

Introduced by: Mayor Hugh Dymment
Date: April 12, 2005
Action: Passed
Vote: 7-0

CITY OF BETHEL, ALASKA

Resolution #05-11

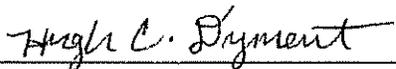
A RESOLUTION BY THE BETHEL CITY COUNCIL CONCERNING PERS EARLY FUNDING NEEDED TO AVOID LOCAL TAX INCREASES.

- WHEREAS**, the State has notified communities that rates for the State Public Employee Retirement System (PERS) will increase by more than 400%. 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.
- WHEREAS**, mandatory State PERS increases on top of the loss of municipal revenue sharing, and increased fuel, insurance and other dramatic cost increasingly leaves the City of Bethel without the resources to fully fund police, water and sewer and other basic services;
- WHEREAS**, the state mandated PERS increases represents nearly 10% of the City of Bethel's budget and makes deeper cuts to basic services inevitable;
- WHEREAS**, the Alaska Municipal League and many municipal elected officials and finance directors have been "at the table" to help the State adopt a new PERS/TRS "tier" to help control future costs.
- WHEREAS**, the State has received a huge increase in oil revenue while communities face steeply higher expenses. 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.
- WHEREAS**, if the State fails to share a small portion of its significant oil revenue increases with our community and local taxpayers to offset State required PERS payment increases for at least the next two years, the impact on The City of Bethel will be dramatic lowering of our standard of living.

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NOW, THEREFORE, BE IT RESOLVED THAT 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 the necessity of increasing our already high local taxes and/or large cuts to local services including police, infrastructure development and road construction and maintenance.

ENACTED THIS 12TH DAY OF APRIL, 2005, BY A UNANIMIOUS VOTE.



Hugh Dymont, Mayor

ATTEST:



Sandra Modigh, City Clerk