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**HOUSTON, ALASKA
RESOLUTION 16-02**

A RESOLUTION OF THE HOUSTON CITY COUNCIL EXPRESSING A DEEP SENSE OF URGENCY FOR THE ALASKA STATE LEGISLATURE TO TAKE IMMEDIATE AND DECISIVE ACTION DURING THE 2016 LEGISLATIVE SESSION TO ENACT A COMPLETE PACKAGE OF INITIATIVES TO PROVIDE FOR A BALANCED, SUSTAINABLE, AND PREDICABLE STATE BUDGET FOR THE FORESEEABLE FUTURE

WHEREAS, Alaska is an ‘owner state’ who has developed its natural resources as the primary means to fund essential/desired public services offered by the state; and

WHEREAS, Alaska has relied predominately 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 Alaskan North Slope crude oil has steadily decreased over the past 25 years; and

WHEREAS, global oil prices have remained highly volatile over recent decades, but until recently, have trended higher over time, masking the effect of decreasing oil production; 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 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 and potentially the state’s Permanent Fund itself; 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, major business leaders in the state have warned that they would be unlikely to continue making significant commercial investments in Alaska if the Legislature fails to address the fiscal deficit during the 2016 legislative session; and

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Virgie Thompson
Virgie Thompson, Mayor

ATTEST:

Sonya Dukes
Sonya Dukes, CMC, City Clerk



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