

## OFFICE OF THE MAYOR

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Ken.Koelsch@juneau.org

July 12, 2016

Honorable Dennis Egan  
Alaska State Senator  
State Capitol Room 417  
Juneau, Alaska 99801

Honorable Cathy Munoz  
Alaska State Representative  
State Capitol Room 501  
Juneau, Alaska 99801

Honorable Sam Kito  
Alaska State Representative  
State Capitol Room 422  
Juneau, Alaska 99801

RE: State Fiscal Plan

Dear Senator Egan and Representatives Munoz and Kito,

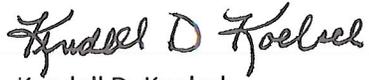
The City and Borough of Juneau Assembly is extremely concerned that the Alaska State Legislature has not yet developed a balanced, fair and sustainable fiscal plan to assure the future economic stability of our state.

As individuals involved in the local legislative process we understand how difficult it can be to balance the complex competing priorities of your constituents and fellow legislators during times of economic downturn. We recognize that there are no easy answers and that the path forward is challenging at best. That said, we also believe that these are the times for elected officials to demonstrate true leadership, to take bold and immediate action that will provide a path to minimize the negative economic impacts for all state citizens.

The CBJ Assembly recognizes that a sustainable fiscal plan will have adverse impacts on local government and that all levels of government must be part of the solution moving forward. That said the current lack of a fiscal plan and the resulting vetoes to the FY17 operating budget from the Governor put our community in a precarious financial position. At a minimum, sufficient new revenue must be raised to fund the state's FY17 \$3.08 million commitment to school debt reimbursement. Without this funding we will need to start making significant changes to the FY17 budget beginning in August with potential impacts to local jobs and economy.

In closing, the CBJ Assembly believes that there are viable tools and resources available to respond to the new fiscal reality facing the state. If the Governor's plan is unacceptable to the legislature, please continue to find a plan that will work. We urge you to do everything in your legislative power, this special session, to make progress addressing the fiscal crisis confronting us and to help drive the legislature to a successful outcome.

Sincerely,

A handwritten signature in black ink that reads "Kendall D. Koelsch". The signature is written in a cursive style with a large, stylized 'K' and 'D'.

Kendall D. Koelsch

Mayor

City and Borough of Juneau

Presented by: The Manager  
Introduced: 07/11/2016  
Drafted by: M. A. Cosgrove

**RESOLUTION OF THE CITY AND BOROUGH OF JUNEAU, ALASKA**

**Serial No. 2763**

**A Resolution Urging the Alaska Legislature to Pass a Balanced, Sustainable, and Predictable State Fiscal Plan to Help Ensure Long Term Fiscal Stability for the Citizens of the State of Alaska.**

WHEREAS, Alaska's reliance on oil revenues to fund state programs and services has been significantly compromised leaving the State of Alaska with a \$4.0 billion budget deficit for FY17; and

WHEREAS, the cash budget reserves currently being used by the State to cover expenses will deplete the budget reserve in FY18 without further action; and

WHEREAS, major business leaders in the State have warned they would be unlikely to continue making significant commercial investments in Alaska if the Legislature fails to address the fiscal deficit in 2016; and

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

WHEREAS, following adjournment of the 2016 regular session and fourth special session of the 29<sup>th</sup> Legislature, the Legislature did not pass a comprehensive fiscal plan; and

WHEREAS, the new fiscal reality requires the Legislature to demonstrate strong leadership and bold action; and

WHEREAS, the City and Borough of Juneau is concerned about the State's fiscal challenge and recognizes that all levels of government must contribute to the fiscal solution; and

WHEREAS, Alaska's municipalities and economy need fiscal certainty from the Legislature to allow for budget planning and the development of sustainable local budgets that provide for public services; and

WHEREAS, the State Legislature did not pass a comprehensive fiscal plan and instead relied heavily on limited state savings to balance the State's FY17 operating budget; and

WHEREAS, the Governor, in response to the Legislative FY17 budget action made significant vetoes to the State budget, which have over a \$4.5 million negative financial impact to Juneau.

NOW, THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF JUNEAU, ALASKA:

**Section 1.** The Assembly of the City and Borough of Juneau calls upon the Alaska State Legislature to take affirmative and immediate action during the fifth special session of the 29<sup>th</sup> Legislature to enact a package of initiatives that will provide for a sustainable and predictable balanced state budget for the foreseeable future.

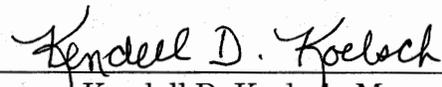
**Section 2.** The Assembly of the City and Borough of Juneau appreciates the difficult work of the Administration to put forth one possible comprehensive fiscal solution; and while the City and Borough of Juneau may not support every aspect of this plan, does recognize it as the appropriate foundation for legislative deliberation.

**Section 3.** The Assembly of the City and Borough of Juneau requests that if a full fiscal plan cannot be achieved this year, then sufficient new revenue must be raised to fund the state's commitment to school debt reimbursement which the Governor vetoed due to a lack of funding.

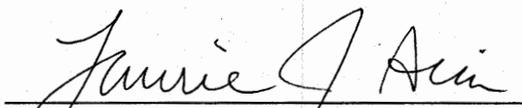
**Section 4.** The Assembly of the City and Borough of Juneau urges that the Alaska State Legislature engage in meaningful discussions of all fiscal options.

**Section 5. Effective Date.** This resolution shall be effective immediately after its adoption.

Adopted this 11<sup>th</sup> day of July, 2016.

  
Kendell D. Koelsch, Mayor

Attest:

  
Laurie J. Sica, Municipal Clerk