

*Staff*

CITY OF HOMER  
HOMER, ALASKA

RESOLUTION 95-9

A RESOLUTION OF THE HOMER CITY COUNCIL URGING  
THE GOVERNOR AND THE LEGISLATURE TO SUPPORT  
THE ALASKA MUNICIPAL BASIC SERVICES PROGRAM.

WHEREAS, many Alaskans municipalities are facing fiscal crises that may curtail some basic municipal services to citizens and encourage the dissolution of some small municipalities; and

WHEREAS, these negative impacts are due in large part to severe cutbacks in the current Municipal Assistance and the State Revenue Sharing Programs; and

WHEREAS, the two current programs comprising state aid to municipalities are administratively complex for municipalities, have outdated formulas, do not ensure that municipal basic services are provided, and have some conflicting policy provisions; and

WHEREAS, State government has an obligation to share revenue from the resources that are commonly owned by all the people of Alaska to provide basic and essential state and municipal services;

WHEREAS, due to Alaska's dispersed population, relatively small local tax bases, and large resource revenues to the state, it is critical that sufficient state revenue from commonly held resources be distributed to local governments to ensure that minimum basic municipal services are provided; and

WHEREAS, sharing of revenues from commonly held resources is especially important to small rural communities because many have virtually no tax base and state shared revenues are often their only stable revenue; and

WHEREAS, revenue sharing increases local determination rather than fostering the need for additional direct state services to communities; and

WHEREAS, every dollar cut from municipal revenue sharing or municipal assistance is a dollar of local tax increase or a cut to direct basic services to residents; and

WHEREAS, the proposed Alaska Municipal Basic Services Programs (AMBS) supports a "back to basics" approach to government, increases accountability, reduces administrative complexity, allocates revenues fairly, and provides an efficient long term vehicle to support stable and effective local government.

NOW, THEREFORE, BE IT RESOLVED that the Homer City Council requests that the Governor and Legislature support and work to adopt and implement the Alaska Municipal Basic Services Program with the following major provisions:

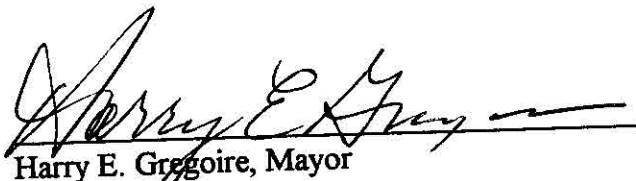
1. Funds are allocated to municipalities based on each community's actual expenditures for municipal basic services, local assessed valuation, and population (with the exception of health facilities, volunteer fire departments outside of municipalities, and unincorporated communities in the unorganized borough, which will receive allocations similar to existing formulas).
2. The existing minimum entitlement for municipalities will be increased from \$25,000 to \$50,000.

BE IT FURTHER RESOLVED that the Homer City Council requests that the Governor and Legislature support and work to adopt a restoration of funding for municipal aid at the FY 94 level to establish a realistic base to ensure stable municipalities. (This reflects an increase in funding from the FY 95 level of \$62,018,183 to the FY 94 level of \$72,030,376.) A restoration of the FY 94 funding for municipal aid will allow for a phase-in of the new AMBS program, establish a fair funding level for municipal aid consistent with national averages, and provide a stabilization of support for minimum municipal basic services.

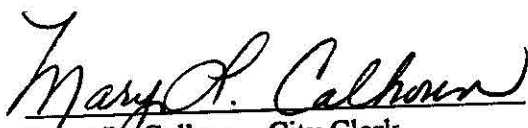
BE IT FURTHER RESOLVED that the Homer City Council supports the development and implementation of a long-range fiscal plan for the State of Alaska that provides for the stabilization of both state and municipal basic services.

PASSED AND APPROVED by the Homer City Council this 23rd day of January, 1995.

CITY OF HOMER

  
Harry E. Gregoire, Mayor

ATTEST:

  
Mary L. Calhoun, City Clerk