

Should this item be pulled from the consent agenda the following motion is suggested:

POSSIBLE MOTION

I MOVE TO approve Resolution 2016-03 on first and final reading.

CITY AND BOROUGH OF SITKA

RESOLUTION NO. 2016-03

**A RESOLUTION OF THE CITY AND BOROUGH OF SITKA REQUESTING THE ALASKA
STATE LEGISLATURE WORKS WITH THE GOVERNOR TO IMPLEMENT POLICIES THAT
LEAD TO A SUSTAINABLE STATE BUDGET FOR THE FORESEEABLE FUTURE**

WHEREAS, The State of Alaska is reliant on our natural resources as the primary means to fund essential/desired public services offered by the state and to provide critical financial support to municipalities, local and tribal governments; and

WHEREAS, Alaska has relied predominately on the development of its oil reserves to fund the majority of state government over the past 35 years; and

WHEREAS, production of Alaskan North Slope crude oil has steadily decreased over the past 25 years; and

WHEREAS, the combination of reduced oil production, reduced oil prices, and an overreliance on oil as the primary source of funding for state government has resulted in a massive state fiscal deficit; and

WHEREAS, cash reserves currently being used to cover the existing deficit will be depleted in just a few years, threatening the state's annual dividend program, the State's Permanent Fund and the continuation of an array of critical services that our citizens and economies are dependent on; and

WHEREAS, the State of Alaska has been duly warned by Standard & Poors that due to the current fiscal imbalance, its credit rating will continue to be downgraded if the Legislature fails to take appropriate action in 2016; and

WHEREAS, the City and Borough of Sitka (CBS) is dependent on certain revenue streams from the State of Alaska including but not limited to: School Support, Revenue Sharing, School Bond Payments, DEC Loans and Grants, Capital Projects and Harbor Fund Matching Grants; and

WHEREAS, predictability and long term budget sustainability are key elements that the CBS requests that the Legislature and the Governor achieve using the strength of our existing financial assets, and a balanced blend of spending reductions and additional new revenues; and

WHEREAS, while spending reductions must be a part of any balanced fiscal solution, extreme care must be exercised to not inadvertently cut our way into an economic recession as was done in the 1980's; and

WHEREAS, continuing to spend down cash reserves in the short-term is not a sustainable solution; and

WHEREAS, the CBS understands that the Governor and Legislature are faced with an imperative that will require collaboration, trust and a clear look to the future in order to reach compromise and resolution.

NOW, THEREFORE, BE IT RESOLVED that the Assembly of the City and Borough of Sitka implores the Legislature and the Governor to enact and sign legislation this session that results in sustainable state budgets for the foreseeable future.

NOW, THEREFORE BE IT FURTHER RESOLVED the City and Borough of Sitka Municipal Clerk is instructed to transmit a copy of this resolution to every member of the Alaska State Legislature and the Governor.

PASSED, APPROVED, AND ADOPTED by the Assembly of the City and Borough of Sitka, Alaska, on this 26th day of January, 2016.

Mim McConnell, Mayor

ATTEST:

Sara Peterson, CMC
Municipal Clerk