

Presented by: The Manager
Introduced:
Drafted by: AML/J.W. Hartle

RESOLUTION OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Serial No. 2307

A Resolution Expressing Assembly Support for Increased Legislative Funding for the Public Employees Retirement System (PERS).

WHEREAS, the State of Alaska has notified communities that contribution rates for the Public Employees Retirement System (PERS), will increase by more than 400%, and that PERS rates have been increasing by 5% of total salaries paid by municipalities and will reach approximately 30% of the salary of every public employee for the next 25 years to pay the “unfunded liability” of the State PERS program; and

WHEREAS, mandatory PERS increases, on top of the loss of municipal revenue sharing, and fuel, insurance, and other cost increases, leave many municipalities without the resources to fully fund schools, police, or other basic services; and

WHEREAS, municipalities with property taxes face 1 to 6 mill property tax increases just to pay state-mandated PERS costs over the next three years (average 1.65 mills); however, many municipalities have local tax caps that preclude such tax increases, which will require municipalities to make deeper cuts to local basic services; and

WHEREAS, the Alaska Municipal League and many municipal elected officials and finance directors have been working cooperatively to help the State adopt a new PERS / TRS “tier” to help control future costs; and

WHEREAS, the State has received a huge increase in oil revenue while communities face steeply higher expenses, *i.e.*, for every \$1 increase in the price of a barrel of oil the State government receives an additional \$65 million of new revenue per year, while Alaskan cities, boroughs, schools, businesses, other organizations, and families pay \$20 million of higher new costs for fuel, transportation, *etc.*, based on federal fuel usage figures for Alaska; and

WHEREAS, if the State fails to share a small portion of its huge oil revenue increases with our community / local taxpayers to offset State required PERS payment increases for at least the next two years, the impact on Juneau will be severe.



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

Section 1. The members of the Alaska State House and Senate are strongly urged to approve the Governor’s proposed \$37.5 million appropriation to offset the cost of State required municipal PERS increases for the next two years. This action will avoid higher local taxes and/or large cuts to local services including schools and basic municipal services.

Section 2. Effective Date. This resolution shall be effective immediately upon adoption.

Adopted this day of 2005.

Bruce Botelho, Mayor

Attest:

Laurie J. Sica, Clerk