

Introduced By: Mayor Sprague
Date: March 23, 2016
Action: Adopted as Amended
Vote: 6 Yes, 0 No

CITY OF SOLDOTNA
RESOLUTION 2016-013

A RESOLUTION 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 has relied predominately on the development of its vast oil reserves to fund the majority of state government expenditures for many years; and

WHEREAS, production of Alaskan 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 revenues 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

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 cut our way into an 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 COUNCIL OF THE CITY OF SOLDOTNA, ALASKA:

Section 1. The Soldotna City Council calls upon the Alaska State Legislature and the Governor of the State of Alaska to take affirmative and immediate action this session to enact a set of initiatives that will provide for a balanced, sustainable and predictable state budget for the foreseeable future. Further, the Council urges gradual budget cuts, use of the Permanent Fund Earnings, and new sources of revenue.

Section 2. The Council appreciates the difficult work of the Administration and the Legislature to put forth possible elements of a complete fiscal plan; and while the Council may not support every aspect of the plan to be adopted, it does recognize and appreciate the difficult work in finding a plan that can be enacted this year. The employees and residents of the City of Soldotna offer to assist in finding such a plan.

Section 3. A copy of this resolution will be sent to every member of the Alaska State Legislature and the Governor.

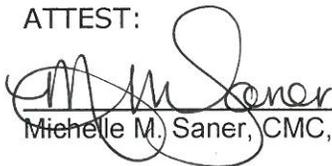
Section 4. This resolution shall become effective immediately upon its adoption.

ADOPTED BY THE CITY COUNCIL THIS 23RD DAY OF MARCH, 2016.



Pete Sprague, Mayor

ATTEST:



Michelle M. Saner, CMC, City Clerk

Ayes: Cashman, Murphy, Baxter, Whitney, Daniels, Marquez
Noes: None