



ALASKA MUNICIPAL LEAGUE

SUSTAINABILITY PLAN

The Alaska Municipal League appointed a committee of interested local elected and appointed officials tasked with the goal of helping to identify available options through a municipal perspective that will allow our State to remain financially healthy. As local elected officials, we are adamant that local governments are in great need of stability and predictability, a luxury that we do not have at the present time.

We believe that the leaders of our State, as they find ways to lower the cost of government, must also identify ways in which our State can raise revenues. Cuts can only accomplish a portion of the answer to our problems and cuts without restraint will have a serious impact on the credit rating of our state and will cause massive economic dislocation issues. The choices made by the Legislature and the Administration will have a huge impact on the viability of municipalities.

Local governments have only three ways in which to raise revenue:

- Taxation (sales/property)
- Fees
- Revenue passed down from the federal or state government

As the revenues from the federal or state government decrease, the gap must be filled through taxation and/or an increase in fees.

While we agree with the Governor that our fiscal situation is an "opportunity" to rethink how we spend money, local governments must still provide basic and essential services to their citizens.

We have discussed our findings at great length. While many of the revenue options are painful, we believe it is time to make the decisions that will bring us back to the path that will allow Alaska to remain a viable, inviting, safe and healthy state in which to live. Alaska's municipalities are ready and willing to step up and be part of the solution rather than part of the problem. While we believe decisions to address this situation must be made immediately, we believe the actions themselves can be spread over a number of years in order to soften the effects to some degree.