

**CITY OF GUSTAVUS, ALASKA
RESOLUTION CY16-02**

A RESOLUTION SUPPORTING MUNICIPAL REVENUE SHARING IN FY 2017

WHEREAS, State of Alaska Municipal revenue sharing is a critical share of the budgets of small municipalities with limited tax bases such as ours, and enables provision of essential local services by local people to small communities; and

WHEREAS, Municipal Revenue Sharing is a significant portion of the City of Gustavus budget, comprising an amount nearly equal to our annual Gustavus Volunteer Fire Department budget and the loss would significantly impact City services in our small community: and,

WHEREAS, Governor Walker has inserted language into his recently announced budget that raises the total Revenue Sharing fund to \$150 million. If that additional money is not accepted by the Legislature, communities will be sharing only \$38 million; and

WHEREAS, after the State follows the formula as written in statute, that will allow an allocation of 1/3 of that amount towards municipal revenue sharing in the amount of \$50 million to be shared with all 164 municipalities and approximately 50 unincorporated communities; and

WHEREAS, if that additional funding is not accepted by the Legislature, Alaskan Municipalities will be sharing only \$38 million, which will severely impact on our abilities to serve our communities; and

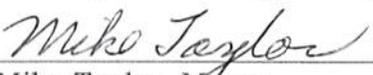
WHEREAS, the Governor has committed to raising the annual amount back to the original \$60 million in FY18; and

WHEREAS, if the Legislature fails to restore the Revenue Sharing Fund to its previous level, then next year's allocation will split \$25 million among 164 municipalities and 50 unincorporated communities and in FY19 there will not be revenue sharing.

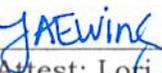
NOW THEREFORE BE IT RESOLVED that the Gustavus City Council respectfully requests that the Governor and Legislature provide full funding to enable revenue sharing of \$50 million for FY 2017 and \$60 million for future years.

BE IT FURTHER RESOLVED that the Legislature be motivated to adopt a revenue receiving strategy to support municipal revenue sharing at the proposed levels it, as seem likely, budget austerity is unlikely to provide that option in the long run.

PASSED and **APPROVED** by a duly constituted quorum of the Gustavus City Council, this 11th day of January, 2016, and effective upon adoption.



Mike Taylor, Mayor



Attest: Lofi Ewing, City Clerk/Treasurer