

**CITY OF GUSTAVUS, ALASKA
RESOLUTION CY16-09**

**A RESOLUTION OF THE CITY OF GUSTAVUS EXPRESSING A DEEP SENSE OF URGENCY
FOR THE ALASKA STATE LEGISLATURE TO TAKE IMMEDIATE ACTION DURING THE
FIFTH SPECIAL SESSION OF THE 29TH LEGISLATURE TO PASS ALL NECESSARY FISCAL
LEGISLATION REQUIRED TO PROVIDE FOR A FAIR, BALANCED, AND SUSTAINABLE
STATE BUDGET**

WHEREAS, Alaska has relied predominantly on the development of its oil reserves to fund the majority of state government expenditures over the past 35 years, yet production of Alaskan North Slope crude oil has decreased over the past 25 years; and

WHEREAS, global oil prices have dropped significantly over the past two years and are projected to remain relatively low for the foreseeable future; and

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

WHEREAS, Governor Walker has introduced a fiscal plan to provide for a sustainable budget, using the strength of our existing financial assets, a balanced blend of spending reductions, and additional new revenues; and

WHEREAS, during the 2016 regular session and four special sessions of the 29th Legislature, the Legislature failed to enact on this or any other fiscal plan, and continued funding the FY2017 budget from dwindling cash reserves; and

WHEREAS, cash reserves typically used to cover budget deficits now approach depletion, threatening the annual dividend program and the ability of the State government to adequately serve the people; and

WHEREAS, without enactment of a balanced fiscal plan the inevitable reduction in state services will shift major parts of the burden to municipalities; and

WHEREAS, this shift will require significant local tax increases among other painful adjustments; and

WHEREAS, a shift of tax burden further to municipalities such as Gustavus will have dramatic long-term effects on their fiscal viability, without doing anything to solve the underlying fiscal problem,

NOW, THEREFORE, BE IT RESOLVED that:

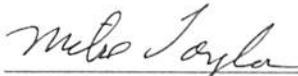
Section 1. The Alaska State Legislature, during the upcoming fifth special session, enact a comprehensive package of initiatives that will provide for a fair, sustainable, and balanced state budget for the foreseeable future.

Section 2. The Governor's fiscal plan, and his recent administrative actions on the budget and permanent fund distribution, be considered the starting point for legislative deliberation, recognizing that action must be taken to distribute the resulting burden across income levels.

Section 3. The Legislature engage in honest discussions of all fiscal options without regard to perceived negative political fallout.

Section 4. The City Clerk/Treasurer of Gustavus transmit a copy of this Resolution to every member of the Alaska State Legislature, the Governor, and post at three prominent places in Gustavus.

PASSED and **APPROVED** by the Gustavus City Council on the 11th day of July, 2016, and effective upon adoption.



Mike Taylor, Mayor



Attest: Lori Ewing, City Clerk/Treasurer