

**CITY OF THORNE BAY
RESOLUTION NO. 19-03-05-01**

**A RESOLUTION OPPOSING GOVERNOR DUNLEAVY'S PROPOSED FY20 BUDGET
PRIORITIES AND RELATED LEGISLATION**

WHEREAS, the City of Thorne Bay is responsible for municipal governance in this community of 533, and

WHEREAS, while Thorne Bay currently have 9 full-time employees who fulfill the obligations of a local government, our ability to do so is limited by statute, public interest and available resources, and

WHEREAS, the resources Thorne Bay relies so heavily on to maintain our ability to fulfill these obligations, include State and Federal funding, which offset the burdens that might otherwise be felt by a local tax base.

WHEREAS, In FY17, Thorne Bay's tax revenue was 32.20% of our total budget, and any impact from State decision-making on local economies further weakens our sustainability. This includes cuts to the University, AMHS, and Medicaid (which impacts municipal-owned hospitals).

WHEREAS, Governor Michael J. Dunleavy's FY20 budget proposal cuts more than 91.6 billion from current state programs in order to pay out full past and current year Permanent Fund Dividends and fails to look at additional sources of revenue; and

WHEREAS, The budget proposal directly and adversely affects the City of Thorne Bay and other municipalities by, in part, balancing the state budget at the expense of municipal taxpayers, including through the following mechanisms:

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1. Elimination of the community assistance fund (approximately \$85,249.90 and is 6.41% of the City of Thorne Bay's Budget);
2. Elimination of the Shared Fisheries Business Tax (Thorne Bay receives approximately \$3,500.00)
3. A 25% reduction in the Southeast Island School District's foundation would equate to \$1.3 Million based on their projected enrollment for FY19/20 School Year. An average teaching position is budgeted at \$100 thousand dollars, so this would be a cut of 13 teachers.... that when the SISD only has a total of 21 teachers at 8 sites who are currently funded in the general fund.

WHEREAS, although PCE and Community Assistance remain funded, we are concerned for their long-term viability. The combined reductions and cost-shifting will mean that the City of Thorne Bay anticipates:

1. Potential staff reductions would include two full time positions. Thorne Bay currently has nine full-time employees providing only the essential services to our community. A loss in employees would be devastating to our municipal departments but would be required to make up for the \$85,000 in lost revenue from the Community Aide Assistance.
2. Public Safety budget reduced by 100%. Thorne Bay currently funds our Public Safety Officer (VPSO), Emergency Medical Services and Fire departments with the revenue from the Community Aide Assistance. Loss of the Community Aide Assistance would eliminate these essential services.
3. Quality of Life programs potentially eliminated include Library and Parks and Recreation departments.
4. Taxes would need to increase by 2% to offset these decisions

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WHEREAS, the residents on Prince of Wales Island rely heavily on the operations of the Marine Highway System, specifically the Inter-Island Ferry Authority; and

WHEREAS, though the Inter-Island Ferry Authority is currently self-funded by approximately 70%, it relies greatly on the annual support from the State of Alaska to make up the additional 30% in daily operational costs; and

WHEREAS, we believe the proposed FY20 budget and approach that the Governor has outlined reflects little concern for the burden that you have passed on to residents of Alaska; and

WHEREAS, the City Council for the City of Thorne Bay will work to mitigate the damage from these actions, including to work with legislative leaders to develop solutions that reflect the public interest.

NOW THEREFORE BE IT RESOLVED that the City Council for the City of Thorne Bay City Council opposes the Governor's FY20 proposed budget priorities; and

BE IT FURTHER RESOLVED that the City Council requests that the Alaska Legislature fulfill its duty to act on behalf of all Alaskans as a check on the powers of the Executive Branch; and

BE IT FURTHER RESOLVED that the City Council further requests that the Legislature take action on revenue, through other means either by transfers from the earnings from the Permanent Fund or Constitutional Budget Reserve, through reduction in oil tax credits, and/or through other means of diversifying revenue; and

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BE IT FURTHER RESOLVED that the City Council requests the Clerk distribute a copy of this Resolution to the Governor, each Commissioner, and each Member of the Alaska Legislature.

PASSED AND APPROVED THIS 5th Day of March 2019

Robert Hartwell, Mayor Pro-Tem

ATTEST:

Teri Feibel, CMC

APPROVED 3/5/19