

CITY OF PELICAN
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RESOLUTION 2016-9

A RESOLUTION OF THE CITY OF PELICAN REQUESTING THE ALASKA STATE LEGISLATURE AND GOVERNOR WALKER TO ENACT DURING THE 2016 LEGISLATIVE SESSION LEGISLATION TO PROVIDE FOR A BALANCED, SUSTAINABLE, AND PREDICTABLE STATE BUDGET

WHEREAS, Alaska relies on the development of its vast oil reserves to fund the majority of state government expenditures over the past 35 years; and

WHEREAS, production of Alaska North Slope crude oil has steadily 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 falling oil production, reduced oil prices, and reliance 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 are being depleted, threatening the Alaska Permanent Fund Program; and

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

WHEREAS, major business leaders in Alaska are unlikely to continue making significant investments in Alaska if the Legislature delays addressing the fiscal deficit during the 2016 legislative session; and

WHEREAS, it is clear that a complete fiscal plan to provide a balanced, sustainable, and predictable budget will require using a balanced blend of spending reductions, use of the earnings of the Permanent Fund and additional new revenues in the form of broad-based taxes and other general fund sources; and

WHEREAS, while spending reductions must be a part of any balanced fiscal solution, extreme care must be exercised to not inadvertently result in economic recession; and

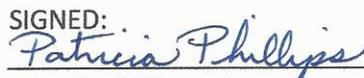
WHEREAS, continuing to spend down cash reserves in the short-term, will reduce the amount of sustainable revenue we can plan to generate from our current financial assets in the future, resulting in the necessity to increase other sources of revenue in the future to compensate; and

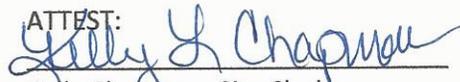
WHEREAS, difficult decisions that require significant statesmanship are required this year.

NOW, THEREFORE BE IT RESOLVED by the City of Pelican that:

1. The City calls upon the Alaska State Legislature and the Governor of the great State of Alaska to take affirmative and immediate action this year to enact a set of initiatives that will provide for a balanced, sustainable and predictable state budget for the foreseeable future. Further, the City urges gradual budget cuts.
2. The City appreciates the difficult work of the Governor's Administration and the Alaska Legislature to put forth possible elements of a complete fiscal plan; and the City does recognize and appreciate the difficult work being taken to develop a plan that can be enacted this year.

PASSED, APPROVED AND ADOPTED THIS 22nd DAY OF MARCH, 2016.

SIGNED: 
Patricia Phillips, Mayor

ATTEST: 
Kelly Chapman, City Clerk

