solid waste disposal, recycling, water/wastewater utilities, and marine facilities.



Gustavus Library

Southeast second class cities offer a variety of services ranging from as few as four (Kupreanof) to as many as 12 services (Thorne Bay) (Table 23 on following page). Southeast second class cities deliver approximately seven services per city. In comparison, the City of Gustavus offers an average quantity of municipal services with six total services and/or facilities. Coffman Cove and Tenakee Springs, both with less than 150 residents, currently provide a wider

array of city services than Gustavus. Furthermore, with populations similar to Gustavus, Angoon and Thorne Bay offer significantly more services at nine and 13 services respectively.

Two-thirds of Southeast second class cities levy taxes including general sales and bed taxes. Six cities collect a sales tax ranging from two percent (Gustavus) to four percent (Port Alexander); average sales tax rate is three percent (Table 24 on following page). Four cities collect a bed tax ranging from three percent (Angoon) to six percent (Port Alexander and Tenakee);



Retail Business in Gustavus

Table 23. City Services and Facilities

Service	Angoon	Coffman Cove	Gustavus	Kasaan	Kupreanof	Port Alexander	Saxman	Tenakee Springs	Thorne Bay
Roads/Trails	✓	✓	✓	✓	✓	✓	✓	✓	✓
Emergency Services	✓	✓	✓	✓	✓	✓	✓	✓	✓
Marine Facilities	✓	✓	✓	✓		✓	✓	✓	✓
Water/Wastewater	✓	✓		✓		✓	✓		✓
Community Facilities	✓				✓	✓	✓	✓	✓
Planning and Zoning	✓				✓	✓		✓	✓
Refuse/Recycling	✓		✓	✓					✓
Public Safety	✓						✓		✓
Health Clinic				✓		✓			✓
Library		✓	✓					✓	
Cable/Internet	✓	✓	✓						
Electric								✓	✓
Parks and Recreation		✓							✓
Fuel				✓				✓	
Gravel Sales		✓							✓
Total Services	9	8	6	7	4	7	6	8	12

Source: Alaska Department of Commerce, Community, and Economic Development

average bed tax rate is five percent. Of noteworthy importance, the City of Saxman collects a 3.5% sales tax, but residents and visitors are also subject to Ketchikan Gateway Borough taxes including a 2% sales tax, 5% bed tax, and 6.8 mills property tax. Only the Cities of Coffman Cove, Kasaan, and Kupreanof do not generate revenue via local taxation. No Southeast second class city levies a property tax.

Table 24. City Taxation

City	Sales Tax	Special Tax (Bed Tax)
Angoon	3%	3%
Coffman Cove	-	-
Gustavus	2%	4%
Kasaan	-	-
Kupreanof	-	-
Port Alexander	4%	6%
Saxman*	3.5%	-
Tenakee Springs	2%	6%
Thorne Bay	5%	-
Average	3%	5%

Source: Alaska Department of Commerce, Community, and Economic Development

* Saxman residents and visitors are also taxed via the Ketchikan Gateway Borough including 2% sales tax, 5% bed tax, and 6.8 mills property tax.

During FY 05, the most recent year of complete financial data, Southeast second class cities generated a wide range of total revenue ranging from \$36,020 (Kupreanof) to \$957,636 (Thorne Bay) including both locally- and externally-generated revenue (Table 25 on the following page). On average, cities generated approximately \$516,462 per city. Compared to other Southeast second class cities, the City of Gustavus generated the third highest revenue total at \$668,077, or 29% more than the average.



Retail Business in Gustavus

During FY 05, Southeast second class cities also experienced a wide range of total expenditures ranging from \$38,519 (Kupreanof) to \$1,475,828 (Thorne Bay) including both operating and capital expenditures. On average, Southeast second class cities expended approximately \$569,392 per city. Compared to other Southeast second class cities, the City of Gustavus had significantly less expenditures at \$354,034, or 38% less than the average.

In sum, the City of Gustavus generates significantly more revenue and spends substantially less than the average Southeast second class city. Compared to cities of similar size including Angoon, Saxman, and Thorne Bay, Gustavus generates an average amount of revenue and spends significantly less. Of noteworthy importance, Gustavus is only one of three communities recording a net income surplus at the close of FY 05.

Table 25. FY 05 City Revenue and Expenses

City	Revenue	Expense	Surplus
Angoon	\$264,418	\$400,040	-\$135,622
Coffman Cove	\$623,819	\$616,916	\$6,903
Gustavus	\$668,077	\$354,034	\$314,043
Kasaan	Not Available	Not Available	Not Available
Kupreanof	\$36,020	\$38,519	-\$2,499
Port Alexander	\$52,087	\$54,452	-\$2,365
Saxman	\$848,046	\$1,044,835	-\$196,789
Tenakee Springs	\$681,590	\$570,514	\$111,076
Thorne Bay	\$957,636	\$1,475,828	-\$518,192
Average (N = 8)	\$516,462	\$569,392	-\$52,930

Source: Alaska Department of Commerce, Community, and Economic Development
 Note: Includes capital project revenue and expenses.



Salmon River Houseboat

THREE-YEAR ANNIVERSARY REVIEW

The City of Gustavus was incorporated by the State of Alaska as a second class city in the Unorganized Borough during April 2004. The City of Gustavus delivers six primary services, employs seven regular staff, and locally generates operating revenue via a two-percent sales tax, four-percent bed tax, and Endowment Fund unrealized gain.

Once incorporated, newly established cities rarely revisit the Petitioner's proposal and DCCED's analysis of the Petition to determine whether past projections accurately reflect current City circumstances including municipal services, revenue, and expenditures. In an effort to provide the City of Gustavus with an objective review of the new municipality's evolution, DCRA conducted a three-year anniversary review of Gustavus' newly incorporated city government focusing on the most critical components of the original Petition and DCCED's subsequent analysis summarized in both the *Preliminary and Final Report to the Local Boundary Commission Regarding the Proposal to Incorporate the City of Gustavus* (2003).

As required by Alaska state law, the Petitioner satisfied eight primary standards before the LBC approved the Petition including:

1. existence of community;
2. boundaries;
3. resources;
4. population size and stability;



The First Gustavus City Council taking Oath of Office in 2004 and following Celebration.



5. need for city government;
6. best interests of the State of Alaska;
7. transition; and
8. nondiscrimination.

The following analysis focuses exclusively on the third standard including reasonably anticipated functions, expenses, and revenue resources of the proposed city.

Reasonably Anticipated Functions of the Proposed City

As proposed, the total jurisdictional area of the City of Gustavus is 39.25 square miles, which includes 29.23 square miles of land and 10.02 square miles of tidelands and submerged lands. Within four years of incorporation, conveyance of municipal lands is nearly complete via the support of a volunteer Lands Committee tasked with overseeing the land entitlement from the State of Alaska.

The City of Gustavus is governed by seven city council members, one of which is elected by the council as mayor. The City delivers six primary services via two full-time, five part-time, and five seasonal part-time positions. Of noteworthy importance, four seasonal part-time positions are funded by the State of Alaska to provide emergency response services required for jet service. An additional seasonal part-time position is funded by the Chatham School District to provide specific assistance at the Library. In total, there are seven “regular” City of Gustavus employees including two full-time and five part-time positions (Table 26).

Table 26. City Organizational Structure

City Position	Quantity
City Council	7
Mayor*	1
Regular Employees**	7
Committees	14
Citizen Volunteers***	147

Source: City of Gustavus

* The Mayor is also a member of the city council.

** Excludes five seasonal part-time positions funded by outside entities.

*** Includes committee members and city volunteers.



Gustavus Clinic

There are 14 City of Gustavus committees (i.e., standing, special, and sub) comprised of 71 volunteer members that work to deliver services, advise the city council, collect public input, and explore important community issues. Each primary city service has an assigned standing committee to provide service- or facility-related recommendations and guidance. The remaining committees are dedicated to city administration, finances, planning, or special topic purposes.

As petitioned in 2003, the City of Gustavus offers five primary services and/or facilities including library, recycling and refuse disposal, emergency response, road maintenance, and Internet service (Table 27). The City added the small boat harbor as the sixth primary municipal service during 2007. Of noteworthy importance and as proposed, the City of Gustavus also participates in economic development by funding the Gustavus Visitors Association via dedicated bed tax revenue.

Table 27. City Services and Facilities

Service or Facility	2003 Petition	City of Gustavus	Total Workforce
Library	✓	✓	40
Disposal and Recycling Center (i.e., DRC)	✓	✓	19
Emergency Response (e.g., fire, medical)	✓	✓	39
Road Maintenance	✓	✓	6
Gustavus Community Network (i.e., Internet)	✓	✓	6
Small Boat Harbor		✓	5
Total	5 Primary	6 Primary	115

Source: City of Gustavus

Note: Total workforce includes employees, committee members, and citizen volunteers.

In total, six primary city government services are delivered via seven paid staff, 32 appointed volunteer committee members, and approximately 76 additional volunteers. A total workforce of approximately 115 people (i.e., paid and unpaid) participate in planning, managing, and delivering six municipal services to a local population of over 400 residents. Of noteworthy importance, there are 15 unpaid citizen volunteers for every one paid city employee. Notably, the citizen volunteer workforce is a valuable community resource that is not easily quantified, but city employees provide the consistency needed to effectively deliver municipal services.

The Library and Disposal and Recycling Center employ the largest quantity of city staff with three employees each. Library and emergency response services utilize the largest quantity of volunteers with 32 volunteers each. Road maintenance services are delivered via competitive city contract and consequently does not employ any regular city staff; services are guided by a volunteer committee of six members. The Gustavus Community Network and Small Boat Harbor are maintained by a small fleet of volunteers ranging from five to six committee members.

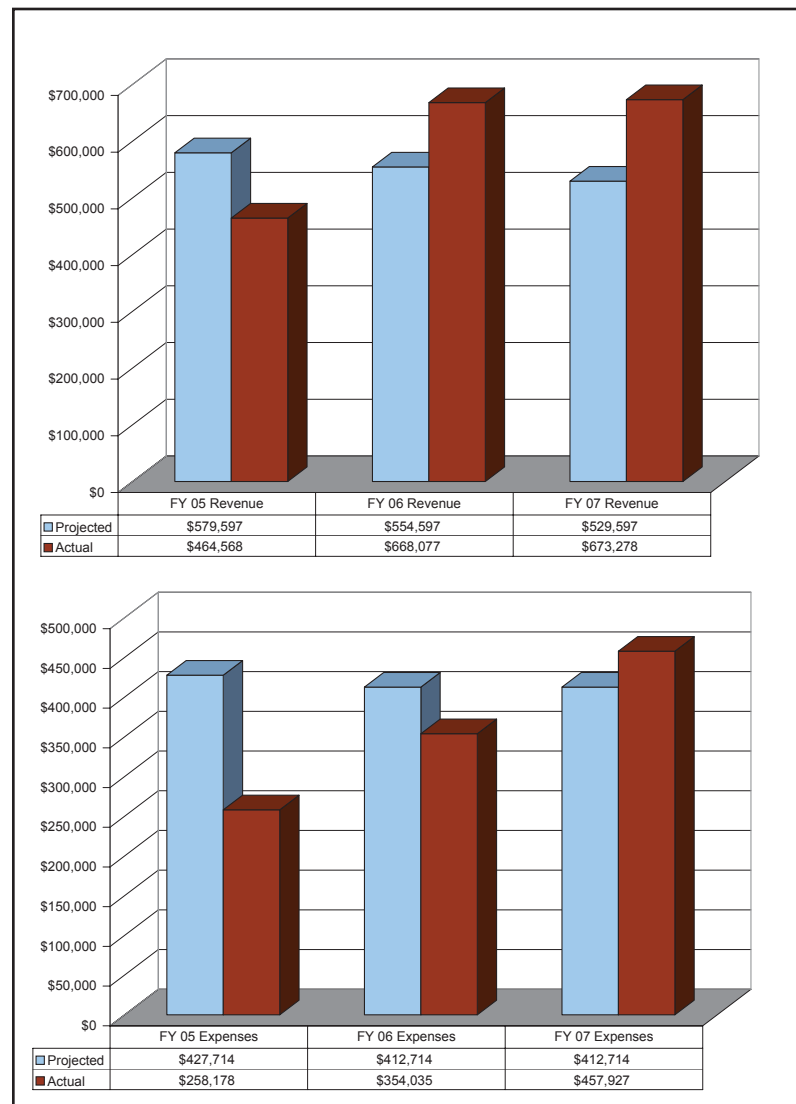


Gustavus Disposal and Recycling Center

Reasonably Anticipated Revenue and Expenses of the Proposed City

The original Petition provided preliminary estimates of annual revenue and expenditures for the first three years of city incorporation including FY 05, FY 06, and FY 07. Subsequent DCCED analysis provided recommendations regarding the overall feasibility and accuracy of Petitioner projections. *Final Report to the Local Boundary Commission Regarding the Proposal to Incorporate the City of Gustavus* (2003) reconciles Petitioner and DCCED projections and provides an updated budget for the first three years of city incorporation. Projections noted in the following tables represent Petitioner and DCCED's best shared and final estimates.

Figure 12. Operating Revenue and Expenses: Projected versus Actual



Petitioner and DCCED revenue projections estimated the City of Gustavus would generate approximately \$555,000 per year from all sources including locally- and externally-generated revenue (Figure 12). Year-to-year analysis suggests the City generated substantially less during FY 05 (-20%), but significantly more during FY 06 (+20%) and FY 07 (+27%) than projected.

Petitioner and DCCED expense projections estimated the City of Gustavus would spend approximately \$418,000 per year including all operating and capital project expenditures (Figure 12). Year-to-year analysis indicates the City spent substantially less for two out of three years. Specifically, the City spent less than projected during FY 05 (-40%) and FY 06 (-14%), but spent minimally more during FY 07 (+11%). Of noteworthy importance, road maintenance is one of the City's most costly services and winter 2006/2007 brought record snowfall, subsequently impacting snow removal expenses.

In total, the City of Gustavus generated more revenue (9%) and spent less (-15%) than projected during its first full three years of incorporation (FY 05 – FY 07). In each of the three years, the

City's net income (i.e., surplus) exceeded both Petitioner and DCCED projections by +36% (FY 05) to +121% (FY 06).

Petitioner and DCCED revenue projections estimated the City of Gustavus would annually generate \$140,000 from sales tax and \$98,302 from bed tax during the first three years of incorporation; an annual total of \$238,302 in tax revenue (Table 28).

Year-to-year sales tax analysis suggests the City generated substantially less during FY 05 (-38%), but significantly more than projected during FY 06 (+34%) and FY 07 (+25%). In total, the City sales tax generated \$449,116 during its first three years of existence, 7% more than projected.

In contrast, year-to-year bed tax analysis indicates the City generated substantially less than projected during each of the first three years of existence. Specifically, the City generated \$12,111 during FY 05, 88% less than projected. Bed tax revenue significantly increased during the following two years, but still fell short of projections. Specifically, the City generated \$52,097 during FY 06, 47% less than projected and \$46,197 during FY 07, 53% less than projected. In total, the City bed tax generated \$110,405 during its first three years of existence, 63% less than projected.

In total, the City of Gustavus generated minimally more sales tax (7%) and significantly less bed tax (-63%) than projected during its first full three years of incorporation (FY 05 – FY 07). In two of the three years, the City generated less total tax revenue than projected ranging from -58% (FY 05) to -7% (FY 07). City tax revenue met projections during FY 06 (+1%).

Table 28. Tax Revenue: Projected versus Actual Revenue

	FY 05 Projected	FY 05 Actual	FY 06 Projected	FY 06 Actual	FY 07 Projected	FY 07 Actual
Sales Tax (2%)	\$140,000	\$86,965	\$140,000	\$187,737	\$140,000	\$174,414
Bed Tax (4%)	\$98,302	\$12,111	\$98,302	\$52,097	\$98,302	\$46,197
Total	\$238,302	\$99,076	\$238,302	\$239,834	\$238,302	\$220,611

COMMUNITY SURVEY EXCERPTS

In collaboration with the City of Gustavus, DCRA conducted a community survey of local residents, registered voters, business owners, fishermen, and other community members during January 2008. The purpose of the survey was to gather community input regarding local quality of life, community development priorities, local government performance, and additional areas of community concern.

A large portion of the community survey was directly related to the City of Gustavus' performance. In particular, the community survey queried community members regarding city services, constituent relations, taxation, and overall satisfaction with the city government. This section provides summary analysis of select elements of the community survey; see *Gustavus, Alaska: 2008 Community Survey Report* for comprehensive community survey results.



Gustavus Beach

Methodology

In total, 645 adult individuals were identified as Gustavus community members and/or stakeholders and received survey questionnaires via United States Postal Service (see Appendix D). Three-hundred eighty-four (384) survey questionnaires were completed and returned yielding a 60% response rate. One household may have received multiple surveys dependent upon how many adult community members and/or stakeholders reside within the household.

Quality of Life

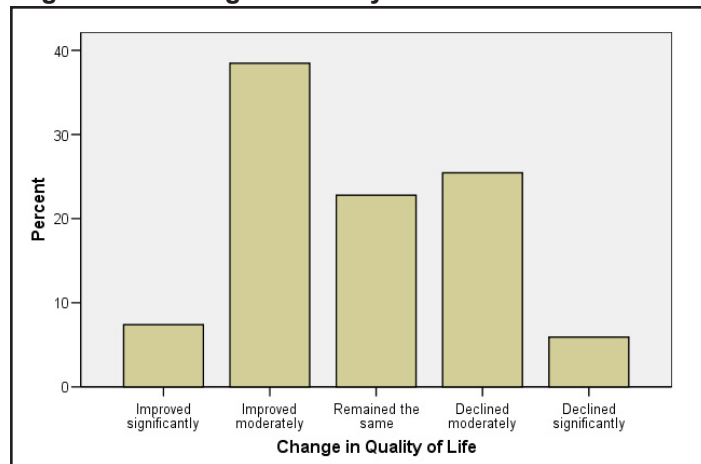
Adopting and implementing a city government is a monumental task and local leaders effectively established the City of Gustavus in a relatively short time. Despite the timely evolution of the city government structure and governance practices, there have been growing pains as the community transitions to a city government form of local governance. Specifically, anecdotal evidence suggests there have been many ups and downs in public sentiment regarding city government performance and how it has impacted local quality of life.



Gustavus City Hall

Three-quarters (74%) of respondents suggest the incorporation of the City of Gustavus has impacted local quality of life; one-quarter (26%) indicate it has not impacted quality of life. Of those respondents who suggest local quality of life has changed, nearly two-thirds (61%) indicate it has improved significantly (12%) or moderately (49%) (Figure 13). In contrast, approximately one-third (39%) report quality of life has declined moderately (28%) or significantly (11%). In short, despite vocal local accounts regarding the negative impact of local government on community quality of life, respondents suggest the community has changed, but changes have generally been positive or neutral in nature.

Figure 13. Change in Quality of Life



City Government Growth

Over half (57%) of respondents suggest the City of Gustavus has grown at the expected speed; one-third (34%) indicate it has grown significantly (16%) or moderately (18%) faster. Similar to results regarding the overall speed of city government growth, the majority (58%) suggest the city government's current size is as expected. Over one-third (35%) express concern by noting the city government has grown significantly (14%) or moderately (21%) larger than original expectations.

City Services

The City of Gustavus currently operates and maintains six primary services and facilities including the Library, Disposal and Recycling Center (DRC), Community Chest (i.e., part of DRC), emergency response (i.e., fire and medical), road maintenance, snow removal (i.e., part of road maintenance), Gustavus Community Network (i.e., Internet), and the small boat harbor. Respondents are generally satisfied with the quality of city government services and facilities as evidenced by the majority (56%) providing a very good (12%) or good (44%) general rating (Figure 14). Approximately one-third (36%) indicate city services are only fair; less than one in ten (8%) suggest city services and facilities are poor.

Figure 14. Quality of Services and Facilities

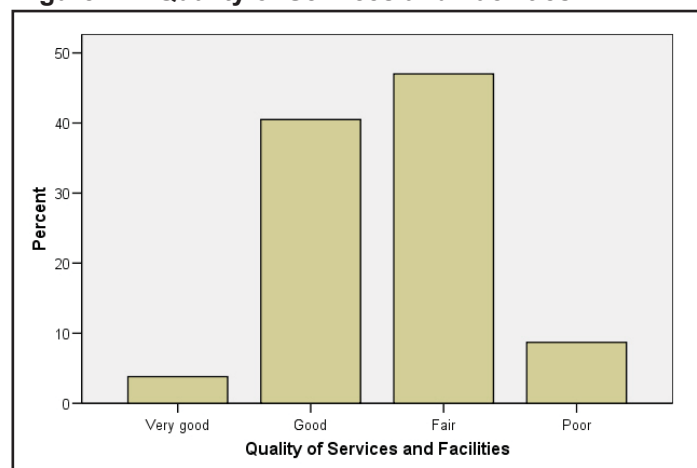
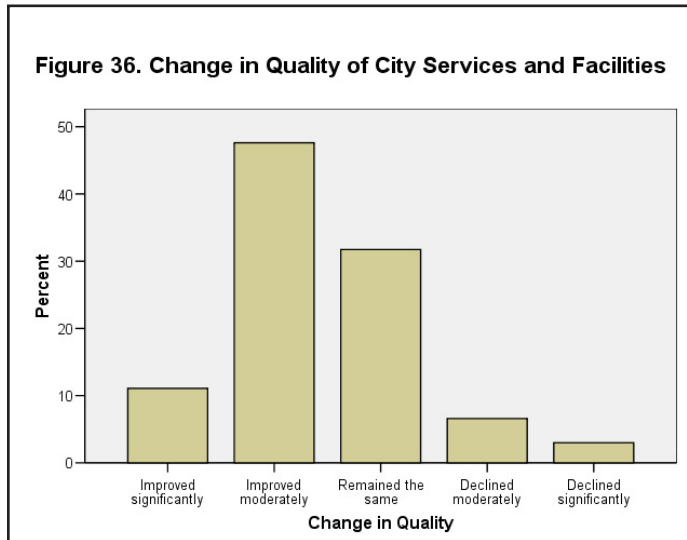


Figure 15. Change in Quality of City Services and Facilities**Table 29. Change in Quality of City Services and Facilities**

Additional City Service	Support*	Little or No Support**
Hazardous waste disposal	82%	18%
Scrap metal disposal	80%	20%
Wastewater utility	78%	22%
Bulk fuel tank farm	78%	22%
Water quality testing	77%	23%
Campground	44%	56%
Water utility	42%	58%
Animal control	41%	59%
Rifle and archery range	40%	60%
Police protection	30%	70%

* Includes respondents providing a very supportive or somewhat supportive rating.

** Includes respondents providing a little or no support rating.

more interested in utilizing volunteers, taxing visitors, and considering user fee structures to fund additional community services. They are not interested in adopting local property taxes. Of particular importance, 37% oppose, 47% support, and 16% are undecided regarding increasing local sales tax.

The majority (59%) of respondents suggest the overall quality of services delivered to Gustavus residents has either improved moderately (48%) or significantly (11%) since the incorporation of the city government (Figure 15). Only one in ten (10%) suggest the quality of services and facilities has declined. Of noteworthy importance, nearly one-third (32%) indicate the quality of services has remained the same.

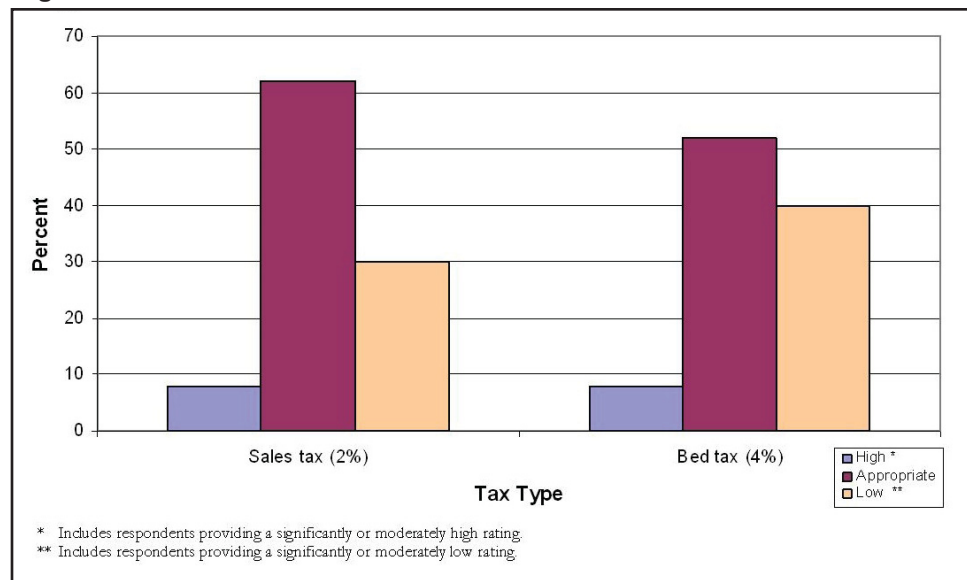
Respondents were queried regarding their level of support for the City of Gustavus providing additional services ranging from establishing a local water/wastewater utility to providing animal control enforcement. Respondents are particularly interested in waste disposal with over three-quarters indicating they are very or somewhat supportive of hazardous waste disposal (82%), scrap metal disposal (80%), and wastewater utility (78%) (Table 29). Over three-quarters are also interested in city operated and maintained bulk fuel tank farm (78%) and city-wide water quality testing (77%). In contrast, a majority have little to no support for a public campground (56%), water utility (58%), animal control (59%), rifle and archery range (60%), and police protection (70%).

In general, community members are

Taxation

The City's current two-percent sales tax and four-percent bed tax generated critical revenue for the incorporation of the city government. Local taxation continues to be an important topic of discussion among residents, businesses, and visitors. When queried regarding the appropriateness

Figure 16. Current Level of Taxation



of the city's current level of taxation, respondents overwhelmingly indicate the current tax structure is well-aligned with level of service and community willingness to pay. Specifically, nearly two-thirds (62%) suggest the sales tax is appropriate; nearly one-third (30%) indicate it is too low (Figure 16). Similarly, over half (52%) indicate the bed tax is appropriate; 40% report it is too low. Of noteworthy importance, only a small minority indicate the sales (8%) and bed (9%) taxes are too high, whereas a significant percentage indicate sales (30%) and bed (40%) taxes are too low. Respondents generally agree with current levels of taxation, but a significant number also feel increasing local tax rates is warranted – likely under specific conditions and for explicit purposes.

City Management Performance

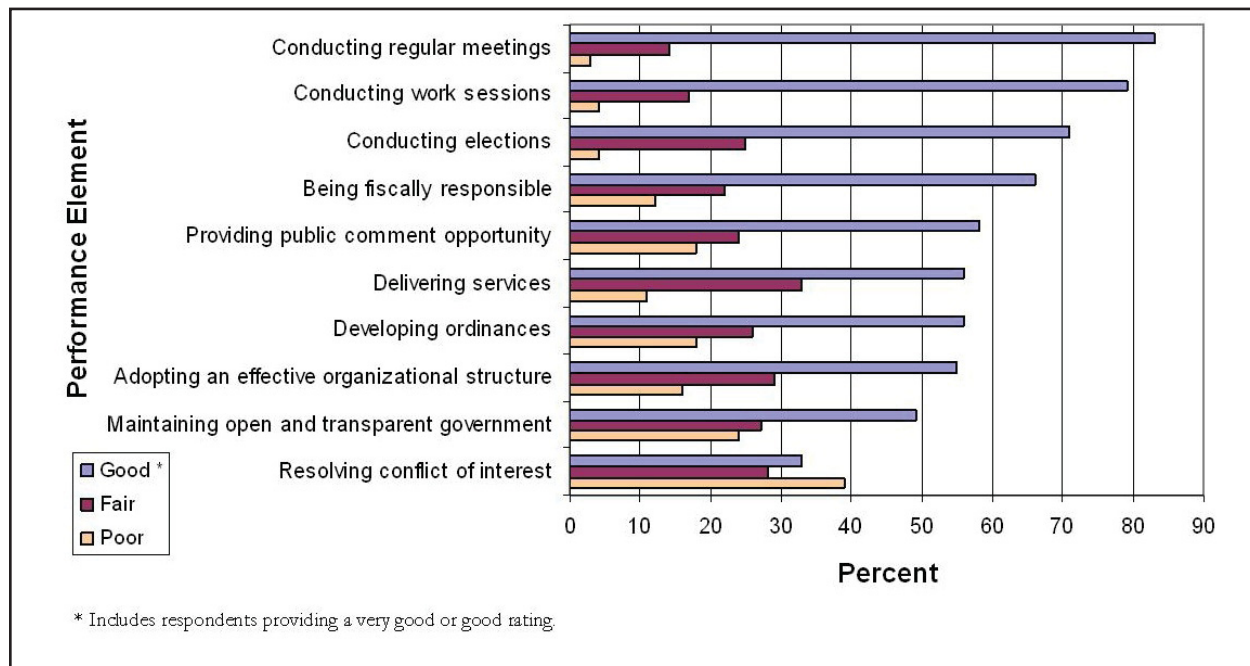


Over the past four years, the City of Gustavus has worked hard to implement an effective government structure and manage basic city affairs. Managing and operating a second class city government includes various core requirements including conducting city council meetings, conducting elections, developing ordinances, delivering services, and fiscal management. Of noteworthy importance, a significant percentage of respondents report they “don’t know” how the city government performs in regards to managing and operating city affairs

(range 18% - 37%). The following analysis is based on respondents who were able to provide an informed evaluation.

An overwhelming majority of respondents indicate the City of Gustavus is very good or good at conducting regular meetings (83%) and work sessions (79%) (Figure 17). Nearly three-quarters (71%) also suggest the City of Gustavus is very good or good at conducting elections. Two-thirds (66%) positively rate (i.e., very good or good) the City's fiscal responsibility including generating and spending revenue. Few respondents are unhappy with the City's regular meetings (3%), work sessions (4%), and elections (4%).

Figure 17. City Management Performance



Over half of respondents suggest the City of Gustavus is very good or good at providing public comment opportunity (57%), delivering services (56%), developing ordinances (56%), and designing an effective organizational structure (55%). Respondents express less satisfaction with the city government's performance related to the "softer" elements of local governance. In particular, a majority indicate the City of Gustavus is fair or poor at maintaining an open transparent government (51%) and resolving conflicts of interest (33%). Unfortunately in communities with limited populations, it is oftentimes difficult to avoid conflicts of interest and there is frequently a perception decisions are made behind closed doors due to local social networks.

Constituent Relations Performance

The most important element of a local government are the locally-elected officials, who are charged with managing the city government and making decisions in the best interest of constituents and the greater community. Consequently, representing constituents and protecting constituent relationships is critical to successfully serving as a locally-elected leader. The community survey queried

respondents regarding seven specific elements of constituent relations. A significant percentage of respondents are unable to evaluate the city government's relationship with constituents; "don't know" responses range from 22% to 40% and are excluded from further analysis.

The majority (59%) of respondents positively (i.e., very good or good) rate the city government's accessibility to constituents; only 15% suggest overall accessibility is poor.

Respondents' opinions vary widely regarding how well the City of Gustavus represents constituent interests. Specifically, 41% of respondents suggest the city council is good (i.e., very good or good) at representing constituent interests; 14% indicate the city council is very good (Figure 17, previous

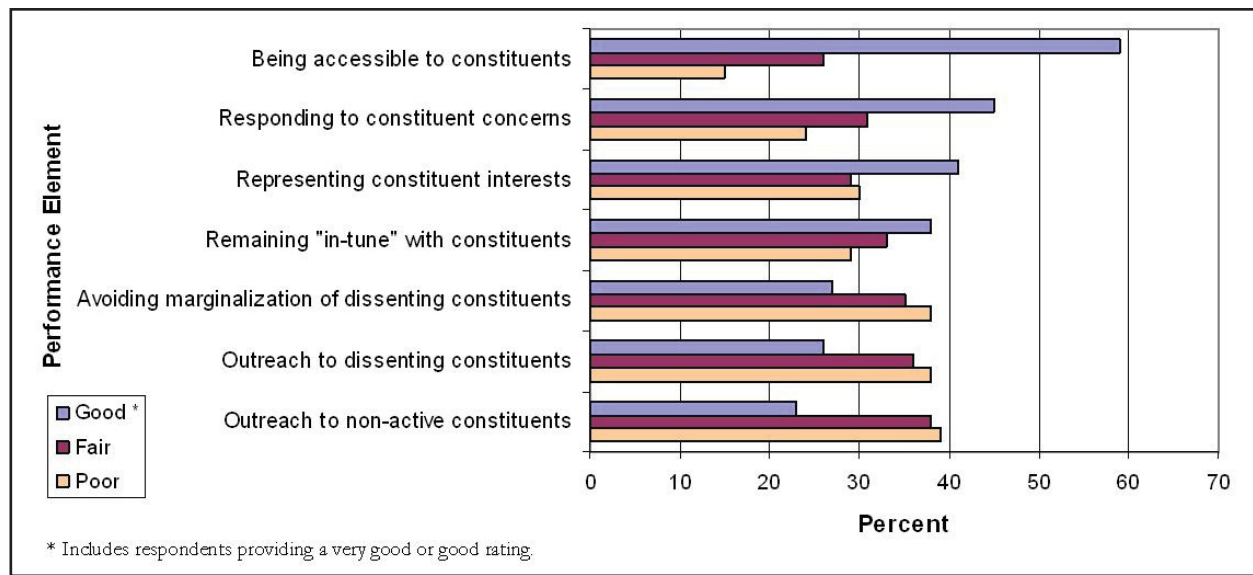


page). In contrast, over one-quarter (29%) provide only a fair rating and nearly one-third (30%) are dissatisfied as evidenced by a poor rating.

Respondents are similarly divided regarding the city government's response to constituent concerns. Nearly half (45%) suggest the city council is good (i.e., very good or good) at responding to local concerns. In contrast, nearly one-third (31%) provide only a fair rating and nearly one-quarter (24%) are dissatisfied as evidenced by a poor rating.

Remaining "in-tune" with constituents' preferences, values, and desires is oftentimes an important, but subjective evaluation. In communities equally divided by specific issues it is often a matter of opinion dependent upon how a particular decision impacted the individual or household. In Gustavus, community members are undecided regarding how well the city government remains "in-tune" with nearly equal percentages being satisfied, neutral, or dissatisfied. Specifically, 38% indicate the city government is good (i.e., very good or good) at remaining "in-tune"; 33% suggest the city government is only fair. In contrast, over one-quarter (29%) is steadfast in their opinion the city government performs poorly at remaining in harmony with local desires.

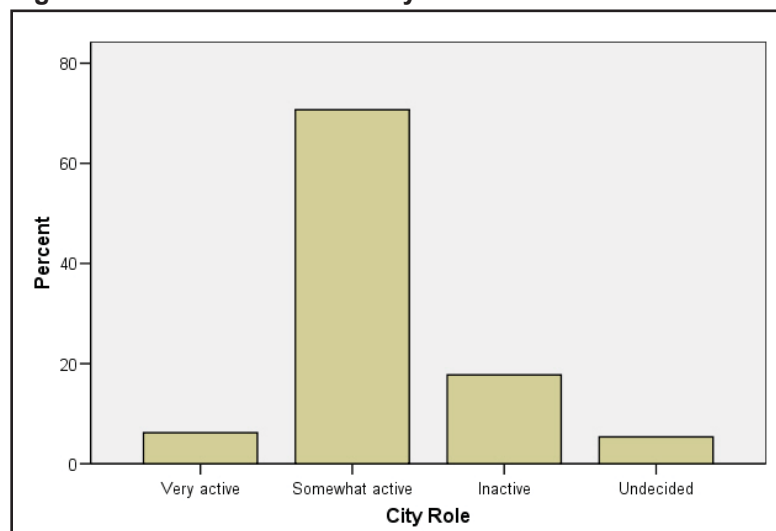
One of the most challenging elements of leadership is connecting with constituents who may disagree with city council decisions and volunteer committee recommendations. In these circumstances, it is critical to foster understanding, respect, and avoid marginalization of community members. Respondents are generally not satisfied with the city government's efforts to reach out to those who may disagree with city council decisions; more respondents provide a negative rating than a positive rating. Specifically, only one-quarter suggest the city council is good (i.e., very good or good) at avoiding marginalization of dissenting constituents (27%) and outreach to dissenting constituents (26%). In contrast, over one-third indicate the city council performs poorly at outreach (38%) and avoiding marginalization (38%).

Figure 18. Constituent Relations Performance

Most communities have a segment of the population that is not active in local government affairs. In Gustavus, community members are somewhat disappointed with outreach to non-active constituents as evidenced by more respondents providing a negative than positive rating. Specifically, over one-third (39%) suggest the City of Gustavus is poor at outreach to non-active constituents; nearly one-quarter (22%) provide a positive evaluation (i.e., very good or good) (Figure 18). Of noteworthy importance, over one-third (38%) are relatively neutral providing only a fair rating.

Summary

Despite respondents' varied opinions and sentiments regarding specific elements of city government performance, nearly three-quarters (71%) of respondents agree the city's future role is to remain somewhat active – providing some services and regulations (Figure 19). Of cautionary note, 18% suggest they prefer the City of Gustavus be inactive – providing few or no services and regulations. In contrast, only six percent indicate they prefer the City to be very active – providing many services and regulations. Community member confidence in the city council to make good decisions for the greater Gustavus community is critical to securing citizen support for the city government. Respondents are generally confident in the city council's ability to make good decisions for the greater Gustavus community. Specifically, nearly

Figure 19. Preferred Future City Role

three-quarters (72%) indicate they have significant (21%) or moderate confidence (Figure 20) (51%). Despite varying levels of optimism by a majority, a strong minority are apprehensive considering over one-quarter (28%) suggest they have little or no confidence.

Community member support for city government is often linked to overall level of satisfaction with city government including council members, employees, services, and facilities. Respondents are generally satisfied with the City of Gustavus with a majority (61%) indicating they are very (17%) or somewhat (44%) satisfied (Figure 21). Over one-quarter (28%) are generally not satisfied (i.e., not very satisfied or not at all satisfied); ten percent are not at all satisfied. A cautionary note is warranted considering more respondents are generally not satisfied (28%) than very satisfied (17%). These polarized opinions in combination with nearly half (44%) of respondents suggesting they have limited satisfaction (i.e., somewhat satisfied) suggest the City of Gustavus should work towards increasing constituent support.

Figure 20. Confidence in City Council

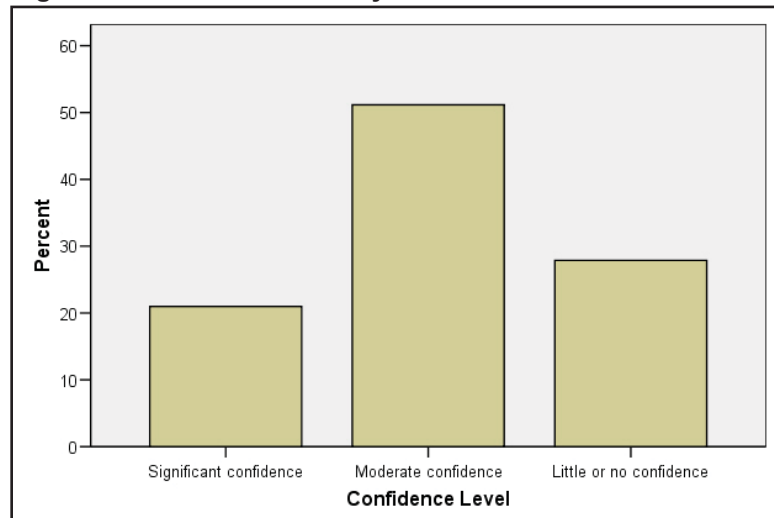
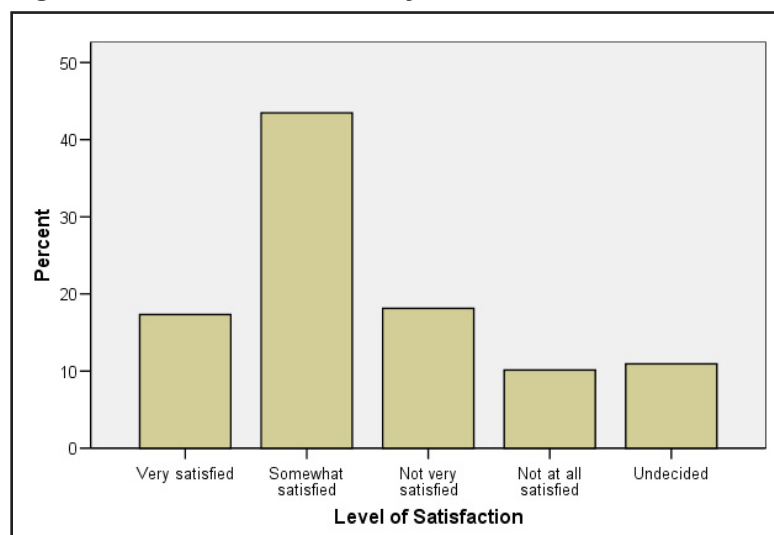


Figure 21. Satisfaction with City Government



SUMMARY

During the past ninety-three years, Gustavus has evolved from a small agricultural homestead into a vibrant national park gateway community of 442 residents. Using local option city incorporation procedures, thirty-eight qualified Gustavus voters petitioned the State of Alaska in 2003 to incorporate the City of Gustavus, thereby initiating a rigorous process of petition review by the LBC and DCCED. Following a local election, the City of Gustavus was duly incorporated as a second class city in the Unorganized Borough on April 1, 2004.

More than four years later, the City of Gustavus has been effectively established and is operating as proposed. The City is governed by seven city council members, one of which is designated as the mayor. Six primary city services are delivered via seven paid staff, 32 appointed volunteer committee members, and approximately 76 additional volunteers. City services and facilities include library, recycling and refuse disposal, emergency response, road maintenance, Internet service, and small boat harbor.

The City of Gustavus has practiced fiscal responsibility as evidenced by generating a net income surplus during FY05, FY06, and FY07. In total, the City generated more revenue (9%) and spent less (-15%) than projected during its first full three years of incorporation (FY05 – FY07). The City generates operating revenue via two-percent sales and four-percent bed taxes. In total, the City generated minimally more sales tax (7%) and significantly less bed tax (-63%) than projected during its first full three years of incorporation (FY05 – FY07).

Community survey (2008) findings suggest Gustavus community members appreciate their community for a variety of reasons including environmental beauty, clean air and water, personal freedoms, recreational opportunity,



Gustavus Businesses



Gustavus Airport



Local Golf Course in Gustavus

the City is managed well, a significant quantity express concern regarding constituent relations and community well-being.

Local government review findings provide a framework for developing locally-appropriate strategies to enhance community quality of life, guide community development, plan projects of local importance, and address community concerns regarding local government performance. Through evaluating past performance, planning future goals, and incorporating public input, the City of Gustavus is better prepared to create positive outcomes for its constituents and the greater Gustavus community.

availability of natural resources, and unique social characteristics. Community members also recognize the importance of community planning, developing and maintaining critical physical infrastructure, and supporting core services to support rural lifestyles and local businesses. Nearly four years after the incorporation of the City of Gustavus, community members indicate the city government is the appropriate size, positively rate city services, and surmise the city government has impacted local quality of life in mostly a positive or neutral manner. On a cautionary note, although community members indicate



Gustavus Business



APPENDIX A

CERTIFICATE OF INCORPORATION



Alaska Department of Community and Economic Development

Certificate of Incorporation of the City of Gustavus

I, Edgar Blatchford, Commissioner of the Alaska Department of Community and Economic Development, hereby certify that the City of Gustavus has been duly incorporated as a city of the second class effective April 1, 2004.

The corporate boundaries of the City of Gustavus are as follows:

Beginning at the northeast corner of section 3, T40S, R59E, Copper River Meridian (C.R.M.); as shown on USGS Quadrangle Juneau (B-5) (minor revisions 1966), the true point of beginning;

Thence south approximately 1.1 miles to the line of mean high tide of Icy Passage;

Thence continuing south 1.9 miles to a point in Icy Passage;

Thence southwesterly at approximately S75°W an approximate distance of 8.2 miles to a point in Icy Strait;

Thence north 1.2 miles to a point where the common section line between sections 20 and 21, T40S, R58E, meet the line of mean high tide;

Thence continuing north along said section line and partly along the western boundary of the Dude Creek Critical Habitat Area to the northwest corner of section 9, T40S, R58E, C.R.M.;

Thence east along the western boundary of the Dude Creek Critical Habitat Area to the northeast corner of section 9, T40S, R58E, C.R.M.;

Thence north along the western boundary of the Dude Creek Critical Habitat Area to the northwest corner of section 3, T40S, R58E, C.R.M.;

Thence west along the township line dividing T39S and T40S, C.R.M. to the line of mean high tide of Glacier Bay;

Thence continuing west approximately 375' to a point in Glacier Bay;

Thence north 1 mile to a point in Bartlett Cove;

Thence east ½ mile to a point in Bartlett Cove;

Thence northeast (N45°E) approximately ¾ mile to a point in Bartlett Cove;

Certificate of Incorporation
City of Gustavus
Page 2

Thence east approximately $\frac{1}{4}$ mile to a point where the line of mean high tide meets the south boundary of the northeast $\frac{1}{4}$ of section 29, T39S, R58E, C.R.M.;

Thence continuing east to the protracted center of section 25, T39S, R58E, C.R.M.;

Thence southeasterly to the northwest corner of section 5, T40S, R59E, C.R.M.;

Thence east to the northwest corner of section 3, T40S, R59E, C.R.M., the true point of beginning.

Note: The above description is based on USGS quadrangles Juneau B-5 and B-6, with minor revisions, respectively, in 1966 and 1967.

The boundaries described above encompass an estimated 29.23 square miles of land and 10.02 square miles of tidelands and submerged lands, all in the First Judicial District, State of Alaska.

I further certify that under AS 29.45.710, the City of Gustavus is authorized to levy a 2 percent general sales tax and a 4 percent "bed tax" on overnight accommodations in accordance with AS 29.45.700.

Lastly, I certify that the following seven individuals have been duly elected as the initial members of the Gustavus City Council and will take office on April 5, 2004:

Rebekah K. "Becky" King;
Sandra M. "Sandi" Marchbanks;
Wayne Howell;
Martha V. Romero;

Timothy F. Gibson, Sr.;
Lou Cacioppo;
Hank Lentifer.

Signed this First day of April, 2004.

Ed. Blatchford

Edgar Blatchford, Commissioner
Department of Community and
Economic Development

ACKNOWLEDGMENT

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

This is to certify that on the FIRST day of April, 2004, before me, the undersigned, a Notary Public, duly commissioned and sworn as such, personally came Edgar Blatchford, to me known to be the Commissioner of the Department of Community and Economic Development, who signed the foregoing Certificate of Incorporation of the City of Gustavus.

Dan R. Bockhorst

Notary Public for the State of Alaska

My Commission expires: June 30, 2005

OFFICIAL STATE BUSINESS/NO CHARGE

After Recording, please return to:
Dan Bockhorst
Local Government Specialist
Department of Community & Economic
Development
550 W. 7th Avenue, Suite 1770
Anchorage, AK 99501-3510

APPENDIX B

CITY OF GUSTAVUS CERTIFIED FINANCIAL STATEMENTS

Resolution of the City of Gustavus, Alaska
Resolution No. 2005-15

A Resolution Certifying the Annual Certified Financial Statement of Revenues and
Authorized Expenditures for the Year Ending June 30, 2004.

WHEREAS, The City of Gustavus, is a recognized second class city; and

WHEREAS, second class cities are required by AS 29.20.640 (a)(2) to submit a Certified Financial Statement of income and expenditures or audit for the year ending June 30, 2004, to the Department of Commerce, Community, and Economic Development;

AND NOW THEREFORE BE IT RESOLVED that the attached CERTIFIED FINANCIAL STATEMENT (or audit) of Gustavus, Alaska for the year ending June 30, 2004, and prepared by Lexa Meyer, City Clerk, is true and complete to the best of our knowledge.

PASSED and APPROVED by the Gustavus City Council, this 14th day of July, 2005.

Mayor Sandi Marchbanks Attest: [Signature]
Clerk

3:09 PM

07/18/05

Accrual Basis

City of Gustavus
Profit & Loss
 April through June 2004

	Apr - Jun 04
Income	
City Income	50,000.00
City Grants	24.39
Interest Income	
Total City Income	50,024.39
Total Income	50,024.39
Gross Profit	50,024.39
Expense	
Admin & Finance	
Advertising	142.73
Fees/Dues	810.00
Total Admin & Finance	952.73
GCN Expenses	
Dial-Up Lines	595.99
Total GCN Expenses	595.99
Total Expense	1,548.72
Net Income	48,475.67

Resolution of the City of Gustavus, AlaskaResolution No. 2005-12

A Resolution Certifying the Annual Certified Financial Statement of Revenues and Authorized Expenditures for the Year Ending June 30, 2005.

WHEREAS, The City of Gustavus, is a recognized second class city; and

WHEREAS, second class cities are required by AS 29.20.640 (a)(2) to submit a Certified Financial Statement of income and expenditures or audit for the year ending June 30, 2005, to the Department of Commerce, Community, and Economic Development;

AND NOW THEREFORE BE IT RESOLVED that the attached CERTIFIED FINANCIAL STATEMENT (or audit) of Gustavus, Alaska for the year ending June 30, 2005, and prepared by Lexa Meyer, City Clerk, is true and complete to the best of our knowledge.

PASSED and APPROVED by the Gustavus City Council, this 14th day of July, 2005.

Mayor

Santhi Marchbanks

Attest:

Clerk

[Signature]

City of Gustavus
Profit & Loss Budget vs. Actual
July 2004 through June 2005

3:02 PM

07/18/05

Accrual Basis

	Jul '04 - Jun 05	Budget	\$ Over Budget	% of Budget
Income				
UBS Interest	307.86			
NSF Fees	-38.00			
City Income				
IRS Tax Return	162.57			
Preschool Account Closure Fund	5,348.36			
GCA Account Closure Fund	4,880.78			
Arts Council Fund	1,666.41			
Over Payment	12.16			
Late Return Penalties	1,278.97			
Sales Tax Income	86,964.80	60,000.00	26,964.80	144.9%
Tax Exempt Cards	220.00	300.00	-80.00	73.3%
Room Tax Income	12,111.47	30,000.00	-17,888.53	40.4%
City Grants				
Capitol Mathcing Grants	763.25			
Pilt Grant	47,296.34			
National Forest Receipts Grant	87,474.55			
City Grants - Other	25,000.00	167,674.08	-142,674.08	14.9%
Total City Grants	160,534.14	167,674.08	-7,139.94	95.7%
_Interest Income	12,878.90	6,000.00	6,878.90	214.6%
Total City Income	286,058.56	263,974.08	22,084.48	108.4%
DRC Income				
Donations	2,005.00			
DRC Grants				
Denail Grant	35,109.48			
Leighty Grant	5,000.00	5,000.00	0.00	100.0%
Eilhu Grant	11,000.00	11,000.00	0.00	100.0%
Total DRC Grants	51,109.48	16,000.00	35,109.48	319.4%
Fundraising				
Recyclable Material Sales	25.00	150.00	-125.00	16.7%
Community Chest Sales	6,135.67	3,490.00	2,645.67	175.8%
User Fees	9,892.68	10,000.00	-107.32	98.9%
Reimbursements	42,335.81	42,836.00	-500.19	98.8%
DRC Income - Other	40.20			
	4.25			
Total DRC Income	111,548.09	72,476.00	39,072.09	153.9%
GVFD Income				
Donations	200.00			

3:02 PM
07/18/05
Accrual Basis

**City of Gustavus
Profit & Loss Budget vs. Actual
July 2004 through June 2005**

	Jul '04 - Jun 05	Budget	\$ Over Budget	% of Budget
GVFD Grants				
NPS/CCR	1,150.00			
SERUM Grant	461.72	17,000.00	-8,385.00	50.7%
ARFF Grant	8,615.00			
GVFD Grants - Other				
Total GVFD Grants	18,841.72	17,000.00	1,841.72	110.8%
GVFD Income - Other	5,403.06			
Total GVFD Income	24,444.78	17,000.00	7,444.78	143.8%
Library Income				
Library Account Closure	15,000.00			
Long Distance Reimbursement	380.08			
Library Grants				
Administrative Coordination	119.90			
PLA Grant	6,250.00			
Capitol Improvement Grants	1,377.08	14,350.00	-14,350.00	0.0%
Library Grants - Other	0.00			
Total Library Grants	7,746.98	14,350.00	-6,603.02	54.0%
General Revenue	569.75	2,200.00	-1,630.25	25.9%
Fundraisers	50.00	5,000.00	-4,950.00	1.0%
Contributions	0.00	1,000.00	-1,000.00	0.0%
Total Library Income	23,746.81	22,550.00	1,196.81	105.3%
GCN Income				
Internet Sales	18,419.80	36,000.00	-17,580.20	51.2%
GCN Income - Other	80.00			
Total GCN Income	18,499.80	36,000.00	-17,500.20	51.4%
Total Income	464,567.90	412,000.08	52,567.82	112.8%
Gross Profit	464,567.90	412,000.08	52,567.82	112.8%
Expense				
Admin & Finance				
Strategic Planning Committee	53.48			
Parks & Recreations				
T-Shirt Fund	2,076.75			
Parks & Recreations - Other	91.15			
Total Parks & Recreations	2,167.90			
GVA	4,031.13			

City of Gustavus Profit & Loss Budget vs. Actual July 2004 through June 2005				
	Jul '04 - Jun '05	Budget	\$ Over Budget	% of Budget
Streets & Roads				
Snow Plowing	16,518.73			
Streets & Roads - Other	11,452.19	86,000.00	-74,547.81	13.3%
Total Streets & Roads	27,970.92	86,000.00	-58,029.08	32.5%
Advertising				
Fees/Dues	1,125.71	2,500.00	-586.16	76.6%
Insurance	1,913.84			
Building	203.00	203.00	0.00	100.0%
Liability	1,539.75	900.00	639.75	171.1%
Workman's Compensation	963.00	1,497.60	-534.60	64.3%
Insurance - Other	0.00	18,000.00	-18,000.00	0.0%
Total Insurance	2,705.75	20,600.60	-17,894.85	13.1%
Maintenance				
Office Supplies	195.29	750.00	-554.71	26.0%
Other	7,059.07	4,000.00	3,059.07	176.5%
Per Diem	0.00	22,500.00	-22,500.00	0.0%
Postage & Shipping	223.74			
Professional Services	486.32			
Travel Expenses	140.00			
Lodging & Meals	550.00			
Professional Services - Other	4,872.53	48,000.00	-43,127.47	10.2%
Total Professional Services	5,562.53	48,000.00	-42,437.47	11.6%
Travel				
Utilities	812.34	6,000.00	-5,187.66	13.5%
Fuel Oil	321.00			
Telephone	1,347.64	600.00	747.64	224.6%
Total Utilities	1,668.64	600.00	1,068.64	278.1%
Admin & Finance - Other				
Admin & Finance	0.00			
Total Admin & Finance	55,976.66	190,950.60	-134,973.94	29.3%
DRC Expense				
DNR Lease Payments	250.00			
Capitol Purchase	53,716.13	13,100.00	40,616.13	410.0%
Postage & Shipping	0.00	5,320.00	-5,320.00	0.0%
Utilities				
Fuel Oil	480.05			
Electricity	606.26	312.00	294.26	194.3%
Telephone	410.75	508.00	-98.25	80.7%
Total Utilities	1,497.06	821.00	676.06	182.3%
Training				
Contractual Services	781.00	240.00	541.00	325.4%
Supplies & Fuel	5,574.44	9,675.00	-4,100.56	57.6%
	2,087.50	1,454.00	643.50	144.3%

City of Gustavus
Profit & Loss Budget vs. Actual
 July 2004 through June 2005

3:02 PM
 07/18/05
 Accrual Basis

	Jul '04 - Jun 05	Budget	\$ Over Budget	% of Budget
Insurance				
Workman's Compensation Liability	2,678.00 996.75	3,366.24 900.00	-688.24 96.75	79.6% 110.8%
Total Insurance	3,674.75	4,266.24	-591.49	86.1%
Maintenance				
Equipment Building	439.94 496.29	500.00 300.00	-60.06 196.29	88.0% 165.4%
Total Maintenance	936.23	800.00	136.23	117.0%
Recycle Shipping	0.00	5,320.00	-5,320.00	0.0%
Freight & Postage	5,049.85	370.00	-370.00	0.0%
Fuel	0.00	5,225.00	-5,225.00	0.0%
DRC Expense - Other	0.00	46,591.24	26,985.72	157.9%
Total DRC Expense	73,576.96			
GVFD Expense				
Return of Unused Grant Funds	36.70			
Equipment	776.41			
Fees & Dues	45.50			
Office Supplies	73.12			
EMS Supplies	2,959.27			
Freight & Delivery	748.10			
Supplies	1,177.19	4,500.00	-3,322.81	26.2%
ARFF Payroll	0.00	5,100.00	-5,100.00	0.0%
Travel	1,951.33	3,999.96	-2,048.63	48.8%
Training				
Per Diem	507.79			
Stipend	1,100.00			
Training - Other	1,791.20	8,499.96	-6,708.76	21.1%
Total Training	3,398.99	8,499.96	-5,100.97	40.0%
Maintenance				
Equipment Building	4,597.32 219.47	1,200.00 1,500.00	3,397.32 -1,280.53	383.1% 14.6%
Total Maintenance	4,816.79	2,700.00	2,116.79	178.4%
Insurance				
Vehicle	4,707.00	4,707.00	0.00	100.0%
Building	928.00	928.00	0.00	100.0%
Liability	996.75	900.00	96.75	110.8%
Workmens Compensation	2,157.00			
Insurance - Other	311.00			
Total Insurance	9,099.75	6,535.00	2,564.75	139.2%
Fuel	605.29			

City of Gustavus
Profit & Loss Budget vs. Actual
 July 2004 through June 2005

3:02 PM
 07/19/05
 Accrual Basis

	Jul '04 - Jun 05	Budget	\$ Over Budget	% of Budget
Utilities				
Telephone	399.48	420.00	-20.52	95.1%
Fuel Oil	490.50	1,200.00	-709.50	40.9%
911 Line	635.65	420.00	215.65	151.3%
Total Utilities	1,525.63	2,040.00	-514.37	74.8%
Fire Equipment	20.79	3,500.04	-3,479.25	0.6%
GVFD Expense - Other	0.00	2,200.00	-2,200.00	0.0%
Total GVFD Expense	27,234.86	39,074.96	-11,840.10	69.7%
Library Expense				
Audio / Video	277.96			
Periodicals	722.76			
Books	2,708.40			
Building Operations	93.65			
Insurance				
Liability	996.75	900.00	96.75	110.8%
Building	1,310.00	1,080.00	230.00	121.3%
Workmans Compensation	192.00			
Total Insurance	2,498.75	1,980.00	518.75	126.2%
Other Expense	0.00	5,500.00	-5,500.00	0.0%
Travel				
Transportation	845.86			
Lodging & Meals	218.05			
Fees	262.00			
Travel - Other	0.00	1,200.00	-1,200.00	0.0%
Total Travel	1,325.91	1,200.00	125.91	110.5%
Software	75.00			
Postage & Shipping	37.00			
Contractual Services	3,295.01	5,265.00	-1,969.99	62.6%
Office Supplies	699.01	700.00	-0.99	99.9%
Fundraising Expenses	210.58	500.00	-289.42	42.1%
Equipment	0.00	200.00	-200.00	0.0%
Building Supplies	65.98			
Utilities				
Telephone	420.56			
Fuel Oil	1,887.34			
Electricity	1,106.84	3,350.00	-3,350.00	0.0%
Utilities - Other	0.00			
Total Utilities	3,214.74	3,350.00	-135.26	96.0%
Summer Reading	315.06	700.00	-384.94	45.0%
Total Library Expense	15,539.81	19,395.00	-3,855.19	80.1%

City of Gustavus
Profit & Loss Budget vs. Actual
July 2004 through June 2005

3:02 PM
 07/18/05
 Accrual Basis

	Jul '04 - Jun 05	Budget	\$ Over Budget	% of Budget
GCN Expenses				
Broadband Receiver/Transmitter	647.90			
Misc. Administrative Expenses	0.00	2,000.00	-2,000.00	0.0%
Card Processing Fees	0.00	842.00	-842.00	0.0%
Space & Power	300.00	600.00	-300.00	50.0%
Server Services	5,474.85	9,072.00	-3,597.15	60.3%
Dial-Up Lines	3,274.20	6,026.00	-2,751.80	54.3%
Satellite Access	8,994.00	16,800.00	-7,806.00	53.5%
Total GCN Expenses	18,690.95	35,340.00	-16,649.05	52.9%
Employer Payroll Expenses	67,158.74	86,726.04	-19,567.30	77.4%
Total Expense	258,177.98	418,077.84	-159,899.86	61.8%
Net Income	206,389.92	-6,077.76	212,467.68	-3,395.8%

Resolution of the City of Gustavus, Alaska
Resolution No. 2006-11

**A Resolution Certifying the Annual Certified Financial Statement of
Revenues and Authorized Expenditures for the Year Ending June 30,
2006**

WHEREAS, The City of Gustavus, is a recognized second class city; and

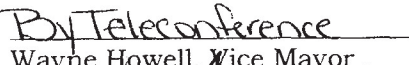
WHEREAS, second class cities are required by AS 29.20.640 (a)(2) to submit a Certified Financial Statement of income and expenditures or audit for the year ending June 30, 2006, to the Department of Commerce, Community, and Economic Development;


AND NOW THEREFORE BE IT RESOLVED that the attached CERTIFIED FINANCIAL STATEMENT (or audit) of Gustavus, Alaska for the year ending June 30, 2006, and prepared by Kapryce Manchester, City Clerk, is true and complete to the best of our knowledge.

PASSED and APPROVED by the Gustavus City Council, this 14th day of December 2006.

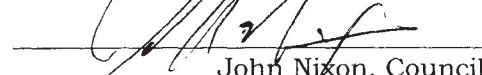

Sandi Marchbanks, Mayor


Rebekah King, Council

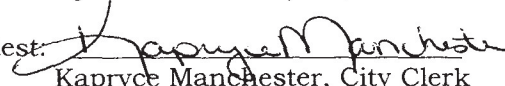

By Teleconference
Wayne Howell, Vice Mayor


By Teleconference
Kenneth Klawunder, Council


Mike Atkins, Council


John Nixon, Council


Kim Heacox, Council

Attest: 
Kapryce Manchester, City Clerk

4:20 PM
12/14/06
Accrual Basis

**City of Gustavus
Profit & Loss
July 2005 through June 2006**

**FY06 - Annual Certified Financial
Statement of Revenues and Authorized
Expenditures for the Year Ending 6/30/2006
Resolution 2006-11**

	<u>Jul '05 - Jun '06</u>
Ordinary Income/Expense	
Income	
Arts Council Fund	0.00
Donations	1,469.00
DRC Income	
Community Chest Sales	8,253.55
Landfill Fees/Sales	2,629.30
Recyclable Material Sales	6,479.37
User Fees	40,101.44
Total DRC Income	57,463.66
Fundraising	9,286.00
GCN Income	49,452.82
Grants	156,161.08
GVFD- ARFF Income	12,922.50
Interest Income	8,530.73
Library Income	
E-Rate Subsidy	5,746.77
General Revenue	2,196.20
Library Income - Other	7,550.05
Total Library Income	15,493.02
Sales Tax Income	
Late Return Penalties	1,568.39
Retail Tax Income	9,092.63
Room Tax Income	52,096.60
Sales Tax Income - Other	178,644.42
Total Sales Tax Income	241,402.04
Tax Exempt Cards	220.00
Unrealized Gain/ Endowment Fund	115,676.29
Total Income	668,077.14
Gross Profit	668,077.14
Expense	
Bank Charges	68.31
Capital Construction	129.00
Contractual Services	16,965.89
Donations Expense	63.24
Dues/Fees	1,702.00
Equipment	
Equipment Fuel	3,225.68
Equipment Maintenance & Repair	121.86
Equipment Rental	2,680.59
Equipment - Other	10,646.27
Total Equipment	16,674.40
Fees	
Smith Barney - Endowment Fund	7,661.91
Total Fees	7,661.91
Freight	17.82
Fundraising Expenses	2,644.93
GVA	10,000.00
Insurance	
Building	3,514.00
Liability	2,244.75
Vehicle	4,894.18
Workman's Compensation	3,701.25
Total Insurance	14,354.18

4:20 PM

12/14/06

Accrual Basis

City of Gustavus
Profit & Loss
July 2005 through June 2006

	<u>Jul '05 - Jun 06</u>
Library Materials	
Periodicals	445.16
Summer Reading	3,916.85
Library Materials - Other	3,004.30
Total Library Materials	<u>7,366.31</u>
Maintenance & Repairs	2,840.59
Marine Facilities	237.35
Parks & Recreations	344.83
Payroll Expenses	
Payroll Taxes	8,704.61
Wages	87,670.08
Payroll Expenses - Other	0.04
Total Payroll Expenses	<u>96,374.73</u>
Postage & Shipping	14,674.06
Professional Services	8,684.56
Road Maintenance	67,289.78
Snow Plowing	2,465.00
Supplies - EMS	2,208.96
Supplies - General	2,968.94
Supplies - Office	2,079.67
Telephone, Internet, Broadband	
Broadband Receiver/Transmitter	5,115.65
Gustavus Community Network	22,530.00
Telephone	12,107.09
Total Telephone, Internet, Broadband	<u>39,752.74</u>
Training	15,987.91
Travel	8,667.32
UBS Stock Sale/Account Closure	0.00
Utilities	
Electricity	4,175.03
Fuel Oil	7,635.19
Total Utilities	<u>11,810.22</u>
Total Expense	<u>354,034.65</u>
Net Ordinary Income	<u>314,042.49</u>
Net Income	<u><u>314,042.49</u></u>

JUL-10-2008 07:47 FROM:

TO: 907 465 5867

P.2

**Resolution of the City of Gustavus, Alaska
Resolution No. 2007-15**

**A Resolution Certifying the Annual Certified Financial Statement of
Revenues and Authorized Expenditures for the Year Ending June 30,
2007**

WHEREAS, The City of Gustavus, is a recognized second class city; and

WHEREAS, second class cities are required by AS 29.20.640 (a)(2) to submit a Certified Financial Statement of Income and Expenditures or Audit for the year ending June 30, 2007, to the Department of Commerce, Community, and Economic Development;

AND NOW THEREFORE BE IT RESOLVED that the attached CERTIFIED FINANCIAL STATEMENT (or audit) of Gustavus, Alaska for the year ending June 30, 2007, and prepared by Kapryce Manchester, City Clerk, is true and complete to the best of our knowledge.

PASSED and APPROVED by the Gustavus City Council, this 13th day of December 2007.


Ken Klawunder, Mayor


Sandi Marchbanks, Vice Mayor

Wayne Howell, Council Member


John Nixon, Council Member


Mike Atkins, Council Member


Paul Berry, Council Member


William Unkel, Council Member


Attest: Kapryce Manchester
City Clerk

JUL-10-2008 07:47 FROM:

TO:907 465 5867

P.3

3:30 PM

12/06/07

Accrual Basis

**City of Gustavus
Profit & Loss
July 2006 through June 2007**

**FY07 - Annual Certified Financial
Statement of Revenues and Authorized
Expenditures for the Year Ending 6/30/2007
Resolution 2007-15**

	Jul '06 - Jun 07
Ordinary Income/Expense	
Income	
Donations	2,201.30
DRC Income	
Community Chest Sales	11,304.75
Landfill Fees/Sales	51,510.48
Total DRC Income	62,815.21
Fisheries Business Tax Payment	5,907.28
Forest Service Receipt Money	113,771.07
Fundraising	8,505.80
GCM Income	38,574.58
Grants	
Legislative Grant	2,781.75
Grants - Other	179,951.34
Total Grants	182,733.09
GVFD- ARFF Income	17,230.00
Interest Income	22,908.74
Library Income	
General Revenue	3,286.48
Total Library Income	3,286.48
Marine Facilities Income	
DOT/Ports & Harbors Grant	92,070.00
EDA Grant	25,867.00
RFQ Bid Packet Fee	550.00
Total Marine Facilities Income	118,287.00
Other Income	2,526.82
Public Records Request Fee	14.92
Sales Tax Income	
Late Return Penalties	1,027.32
Overpayment of Sales Tax	-7,315.83
Retail Tax Income	174,414.48
Room Tax Income	46,196.95
Seller's Compensation	-2,207.31
Total Sales Tax Income	212,115.81
Tax Exempt Cards	210.00
Unrealized Gain/ Endowment Fund	179,877.52
Total Income	970,965.60
Gross Profit	970,965.60
Expenses	
Administrative Costs	395.00
Advertising	1,663.40
Bank Charges	454.31
Capital Expense	80,848.83
Card Processing Fees	276.05
Contractual Services	38,915.24
Donations Expense	
Gustavus Community Clinic	13,400.00
Donations Expense - Other	472.20
Total Donations Expense	13,872.20
Dues/Fees	6,297.86
Equipment	
Equipment Fuel	1,039.38
Equipment Maintenance & Repair	4,430.05
Equipment Rental	9,958.02
Equipment - Other	1,073.47
Total Equipment	16,500.92

JUL-10-2008 07:48 FROM:

TO: 907 465 5867

P.4

3:30 PM

12/06/07

Accrual Basis

**City of Gustavus
Profit & Loss
July 2006 through June 2007**

**FY07 - Annual Certified Financial
Statement of Revenues and Authorized
Expenditures for the Year Ending 6/30/2007
Resolution 2007-15**

	Jul '06 - Jun '07
Fees	
Smith Barney - City Reserves	100.00
Smith Barney - Endowment Fund	3,752.10
Total Fees	3,852.10
Freight	15,266.27
Fundraising Expenses	964.93
GVA	18,781.00
Insurance	
Building	3,371.40
Liability	5,031.32
Vehicle	672.64
Workmen's Compensation	7,967.28
Total Insurance	17,042.64
Library Materials	
Books	3,999.32
Periodicals	469.80
Summer Reading	2,804.43
Video's & DVD's	393.15
Total Library Materials	7,666.70
Maintenance & Repairs	4,157.74
Marine Facilities	
ADF&G - Sports Fisheries	
Construction	39,530.48
Construction Engineering Fee	8,184.99
Total ADF&G - Sports Fisheries	47,715.47
DOT/ Ports & Harbors	
Construction	39,712.22
Construction Engineering	5,171.71
Total DOT/ Ports & Harbors	44,883.93
EDA	
Administrative & Legal Expenses	2,213.45
Architectural & Engineering Fee	4,582.51
Construction	17,033.12
Project Inspection Fees	3,272.82
Total EDA	27,101.90
Legislative Grant Expense	
Construction	2,781.75
Project Inspection	312.96
Legislative Grant Expense - Other	2,303.08
Total Legislative Grant Expense	5,397.79
Marine Facilities - Other	851.33
Total Marine Facilities	125,950.42
Miscellaneous	0.00
Payroll Expenses	
Payroll Taxes	11,869.59
Wages	103,582.13
Payroll Expenses - Other	57.60
Total Payroll Expenses	115,509.32
Postage & Shipping	1,446.50
Professional Services	42,803.47
Reconciliation Discrepancies	36.65
Road Maintenance	33,594.75
Snow Plowing	31,546.95
Supplies - EMS	5,719.32
Supplies - General	8,505.06
Supplies - Office	2,217.72

JUL-10-2008 07:48 FROM:

TO: 907 465 5867

P.5

3:30 PM

12/06/07

Accrual Basis

**City of Gustavus
Profit & Loss
July 2006 through June 2007**

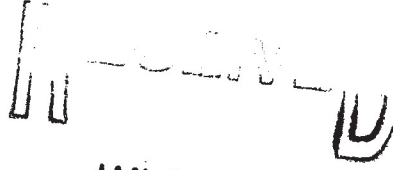
	Jul '06 - Jun 07
Telephone, Internet, Broadband	
FreeConference.com	871.90
Gustavus Community Network	30,522.56
Telephone	5,512.88
Telephone, Internet, Broadband - Other	890.70
Total Telephone, Internet, Broadband	37,898.04
Training	7,677.41
Travel	
Lodging & Meals	5,335.94
Transportation	6,400.12
Travel - Other	-186.81
Total Travel	11,549.45
Utilities	
Electricity	4,972.84
Fuel Oil	8,343.44
Total Utilities	13,316.28
Total Expense	664,726.53
Net Ordinary Income	306,239.07
Net Income	306,239.07

**FY07 - Annual Certified Financial
Statement of Revenues and Authorized
Expenditures for the Year Ending 6/30/2007
Resolution 2007-15**

APPENDIX C
GUSTAVUS PETITION

January 18, 2003

Mr. Dan Bockhorst
Local Boundary Commission
Division of Community & Business Development
Department of Community & Economic Development
550 West 7th Avenue, Suite 1770
Anchorage, Alaska
99501-3510


JAN 22 2003
Local Boundary Commission

Dear Mr. Bockhorst and Members of the Commission:

Enclosed please find our Petition for Incorporation as a Second Class City. We have followed the "Instructions to Petitioners for Incorporation of a Second Class City in the Unorganized Borough", and look forward to your consideration of our petition.

We have held extensive public meetings since July, 2002, beginning with information gathering, then disseminating, and finally polling and petition development. Through this process we have found strong support for incorporating. Our straw poll, conducted in November, 2002, had 119 votes in favor of incorporation and 41 votes opposed to incorporation. A copy of the results of that poll is included in this package. In addition, at the last Gustavus Community Association meeting, which occurred on January 9, 2003, a vote was taken to accept the recommendations of the Governance Committee to proceed with the petition. That vote succeeded with 48 votes in favor of proceeding, 4 votes opposed to proceeding, and 1 abstention.

Thank you for your past assistance with this matter. We look forward to working with you as we move on to the next stage in the process. Please don't hesitate to contact me for any reason.

Sincerely,



Shana S. Crondahl
Co-Chairman, Governance Committee
Board Member, Gustavus Community Association
P.O. Box 278
Gustavus, Alaska
99826-0278
(907) 697-2778
cwilson@gustavus.ak.us

PETITION FOR INCORPORATION OF A SECOND CLASS CITY WITHIN THE UNORGANIZED BOROUGH

The petitioners hereby request that the Alaska Local Boundary Commission approve this petition for incorporation of the second-class city government in the unorganized borough as described herein. Petitioners seek the proposed city incorporation under the provisions of AS 29.05.011 - AS 29.05.021, AS 29.05.060 - AS 29.05.150; 3 AAC 110.005 - .042, 3 AAC 110.400 - .660 and 3 AAC 110.900 - .990.

Section 1. NAME OF PROPOSED CITY

Upon incorporation, the city government shall be known as the "City of Gustavus", a second-class city organized under the laws of the State of Alaska.

Section 2. GENERAL DESCRIPTION OF AREA PROPOSED FOR CITY INCORPORATION

A concise, general description of the territory proposed for incorporation is provided below.

The area proposed for incorporation as the city of Gustavus includes all State owned and privately owned lands in and around the community of Gustavus from Rink Creek on the east to the National Park boundary on the west. It also includes the Dude Creek Critical Habitat Area. The boundary includes the Glacier Bay National Park Headquarters, buildings, housing and a portion of the beach and waters in and around Bartlett Cove. The road connecting Glacier Bay National Park Headquarters with the community of Gustavus is also included.

Section 3. REASONS FOR INCORPORATION

A concise statement of the reasons that the petitioners seek to incorporate the territory in question is provided below:

The citizens of Gustavus, Alaska wish to incorporate and become a Second Class City in order to facilitate the effectiveness of service delivery for all citizens of the area. Incorporation will provide an equitable avenue to fund these services and to provide an appropriate manner in which to interact with State and other local government agencies.

Gustavus residents have long enjoyed life with very little governmental intervention. Local services desired by the population have been provided largely through revenue sharing, grants, fund raising, volunteerism, and donations. This manner of financing our Community Association Government is neither equitable nor is it effective. Our population has greatly expanded in recent years and will continue to expand resulting in a greater need for services and financial resources. The population of Gustavus varies greatly from summer to winter providing many small businesses, tour operators, fishing charters, and lodge owners the opportunity to make substantial profits on a seasonal basis. While this growth is profitable for some, it results in a significant burden for the permanent residents and a corresponding strain on the already fragile infrastructure of the community.

Incorporation as a Second Class City will enable the community to obtain grant monies, generate revenue to support necessary services, make binding decisions, and enter into

agreements with other government entities through a sanctioned form of government and to maintain a quality of life fundamental to the residents.

By incorporating, Gustavus would be able to:

- Provide a proactive and efficient approach to the decision making process.
- Provide locally generated revenues for the maintenance, operation and establishment of capital projects.
- Provide a representative council to make informed and binding decisions for the city.
- Provide an avenue for the city to interact effectively with other governmental agencies.
- Provide necessary services for an ever-expanding population.
- Provide monies for infrastructure maintenance within the community.

Section 4. LEGAL DESCRIPTION OF THE TERRITORY PROPOSED FOR INCORPORATION

A written metes and bounds legal description of the territory proposed for incorporation is provided in **Exhibit A**.

Section 5. MAPS AND PLATS

A map showing the territory proposed for incorporation, along with plats and other documents necessary to demonstrate the accuracy of the written legal description of the territory proposed for incorporation are presented in **Exhibit B**.

Section 6. SIZE

The territory proposed for incorporation encompasses 39.25 square miles. This area is comprised of 29.23 square miles of land and 10.02 square miles of water.

Section 7. PETITIONER'S REPRESENTATIVE

The following individual is the representative of the petitioners in matters concerning this incorporation proposal:

Name: Kenneth L. Klawunder
Mailing Address: P.O. Box 156
Gustavus, Alaska 99826-0156
Telephone # 907-697-2422
Fax #
E-mail address: kdklawunder@gustavus.ak.us & cspirittwo@aol.com

Further, the petitioners appoint the following person as the alternate representative on all matters regarding the proposed incorporation in the event that the primary representative is absent, resigns, or fails to perform his or her duties:

Name: Shana Crondahl
Mailing Address: P.O. Box 278
Gustavus, Alaska 99826-0278
Telephone # 907-697-2778
Fax # same as above—call before sending fax
E-mail address: cwilson@gustavus.ak.us

Section 8. POPULATION

The number of permanent residents living within the territory proposed for incorporation is estimated to be: 429 (2000 census figures).

Section 9. NUMBER OF VOTES CAST IN LAST STATE general ELECTION

The number of votes cast in the last State general election within the territory proposed for incorporation is: 191. A letter from the State Division of Elections documenting the number of votes cast is provided as **Exhibit C**.

Section 10. CITY COUNCIL

The city council will be composed of seven members elected at-large. The mayor will be elected by and from the council.

Section 11. INFORMATION RELATING TO PUBLIC NOTICE

Exhibit D offers information relevant to providing public notice of the incorporation proceedings. This includes information about local media, adjacent municipal governments, places for posting public notices, location where the public may review the petition, and parties who, because of their interest in this matter, may warrant individual notice of the incorporation proceedings.

Section 12. PROPOSED CITY TAXES

The petitioners request that proposition(s) be placed on the incorporation ballot authorizing the proposed city to levy the types of tax listed below in the left-hand column at the rates specified in the middle column.

State law allows petitioners to request that the Local Boundary Commission condition incorporation upon passage of propositions authorizing the city to levy property taxes and/or sales taxes. The right-hand column expresses the petitioners' desire concerning whether incorporation should be conditioned upon voter approval of any of the taxes.

TAX TYPE	TAX RATE	INCORPORATION CONDITIONED UPON VOTER APPROVAL
Bed tax	4%	YES (<input checked="" type="checkbox"/>) NO (<input type="checkbox"/>)
Sales Tax	2%	YES (<input checked="" type="checkbox"/>) NO (<input type="checkbox"/>)
		YES (<input type="checkbox"/>) NO (<input type="checkbox"/>)
		YES (<input type="checkbox"/>) NO (<input type="checkbox"/>)
		YES (<input type="checkbox"/>) NO (<input type="checkbox"/>)

The City of Gustavus bed tax and sales tax.

Lodges, B&B's, hotels, cabin rentals, and other short-term bed rentals will charge a bed tax of 4% on the entire vacation package. (This will include room, meals and transportation if they are all part of the package; any tours, fishing charters, or similar items should be taxed at the 2% sales tax rate). Any items taxed at the 4% bed tax rate will be exempt from the 2% sales tax. All other sales and services are subject to a 2% sales tax, unless they are exempted by council action or forbidden by state or federal law.

Section 13. TAXABLE VALUE OF PROPERTY

The taxable value of property within the territory proposed for incorporation is estimated as follows:

Real property	\$101,105,000
Personal property	\$5,950,500
TOTAL	\$107,705,500

METHOD USED TO ESTIMATE THE VALUE OF PROPERTY

The total estimated value of real and personal property within the areas proposed for incorporation is \$107,055,000. This valuation does not include the National Park Service headquarters at Bartlett Cove, Glacier Bay Lodge at Bartlett Cove, mental Health Trust lands, Cook Inlet Regional Incorporated lands, Alaska Department of Transportation and Public Facilities or Alaska Department of Natural Resources lands or buildings, or Chatham REAA lands or buildings.

This value is based on land values separate from building values. Land values were put in five classes. Commercial land is not separated from residential as there is no commercial district and commercial lands are mixed with residential areas.

Land Category	Valuation	
5 Rink Creek homesteads (subdivided)	800 ac. x \$ 9,000. =	\$7,200,000
DNR lottery parcels Rink Creek area	250 ac. x \$5,000. =	\$1,250,000
13 homesteads (subdivided)	2250 ac. x \$20,000. =	\$45,000,000
DNR lottery lots	365 ac. x \$9,000. =	\$3,285,000
DNR Agricultural Parcels	500 ac. x \$3,000 =	\$1,500,000
TOTALS	4165 ac.=	\$58,235,000

Values for buildings are estimated as follows:

Residential

345 total housing units x 1200 square feet = 414,000 square feet
x \$80.00 per square foot = \$33,120,000.

Commercial

30,000 square feet of non-lodging building at \$75.00 per square foot = \$2,250,000.

Lodge/Accommodations are estimated at 62,500 square feet at \$120.00 per square foot = \$7,500,000.

Total Commercial buildings is \$9,750,000.

TOTAL residential and commercial buildings \$42,870,000.

Personal property consists of vehicles, boats, aircraft and equipment. These numbers do not reflect any of the boats or equipment belonging to the Glacier Bay Lodge concessionaire. These values are estimated as follows:

Commercial fishing boats, charter sport fishing boats, skiffs	\$2,700,000
---	-------------

Vehicles (est. 500)	\$1,500,000
Equipment (construction)	\$1,000,000
Aircraft	\$750,000
TOTAL	\$5,950,000

Section 14. VALUE OF RETAIL SALES

The annual value of retail sales of goods and services in the territory proposed for incorporation that could be subject to a sales tax levied by the prospective city is estimated to be \$ 7,000,000.

METHODS FOR ESTIMATING REVENUES FOR RETAIL SALES

Estimates taken from the Sheinberg Associates report "Forming Glacier Bay Borough & Report on Senate Bill 48" prepared for the City of Hoonah in January 2002

On page 22 of the Sheinberg report, under Table 4 "Rough estimate of Annual Revenue a 3% Borough Sales Tax Generates", under "Estimates and Assumptions for Gustavus", Ms. Sheinberg estimates that there are 10 businesses in town each doing \$500,000/yr in sales. Gustavus has 15 charter boat operators and if these operators averaged \$70,000 per season this would total \$1,050,000. Glacier Bay Lodge is estimated by Price Waterhouse to gross \$3,500,000 in 2004. (figures are public and were supplied by J.E. Davis, Assis. Superintendent Glacier Bay National Park). Again in the Sheinburg report on page 22, she states that in 2001 Glacier Bay Lodge reported 8,649 lodge guests at \$150/night = \$1,297,350. $\$3,500,000 \text{ minus } \$1,297,350 = \$2,202,650$ that would be subject to 2% sales tax. This figure was rounded down to \$2,000,000. Therefore, if ten businesses in Gustavus gross at least \$500,000/yr = \$5,000,000 taxes at 2% sales tax rate and add \$2,000,000 from Glacier Bay Lodge again taxed at 2% sales tax rate equals a total of \$7,000,000 to be taxed at 2% sales tax rate. These figures do not include any of the B&B's and Lodges, which will be taxed with a 4% bed tax only.

METHOD FOR ESTIMATING REVENUES FROM LODGES/BED & BREAKFAST'S

The estimates for Gustavus lodge revenues are taken from Thomas Imboden's analysis of the Sheinberg Report. Thomas is a B&B owner, Gustavus Visitor Association member and was asked by Gustavus Community Association to conduct this study to clarify the findings in the Sheinberg Report. Thomas did this report in April 2002 and updated it in Dec. of 2002. For purposes of this study he broke the lodges into two categories. 1) Group A which are Bed & Breakfast, 2) Group B which are full service lodges. A 60% occupancy for a 100 day season was used because local lodges felt that was the most realistic scenario.

Gustavus lodges Group A-- \$ 147,500

Group B-- 1,012,700

TOTAL--\$1,160,200 x 4% = 46,408

Glacier Bay Lodge—1996 (Sheinberg report pg. 22) estimates \$1,297,350 X 4%=\$51,894

Gustavus Total \$46,408

Glacier Bay Lodge 51,894

TOTAL \$98,302 divided by 2 = \$49,151.00 to the City of Gustavus and \$49,151. To the Gustavus Visitor Association promotion of projects approved the the city council.

Section 15. OTHER SOURCES OF REVENUES

The following additional sources of revenue are anticipated to be available to support services offered by the proposed city.

Revenue Source	Amount
Organizational grant	\$ 50,000
Revenue Sharing	\$ 21,000
Municipal Assist	\$ 8,089
Raw Fish Tax	\$ 4,500
DCED Fish Tax	\$ 1,659
Forest Receipts	\$ 102,000
PILT	\$ 38,850
Capital Matching Grant	\$ 25,000
Bed Tax	\$ 49,151
Sales Tax	\$140,000
TOTAL	\$440,249

Section 16. OPERATING BUDGET

An operating budget projecting income and expenditures during the city's first three full years of operation is presented as **Exhibit E**.

Section 17. SERVICES AND FACILITIES

The services and facilities to be provided by the proposed city are listed below in the left-hand column. The estimated dates when the city will begin providing the services and facilities are indicated in the middle column. The right-hand column lists the organization, if any, that currently provides each service or facility.

Service or Facility	Date when City will begin service delivery	Organization currently providing service
Gustavus Library	January 1, 2004	Gustavus Community Association
Landfill	January 1, 2004	Gustavus Community Association
Gustavus Emergency Response	January 1, 2004	Volunteers under a non-profit status organization
Road Maintenance	January 1, 2004	Local donation

Section 18. TRANSITION PLAN

Exhibit F consists of a practical plan demonstrating:

- A. The intent and capability of the proposed city to extend essential city services [as defined by 3 AAC 110.990(a)(8)] into the territory proposed for incorporation in the shortest practical time following incorporation (not to exceed two years).
- B. The manner in which the city will assume all relevant and appropriate powers, duties, rights, and functions presently exercised by any existing entity within the territory proposed for incorporation.
- C. The manner in which the city will assume and integrate all relevant and appropriate assets and liabilities of existing entities providing those services to the territory that will be assumed by the city. Such assumption and integration must occur without loss of value in assets, loss of credit reputation, or a reduced bond rating for liabilities.
- D. The manner in which all taxes will be implemented.
- E. That the plan was prepared in consultation with entities currently responsible for or otherwise providing those services to the territory that will be assumed by the city.

The plan must be designed to create an orderly, efficient and economic transition to city government.

Section 19. FEDERAL VOTING RIGHTS ACT INFORMATION

Information relevant to the federal Voting Rights Act, which is applicable to any incorporation, is provided in **Exhibit G**. This information includes the following:

- 1. Purpose and effect of incorporation as it pertains to voting.
- 2. Extent to which the incorporation proposal excludes minorities while including other similarly situated persons.
- 3. Whether the electoral system of the proposed city fails fairly to reflect minority voting strength.
- 4. Participation by minorities in the development of the incorporation proposal.
- 5. Designation of Alaska Native for U.S. Department of Justice contact.
- 6. Statement concerning the minorities' understanding of English in written and spoken forms.

Section 20. BRIEF

A written statement fully explaining how the proposed incorporation satisfies the standards set out in AS 29.05.011; AS 29.05.021; 3 AAC 110.010 - .042; and 3 AAC 110.900 - 3 AAC 110.920 is included in **Exhibit H**. The brief demonstrates that the following standards are met:

- A. That the territory proposed for incorporation must encompass a bonafide community, as defined in 3 AAC 110.920, as required by 3 AAC 110.005.
- B. A reasonable need for city government exists in the community as required by AS 29.05.011(a)(5) and 3 AAC 110.010(a).

- C. Services cannot be provided by annexation to an existing city, as required by AS 29.05.021(a) and 3 AAC 110.010(b).
- D. The economy of the proposed city includes the human and financial resources necessary to provide essential city services on an efficient, cost-effective level, as required by AS 29.05.011(a)(3) and 3 AAC 110.020(a).
- E. The population of the proposed city is sufficient large and stable to support the proposed city government, as required by AS 29.05.011(a)(4) and 3 AAC 110.030(a).
- F. The boundaries of the proposed city include all land and water necessary to provide the full development of essential city services on an efficient, cost-effective level, as required by AS 29.05.011(a)(2) and 3 AAC 110.040(a).
- G. The boundaries of the proposed city include only that territory comprising the present local community, plus reasonably predictable growth, development, and public safety needs during the 10 years following incorporation, as required by 3 AAC 110.040(b).
- H. The boundaries of the proposed city do not include entire geographical regions or large unpopulated areas, except when such boundaries are justified by the application of the city incorporation standards, as required by 3 AAC 110.040(c).
- I. The boundaries do not overlap the boundaries of an existing organized borough or city. Alternatively, the brief also addresses that circumstance, as required by 3 AAC 110.040(d).
- J. The proposed incorporation will not deny any person the enjoyment of any civil or political right, including voting rights, because of race, color, creed, sex, or national origin, in accordance with 3 AAC 110.910.
- K. Incorporation must be in the best interests of the state, as required by AS 29.05.100(a) and 3 AAC 110.042.
- L. The proposed incorporation promotes maximum local self-government with a minimum of local government units, in accordance with Article X, § 1 of the Constitution of the State of Alaska.

Section 21. PETITION SIGNATURES

Exhibit I contains the signatures, printed name, resident address and voter identification information of no less than 25 voters in the proposed city or at least 15 percent of the number of voters who voted in the area proposed for incorporation during the last State general election, whichever is greater.

Section 22. PETITION INFORMATION & ACCURACY

An affidavit of the petitioner's representative affirming that the information in the petition is true and accurate is provided in **Exhibit J**.

DATED this 10th day of January, 2003.

By: 

Petition for Incorporation of a Second Class City Within the Unorganized Borough

Shana S. Crondahl Page 8 of 30

Petitioner's Representative

OTHER INFORMATION NOT REQUIRED TO BE INCLUDED WITH THE FORMAL PETITION

The petitioners are asked to provide other information and materials that may be useful to the Department of Community and Economic Development in evaluating the petition for incorporation and in preparing the Department's reports. These materials include, but are not necessarily limited to:

1. The current operating budget of entities currently providing services in the territory
2. Relevant documents or studies relating to the need for services or other aspects of the incorporation proposal.
3. Photographs of the territory proposed for incorporation showing private and public development, land use, etc.;
4. Photographs of major public facilities in the community (e.g., community hall, schools, library, etc);
5. Photographs representing services to be provided by the city (e.g., utility operations, etc.)

Exhibit A

METES AND BOUNDS LEGAL DESCRIPTION OF BOUNDARIES OF TERRITORY PROPOSED FOR INCORPORATION

(Use additional pages, if necessary.)

Beginning at the northeast corner of section 3, T40S, R59E, Copper River Meridian (C.R.M.); as shown on USGS Quadrangle Juneau (B-5) (minor revisions 1966), the true point of beginning;

Thence south approximately 1.1 miles to the line of mean high tide of Icy Passage;

Thence continuing south 1.9 miles to a point in Icy Passage;

Thence southwesterly at approximately S75°W an approximate distance of 8.2 miles to a point in Icy Strait;

Thence north 1.2 miles to a point where the common section line between sections 20 and 21, T40S, R58E, meet the line of mean high tide;

Thence continuing north along said section line and partly along the western boundary of the Dude Creek Critical Habitat Area to the northwest corner of section 9, T40S, R58E, C.R.M.;

Thence east along the western boundary of the Dude Creek Critical Habitat Area to the northeast corner of section 9, T40S, R58E, C.R.M.;

Thence north along the western boundary of the Dude Creek Critical Habitat Area to the northwest corner of section 3, T40S, R58E, C.R.M.;

Thence west along the township line dividing T39S and T40S, C.R.M. to the line of mean high tide of Glacier Bay;

Thence continuing west approximately 375' to a point in Glacier Bay;

Thence north 1 mile to a point in Bartlett Cove;

Thence east ½ mile to a point in Bartlett Cove;

Thence northeast (N45°E) approximately ¾ mile to a point in Bartlett Cove;

Thence east approximately ¼ mile to a point where the line of mean high tide meets the south boundary of the northeast ¼ of section 29, T39S, R58E, C.R.M.;

Thence continuing east to the protracted center of section 25, T39S, R58E, C.R.M.;

Thence southeasterly to the northwest corner of section 5, T40S, R59E, C.R.M.;

Thence east to the northwest corner of section 3, T40S, R59E, C.R.M., the true point of beginning.

Note: description is based on USGS quadrangles Juneau (B-5 and B-6) with minor revisions in 1966 and 1967 respectively.

The boundaries encompass an estimated 29.23 square miles of land and 10.02 square miles of tidelands and submerged lands and are identical to those approved by the Alaska Local Boundary Commission in its' 1997 "Statement of Decision in the Matter of the Petition for Incorporation of the City of Gustavus".

Exhibit B

MAP OF TERRITORY PROPOSED FOR INCORPORATION AND OTHER DOCUMENTS

A map showing the territory proposed for incorporation, along with plats and other documents necessary to demonstrate the accuracy of the written legal description of the territory proposed for incorporation are presented as **Exhibit B**. This area is identical to that approved by the Alaska Local Boundary Commission in its' 1997 "Statement of Decision in the Matter of the Petition for Incorporation of the City of Gustavus".

A map of the area proposed for incorporation appears below.

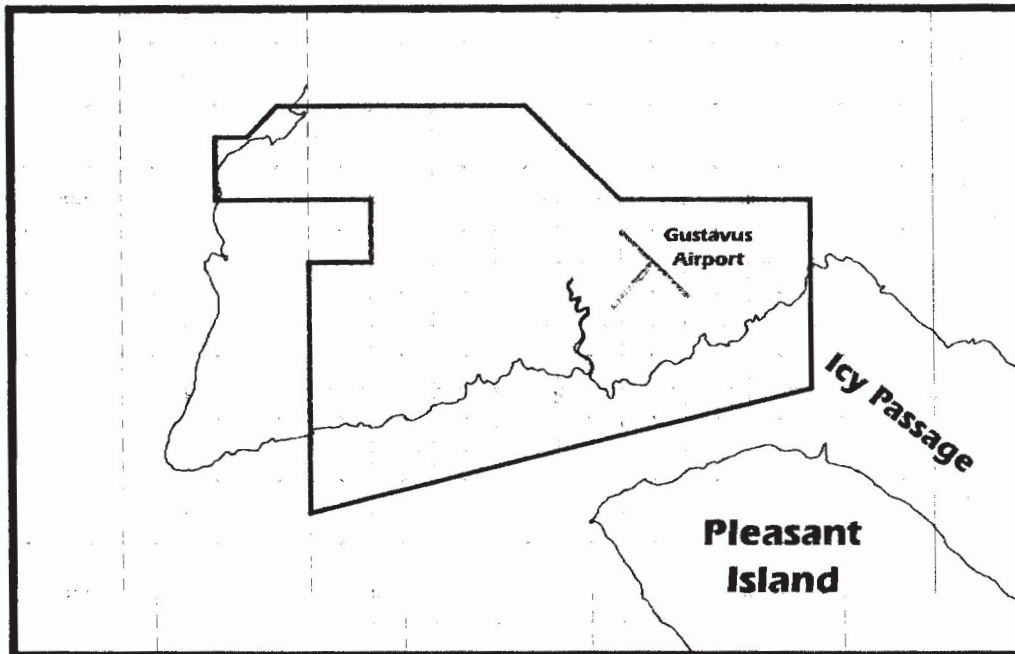


Exhibit C**Documentation of the NUMBER OF VOTERS IN TERRITORY
PROPOSED FOR INCORPORATION**

A letter from the State Division of Elections or other documentation indicating the number of registered voters living in the area is attached.

STATE OF ALASKA**OFFICE OF THE LT. GOVERNOR****TONY KNOWLES, GOVERNOR**

DIVISION OF ELECTIONS
P.O. BOX 110017
JUNEAU, ALASKA 99811-0017
PHONE: (907) 465-4611

December 11, 2002

Diane Klawunder
P. O. Box 156
Gustavus, AK 99826-0156

Dear Ms. Klawunder:

I am providing the information that you requested for your research. This information can be found on the Division of Elections web site; www.elections.state.ak.us, so if you need further information please look here. In providing you this information I am also happy to help answer any questions or provide information to you as well. Another source of information would be the Region One office for the Division of Elections. You could speak with Pam Crowe, the Regional Supervisor.

Your questions were, a) What were the number of voters in Gustavus and b) What was the number of voters in the last General Election. The total number of registered voters, currently, in Gustavus are 459 and the number of people who voted in the last General Election, which was November 5, 2002, was 191.

Please contact me if you have further questions. The Division of Elections phone number is 465-4611.

Sincerely,



Cindy Britten

EXHIBIT D**INFORMATION RELATING TO PUBLIC NOTICE MEDIA**

The following is a list of the principal media serving the area within the proposed city:

NEWSPAPER(S)

Name: Icy Passages
Address: P.O. Box 103
Gustavus, AK 99826-0103
Telephone #: 907 697 2475
Fax #: _____

Name: Juneau Empire
Address: 3100 Channel Drive
Juneau, AK 99801
Telephone # 907 586 3740

Name: Capital City Weekly
Address: 1910 Alex Holden Way
Juneau, AK 99801
Telephone # 907 789 4144

PUBLIC RADIO STATION(S)

Name: KTOO
Address: 224 4th St.
Juneau, AK 99801
Telephone # 907 586 1670

PLACES DESIGNATED FOR POSTING OF NOTICES RELATING TO INCORPORATION

The following three or more public and prominent places within the territory proposed for incorporation are designated for posting of notices concerning this incorporation proposal.

Post Office Bulletin Board
Beartrack Mercantile Bulletin Board
Gustavus Public Library Bulletin Board
Glacier Bay National Park Headquarters

MUNICIPALITIES ADJACENT TO THE TERRITORY PROPOSED FOR INCORPORATION

The following is a list of cities and organized boroughs whose boundaries extend within 20 miles of the boundaries of the proposed city.

City of Hoonah
Haines Borough

CONCERNING WHERE THE PETITION MATERIALS WILL BE AVAILABLE FOR PUBLIC REVIEW

The petitioners will comply with 3 AAC 110.460(b) by providing a full set of petition documents for public review at the location(s) listed below which are open to the public on the dates and times listed below.

Location	Times
Gustavus Public Library	Monday 7-9 p.m. Tuesday 1-5 p.m. Wednesday 7-9 p.m. Thursday 10 a.m.-12 p.m. Friday 1:30-3:30 p.m. Saturday 12-4 p.m. Sunday 3-6 p.m.
Beartrack Mercantile	During store hours (usually 11:30 a.m. - 5:30 p.m., M-Sat.)
U.S. Post Office Lobby	Open 24 hours a day
Glacier Bay National Park Headquarters	Open M-F, 8:00 a.m. - 5:00 p.m.

PARTIES THAT THE PETITIONER BELIEVES SHOULD BE PROVIDED INDIVIDUAL NOTICE OF THE FILING OF THE INCORPORATION PETITION.

The following is a list of names and addresses of parties whose potential interest in the incorporation proceedings may warrant individual notice.

Glacier Bay National Park Service

P.O. Box 140

Gustavus, Alaska 99826

OPERATING BUDGET - Exhibit E

Projections of city income and expenditures during the city's first three full years of operation are included in this exhibit.

		Year 1	Year 2	Year 3
EXPENSES	City Clerk ¹	46,000	46,000	46,000
	CPA Fees ²	11,000	4,000	4,000
	Insurance ³	15,000	15,000	15,000
	Attorney ⁴	20,000	12,000	12,000
	Equipment	7,000	7,000	7,000
	Gustavus Emergency Response	10,000	10,000	10,000
	Phone/postage	1,500	1,500	1,500
	Elections costs	1,000	1,000	1,000
	Planning (retainer fees) ⁵	12,000	12,000	12,000
	Travel	6,000	6,000	6,000
	Library	10,000	10,000	10,000
	Landfill	10,000	10,000	10,000
	Road Maintenance ⁶	60,000	60,000	60,000
	Contractual ⁷	60,000	60,000	60,000
	Reserve Fund ⁸	75,000	75,000	75,000
TOTAL EXPENSES		\$344,500	\$329,500	\$329,500
INCOME	Organizational grant	50,000	25,000	
	Revenue Sharing	21,000	21,000	21,000
	Municipal Assistance	8,089	8,089	8,089
	Raw Fish Tax	4,500	4,500	4,500
	DCED Fish Tax	1,659	1,659	1,659
	Forest Receipts ⁹	102,000	102,000	102,000
	PILT ¹⁰	38,850	38,850	38,850
	Capital Matching Grant	25,000	25,000	25,000
	2% bed tax ¹¹	49,151	49,151	49,151
	2% sales tax ¹²	140,000	140,000	140,000
TOTAL INCOME		\$440,249	\$415,249	\$390,249
SURPLUS		\$95,749	\$85,749	\$60,749

¹ This can be one full time or two half time positions.

² First year expense includes audit to change from GCA to City of Gustavus. Each proceeding year includes an amount for an audit, which will be done every three years. Includes yearly income tax preparation.

³ Insurance for all buildings, including the library and all GER vehicles

⁴ Excess fees included for the first year to set up the new government

⁵ Fees to be paid to engineers etc. for planning & improvements. Some grants require projects to be plan ready

⁶ Paid for from Forest receipt funds. We plan to maintain all 50 miles of public roads that are not State maintained.(as funds allow) City will not purchase or maintain any equipment, but will contract road work.

⁷ Examples of contractual services might be Gustavus Community Clinic and Government consultants. No dollar amount can be given for these services at this time, until initial government formation and further public discussion.

⁸ Reserve fund will hold funds that may be used each year or carried over to the next year. They may be used for repair and improvements for landfill, GER, Roads, dock and harbor, health clinic, library, and other public facilities.

⁹ These monies would go to the borough if Glacier Bay Borough forms and would be used for schools. A portion would be passed back to the City of Gustavus (Sheinberg report)

¹⁰ These monies would go to the borough if Glacier Bay Borough forms and then pass back to City (Sheinberg report)

¹¹ Actual bed tax will be 4%, but one half of this goes to Gustavus Visitor Association, an amount of \$49,000, for advertising for GVA.

¹² Based on report done by Sheinberg Assoc. for the City of Hoonah in Jan. 2001 re Glacier Bay Borough formation

Exhibit F

TRANSITION PLAN

The attached transition plan provides a detailed plan providing for the transition to city government, including tentative dates for the assumption of powers, duties, assets and liabilities.

The transition plan demonstrates:

- M. The intent and capability of the proposed city to extend essential city services [as defined by 3 AAC 110.990(a)(8)] into the territory proposed for incorporation in the shortest practical time following incorporation (not to exceed two years).
- N. The manner in which the city will assume all relevant and appropriate powers, duties, rights, and functions presently exercised by any existing entity within the territory proposed for incorporation.
- O. The manner in which the city will assume and integrate all relevant and appropriate assets and liabilities of existing entities providing those services to the territory that will be assumed by the city. Such assumption and integration must occur without loss of value in assets, loss of credit reputation, or a reduced bond rating for liabilities.
- P. The manner in which all taxes will be implemented.
- Q. That the plan was prepared in consultation with entities currently responsible for or otherwise providing those services to the territory that will be assumed by the city.

The plan is designed to create an orderly, efficient and economic transition to city government.

The City of Gustavus intends to assume control of the Landfill, Public Library, Gustavus Emergency Response (GER), and all other responsibilities of the Gustavus Community Association on Jan 1, 2004, assuming incorporation takes place in late 2003. The library and landfill have previously been under the umbrella of the Gustavus Community Association, a non-profit organization. GER has been an independent, non-profit organization, but desires to be part of the City of Gustavus for insurance and grant purposes.

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Members of the clinic, landfill, library and Gustavus Emergency Response were consulted and included in developing an orderly transisition plan.

Exhibit G

FEDERAL VOTING RIGHTS ACT INFORMATION

(Use additional pages, if necessary)

Information relevant to the federal Voting Rights Act is provided in **Exhibit G**. This includes the following:

1. Purpose and effect of incorporation as it pertains to voting.
2. Extent to which the incorporation proposal excludes minorities while including other similarly situated persons.
3. Whether the electoral system of the proposed city fails fairly to reflect minority voting strength.
4. Participation by minorities in the development of the incorporation proposal.
5. Designation of minority person for U.S. Department of Justice contact. (Include name, address and telephone number of individual)
Dorothy A. Braman
P.O. Box 272
Gustavus, Ak. 99826-0272
907-697-2361
6. Statement concerning the minorities' understanding of English in written and spoken forms.
7. Population of the territory proposed for incorporation by race.

FEDERAL VOTING RIGHTS ACT INFORMATION

1. Purpose and effect of incorporation as it pertains to voting.
We do not foresee any effect on the voting rights of minorities should the proposed territory incorporate as the second class City of Gustavus.
2. Extent to which the incorporation proposal excludes minorities while including other similarly situated person.
All citizens of Gustavus have been and will continue to be included in all discussions and may serve on all committees. All meeting are open and times and places posted at least one week in advance.
3. Whether the electoral system of the proposed city fails fairly to reflect minority strength.
The electoral system of the proposed city will follow all State electoral laws and will include all registered voters in the District. We do not foresee any effect on the voting rights of minorities should the proposed territory incorporate.
4. Participation by minorities in the development of the incorporation proposal.
All residents of Gustavus, including minorities, have been encouraged to participate in the development of the incorporation proposal. Meeting dates and times have been posted throughout the town. Minorities have attended meetings and responded to surveys.
5. Designation of minority person for U.S. Department of Justice contact.
(Include name, address and telephone number of individual)

Dorothy A. Braman
P.O. Box 272
Gustavus, Ak. 99826-0272
907-697-2361

6. Statement concerning the minorities' understanding of English in written and spoken forms.

We are not aware of any minorities in the territory proposed for incorporation who do not speak or write English. We had no persons at any meetings who did not understand English.

7. Population of the territory proposed for incorporation by race.

348, Caucasian, 18 American Indian or Alaska native, 1 Eskimo, 1 Asian, 1, Hawaiian Native, 6 Hispanic origin, 35 all or part Alaska Native/Indian (8.2%) 6 other races

Source: 2000 U.S. Census Information, as compiled in DCRA's Gustavus Community Profile

Exhibit H

PETITIONERS' BRIEF

Attached is a written statement fully explaining how the incorporation satisfies all the standards set forth in the standards established in AS 29.05.011; AS 29.05.021; 3 AAC 110.005 - .042; and 3 AAC 110.900 - 3 AAC 110.920.

The brief addresses each of these standards in detail and explains why the proposed incorporation is good public policy. Assertions are supported with detailed facts, including census data and reports from state or federal agencies.

The brief may also address constitutional principles relating to local government in Alaska. These include Article X, Section 1 promoting maximum local self-government with a minimum of local government units.

The standards for incorporation of a second-class city in the unorganized borough consist of the following:

- A. As required by 3 AAC 110.005, the territory proposed for incorporation must include a bonafide community that meets the standards in 3 AAC 110.920.
- B. A reasonable need for city government exists in the community as required by AS 29.05.011(a)(5) and 3 AAC 110.010(a).
- C. Services cannot be provided by annexation to an existing city as required by AS 29.05.021(a) and 3 AAC 110.010(b).
- D. The economy of the proposed city includes the human and financial resources necessary to provide essential city services on an efficient, cost-effective level as required by AS 29.05.011(a)(3) and 3 AAC 110.020(a).
- E. The population of the proposed city is sufficient large and stable to support the proposed city government as required by AS 29.05.011(a)(4) and 3 AAC 110.030(a).
- F. The boundaries of the proposed city include all land and water necessary to provide the full development of essential city services on an efficient, cost-effective level as required by AS 29.05.011(a)(2) and 3 AAC 110.040(a).
- G. The boundaries of the proposed city must include only that territory comprising the present local community, plus reasonably predictable growth, development, and public safety needs during the 10 years following incorporation as required by 3 AAC 110.040(b).
- H. The boundaries of the proposed city do not include entire geographical regions or large unpopulated areas, except when such boundaries are justified by the application of the city incorporation standards as required by 3 AAC 110.040(c).
- I. The boundaries do not overlap the boundaries of an existing organized borough or city. Alternatively, the brief also addresses that circumstance as required by 3 AAC 110.040(d).
- J. The proposed incorporation will not deny any person the enjoyment of any civil or political right, including voting rights, because of race, color, creed, sex, or national origin in accordance with 3 AAC 110.910.

- K. Incorporation must be in the best interests of the state, as required by AS 29.05.100(a) and 3 AAC 110.042.
- L. The proposed incorporation must promote maximum local self-government with a minimum of local government units in accordance with Article X, § 1 of the Constitution of the State of Alaska.

PETITIONERS' BRIEF

A – The territory proposed for incorporation as a city includes a bonafide community

Gustavus was established in the 1920's by a small group of homesteaders. The population of the area remained small until the 1960's when fishing, tourism and expanding operations at Glacier Bay National Park attracted additional residents. Gustavus is now a rapidly growing community almost surrounded by Glacier Bay National Park and Preserve making it the 'Gateway' to this very beautiful but remote tourist attraction. Because Gustavus is almost surrounded by Glacier Bay National Park, where no private land is available, rapid growth will undoubtedly continue. Recent census figures verify this growth trend. Census population history shows 98 residents in 1980, 258 in 1990 and 429 in 2000.

B – A reasonable need for government exists in the community

Many of the residents who have relocated here recently chose Gustavus for the lifestyle, the nearness to natural resources, the beauty of the area and for subsistence reasons. Lodges, B & B's, fishing charters, and tours of all types were rapidly established due to the influx of tourists to the region starting in the 1980's and this growth continues. Glacier Bay National Park continues to expand, providing many new federal employment jobs, as well as contract labor jobs.

During the months of May through September, the population of Gustavus increases dramatically with summertime residents returning, small businesses resuming work, and the influx of the many tourists who visit the area. Permanent residents of Gustavus number approximately 429, however, the number doubles in the summer. In addition to the residents, approximately 60,000 tourists visit this small community annually. This condition greatly taxes the infrastructure and the fragile services that are mostly provided by volunteers. The Landfill, Library, Gustavus Emergency Response, clinic, roads, airport, and small dock in Icy Passage are all pressed to the limit of their function. A small community attempting to provide all these services through volunteers, donations and small grants has led to inequitable pressure on the permanent residents and increasingly inadequate provision of services. The need for incorporation is long overdue.

Gustavus currently has Gustavus Emergency Response (combined fire and ambulance service) for emergencies, and a clinic with a physician's assistant, both of which are incorporated as non-profit agencies. The Gustavus Emergency Response maintains its budget by running the crash-response vehicle at the airport during the summer months on contract with ADOT/PF. The income from this service is inadequate to cover insurance and other fixed operating costs. Second Class City status would permit GER and other non-profit agencies to enter an insurance pool, receive funding from the City of Gustavus, and seek other grants that would permit expansion of their functions to further protect life and property in the area.

The proposed city of Gustavus, a community very dependent upon the sea, presently finds itself with a very old, inefficient, and ineffective dock. The last engineering survey conducted by the State Department of Transportation & Public Facilities found some of the structural members of the dock to be 90% rotten. Freight crossing this dock must be of the break/bulk type that is very inefficient. There are few carriers who will come to this community due to the poor facility. The community has no ferry service forcing residents to rely upon the more expensive air travel. Small tours, fishing charters, whale-watching vessels, fishing boats, crab boats and the freight haul businesses all must compete for space on this limited facility.

Gustavus presently has no boat harbor. Small boats are now run up the Salmon River during high tides and permitted to go dry on the beach in a haphazard fashion. Some are attached to small docks that are placed in the river and attached to shore. These docks also go dry at low tide and consequently alter the flow of river water. There are no regulations or controls over what is presently done on the river and there is no maintenance of the area or the boat ramp that is almost unusable.

The community at present has no formal way of planning or directing growth, or of separating various sorts of land use. There have already been problems between neighbors resulting from intermingling of residential and industrial land uses. Such conflicts will become more problematic as human activity in Gustavus increases.

All of the above-mentioned needs could be rectified by a government with authority over these essential facilities.

C – Services cannot be provided by annexation to an existing city

Gustavus is almost alone on the north side of Icy Strait except for a small, unorganized community of residents in Excursion Inlet, presently part of the Haines Borough. Gustavus is not linked to any of the other communities in Icy Strait by ferry service, making even casual contact an expensive proposition. Hoonah, a First Class City on Chichagof Island, is 25 miles south of Gustavus across Icy Strait. There are no governmental entities in the area that could in any way assist the people of Gustavus in finding solutions to its problems.

In the Alaska Local Boundary Commission's 1997 "Statement of Decision in the Matter of the Petition for Incorporation of the City of Gustavus" on page 9 in the Findings & Conclusions states that, "The prospect that local service needs in Gustavus could be satisfied by any existing city government is clearly implausible. Hoonah is the nearest city government to Gustavus. Even so, Hoonah and Gustavus are relatively distant and inaccessible to one another." That statement supports the fact that even a borough would not fill adequate local service needs in the community, since Gustavus would possibly be too far removed from any borough seat of government to adequately address local needs and concerns.

The City of Hoonah has recently begun a feasibility study toward the formation of a Borough. Gustavus is the only community of any size in the Icy Strait area that does not have a local government that can conduct business with other State, Federal, or City agencies. Pelican and Hoonah are First Class Cities, while Tenakee Springs is a Second Class City. The two other communities in the area, Elfin Cove and Excursion Inlet, are very small and have shown no interest in becoming a city of any kind. It is the view of most citizens of Gustavus that inclusion into a Borough would only be equitable for this community if we also had city status. Gustavus deems it necessary to have the

same governmental status as the other communities that may make up this new Glacier Bay Borough. It is essential for all members of this proposed Borough to have the same governmental power as they negotiate the guidelines for this new organization.

The Alaska Dept. of Transportation and Public Facilities maintains about eight miles of surfaced roads in Gustavus including the highway to the Park and the one to the dock. There are, however, more than 50 miles non-surfaced roads in the proposed city, which are presently being maintained privately in a haphazard, inequitably financed manner. With incorporation, these non-surfaced roads could be maintained much better with money gained through taxation and through Forest Receipt monies.

D&E - The proposed city has the financial and human resources necessary to support a government and necessary services

The community of Gustavus has a population of 429 persons in 199 households. The population consists of skilled and professional people sufficient to support a local government. The K-12 Chatham School District school employs four teachers and a number of teacher aides. There is a post office and a permanent DOT/PF person on staff throughout the year. Presently there are 14 lodges or B & B's that provide a full range of accommodations and 18 charter businesses that provide various tour activities. Most of these businesses operate during the summer months, May through Sept., however, there are 10 service oriented businesses, 9 professional services, 6 contractors, 3 retail stores, 2 construction contractors, and 5 transport businesses most of which continue activity throughout the year. There are three art galleries along with many artists. The Glacier Bay National Park and Preserve employs 55 persons in full time staff positions, a work force that grows to include 50 additional seasonal workers from May through September. Gold Belt Corporation, the Concessionaire that contracts the use of the Glacier Bay Lodge, also employs many workers on a summertime basis. Because the community does not have ferry service, there are four small airlines that conduct scheduled flights to Juneau everyday throughout the year and charter flights on an as needed basis. In the summer, an Alaska Airline flight lands everyday along with the flights of two additional small airlines to accommodate the increase in tourist activity. In December 2002, Gustavus formally requested that DOT provide ferry service, build a ferry terminal and construct a docking facility to accommodate roll-on roll-off freight.

F & G - The boundaries of the proposed city include all land and water necessary to provide essential city services

The proposed area for incorporation is large enough to provide the full development of essential city services in an efficient and cost-effective manner. The proposed area for city incorporation is bounded on three sides by Glacier Bay National Park and on the south side by the waters of Icy Passage. Most of the inhabited area is accessible by vehicle and will be served by the Gustavus Emergency Response, the clinic and the Fire Dept. The 29.23 square miles of the Gustavus Proposed City is situated in a single compact block. State, local, and subdivision roads connect most areas of the proposed city. The proposed area of incorporation is the same as that which was approved by the Alaska Local Boundary Commission in its' 1997 "Statement of Decision in the Matter of the Petition for Incorporation of the City of Gustavus".

The community of Gustavus is situated on a very flat glacial out-wash plain formed during the Little Ice Age by the rock, sand, and silt carried by the waters of the melting

ice and glaciers as they receded from the area. The soil is very thin due to a very short period of being exposed to weathering and the soil producing plant life of the area. The vegetation of the area is dependent upon the composition of the soil and the underlying strata and by the proximity of streams and ditches. Areas that consist of lenses of clay may have a perched water table restricting the types of plant life that can exist there. In other locations where the underlying strata consist of sand or gravel, the vegetation is lush with mature stands of spruce and hemlock forests. Near the Headquarters of the Glacier Bay National Park, terminal and medial moraine deposits permit the growth of mature forests of spruce and hemlock. Many of the areas that are subjected to flooding, because of an underlying clay lenses, support pine forest, willow / alder thickets or open wetlands.

During the years since the glaciers receded from the vicinity of the proposed city of Gustavus, the land has risen due to the rebounding of the land after the extreme weight of the glaciers no longer exerts its pressure. Accretion land near the Icy Passage boundary of the proposed city has enlarged the area of Gustavus by many acres. Some of this land belongs to the State of Alaska while other areas now belong to residents who own adjacent property.

The conditions stated above present Gustavus with benefits and obstacles to overcome. The lush forest in the area provides the raw materials for several small businesses with saw mills, as well as businesses that depend upon tourists who desire to hike trails and fish the area streams. Where the drainage is good, the flat land makes construction of houses easy. The elevated water table makes the acquisition of water as easy as a driven point and a pump.

There are, however, shortcomings of this flat sandy soil. Some roads situated in areas poorly drained may be under water during heavy rain times. Septic systems for homes in those poorly drained areas are themselves poorly drained and many times demand a raised septic tank and drain field. Poor drainage and the raised water table presents a threat to the safety of drinking water in areas with a condensed population raising the desire for sewer facilities that are not possible without an incorporated city. The road surfaces, unless paved, are constructed of the native material, mainly sand and silt. These materials do not retain a satisfactory surface for very long in this wet climate, raising the demand for better road maintenance and ditching. Many old roads are actually below the level of the surrounding landscape resulting in a submerged road in times of heavy rain.

It should be clear that this landscape on which Gustavus finds itself, is both a boon and a threat and a liability that demands the attention of an organized city.

H – The boundaries of the proposed city conform as required by 3AAC

110.040(c)

There are no large undeveloped, unpopulated areas within the proposed city boundaries. Some of the more remote areas are poorly drained and unpopulated but within the proposed city area. Those are in the Dude Creek Critical Habitat region and some areas along the Rink Creek road. The area does include a portion of Glacier Bay National Park & Preserve because it is populated and linked by paved highway with the community of Gustavus, which provides postal service, the school, stores, the library, health care, fire & emergency services, and other services to the employees and residents of Glacier Bay National Park & Preserve.

I – The boundaries of the proposed city do not overlap the boundaries of an existing city

The boundaries of the newly proposed city do not overlap any other local government entity. Excursion Inlet is the nearest populated area and is presently part of the Haines Borough. No other government entities exist along any boundary of the proposed city.

J – The incorporation of the proposed city will not deny any person any rights in accordance with 3 AAC 110.910

The proposed city incorporation will not deny any person the enjoyment of any civil or political right, including voting rights, because of race, color, creed, sex, or national origin. All residents of the proposed city speak and comprehend the English Language, the language used during all meetings. The council will be formed with an elected 7-member board, with one of the members being elected by the board as the Mayor. All meetings will be advertised in writing one full week in advance, all meetings will be open to the public, and on most decisions, the council members will act as representatives of the population at large.

K – Incorporation is in the best interest of the State of Alaska

The incorporation of the city of Gustavus will provide an entity with whom the State government agencies may contact and with whom those agencies may enter into contractual agreements. The city of Gustavus will take ownership of and provide maintenance for those facilities that support the community as rapidly as the city can assume that responsibility.

L – The proposed incorporation promotes maximum local government through the least number of government units

The proposed city will replace the Gustavus Community Association to become the only governmental entity in the area. Presently, Gustavus is an unincorporated community within the Unorganized Borough of Alaska.

Exhibit F

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The attached transition plan provides a detailed plan providing for the transition to city government, including tentative dates for the assumption of powers, duties, assets and liabilities.

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5. Designation of minority person for U.S. Department of Justice contact.
(Include name, address and telephone number of individual)

EXHIBIT I

SIGNATURES OF RESIDENT VOTERS LOCATED WITHIN AREA
PROPOSED FOR INCORPORATION

Note: Please sign and print your name clearly and exactly as it appears in the State voter registration records. Please include your State voter identification number or your social security number to help verify your voter registration status.

WE, THE UNDERSIGNED, hereby petition for city incorporation as set out in the complete petition. Further, we affirm that:

1. We have read and understood the contents of this petition, including Exhibits A through J.
2. We are registered and otherwise qualified to vote in State of Alaska elections.
3. We currently maintain our principal place of residence within the area proposed for incorporation by this petition.

<u>Sylvia E. Martinez</u>	<u>Sylvia E. Martinez</u>
Signature	Printed Name
<u>117 Bethel Cove Gustavus AK 99826</u>	<u>[REDACTED]</u>
Street Address (or equivalent)	ID # or SSN

<u>Helen Sharman</u>	<u>HELEN SHARMAN</u>
Signature	Printed Name
<u>6000 RIVER, GUSTAVUS, AK 99826</u>	<u>[REDACTED]</u>
Street Address (or equivalent)	ID # or SSN

<u>Francene Nebulon</u>	<u>FRANCEENE NEBULON</u>
Signature	Printed Name
<u>#26 SNOW STREET Gustavus, 99826</u>	<u>[REDACTED]</u>
Street Address (or equivalent)	ID # or SSN

<u>Timothy J. Lazar</u>	<u>Tim J Lazar</u>
Signature	Printed Name
<u>89 Same Old Road</u>	<u>[REDACTED]</u>
Street Address (or equivalent)	ID # or SSN

--	--

Judith A. Chaloner Wood JUDITH A. CHALONER-WOOD
Signature Printed Name
25 PARKER RD ID # or SSN

Lois G. Nixon Lois G. Nixon
Signature Printed Name
end of Chase Drive ID # or SSN

L. James deLaBruere L. James deLaBruere
Signature Printed Name
120 Harry Hall Dr ID # or SSN

Lewis Shorman LEWIS SHARMAN
Signature Printed Name
Good River Road ID # or SSN

Bruce T. Totsen BRUCE TOTSSEN
Signature Printed Name
Box 153 ID # or SSN

Gregory P. Streveler Gregory P. Streveler
Signature Printed Name
1/3 mile Spruce Lane ID # or SSN

James E. Donner James E. Donner
Signature Printed Name
1 mile Tong Rd ID # or SSN

<u>Karla Tedtsen</u> Signature Box #153 Street Address (or equivalent)	<u>KARLA TEDTSEN</u> Printed Name [REDACTED] ID # or SSN
<u>Julie Williams</u> Signature Box 346 Street Address (or equivalent)	<u>Julie Williams</u> Printed Name [REDACTED] ID # or SSN
<u>Chris M. Gahr</u> Signature PO Box 204 Street Address (or equivalent)	<u>CHRIS GABRIEL</u> Printed Name [REDACTED] ID # or SSN
<u>Sandy Schroth</u> Signature PO Box 300 Street Address (or equivalent)	<u>Sandy Schroth</u> Printed Name [REDACTED] ID # or SSN
<u>Laura Ross</u> Signature PO Box 48 Street Address (or equivalent)	<u>LAURA ROSS</u> Printed Name [REDACTED] ID # or SSN
<u>Lisa R. Bruce</u> Signature PO Box 242 Street Address (or equivalent)	<u>Lisa R. Bruce</u> Printed Name [REDACTED] ID # or SSN
<u>Paul N Berry</u> Signature 1 Bear Way Street Address (or equivalent)	<u>Paul N Berry</u> Printed Name [REDACTED] ID # or SSN

Denise L Healey *Denise L Healey*
Signature Printed Name
#4 River Bend Street Address (or equivalent) ID # or SSN

Gregory A. Jensen Jr *Gregory A. Jensen Jr*
Signature Printed Name
#4 Jensen Road Street Address (or equivalent) ID # or SSN

Bartlett Cove *Gustavo Martinez*
Signature Printed Name
Bartlett Cove Street Address (or equivalent) ID # or SSN

Camryn Cacioppo *Camryn Cacioppo*
Signature Printed Name
211 Sockley Street Address (or equivalent) ID # or SSN

Low Cacioppo *Low Cacioppo*
Signature Printed Name
211 Sockley Street Address (or equivalent) ID # or SSN

Glen R Nelson *GLEN R NELSON*
Signature Printed Name
1/8 mile rock road Street Address (or equivalent) ID # or SSN

Judith T. Brakel *Judith T. Brakel*
Signature Printed Name
Spruce Lane Street Address (or equivalent) ID # or SSN

<u>Lynne M. Jensen</u>	<u>Lynne M. Jensen</u>
Signature	Printed Name
<u>#4 Jensen Road, Gustavus (-2259)</u>	<u>[REDACTED]</u>
Street Address (or equivalent)	ID # or SSN

<u>Jim R. Healey</u>	<u>JAMES R. HEALEY</u>
Signature	Printed Name
<u>#4 RIVERBEND</u>	<u>[REDACTED]</u>
Street Address (or equivalent)	ID # or SSN

<u>Charlotte D. Dameron</u>	<u>CHARLOTTE D. DAMRON</u>
Signature	Printed Name
<u>#3 ROCK CORNER</u>	<u>[REDACTED]</u>
Street Address (or equivalent)	ID # or SSN

<u>John E. Davis</u>	<u>John E. Davis</u>
Signature	Printed Name
<u>123 Dolly Vander Lane</u>	<u>[REDACTED]</u>
Street Address (or equivalent)	ID # or SSN

<u>[REDACTED]</u>	<u>KIM NEY</u>
Signature	Printed Name
<u>007 RUTABAGA ROW</u>	<u>[REDACTED]</u>
Street Address (or equivalent)	ID # or SSN

<u>Melanie Nelson</u>	<u>Melanie Nelson</u>
Signature	Printed Name
<u>PO Box 132</u>	<u>[REDACTED]</u>
Street Address (or equivalent)	ID # or SSN

<u>Wayne K. Howell</u>	<u>Wayne K. Howell</u>
Signature	Printed Name
<u>007 Rutabaga Row</u>	<u>[REDACTED]</u>
Street Address (or equivalent)	ID # or SSN

Kelly D. Graham Kelly D. Graham
Signature Printed Name
#2 Grandpa Sam Rd. [REDACTED]
Street Address (or equivalent) ID # or SSN



Arch R. Thompson Arch R. Thompson
Signature Printed Name
Box 98 Bartlett Cove, GDA NP. [REDACTED]
Street Address (or equivalent) ID # or SSN

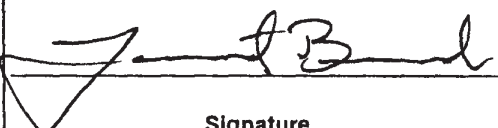
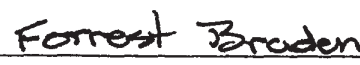
Diane S. Klawunder Diane S. Klawunder
Signature Printed Name
4012 Mountain View Rd. [REDACTED]
Street Address (or equivalent) ID # or SSN

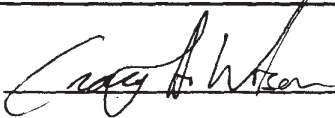

Shana S. Crondahl Shana S. Crondahl
Signature Printed Name
Gustavus, AK 99826 [REDACTED]
Street Address (or equivalent) ID # or SSN

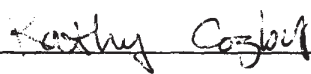
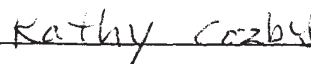
DAVID NEMETH DAVID NEMETH
Signature Printed Name
12 MEADOW BROOK LANE, BOX 99826 [REDACTED]
Street Address (or equivalent) ID # or SSN



Aaron W. Bohlke Aaron Bohlke
Signature Printed Name
27 Snow St. Gustavus, AK 99826 [REDACTED]
Street Address (or equivalent) ID # or SSN

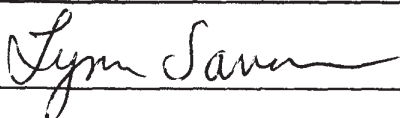

	
Signature P.O. Box 5 1 Mile Tony Rd., Gustavus	Printed Name [REDACTED]
Street Address (or equivalent)	ID # or SSN



	
Signature PO Box 882, 101 Steelhead Gustavus, AK 99826	Printed Name [REDACTED]
Street Address (or equivalent)	ID # or SSN

	
Signature Dungeness Way	Printed Name [REDACTED]
Street Address (or equivalent)	ID # or SSN

	
Signature 49 Wild Goose Rd	Printed Name [REDACTED]
Street Address (or equivalent)	ID # or SSN

	
Signature 18 Jacob Ave	Printed Name [REDACTED]
Street Address (or equivalent)	ID # or SSN

	
Signature 3011 Mountain View Hwy	Printed Name [REDACTED]
Street Address (or equivalent)	ID # or SSN

	
Signature 220 Tong Rd	Printed Name [REDACTED]
Street Address (or equivalent)	ID # or SSN

<div style="border-bottom: 1px solid black; height: 40px; margin-bottom: 5px;"></div> <div style="border-bottom: 1px solid black; height: 20px; margin-bottom: 5px;"></div> <div style="display: flex; justify-content: space-between;"><div style="width: 45%;"><p style="text-align: center; margin: 0;">Signature</p><p style="margin: 0;">1555 Gustavus Road</p><p style="text-align: center; margin: 0;">Street Address (or equivalent)</p></div><div style="width: 45%;"><p style="text-align: center; margin: 0;">Printed Name</p><p style="margin: 0;">Tomson McCabe</p><p style="text-align: center; margin: 0;">ID # or SSN</p></div></div>	<div style="border-bottom: 1px solid black; height: 40px; margin-bottom: 5px;"></div> <div style="border-bottom: 1px solid black; height: 20px; margin-bottom: 5px;"></div> <div style="display: flex; justify-content: space-between;"><div style="width: 45%;"><p style="text-align: center; margin: 0;">Signature</p><p style="margin: 0;">#8 Venetta Rd</p><p style="text-align: center; margin: 0;">Street Address (or equivalent)</p></div><div style="width: 45%;"><p style="text-align: center; margin: 0;">Printed Name</p><p style="margin: 0;">Rebekah K. King</p><p style="text-align: center; margin: 0;">ID # or SSN</p></div></div>

Exhibit J**AFFIDAVIT CONCERNING THE SOURCE AND ACCURACY OF
THE INFORMATION IN THE PETITION**

STATE OF ALASKA)
Juneau JUDICIAL DISTRICT) ss.

AFFIDAVIT OF PETITIONERS' REPRESENTATIVE

I, Shana S. Crondahl, representative of the petitioners for incorporation of the City of Gustavus, being sworn, state the following:

1. The description of the boundaries of the territory proposed for incorporation presented in Exhibit A was prepared by:
 Alaska Local Boundary Commission (1997 "Statement of Decision in the Matter of the Petition for Incorporation of the City of Gustavus")
2. The map depicting the boundaries of the territory proposed for incorporation presented in Exhibit B was prepared by:
 Alaska Local Boundary Commission (1997 "Statement of Decision in the Matter of the Petition for Incorporation of the City of Gustavus")
3. The estimated population of the territory proposed for incorporation presented in section 7 of the petition was provided by:
 2000 U.S. Census
4. The information provided in section 13 of the petition concerning the taxable value of property in the area proposed for incorporation was provided by:
 Diane S. Klawunder
5. The information provided in section 14 of the petition concerning the estimated value of annual retail sales in the area proposed for incorporation was provided by:
 Diane S. Klawunder
6. The transition plan presented as Exhibit F was prepared in consultation with the following persons on the dates listed below:
 Paul Berry, Shana Crondahl, Becky King, Diane Klawunder, Ken Klawunder, Kathy Leary, Sandi Marchbanks, Colleen Stansbury, Bruce Tedtsen, Craig Wilson, Rita Wilson (plus other members of the public who participated in the meetings listed below)
 November 12, 2002, December 10, 2002, December 19, 2002, January 6, 2003
7. The information contained in the petition for incorporation is complete and factual to the best of my knowledge


 Petitioners' Representative

SUBSCRIBED AND SWORN TO before me on January 17th, 2003



A handwritten signature in black ink, appearing to be "J. D. [unclear]".

Notary Public in and for Alaska

My Commission expires: N/A

POSTMASTER
PO BOX 9998
GUSTAVUS AK 99826

Results of November, 2002 GCA Straw Poll Balloting on Incorporation

	# Votes	% Votes Cast	
In favor of incorporation	119	74.38%	or 25.43% of registered voters
In favor of keeping GCA	41	25.63%	or 8.76% of registered voters
Total votes cast	160	or 34.19% of registered voters	

11.70% margin of error at 99% confidence level

	# Votes	% Votes Cast	
In favor of 2nd class city	139	91.45%	or 29.70% of registered voters
In favor of home rule city	13	8.55%	or 2.78% of registered voters
Total votes cast	152	or 32.48% of registered voters	

7.70% margin of error at 99% confidence level

Total registered voters 468

Prepared by Craig H. Wilson
December, 2002

GOVERNANCE DOCUMENT WHICH GOVERNMENT FOR GUSTAVUS?

October 6, 2002

In the following four pages you will find information about the different governance options for Gustavus. We, the Governance Committee, would like your input by November 11th regarding the different possibilities of government for Gustavus. Return comments/suggestions in writing to GCA, Governance Committee, P. O. Box 62, Gustavus, AK 99826-0062, or place in one of the drop boxes located at businesses around town. If you have questions about any portion of this document please call one of the following people: Rita Wilson at 697-2245, Bruce Tedtsen at 697-2290, Jim Donner at 697-2464, Ken Klawunder at 697-2422, Lena Boesser-Koschmann at 697-2301, Shana Crondahl at 697-2778, or Pedr Turner at 697-2429.

An informal straw poll will be taken in November asking residents to select one of the four options listed below:

- A. No action. Keep GCA Board and Community Forum format, with or without formation of an Icy Strait Borough.
- B. Incorporate and form a Second Class City, with or without formation of an Icy Strait Borough.
- C. Incorporate and form a Home Rule City, with or without formation of an Icy Strait Borough.
- D. Try to become a Service Area within Icy Strait Borough (if formed)

The purpose of this document is to help guide us through the process of selecting the best governmental course of action for our community. Regardless of whether an Icy Strait Borough forms, we will face one of the following three scenarios:

- 1. No action by Hoonah or the State Legislature, we stay in unorganized borough
- 2. Hoonah initiates borough formation for Icy Strait communities
- 3. Legislature mandates that we form an Icy Strait Borough

We have all enjoyed the benefits of living in our small, isolated community, learning to meet many of our basic needs through cooperative efforts, a high degree of volunteerism, generous donations, and an informal 'town hall' form of government that thrives on individual involvement and input. So far our essential needs have been met through local contributions, grants, and state funding sources. However, some of our immediate needs cannot be funded easily, such as our deteriorating dock and waterfront infrastructure. Community members who have dealt with the dock and other important issues have repeatedly been told that if Gustavus were an incorporated city we would have much more clout in seeking the ever-dwindling funds available from State and Federal sources. We also find ourselves involved in discussions regarding the formation of an Icy Strait Borough. Hoonah notified GCA on Sept. 30th that they have requested contract bids for a feasibility study regarding the formation of an Icy Strait Borough. The time has come to evaluate how this host of changes may affect us and to decide how we will respond to them.

MISSION STATEMENT: The mission of the Governance Committee is to gather, analyze and disseminate to GCA and the community information pertaining to issues of governance including borough and city formation and their relations and functions, and to formulate strategies and offer recommendations to help GCA and the community address these issues.

Please read this short summary about Second Class Cities, Home Rule Cities, Service Areas, and continuance of GCA to better familiarize yourself with the different governmental options.

SECOND CLASS CITIES gain their powers from state laws and have no charter. A second class city may exercise a power not otherwise prohibited by law. A second class city has no power to establish a public school district under any circumstance. If a second class city is within the unorganized borough, it has the option (but not the duty) to exercise planning and zoning. To incorporate as a second class city, a

community must have at least 25 permanent registered voters who are willing to petition for incorporation. Of the 113 second class cities, only four have populations exceeding 1,000. Those are Bethel with 5,471 residents, Kotzebue with 3,082 residents, Houston with 1,202 residents, and Hooper Bay with 1,014 residents. The least populous second class city is Kupreanof with only 23 residents. Sixty-four of the 113 second class cities have incorporated since 1970. Another 42 incorporated during the 1960's. The remaining 7 incorporated prior to 1960. The City of Eagle, which incorporated in 1901, is the oldest second class city in Alaska. A second class city would be entitled to 10% of the state-owned land classified as "vacant, unappropriated, and unreserved" in the community, and could keep the Glacier Bay Fish Compensation monies.

HOME RULE CITIES have individual charters that establish their structure, powers, and duties. A home rule charter is like a constitution for the local government. A home rule city may exercise all legislative powers not prohibited by law or charter. Most of the express limitations on home rule cities are found in AS 29.10.200. If a home rule city is within the unorganized borough, the city is required by Alaska Statute to operate a public school district. Except, however, a new city school district with fewer than 250 students cannot be formed unless the Commissioner of the Alaska Department of Education and Early Development determines that formation of such a district would be in the best interests of the state and the proposed district. A home rule city in the unorganized borough is required to exercise planning and zoning authority. If a home rule city is in an organized borough, the borough has responsibility for schools and planning and zoning. However, the borough may delegate planning zoning powers to a home rule city. In order to incorporate as a home rule city, the community must have at least 400 permanent residents. Home rule cities tend to be among the older and more populous cities in Alaska. Ten of the 12 home rule cities each have a population greater than 2,500, the largest being Fairbanks with 30,224 and Nenana being the smallest with 402 residents. A home rule city would be entitled to 10% of the state-owned land classified as "vacant, unappropriated, and unreserved" in the community, and could keep the Glacier Bay Fish Compensation monies.

SERVICE AREAS are areas in which the organized borough provides higher or different levels of service than it provides on a borough-wide basis or in the part of the borough outside of incorporated cities. Service areas are not local governments (i.e., they have no legislative power, no power to tax, and no corporate status). A service area is merely a defined territory in which a borough provides particular services not generally available throughout the borough. The borough creates a service area. Authority for the borough to exercise powers within a service area generally must be approved by registered voters within the service area. The borough may provide for an elected or appointed board to supervise the delivery of services within a service area. A local service area board in Gustavus could make recommendations to the Borough Assembly to provide the desired services. The Borough would levy taxes within the service area for those services, and all the tax monies levied for those services would be used within the service area. However, taxes assessed in Gustavus for borough-wide services, such as education, planning and zoning, and administration, would still go to the borough government and would not come back to the community. Service Areas derive their protection from Title 29 of the State Constitution of Alaska General Law. Gustavus would not gain the 10% of state lands available to home rule and 2nd class cities, but could keep the Glacier Bay Fish Compensation monies.

GUSTAVUS COMMUNITY ASSOCIATION serves several functions in our unincorporated community and the unorganized borough. It serves as a point of contact with other governments, as an administrative overseer for community organizations, and as a pass-through agency for funds for community organizations. Only voters registered to vote in Gustavus are allowed to vote at GCA meetings. If Gustavus become part of an incorporated borough, all community concerns and requests to the state and federal governments would be directed through the borough government, and would have little weight if made directly by GCA. Gustavus would not gain the 10% of state lands available in the area, but could keep the Glacier Bay Fish Compensation monies. In the unorganized borough, the state

legislature, in effect, is our assembly; in an incorporated borough, the borough assembly would be Gustavus' governing body.

The following is a comparison of the four options Gustavus has for governance.

	GUSTAVUS COMMUNITY ASSOCIATION	HOME RULE CITY	2ND CLASS CITY	SERVICE AREA IN ICY STRAIGHTS BOROUGH
GOVERNING BODY	State legislature is assembly. Must be a registered Gustavus voter in attendance at GCA meeting to vote.	City Council, # determined by charter.	7-member council elected at large. Mayor is elected by council & has no veto power.	Service area board oversees services provided. Borough assembly is governing body.
PUBLIC EDUCATION	Remain in REAA, unless borough is formed, then borough would provide for education.	Remain in REAA if school has less than 250 students. If borough is formed, then borough must provide for education.	Remain in REAA unless a borough is formed, then borough would provide for education.	Borough must provide for education.
PLANNING & ZONING	No powers.	Must exercise planning & zoning, if not in a borough.	May exercise planning & zoning, but not mandatory.	Borough will have planning & zoning powers.
PROPERTY TAX	Cannot tax.	May levy up to 30 mils. Voter approval necessary only if written into charter.	May levy up to 20 mils - voter approval required.	Borough may tax, service area board cannot.
SALES TAX	Cannot tax.	The amount of tax to be levied and whether voter approval is necessary would be contained in the charter.	No limit on amount levied, but voter approval is required.	Borough may tax. Taxes levied for service area services require voter approval if borough is general law. If borough is home rule, the charter would determine procedures for sales tax.
EMINENT DOMAIN	No power.	Permitted by Alaska Statute.	Permitted by Alaska Statute, but voter approval is required.	Borough power permitted by Alaska Statute.
OTHER POWERS	None.	May exercise other powers not prohibited by state law or charter.	May exercise other powers not prohibited by state law.	Borough has all other powers not prohibited by state law. Service area has no powers, but borough may exercise broad powers within service area – typically subject to service area voter approval.

PROS & CONS of the proposed forms of government - Please add any you can think of.

Form of Government	Pro	Con
GCA BOARD / COMMUNITY FORUM	<ol style="list-style-type: none"> 1. Encourages community involvement. 2. Keeps government to a minimum. 3. Not responsible for education. 4. No taxing authority. 	<ol style="list-style-type: none"> 1. Important decisions are often made by just the few who attend meetings. 2. Too many voices speaking for the community. 3. Lack of clout with State & Feds. 4. Cannot select 10% of state lands in area.
HOME RULE CITY	<ol style="list-style-type: none"> 1. Government power limited by charter. 2. More clout w/ State & Feds. 3. Has planning & zoning authority. 4. Could select 10% of state lands in Gustavus when formed. 5. Encourages community involvement. 	<ol style="list-style-type: none"> 1. Must exercise planning & zoning authority. 2. Lengthy charter process would require many volunteers.
2ND CLASS CITY	<ol style="list-style-type: none"> 1. Less expensive than home rule because it doesn't have lengthy charter process. 2. Voter approval required before property or sales taxation could occur. 3. More clout w/ State & Feds. 4. Could select 10% of state lands in Gustavus. 5. Encourages community involvement. 	<ol style="list-style-type: none"> 1. Another level of government. 2. May exercise planning & zoning authority. 3. Does not have a charter: citizen's rights follow state & U.S. constitutions & law.
SERVICE AREA IN ICY STRAIGHTS BOROUGH	<ol style="list-style-type: none"> 1. Eliminates lengthy government setup. 2. Taxes levied for services in Gustavus are spent only in Gustavus. 	<ol style="list-style-type: none"> 1. Has no power to tax or enact laws. 2. Will not be able to select 10% of state lands in Gustavus when formed. 3. The only voice Gustavus will have on the State & Federal level will be through the borough assembly.

Please send your comments and suggestions (including additional pros and cons) to: GCA, Governance Committee, P.O. Box 62, Gustavus, AK 99826-0062, or leave in a drop box in several local businesses by November 11th, 2002.

**Gustavus Community Association
Balance Sheet
As of August 31, 2002**

Aug 31, '02

ASSETS**Current Assets****Checking/Savings**

ACT	3,353.35
Arts Check	3,278.08
Community Chest	5,027.94
Community Network	12,686.25
General Check	473.14
Gustavus Lands Legacy	18,821.21
Landfill	8,796.42
Landfill Closure Preform. Bond	31,075.73
Library Building Act.	4,997.60
Library Building CD Act.	4,000.00
Library Check	21,627.86
Paine Webber	
- 4th of July (48%)	14,564.24
Aware (3%)	705.31
- Disaster Relief (30%)	8,399.50
Float Use Fund (3%)	789.67
GCA General Act.(3%)	924.72
Landfill (6%)	1,558.86
Scrap Metal (7%)	1,957.01

Total Paine Webber 28,899.31

Preschool CD 3,500.00

Preschool New 1,782.49

Total Checking/Savings 148,097.38

Other Current Assets

Cash on Hand 30.00

Total Cash on Hand 30.00

Total Other Current Assets 30.00

Total Current Assets 148,127.38

Other Assets

Audio&Video 2,749.27

Bldgs & Improv. 62,323.01

Books LIB PURCHASES 39,277.90

Equipment Inv. 19,617.33

Furniture/Fixtures LIBRARY 94,618.58

Equipment Inv. - Other Bob CAT comput 114,235.91

Library Construction 337,300.71

Library Mat'ls 103.48

Software 1,366.89

Total Other Assets 557,357.17

TOTAL ASSETS 705,484.55

LIABILITIES & EQUITY**Liabilities****Current Liabilities****Other Current Liabilities****Payroll Liabilities****FICA**

Employee -0.01

Total FICA -0.01

SUI

Company 128.43

Employee 64.21

Total SUI 192.64

monies owed

GCA for 911
taxes Aug + Feb

\$1444.32 ACT

1649.55 Landfill

3093.87

+ 473.14

= 3567.01

OUTHOUSE
LANDFILL

**Gustavus Community Association
Balance Sheet
As of August 31, 2002**

	<u>Aug 31, '02</u>
Payroll Liabilities - Other	<u>-112.15</u>
Total Payroll Liabilities	80.48
Summer/Non-Resident Depolsts	<u>880.00</u>
Total Other Current Liabilities	<u>960.48</u>
Total Current Liabilities	<u>960.48</u>
Total Liabilities	960.48
Equity	
Opening Bal Equity	100.32
Retained Earnings	707,314.13
Net Income	<u>-2,890.38</u>
Total Equity	<u>704,524.07</u>
TOTAL LIABILITIES & EQUITY	<u><u>705,484.55</u></u>

**PROGRAM BUDGET DETAIL BY SOURCE OF FUNDS
GUSTAVUS COMMUNITY ASSOCIATION
STATE OF AK SIG ACT GRANT/GUSTAVUS ACT
FISCAL YEAR JULY 2002-JUNE 2003**

*sent to state April 13, 2002

SOURCE OF FUNDS					
	THIS	IN	TOTAL	AVAIL	NOTES
	AWARD	KIND		ABLE	
PERSONAL SERVICES					
Grant Administrator	29,963				
Administrative Budget Support	420				
TOTAL	30,383		30,383		
TRAVEL					
Incentive Trips	3700				
Prevention Retreats 10 RTs, small groups	1200				ATI retreats
Theatre specialists: Spring Fling		300			
ROPES X 2 trips	3700				
Counselor-RT airfare	3000				
Guitar Workshops	480				
Kayak Safety Training		500			
Drug Education 7 RTs	840				Health class
Other -20 RTs	2200				Climbing, Hoop Camp
TOTAL	15120	800	15,120		
FACILITY EXPENSE					
School/Gym	100	600			
Library		300			
Wings building/Pool night	400	300			
SAGA Lodge	650				
Lodging Incentive Trips	1420				
Theatre Specialist Housing		300			
TOTAL	2870	1500	2870		
SUPPLIES					
Office	100	100			
Phone	200				
Art	3500	100			
Spring Fling	500	100			
Film and Processing	350				
Sports Supplies	400	200			
Food (Fling, ROPES and Other Activities)	2700	300			
Other-Recycle Building materials	1000				
TOTAL	8,750	800	8750		
EQUIPMENT					

Computers		200			
Copy Machine		200			
Answering Machine	100				
Dedicated Phone line	150				
TOTAL	250	400	250		
OTHER					
ACT Committee		3000			
Coaches	870	680			
Climbing Wall Instructor	2000	750			
Art and Vocational Instructors	6100	500			
Theatre Production Specialists	1000	500			
Incentive Trips to Juneau	3500				
Spring Fling Coordinator		300			
Food Planner and cook	500	300			
Juneau/SFling Chaperone/Asstnt	1500	1500			
Outdoor Education Guides	500	500			
Kayak Safety Training + Apprentice Guide Training	950	500			
Drug Education- Health Class	1400				
Sitka Fine Arts Scholarships	1500				
Training - ETT/WFR or EMT	400				
Counseling Services	4020				
Training- Workshop fees for admin/prevention	400				
SAGA ROPES fees	850				
Other Services					
Liability Insurance	220				
TOTAL	24890	7450	24890		
NO INDIRECT COSTS					
STATE FUNDS	81,340				
IN KIND		10,550			
GRAND TOTAL			91,890		

GUSTAVUS ARTS COUNCIL
Meeting Sept. 3, 2002
Salmon River Park

The meeting was attended by Jim Saracco and Kate Boesser. They agreed along with Heidi Robichaud, who could not attend, to run the Arts Council as an active committee of the GCA. Jim will be in Juneau till Sept. 20.



The Arts Council currently has \$3200 in their account, plus money from the 4th of July Arts Auction.

Subjects discussed included: Paying art teachers during school?; fund raising; spring music festival; inventory; Annex sound equipment storage and check-out; need to purchase new mikes, mike stands, music stands; whether to pay a flat fee or % of an art event?; phone tree for feedback on production events.

It was agreed to keep this committee's work simple, by being a clearinghouse for arts events. If someone wants to see a performance/event happen, they are invited to come to the monthly Arts Council meeting or call an Arts Council member so they can meet with email discussion. The person interested in the event must research cost and logistics, do all advertisement, and be responsible for all aspects of the event. The Arts Council will recommend a phone-tree town interview to see that a number of folks would be willing to attend. The Arts Council will have a checkout and check-in written policy for equipment and will handle payment of airfares (no more than Juneau-Gustavus round trip).

If anyone has comments about the above, or would like to join the Arts Council, please call Kate Boesser -2282 or Jim Saracco -2777 or Heidi Robichaud -2474.

08/18/02

COMMUNITY CHEST
Profit and Loss
 July 2001 through June 2002

	Jul '01 - Jun '02
Income	
Sales	
Community Chest Store Sales	9,487.32
Total Sales	9,487.32
_Intinc	45.81
Total Income	9,533.13
Expense	
PS	
Bookkeeping Fees	40.00
Donations	4,078.16
Fees	549.00
Fuel	335.00
Insurance	
Liability	600.00
Total Insurance	600.00
Maintenance	225.39
Postage, Ship	6.80
Professional Sv	100.00
Utilities	
Electric	242.16
Total Utilities	242.16
Total PS	6,176.51
Total Expense	6,176.51
Net Income	3,356.62

← \$ given to various
 Non profit entities
 in community
 +
 10/4/01 \$850.00
 to Red Cross
 for 9/11

Gustavus Emergency Response
Estimated Budget

FY2003 Budget

Category	Income	Expenses	Notes
Contributions	\$7,000.00		estimated
Grants			
FEMA grant	\$32,940.00		one-time grant for equipment purchase
ADNR RFA/VFA grant	\$675.00		annual grant, award varies FY2003 award shown
SEREMS grant	\$3,900.00		annual grant, award varies FY2003 award shown
Airport Contract	\$17,500.00		airport fire truck
ARFF salaries		\$5,000.00	airport fire truck personnel
Building Maintenance			
Supplies		\$600.00	
Fuel		\$1,200.00	
Repairs		\$1,200.00	
911 telephone service		\$1,200.00	
Vehicle expenses		\$5,000.00	
Fire			
Supplies		\$4,000.00	
Training		\$2,250.00	
Training materials		\$3,600.00	FEMA grant purchase
Replacement SCBAs		\$19,000.00	FEMA grant purchase
Turnout gear, boots, helmets		\$14,000.00	FEMA grant purchase
EMS			
Supplies		\$1,000.00	
Training		\$1,250.00	
Travel		\$200.00	
Lodging		\$350.00	
Administration			
Dues & Subscriptions		\$95.00	
Fire Insurance		\$1,281.00	
Ambulance Insurance		\$3,922.00	
Vehicle Insurance		\$2,750.00	estimated
Workman's Comp. Ins.		\$1,900.00	
Fund raising supplies		\$1,100.00	
Professional fees		\$75.00	
	\$62,015.00	\$70,973.00	
		\$34,373.00	typical recurring annual expenses
	\$29,075.00	<<<<<<<<<	typical recurring annual income

Land fill Budget 2002

Gustavus Landfill proposed budget July 2001 - June 2002

Income

contributions	?	Community chest - as needed
Annual fees	\$5,500.00	
Contractual - Lodge	\$13,262.00	
Disposal fees	\$8,000.00	
Hauling	\$220.00	
Recycle sales	\$1,300.00	
Interest income	\$180.00	
Scrap metal event	\$9,680.00	(5880 paid so far)
Total	\$38,142.00	

Expenses

Payroll (2 part-time employees)	\$17,000.00
Payroll taxes	\$1,700.00
Workmans compensation	\$1,500.00
Scrap metal event	\$7,080.00
Misc	\$80.00
Bookeeping	\$100.00
Fuel	\$328.00
Land Lease	\$250.00
maintenance	\$360.00
Printing & publishing	\$120.00
Earthwork	\$500.00
Water testing	\$920.00
Composting/ sawdust	\$500.00
Recycle shipping	\$1,000.00
supplies	\$880.00
telephone	\$80.00
Travel	?
Electricity	\$200.00
Performance bond payment	\$3,750.00
Total	\$36,348.00

Operating Income - Expenses **\$1,794.00**

Capital expenses

Park baler power conversion	\$2,440.00
Watersystem	\$680.00
Building expansion	Requested
20' shipping van	\$2,200.00

Total **\$5,320.00**

Net Income **\$(3,526.00)**

Month	Paid Primary	Volunteered	Paid Secondary	Volunteered
July	135	0.5		
August	140			
September	94	2	11	4.5
October	40		11	
November	91			

December	44	4		
January	33.5		7.5	9
February	0		26	2
March	46		11	2
April	80			
May	112	3	18	11
June	168		4	23
Sub totals	983.5	3	22	34
Paid total	1005.5	divided by 52 weeks =		19 hours per week
Grand Total	1042.5	divided by 52 weeks =		20 hours per week

**Gustavus Landfill
proposed budget July
2002 - June 2003**

OPERATING

Income

Prior year grant reimbursements	\$3,767.00
contributions	\$300.00
fundraising	\$800.00
compost sales	\$600.00
Annual fees	\$5,500.00
Contractual - Lodge	\$9,800.00
Disposal fees	\$8,700.00
Hauling	\$130.00
Recycle sales	\$3,600.00
Interest income	\$180.00

Total **\$33,377.00**

Expenses

Payroll Dumpmaster	\$16,200.00
Payroll Coordinator	\$2,000.00
Payroll Assistant	\$1,275.00
Payroll taxes	\$1,850.13
Workman's compensation	\$1,900.76
Bookkeeping	\$200.00
Fuel	\$230.00
Land Lease	\$250.00
maintenance	\$490.00
Printing & publishing	\$100.00
Earthwork	\$240.00
Water testing	\$1,000.00
Composting/ sawdust	\$500.00
Fluorescent tube recycling	\$475.00
Recycle shipping	\$2,300.00
supplies	\$1,200.00
telephone	\$182.00
Travel	
Electricity	\$300.00
Landfill closure bond payment	\$3,750.00
Total	\$34,442.89

Operating Income - Expenses **\$(1,065.89)**

CAPITAL

Capital expenses		Amount to be reimbursed	
Building expansion	\$2,350.00	\$1,030.00	
Water system	\$850.00		
Visual fence	\$1,100.00	\$1,100.00	
Red alder screening	\$120.00	\$120.00	
Glass pulverizer	\$17,475.00	\$16,126.25	
Glass pulverizer freight	\$1,500.00		
Scale	\$2,060.00	\$1,957.00	95%
Rotary phase converter	\$1,800.00		
Repair of in-vessel composter	\$960.00	\$960.00	
Total	\$28,215.00	\$21,293.25	
Net Income/ expenses	\$(7,987.64)		

08/21/02

**Gustavus Lands Legacy
Profit and Loss
July 2001 through June 2002**

	<u>Jul '01 - Jun '02</u>
Income	
Contributions	
Gustavus Land Legacy	7,748.50
Total Contributions	7,748.50
Fundraising	
(F.R.E.)	
Other FR Exp.	-1,390.10
Total (F.R.E.)	-1,390.10
Gustavus Land Legacy	4,778.00
Total Fundraising	3,387.90
Total Income	11,136.40
Expense	
PS	
Assets expensed	2,679.50
Bookkeeping Fees	40.00
Printing & Publ	42.95
Professional Sv	2,608.00
Training	20.00
Travel	110.00
Total PS	5,500.45
Total Expense	5,500.45
Net Income	<u><u>5,635.95</u></u>

This year
FY 03
08/31/02

Gustavus Public Library
Budget vs. Actual *detailed*
July 2002 through June 2003

	<u>Jul '02 - Jun...</u>	<u>Budget</u>	<u>\$ Over Budg...</u>	<u>% of Budget</u>
Ordinary Income/Expense				
Income				
Contributions	9.00	1,000.00	-991.00	0.9%
Fundraisers	1,390.00			
Food Sales	1,200.00	3,500.00	-2,300.00	34.3%
Fundraisers - Other	0.00	1,000.00	-1,000.00	0.0%
Total Fundraisers	1,200.00	4,500.00	-3,300.00	26.7%
General Revenue				
Book Replacement	14.95	50.00	-35.05	29.9%
Booksales	0.00	50.00	-50.00	0.0%
Copies	206.80	450.00	-243.20	46.0%
Electricity Charges	0.00	300.00	-300.00	0.0%
Meeting Room	175.00	500.00	-325.00	35.0%
Non-Resident Fees	880.00	900.00	-20.00	97.8%
Overdues	8.90	150.00	-141.10	5.9%
Total General Revenue	1,285.65	2,400.00	-1,114.35	53.6%
Grants				
Library				
Administrative Coord...	600.00	600.00	0.00	100.0%
PLA Grant	0.00	6,250.00	-6,250.00	0.0%
Summer Reading	4,500.00	4,500.00	0.00	100.0%
Total Library	5,100.00	11,350.00	-6,250.00	44.9%
Revenue Sharing	0.00	3,000.00	-3,000.00	0.0%
Total Grants	5,100.00	14,350.00	-9,250.00	35.5%
Interest Income	0.00	200.00	-200.00	0.0%
Total Income	7,594.65	22,450.00	-14,855.35	33.8%
Expense				
Building Operations				
Electric	295.56	1,800.00	-1,504.44	16.4%
Fuel	0.00	1,250.00	-1,250.00	0.0%
Other	20.50	50.00	-29.50	41.0%
Salt	0.00	100.00	-100.00	0.0%
Supplies	0.00	150.00	-150.00	0.0%
Total Building Operations	316.06	3,350.00	-3,033.94	9.4%
Collections				
Audio/Visual	0.00	300.00	-300.00	0.0%
Books				
Juvenile	0.00	900.00	-900.00	0.0%
Non-juvenile	10.00	500.00	-490.00	2.0%
Reference	0.00	300.00	-300.00	0.0%
Total Books	10.00	1,700.00	-1,690.00	0.6%
Online Services	0.00	650.00	-650.00	0.0%
Other	0.00	250.00	-250.00	0.0%
Subscriptions	48.25	600.00	-551.75	8.0%
Total Collections	58.25	3,500.00	-3,441.75	1.7%

THIS year
FY 03

08/31/02

Gustavus Public Library
Budget vs. Actual *detailed*
July 2002 through June 2003

	Jul '02 - Jun...	Budget	\$ Over Budg...	% of Budget
Fundraising Supplies	\$ 195 0.00	500.00	-500.00	0.0%
Library Program Supplies	444.49	900.00	-455.51	49.4%
Office Supplies	-43.01	700.00	-743.01	-6.1%
Payroll				
Taxes	0.00	1,250.00	-1,250.00	0.0%
Wages	624.58	8,500.00	-7,875.42	7.3%
Workman's Comp	0.00	50.00	-50.00	0.0%
Total Payroll	624.58	9,800.00	-9,175.42	6.4%
Services				
Contracted Computer S...	0.00	225.00	-225.00	0.0%
Incentive Awards	300.00	300.00	0.00	100.0%
Insurance	0.00	1,600.00	-1,600.00	0.0%
Other	0.00	100.00	-100.00	0.0%
Other Contractual	2,300.00	2,500.00	-200.00	92.0%
Phone	14.62	300.00	-285.38	4.9%
Postage	37.00	200.00	-163.00	18.5%
Tax Prep/Bookkeeping	0.00	40.00	-40.00	0.0%
Total Services	2,651.62	5,265.00	-2,613.38	50.4%
Travel				
Fees	0.00	200.00	-200.00	0.0%
Transportation	0.00	500.00	-500.00	0.0%
Total Travel	0.00	700.00	-700.00	0.0%
Total Expense	4,051.99	24,715.00	-20,663.01	16.4%
Net Ordinary Income	3,542.66	-2,265.00	5,807.66	-156.4%
Net Income	<u>3,542.66</u>	<u>-2,265.00</u>	<u>5,807.66</u>	<u>-156.4%</u>

Gustavus Preschool Yearly Budget

Income from fundraiser: approx. \$1000.00 after costs

Bills:

Phone-\$360

Electric-\$360

Oil-\$300

Low-income help with tuition as needed ~~\$800~~ 900.00

Supplies and misc.-\$200

Gustavus Preschool requests to be in Incorporation Petition with for funds from the city in the amount of \$5,000 per year. This money would help fund low income students, provide liability insurance, etc. The money would also allow the preschool to possibly apply for a matching grant for a new building, which is desperately needed.

APPENDIX D

SURVEY INSTRUMENT AND COVER LETTER



STATE OF ALASKA
DEPARTMENT OF
COMMERCE
COMMUNITY AND
ECONOMIC DEVELOPMENT

Division of Community and Regional Affairs

Sarah Palin, Governor
Emil Notti, Commissioner
Tara Jollie, Director

January 7, 2008

Dear [Name],

In collaboration with the City of Gustavus, the Alaska Division of Community and Regional Affairs is conducting a three-year anniversary review of Gustavus' newly incorporated city government (April 2004). A critical component of the project is the enclosed community survey of local residents, registered voters, business owners, and other community members. The purpose of the survey is to gather input regarding local quality of life, city government performance, community development priorities, and areas of community concern. As a community stakeholder, your input is important to evaluating city government performance, local development opportunities, and planning Gustavus' future.

Community stakeholders that do not reside in Gustavus may not be familiar with local Gustavus conditions or city government activities. Many questionnaire items include the option **"Don't Know."** Please use this response category as it applies because it provides useful information regarding community stakeholder familiarity of local conditions and city government activities.

This community survey is completely confidential. Do not sign your name to the survey. The survey contains an identification number for mailing purposes only. The Division of Community and Regional Affairs will analyze the data and report survey findings in summary form only. Completed surveys will not be available to the general public or any other entity for review. If you would like to receive a summary of survey findings, please check "yes" to survey questionnaire item #67 on page 18.

Surveys are due to the Division of Community and Regional Affairs by January 23, 2008. Please mail the survey using the enclosed self-addressed stamped envelope to Nicole Grewe at the Alaska Department of Commerce, Community, and Economic Development, Division of Community and Regional Affairs, P.O. Box 110809, Juneau, AK, 99811-0809.

Please feel free to contact myself or Eric Caldwell, Research Analyst, directly with any questions, comments, or concerns you may have regarding the community survey or the larger local government review project. Your participation in this survey is important to planning the City of Gustavus' future. Thank you for your time and effort.

Sincerely,

Nicole Grewe, Ph.D.
Development Specialist
Phone: (907) 465-8249
Email: nicole.grewe@alaska.gov

Eric Caldwell
Research Analyst
Phone: (907) 465-3961
Email: eric.caldwell@alaska.gov

P.O. Box 110809, Juneau, Alaska 99811-0809
Telephone: (907) 465-4751 Fax: (907) 465-4761 Text Telephone: (907) 465-5437
Website: <http://www.commerce.state.ak.us/dca>

Gustavus, Alaska:

2008 Community Survey



Division of Community and Regional Affairs

in collaboration with the City of Gustavus



If you do not live in Gustavus, you may not be familiar with local Gustavus conditions. Please use the questionnaire response "Don't Know" as it applies.

Throughout the survey, "city government" or "City" refers exclusively to the City of Gustavus municipal government (incorporated 2004) including city staff, city services, and city entities. "Gustavus" refers to the greater Gustavus community.

Quality of Life

1. In general, how would you rate Gustavus' current quality of life?

- ☐ Very good
- ☐ Good
- ☐ Fair
- ☐ Poor
- ☐ Don't know

2. How has Gustavus' quality of life changed during the past ten years?

- ☐ Improved significantly
- ☐ Improved moderately
- ☐ Remained the same
- ☐ Declined moderately
- ☐ Declined significantly
- ☐ Don't know

3. How would you rate the overall quality of the following Gustavus services and facilities?

Service/Facility	Very Good	Good	Fair	Poor	Don't Know
Electricity	1	2	3	4	5
Bulk fuel tank farm	1	2	3	4	5
Health Care Clinic	1	2	3	4	5
Airport	1	2	3	4	5
Dock	1	2	3	4	5
Retail trade (e.g., goods, groceries, hardware)	1	2	3	4	5
Restaurants	1	2	3	4	5
Accommodations (e.g., lodges, B & Bs, inns)	1	2	3	4	5
Gustavus Visitors Association (GVA)	1	2	3	4	5
Air transportation	1	2	3	4	5
Water transportation	1	2	3	4	5
Freight delivery	1	2	3	4	5
School	1	2	3	4	5
City government	1	2	3	4	5
Other (please specify):	1	2	3	4	5

4. How would you rate the **overall quality** of Gustavus' services and facilities?

- ☐ Very good
☐ Good
☐ Fair
☐ Poor
☐ Don't know

5. People define quality of life differently and have various reasons for appreciating a community. Please rate how important the following community attributes are to Gustavus' quality of life.

Community Attribute	Very Important	Somewhat Important	Little or No Importance	Don't Know
Friendliness of people	1	2	3	4
Rural character	1	2	3	4
Relaxed lifestyle	1	2	3	4
Remote location	1	2	3	4
Scenic beauty	1	2	3	4
Outdoor recreational opportunity	1	2	3	4
Availability of natural resources (e.g., fish, game)	1	2	3	4
Safe community	1	2	3	4
Community volunteerism	1	2	3	4
Glacier Bay National Park gateway community	1	2	3	4
Personal freedoms	1	2	3	4
2 nd class city government (e.g., City of Gustavus)	1	2	3	4
No regional borough government	1	2	3	4
Coexistence with wildlife	1	2	3	4
Dark night sky	1	2	3	4
Privacy	1	2	3	4
Quiet	1	2	3	4
Close-knit community	1	2	3	4
Economic opportunities	1	2	3	4
Small community	1	2	3	4
Clean air and water	1	2	3	4
Pristine environment	1	2	3	4
Other (please specify):	1	2	3	4

6. The State of Alaska reports Gustavus' population is 441 (2006 certified population). In 20 years (2027), what population size do you feel is ideal for Gustavus?

_____ 2027 ideal population

7. How important are the following community initiatives to improving Gustavus' quality of life?

Community Initiative	Very Important	Somewhat Important	Little or No Importance	Don't Know
Local business development	1	2	3	4
Promote tourism industry	1	2	3	4
Grow Gustavus' economy	1	2	3	4
Increase local job opportunities	1	2	3	4
Improve freight delivery	1	2	3	4
Increase year-round population	1	2	3	4
Increase seasonal population	1	2	3	4
Promote cooperation with other communities	1	2	3	4
Encourage environmental protection	1	2	3	4
Reduce cost of living (e.g., fuel, electricity, goods)	1	2	3	4
Improve community appearance	1	2	3	4
Keep Gustavus unchanged	1	2	3	4
Improve current city government services (e.g., DRC, roads, library)	1	2	3	4
Add city government services (e.g., septic, parks, cemetery)	1	2	3	4
Form multi-city regional borough government	1	2	3	4
Form single-city borough government (i.e., Gustavus Borough)	1	2	3	4
Other (please specify):	1	2	3	4

8. How would you describe your level of participation in Gustavus community activities?

- ☐ Very active
☐ Somewhat active
☐ Not very active
☐ Not at all active

9. Which of the following best represents your desired future for Gustavus?

(select only one)

- ☐ Fishing community (e.g., commercial, sport)
☐ Eco-tourism community (e.g., accommodations, activities)
☐ Retirement community
☐ Lifestyle community (e.g., alternative living)
☐ Family-oriented community
☐ Religious community
☐ Subsistence community
☐ National park gateway community
☐ Undecided
☐ Other (please specify): _____

10. Indicate by circling the appropriate number if you feel each of the following severely threatens, somewhat threatens, or does not threaten Gustavus' future.

Community Threat	Severely Threatens	Somewhat Threatens	Little or No Threat	Don't Know
People moving into Gustavus	1	2	3	4
People moving out of Gustavus	1	2	3	4
Cruise ship tourism industry	1	2	3	4
Large scale tourism development	1	2	3	4
Limited local jobs	1	2	3	4
Abuse of illegal substances	1	2	3	4
Abuse of legal substances	1	2	3	4
Inadequate dock	1	2	3	4
Lack of Alaska Marine Highway System ferry service	1	2	3	4
Frequency of regional air service	1	2	3	4
High regional air service cost	1	2	3	4
High utility rates (e.g., electricity, fuel)	1	2	3	4
Frequency of freight delivery	1	2	3	4
High freight delivery cost	1	2	3	4
Limited health care services	1	2	3	4
Local indifference about community	1	2	3	4
Failure of community members to work together	1	2	3	4
Lack of local volunteerism	1	2	3	4
Ground water quality	1	2	3	4
Lack of public water system	1	2	3	4
Lack of public wastewater disposal (e.g., septic pumping)	1	2	3	4
Package store alcohol sales	1	2	3	4
Alcohol sales restrictions (e.g., local option election)	1	2	3	4
City of Gustavus (e.g., city government)	1	2	3	4
Potential multi-city regional borough government	1	2	3	4
Land use regulation (e.g., planning and zoning)	1	2	3	4
Lack of compliance with City ordinances	1	2	3	4
Seasonal residents influencing community direction	1	2	3	4
Hunting within City limits	1	2	3	4
Lack of police protection	1	2	3	4
Crime rate	1	2	3	4
Commercial sport fishing (e.g., charter sport fishing)	1	2	3	4
All-Terrain Vehicle (ATV) use of roads	1	2	3	4
All-Terrain Vehicle (ATV) use of beaches and wetlands	1	2	3	4
Pollution (e.g., air, water)	1	2	3	4
Seasonal residents not valuing community	1	2	3	4
Becoming Juneau's bedroom community	1	2	3	4
Other (please specify):	1	2	3	4

Economic Development

11. How would you rate the current condition of Gustavus' economy?

- ☐ Very strong
- ☐ Strong
- ☐ Fair
- ☐ Weak
- ☐ Don't know

12. How do you expect Gustavus' economy to change during the next ten years?

- ☐ Grow significantly
- ☐ Grow moderately
- ☐ Remain the same
- ☐ Decline moderately
- ☐ Decline significantly
- ☐ Don't know

13. How would you rate current business opportunities in Gustavus?

- ☐ Very good
- ☐ Good
- ☐ Fair
- ☐ Poor
- ☐ Don't know

14. How would you rate the overall future of local business development in Gustavus?

- ☐ Very good
- ☐ Good
- ☐ Fair
- ☐ Poor
- ☐ Don't know

15. What are the three greatest challenges to economic development in Gustavus?

(List in order of importance)

Greatest challenge: _____

2nd greatest challenge: _____

3rd greatest challenge: _____

- ☐ Don't know

16. How strong of a role should the city government play in local economic development?

- ☐ Very strong
☐ Somewhat strong
☐ Little or no role
☐ Don't know

Infrastructure Development

17. How important are the following infrastructure projects to Gustavus' future?

<i>Infrastructure Project</i>	<i>Very Important</i>	<i>Somewhat Important</i>	<i>Little or No Importance</i>	<i>Don't Know</i>
Improve dock for commercial uses	1	2	3	4
Improve dock for residential and recreational uses	1	2	3	4
Develop dry dock and boat repair facility	1	2	3	4
Upgrade Wilson Rink Creek Road	1	2	3	4
Improve arterial City roads	1	2	3	4
Develop Rink Creek Substation for GVFD	1	2	3	4
Develop community cemetery	1	2	3	4
Replace bulk fuel tank farm	1	2	3	4
Develop public water system	1	2	3	4
Develop public wastewater disposal (e.g., septic pumping)	1	2	3	4
Improve DRC's refuse and landfill system	1	2	3	4
Improve DRC's recycling center	1	2	3	4
Improve DRC's Community Chest	1	2	3	4
Develop hazardous waste disposal site at DRC	1	2	3	4
Develop scrap metal storage facility at DRC	1	2	3	4
Improve internet connectivity	1	2	3	4
Develop a visitor center	1	2	3	4
Improve Health Care Clinic	1	2	3	4
Develop rifle and archery range	1	2	3	4
Develop more bike and foot trails	1	2	3	4
Develop public restrooms	1	2	3	4
Develop public campground	1	2	3	4
Improve Salmon River Community Park play equipment	1	2	3	4
Develop more public parks	1	2	3	4
Develop way-finder signage (e.g., visitor points of interest)	1	2	3	4
Other (please specify):	1	2	3	4

Community Planning

18. How important is community planning for Gustavus' future?

- ☐ Very important
- ☐ Somewhat important
- ☐ Little or no importance
- ☐ Don't know

19. How important is regulating land use (i.e., land use planning and zoning) for the following outcomes?

<i>Outcome</i>	<i>Very Important</i>	<i>Somewhat Important</i>	<i>Little or No Importance</i>	<i>Don't Know</i>
Planning Gustavus' future	1	2	3	4
Implementing the Gustavus Strategic Plan (2005)	1	2	3	4
Protecting property values	1	2	3	4
Separating incompatible land uses (e.g., industrial and residential)	1	2	3	4
Avoiding private property land use disputes	1	2	3	4
Protecting the environment	1	2	3	4
Protecting local quality of life	1	2	3	4
Obtaining platting authority (e.g., currently State of Alaska)	1	2	3	4
Controlling community growth	1	2	3	4
Preventing large-scale tourism development	1	2	3	4
Other (please specify):	1	2	3	4

20. Land use planning is not a service the City of Gustavus currently offers and is not under consideration. How supportive would you be if the city government considered planning and zoning during the long-term future?

- ☐ Very supportive
- ☐ Somewhat supportive
- ☐ Little or no support
- ☐ Undecided

21. How would you describe your level of involvement in Gustavus community planning activities?

- ☐ Very active
- ☐ Somewhat active
- ☐ Not very active
- ☐ Not at all active

22. Did you participate in the development of the Gustavus Strategic Plan (2005)?

- ☐ Yes
- ☐ No

Local Government

Throughout this section, "city government" refers exclusively to the City of Gustavus municipal government including the city council, city staff, city services, other city entities. The city government officially incorporated in April 2004. Please respond to survey questions within the context of the city government and its impact on the greater Gustavus community.

23. In your opinion, has Gustavus' *quality of life* changed because of the incorporation of the city government (2004)?

- ☐ Yes (go to question 23a)
- ☐ No (go to question 24)
- ☐ Don't know (go to question 24)

23a. How has quality of life changed?

- ☐ Improved significantly
- ☐ Improved moderately
- ☐ Declined moderately
- ☐ Declined significantly

24. Has the city government grown faster, slower, or at the speed you expected?

- ☐ Significantly faster
- ☐ Moderately faster
- ☐ As expected
- ☐ Moderately slower
- ☐ Significantly slower
- ☐ Don't know

25. Has the city government evolved to be larger, smaller, or the same as you expected?

- ☐ Significantly larger
- ☐ Moderately larger
- ☐ Same as expected
- ☐ Moderately smaller
- ☐ Significantly smaller
- ☐ Don't know

26. What is your level of satisfaction with the following city government services and facilities?

Service/Facility	Very Satisfied	Somewhat Satisfied	Little or No Satisfaction	Don't Know
Library	1	2	3	4
Disposal and Recycling Center (e.g., DRC)	1	2	3	4
Community Chest (e.g., part of DRC)	1	2	3	4
Emergency response (e.g., fire, medical)	1	2	3	4
Road maintenance	1	2	3	4
Gustavus Community Network (e.g., internet)	1	2	3	4
Snow removal (e.g., snow plowing)	1	2	3	4
Small boat harbor	1	2	3	4

27. How would you rate the overall quality of city government services and facilities?

- ☐ Very good
☐ Good
☐ Fair
☐ Poor
☐ Don't know

28. Since the incorporation of the city government, has the overall quality of services delivered to Gustavus residents improved, declined, or remained the same?

- ☐ Improved significantly
☐ Improved moderately
☐ Remained the same
☐ Declined moderately
☐ Declined significantly
☐ Don't know

29. In your opinion, is the city government effective in delivering services to Gustavus residents?

- ☐ Very effective
☐ Somewhat effective
☐ Minimally or not effective
☐ Don't know

30. If the city government considers providing additional services, how supportive are you of the City of Gustavus providing the following services?

Service	Very Supportive	Somewhat Supportive	Little or No Support	Don't Know
Water utility	1	2	3	4
Wastewater utility (e.g., septic pumping and disposal)	1	2	3	4
Water quality testing	1	2	3	4
Land use regulation (e.g., planning and zoning)	1	2	3	4
Public restrooms	1	2	3	4
Expanded parks and recreation	1	2	3	4
Campground	1	2	3	4
Multi-purpose community building	1	2	3	4
Hazardous waste disposal	1	2	3	4
Scrap metal disposal	1	2	3	4
Police protection	1	2	3	4
Rifle and archery range	1	2	3	4
Bulk fuel tank farm	1	2	3	4
Economic development	1	2	3	4
Firearm discharge regulation	1	2	3	4
Animal control (e.g., regulation, housing)	1	2	3	4
Community cemetery	1	2	3	4
Tourism promotion (e.g., GVA or other)	1	2	3	4
Other (please specify):	1	2	3	4

31. The ability of a local government to improve current services or offer additional services is dependent upon community interest and willingness to pay. If the city government considers improving or adding services, do you agree or disagree with the following methods of payment?

<i>Method of Payment</i>	<i>Strongly Agree</i>	<i>Agree</i>	<i>Undecided</i>	<i>Disagree</i>	<i>Strongly Disagree</i>
Increase sales tax – currently 2%	1	2	3	4	5
Increase bed tax – currently 4%	1	2	3	4	5
Adopt property tax	1	2	3	4	5
Adopt new user fees	1	2	3	4	5
Increase current user fees	1	2	3	4	5
Volunteerism	1	2	3	4	5
Other (please specify):	1	2	3	4	5

32. Is the city government's current level of taxation high, low, or at the appropriate level?

<i>Tax</i>	<i>Significantly High</i>	<i>Moderately High</i>	<i>Appropriate Level</i>	<i>Moderately Low</i>	<i>Significantly Low</i>	<i>Don't Know</i>
Sales tax (2%)	1	2	3	4	5	6
Bed tax (4%)	1	2	3	4	5	6

33. The city council is working to increase public involvement. Please rate how likely you are to use the following methods of public participation:

<i>Method of Participation</i>	<i>Very Likely</i>	<i>Somewhat Likely</i>	<i>Not Likely</i>	<i>Will Not Use</i>	<i>Don't Know</i>
Attend city council regular meeting	1	2	3	4	5
Attend city council work session	1	2	3	4	5
Read city newsletter in <i>Fairweather Reporter</i>	1	2	3	4	5
Read city council member articles in <i>Fairweather Reporter</i>	1	2	3	4	5
Visit public posting locations	1	2	3	4	5
Visit "City Information Center" at the Library	1	2	3	4	5
Attend informal "Open House" with city council members	1	2	3	4	5
Attend informal issue-specific discussion groups	1	2	3	4	5
Read regular city newsletter mailed to all constituents	1	2	3	4	5
Listen to city council meetings broadcast via Internet	1	2	3	4	5
Join email or mail list for specific City issues	1	2	3	4	5
Listen to KTOO Community Calendar radio announcements	1	2	3	4	5
Visit City website	1	2	3	4	5
Other (please specify):	1	2	3	4	5

34. Please rate the following elements of the city government's performance:

<i>Performance Element</i>	<i>Very Good</i>	<i>Good</i>	<i>Fair</i>	<i>Poor</i>	<i>Don't Know</i>
Conducting regular meetings	1	2	3	4	5
Conducting work sessions	1	2	3	4	5
Providing public comment opportunity	1	2	3	4	5
Developing ordinances	1	2	3	4	5
Adopting an effective organizational structure	1	2	3	4	5
Representing constituent interests	1	2	3	4	5
Protecting local quality of life	1	2	3	4	5
Delivering services	1	2	3	4	5
Resolving conflict of interest	1	2	3	4	5
Being accessible to constituents	1	2	3	4	5
Being fiscally responsible (i.e., generating and spending revenue)	1	2	3	4	5
Responding to constituent concerns	1	2	3	4	5
Maintaining open and transparent government	1	2	3	4	5
Conducting elections	1	2	3	4	5
Representing Gustavus at the regional level	1	2	3	4	5
Representing Gustavus at the state level	1	2	3	4	5
Representing Gustavus at the federal level	1	2	3	4	5
Welcoming diverse opinions	1	2	3	4	5
Incorporating public involvement	1	2	3	4	5
Balancing development and lifestyle considerations	1	2	3	4	5
Remaining "in-tune" with constituents	1	2	3	4	5
Outreach to non-active constituents	1	2	3	4	5
Avoiding community factions	1	2	3	4	5
Outreach to dissenting constituents	1	2	3	4	5
Resolving divisive community issues	1	2	3	4	5
Avoiding marginalization of dissenting constituents	1	2	3	4	5
Maintaining high ethical standards	1	2	3	4	5
Other (please specify):	1	2	3	4	5

35. Which of the following statements best describes the future role you prefer for the city government?

- ☐ Very active, provides many services and regulations.
- ☐ Somewhat active, provides some services and regulations.
- ☐ Inactive, provides few or no services and regulations.
- ☐ Undecided

36. How much confidence do you have in the city council to make good decisions for the greater Gustavus community?

- ☐ Significant confidence
- ☐ Moderate confidence
- ☐ Little or no confidence
- ☐ Don't know

37. Currently, what is your overall level of satisfaction with the city government?

- ☐ Very satisfied
- ☐ Somewhat satisfied
- ☐ Not very satisfied
- ☐ Not at all satisfied
- ☐ Undecided

38. How has your overall level of satisfaction with the city government changed since its incorporation?

- ☐ Increased significantly
- ☐ Increased moderately
- ☐ Remained the same
- ☐ Decreased moderately
- ☐ Decreased significantly
- ☐ Undecided

39. In your opinion, is the current city government too large, too small, or the appropriate size?

- ☐ Too large
- ☐ Too small
- ☐ Appropriate size
- ☐ Undecided
- ☐ Don't know

40. If you have additional comments regarding the city government, please include them below.

Special Topics

The City of Gustavus (i.e., city government) utilizes eleven volunteer committees that work to deliver services, advise the city council, collect public input, and explore important community issues. Several committees are seeking public input regarding very specific community issues including Disposal and Recycling Center (DRC) operations, Alaska Marine Highway System (AMHS) ferry service, and road maintenance.

41. Please rate your level of satisfaction with road maintenance:

Road Maintenance	Very Satisfied	Somewhat Satisfied	Little or No Satisfaction	Undecided
General road maintenance services	1	2	3	4
Quality of City roads (e.g., drivability, appearance)	1	2	3	4
Safety of City roads (e.g., visibility, drainage, surface)	1	2	3	4
Quality of other public areas (e.g., harbor, library, school)	1	2	3	4
Safety of other public areas (e.g., harbor, library, school)	1	2	3	4
Other (please specify):	1	2	3	4

42. Prior to the incorporation of the city government, road maintenance was completed through an informal "pass the hat" and volunteer method of funding, managing, and maintaining roads. How do current City maintained roads compare to prior "pass the hat" maintained roads?

- ☐ City maintenance is better than "pass the hat" maintenance.
- ☐ City maintenance is equal to "pass the hat" maintenance.
- ☐ "Pass the hat" maintenance is better than City maintenance
- ☐ Undecided
- ☐ Don't know

43. City road maintenance is currently managed by a volunteer Roads Committee sometimes resulting in inconsistent road maintenance and volunteer burnout. What is your level of support for the city government employing a roads manager to oversee road maintenance and operations?

- ☐ Very supportive
- ☐ Somewhat supportive
- ☐ Little or no support
- ☐ Undecided

44. City road maintenance is funded by a USFS Timber Receipts program, which may be discontinued in the near future. In 2006, the City of Gustavus received \$117,000 to maintain roads. If the program is discontinued, should the city government continue to provide road maintenance services?

- ☐ Yes, I am willing to pay via taxation.
- ☐ Yes, but I am not willing to pay via taxation.
- ☐ No, "pass the hat" please.
- ☐ Don't know

45. Approximately how often do you use Disposal and Recycling Center (DRC) services?

DRC Service	Daily	Weekly	Semi-Monthly	Monthly	Quarterly	Annually	Do Not Use
Refuse disposal (e.g., trash, landfill)	1	2	3	4	5	6	7
Recycling	1	2	3	4	5	6	7
Community Chest (e.g., thrift store)	1	2	3	4	5	6	7

46. In general, are current DRC user fees high, low, or acceptable?

- ☐ Significantly high
- ☐ Moderately high
- ☐ Acceptable
- ☐ Moderately low
- ☐ Significantly low
- ☐ Don't know

47. DRC operational costs are generally paid for by 63% user fees, 33% City subsidy, and 4% grants and fundraising (FY08 Budget). In your opinion, how should the city government pay for DRC expenses?

- ☐ 100% user fees
- ☐ 75% user fees; 25% City subsidy
- ☐ 50% user fees; 50% City subsidy
- ☐ 25% user fees; 75% City subsidy
- ☐ Remain the same: 63% user fees; 33% City subsidy
- ☐ Don't know

48. The city council is discussing the DRC's capacity to meet current and future refuse disposal needs, including potentially relocating the facility. How involved do you want to be with planning DRC's future?

- ☐ Very involved
- ☐ Somewhat involved
- ☐ Little or no involvement
- ☐ Don't know

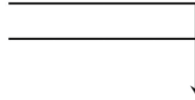
49. Three DRC expansion alternatives are being considered to accommodate future refuse disposal needs. The city council is seeking public input regarding how to evaluate the alternatives. For the purpose of comparing alternatives, please rank the following considerations in their order of importance:

(1 = most important through 6 = least important. Use each number only once.)

- _____ Environmental impact
- _____ User convenience
- _____ Adjacent neighbor impacts
- _____ Avoiding illegal dumping
- _____ User fees impact
- _____ Overall cost

50. How supportive are you of obtaining Alaska Marine Highway System (AMHS) ferry service for Gustavus?

- ☐ Strongly support (go to question 50a)
- ☐ Somewhat support (go to question 50a)
- ☐ Little or no support (go to question 51)
- ☐ Undecided (go to question 51)

**50a. What is your preferred type of service?**

(select only one)

- ☐ Passenger only
- ☐ Passenger and vehicle
- ☐ Don't know
- ☐ Other: _____

50b. Please indicate your level of support for the following levels of AMHS service:

AMHS Level of Service	Strongly Support	Somewhat Support	Little or No Support	Undecided
Daily (seasonal only)	1	2	3	4
Daily (year-round)	1	2	3	4
Weekly (seasonal only)	1	2	3	4
Weekly (year-round)	1	2	3	4
Semi-monthly (seasonal only)	1	2	3	4
Semi-monthly (year-round)	1	2	3	4
Monthly (seasonal only)	1	2	3	4
Monthly (year-round)	1	2	3	4
Other (please specify):	1	2	3	4

51. Please indicate whether you agree or disagree with the following statements regarding AMHS ferry service and impacts for Gustavus:

AMHS Ferry Service Statement	Strongly Agree	Agree	Undecided	Disagree	Strongly Disagree
Gustavus needs ferry service	1	2	3	4	5
Ferry service will increase local quality of life	1	2	3	4	5
Ferry service will lead to unwanted tourist traffic	1	2	3	4	5
Ferry service will lead to a RV park	1	2	3	4	5
Ferry service will create Gustavus jobs	1	2	3	4	5
Ferry service will positively impact my household	1	2	3	4	5
Ferry service will positively impact Gustavus	1	2	3	4	5
Ferry service will make travel more affordable	1	2	3	4	5
Other (please specify):	1	2	3	4	5

Demographics

We need to ask a few questions about your background and past experiences. This information will be used for statistical analysis only and will remain strictly confidential.

52. How old are you?

_____ years

53. What is your gender?

- ☐ Male
☐ Female

54. Are you a resident of Alaska?

- ☐ Yes (go to question 55)
☐ No (go to question 54a)

54a. In which state are you a resident?

_____ (abbreviation)

55. Are you registered to vote in Gustavus?

- ☐ Yes
☐ No

56. Are you a resident of Gustavus (i.e., full time, part time, or seasonal)?

- ☐ Yes (go to question 56a)
☐ No (go to question 57)

56a. Which of the following best describes your Gustavus residency status?

- ☐ Full-time resident
☐ Part-time resident
☐ Seasonal resident (summer only)
☐ Glacier Bay National Park seasonal staff
☐ Other: _____

56b. Which of the following best describes your Gustavus residency status?

- ☐ Primary residence
☐ Secondary residence
☐ Other: _____

57. Approximately what percentage of your lifetime have you spent in Gustavus?

_____ % (mark "0" if none)

58. Do you own property in Gustavus?

- ☐ Yes
☐ No

56c. Approximately how many months per year do you spend in Gustavus?

_____ months

56d. How long have you been a Gustavus resident?

_____ years

59. How many people, including yourself, live in your household? (Write "1" if living alone.)

_____ persons

60. How many people in your household are under 18 years of age? (Write "0" if none.)

_____ persons

61. Do you own a business in Gustavus?

- ☐ Yes
☐ No

62. What is your current employment status?

- ☐ Employed or self-employed on a **full-time** basis
☐ Employed or self-employed on a **part-time** basis
☐ Full-time homemaker
☐ Retired
☐ Student
☐ Unemployed
☐ Other: _____

63. During the past 12 months, approximately how many City of Gustavus meetings have you attended?

Meeting	Quantity
City council regular meeting	
City council work session	
Committee meeting	
Other (please specify):	

64. Aside from the City of Gustavus, what is your general level of support for local government?

- ☐ Strongly support
☐ Moderately support
☐ Little to no support
☐ Opposed to local government
☐ Undecided

65. What is your level of experience serving, working, or volunteering for a local government?

Local Government Participation	Significant Experience	Moderate Experience	Little or No Experience	Don't Know
Elected official (e.g., city council)	1	2	3	4
Appointed official (e.g., committee member)	1	2	3	4
Employee	1	2	3	4
Contractor	1	2	3	4
Volunteer	1	2	3	4
Other (please specify):	1	2	3	4

66. What was your approximate household income from all sources, before taxes, in 2006?

- ☐ \$9,999 or less
☐ \$10,000 - \$19,999
☐ \$20,000 - \$29,999
☐ \$30,000 - \$39,999
☐ \$40,000 - \$49,999
☐ \$50,000 - \$59,999
☐ \$60,000 - \$74,999
☐ \$75,000 or more

67. Would you like to receive a summary of survey results?

- ☐ Yes
☐ No

68. If you have additional comments regarding this community survey or the larger local government review project, please include them below or on a separate sheet.



This community survey is being conducted by the Alaska Department of Commerce, Community, and Economic Development, Division of Community and Regional Affairs in collaboration with the City of Gustavus. If you have any questions or comments regarding the survey, please contact:

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