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Communities Benefit When Shoppers Buy Local

By Finance New Mexico

The arguments for shopping at independent, locally owned New Mexico businesses before bargain hunting at national retail chains are many — and they're all good.

Local businesses are more than twice as generous to hometown nonprofits that fulfill community-specific needs, according to the American Independent Business Alliance (AMIBA), and they are more loyal and accountable to the people they employ and live among. Local businesses are typically small, and this sector of the economy employs 48 percent of the private sector workforce.

Shopping locally reduces environmental impacts associated with transportation. It supports businesses that offer products and services that reflect local tastes and a community's distinctive character.

But the best reason to spend money at a local business rather than an absentee-owned business — including during the critical holiday shopping season — is the financial recycling that results.

Follow the Money

Numerous studies by the Civic Economics strategic-planning group reinforce the concept of the "local multiplier effect." Simply put, a dollar spent at a locally owned business has a much greater likelihood of staying — and recirculating — in the local community than a dollar spent at a national chain store.

A 2013 Civic Economics survey conducted in Albuquerque for the Buy Local Business Alliance found that the local circulation of revenue from national retail chains was 13.6 percent compared to 39 percent for locally owned retailers. In the restaurant industry, national chains recirculated 30.4 percent of revenue earned and independents 77.3 percent.

Multiplier impacts are direct and indirect. A local business makes a direct impact by buying inventory, services and equipment from local suppliers and paying wages to area employees. When employees and business owners spend revenue and wages in the local economy that represents an indirect impact.

"While chain stores and restaurants extract locally generated revenues from the community with each nightly bank transaction, independents are creating a virtuous cycle of local spending," Civic Economics asserts in *Indie Impact Study Series 2013-14: Survey*. "The extra dollars in the local economy produce more jobs for residents, extra tax revenues for local governments, more investment in commercial and residential districts and enhanced support for local nonprofits. In short, these businesses create better places."

Better Use of Public Funds

A 2002 study of Barnstable, Mass., by Tischler and Associates tangibly demonstrates how small, local businesses make better use of tax revenue by placing less demand on infrastructure and public services.

The study compared land-use impacts on tax revenue and expenditures and found that big retailers and fast-food outlets leach more from public services than they generate in revenue: A big-box store actually creates an annual tax deficit of $468 per 1,000 square feet versus the annual surplus of $326 per 1,000 square feet generated by Barnstable's small downtown stores.

Organizations like the New Mexico Green Chamber of Commerce and New Mexico's MainStreet program cite studies such as this when urging New Mexicans to think beyond the short-term savings of a big-box bargain. Keeping local wealth closer to home, they say, pays social, environmental and economic dividends over a much longer term.

Three Receive IIMC Designations

Annette Barrick, Clerk of the City of Carlsbad, and Tricia Garcia, Clerk of the City of Raton, have received the Certified Municipal Clerk (CMC) designation from the International Institute of Municipal Clerks (IIMC). In addition, Jini Turri, Clerk/Treasurer for the Village of Cloudcroft, has received the Master Municipal Clerk (MMC) designation from the organization.

The CMC designation program is designed to enhance the job performance of the Clerk in small and large municipalities. To earn the CMC designation, a Municipal Clerk must attend extensive education programs. The designation also requires pertinent experience in a municipality. The program prepares the participants to meet the challenges of the complex role of the municipal clerks by providing them with quality education in partnership with 47 institutions of higher learning. The program has been in existence since 1970 and has helped thousands of clerks in various municipalities.

The MMC is one of the two professional designations granted by IIMC. To qualify for entrance into the Master Municipal Clerk Academy (MMCA), which prepares participants for achieving the MMC status, one must have earned the CMC designation.

The MMCA program has an extensive and rigorous educational component, a professional and social contributions component, and a commitment to lifelong learning.

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Getting to Know You

This feature focuses on learning more about the League Executive Committee, Board of Directors and other elected officials. This month is League Treasurer David Izraelevitz, Council Vice Chair of Los Alamos County.

What was your primary motivation to run for political office in your community?
My journey to become a councilor can best be described as incremental. I was first encouraged to apply to be on the local zoning commission, and then to a committee examining our home-rule charter. I was then appointed to fill a vacancy on our Council, where I served for 3 years before being elected on my own. At each Washington or Santa Fe. I saw that I could make a difference and give back to my community through my civic involvement at each of these levels.

How do you view your role in serving as an elected official in your community?
I see three responsibilities as a County Councilor. First, to assure that the government provides adequate and efficient services given the tax funds that are collected. Second, providing strategic, long-term direction to our community; where should Los Alamos be 10-20 years from now. The third, and maybe hardest responsibility, is to help develop a community view of our local government as professional, accessible, and trustworthy.

What do you think is the primary role of municipal government?
Local government is responsible for those services we cannot perform on our own, and where we can decide where we, as a community, should be moving toward.

What do you think is the primary role of the New Mexico Municipal League in municipal government?
The New Mexico Municipal League is where the local municipalities come together to share training, advocacy and networking. It presents a unified front to our state legislators on areas of common interest. It also provides educational and best practice opportunities because we can all learn from each other.

What is your favorite "after work" pastime?
I enjoy spending time with my wife on our road bikes and reading non-fiction.

Why Many States Are Panicked by the Federal Clean Power Plan

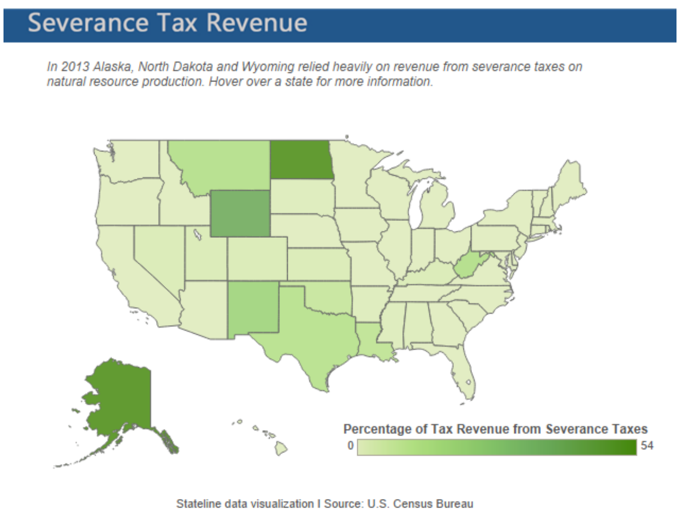
By Sophie Quinton, Stateline Staff Writer

The four huge power plants that stand smoking in Colstrip, Montana, don't just employ hundreds of workers. They pay property taxes that allow the city of some 2,000 people to afford services other remote, rural communities lack, such as a parks and recreation department.

The electricity-generating plants consume almost all the coal mined at the Rosebud Mine, the second largest coal mine in Montana. When the mine removes—or "severs"—coal from the earth, the mining company pays the state a severance tax on the value of the coal. Some of the money is invested into state trust funds, and some goes to support statewide services, such as public schools. But new federal regulations for power plants threaten to put cities like Colstrip out of business. Puget Sound Energy, a part-owner of the Colstrip plants, already wants to close two of them. That would have a fiscal impact on the entire state. A 2010 University of Montana study found that the Colstrip operations contributed 4.5 percent of all state tax revenue and $104 million in state and local taxes.

Many states with significant reserves of coal, oil and natural gas depend on revenue from severance taxes on natural resources. In 2013, Montana's tax revenue from severance taxes was nearly 12 percent. In West Virginia it was 13 percent and in Wyoming it was 39 percent, according a *Stateline* analysis of U.S. Census Bureau data.

No wonder those states are so upset about federal Clean Power Plan regulations, President Obama's bid to reduce the emission of greenhouse gases affecting the Earth's climate. The regulations, which take effect in December, will require states to reduce emissions from power plants. Coal emits more greenhouse gases than other energy sources, so one way for states to meet the federal goal is to shut down coal-fired plants.



State Rep. Duane Ankney, a Republican who represents Colstrip, said the federal rule would cost Montana dearly: "We're talking a $700 million to $800 million fiscal impact to the state, county and local governments."

Montana is one of 26 states suing to stop implementation of the regulations. But regardless of the outcome of the lawsuits, some communities that have depended on coal jobs and tax revenue may have to learn to live without them.

The Coming Energy Transition?

The energy industry is prone to boom-and-bust cycles, and right now, the coal and oil industries are going through a bust. A growing number of coal companies have declared bankruptcy in the past year. State budgets have tightened as the industry slides. Last month, West Virginia's Democratic Gov. Earl Ray Tomblin announced a 4-percent, across-the-board budget cut to compensate for a deficit driven by a $190 million drop in severance tax collections. Wyoming's Republican Gov. Matt Mead announced $200 million in budget cuts, citing falling energy prices.

A boom in natural gas has created a cheaper, cleaner alternative to coal, while federal regulation has made coal-fired power plants more expensive. A 2012 mercury and toxic pollution rule, for example, has led operators to shut down plants or install new equipment.

States like California, New York and Washington, the home state of Puget Sound Energy, have made big, public commitments to fighting climate change by shifting their energy consumption to cleaner fuels. Washington's commitment is one reason why Puget Sound Energy wants to stop getting electricity from Colstrip.

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Clean Power Plan . . . continued from page 4

The U.S. Energy Information Administration expects coal-fired power plants to continue to shut down and for very few new coal-fired plants to replace them, even without the Clean Power Plan. That's a big deal, because more than 90 percent of the coal mined in the United States is burned to produce electricity, according to the EIA.

Analysts say the economic woes felt in some parts of coal country, such as southeastern West Virginia, are part of a long-term trend.

"This one's not cyclical. This is a permanent shift," said Evan Hansen, principal at Downstream Strategies, a West Virginia environmental consulting firm.

Hansen said Central Appalachia faces an additional challenge: digging for coal is more expensive there than in other regions of the country, partly because of federal mining regulations. The Clean Power Plan gives each state a different emissions reduction target, depending on the mix of energy used in that state. California is well on its way to meeting its target; Montana may struggle. "There is no wiggle room for Montana in this Clean Power Plan," Ankney said.

Montana has to reduce its carbon emissions by 47 percent of 2012 levels by 2030. Over half Montana's electricity is produced by burning coal, according to the EIA. Most likely, Ankney said, complying would mean shutting down eight small coal plants.

Easing the Burden

Ankney is trying to keep the Colstrip plants running. Last month, he traveled to Washington state to plead with legislators there who have to approve Puget Sound Energy's planned changes. As many as 400 jobs are at stake.

Ankney said there just aren't that many other good jobs in eastern Montana, a sparsely populated, rural part of the state. Colstrip is 30 miles from the nearest highway. The closest large city is Billings, a 120 mile drive away.

It's always tough for a small, isolated economy to lose its dominant industry. Consider steel mill and factory closures in the Rust Belt in the 1970s and '80s, or military base closures in the 1990s.

The coal industry has left Colstrip before, when trains switched from coal to diesel fuel in the mid-20th century. "Colstrip became pretty much a ghost town. There was no longer any reason for it to exist, other than that the school was here," said John Williams, Colstrip's mayor.

Some utilities and states that are moving away from coal have agreed to spend money to help workers transition, Nilles said. The Obama administration has set aside up to $35 million to help develop local economies and proposed additional funding for job training that Congress has yet to approve.

In states that rely on severance taxes, a struggling coal industry could have a bigger impact on tax revenue than on statewide employment levels, said Mark Haggerty, an analyst at Headwaters Economics, a research company based in Bozeman, Montana.
In Montana and Wyoming, coal mining raises a disproportionate amount of revenue. In Wyoming, coal mining employed about 1.8 percent of all workers, according to a University of Wyoming study in 2012, but generated about 11.2 percent of all government revenue.

The study's co-author, Robert Godby, hasn't had the chance to analyze the final Clean Power Plan rule yet. But in looking at the draft, he anticipated that Wyoming's combined natural gas and coal revenue could fall as much as 46 percent by 2030. Severance tax money has allowed many energy-producing states to keep other taxes low. Wyoming, has neither a personal nor a corporate income tax.

The Clean Power Plan pushes states to invest in renewable energy sources, which could create a new source of revenue. Wyoming started taxing wind power in 2012, for instance. But wind power isn't much of a moneymaker. Wind is free, so all a state can do is impose sales and property taxes on wind farms, Godby said.

Stateline is a nonpartisan, nonprofit news service of the Pew Center on the States that provides daily reporting and analysis on trends in state policy.

POSITIONS AVAILABLE

To check the municipal job opportunities click on
http://nmml.org/classifieds/positions-available/