

**CITY OF WHITTIER, ALASKA
RESOLUTION #10-2021**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WHITTIER,
ALASKA, PRIORITIZING 2021 BUDGET SPENDING AND POTENTIAL
CUTS AMID ONGOING IMPACTS OF THE PANDEMIC AND THE
LIKELY LOSS OF CRUISE SHIPS DURING THE 2021 CRUISE SEASON**

WHEREAS, the COVID19 pandemic has had adverse budgetary impacts on many cities and it is possible that for the foreseeable future, cities may be forced to make difficult decisions about how to prioritize spending and cuts in order to balance the budget and preserve financial reserves; and

WHEREAS, the City of Whittier desires to be proactive in developing a plan to address potential reductions in revenue beyond what has already been projected in the 2021 Budget for contingency planning purposes only; and

WHEREAS, for 2020, the City of Whittier's preliminary General Fund revenues were lower than budget by \$547,760¹ due primarily to reductions in sales tax (\$259K under budget) and business transportation tax (\$312K under budget) and there is concern that those two revenue sources may be constrained in 2021 due to the unlikely return of most cruise ships to Alaska in 2021; and

WHEREAS, the 2021 Budget anticipates sales tax revenues to come in \$34K higher than 2020 preliminary actuals (\$375K budget versus \$341K actuals) and anticipates Passenger Business Tax revenues to come in \$87K higher than 2020 preliminary actuals (\$150K budget versus \$63K actuals); and

WHEREAS, the 2021 Budget was constructed under the assumption that no pandemic relief would be available to the City and it has been reported that federal funding recently passed by Congress will allot \$40,000 in financial assistance to the City; and

WHEREAS, it is hoped that Alaskans eager to explore the outdoors post-pandemic will travel to communities such as Whittier and participate in activities that enhance business activity and partially offset the economic losses from cancellation of cruise ship activity in 2021; and

WHEREAS, the Council and Administration desire to develop contingency options to prepare in advance to address potential declines in revenues beyond those estimated in the 2021 Budget; and

WHEREAS, the Administration intends to implement the following austerity measures if necessary, should General Fund budgeted revenues fail to materialize during 2021: 1) delay hiring any full-time positions that are vacant or become vacant between now and the end of the year with the exception of filling vacant positions in public safety – savings up to \$30K; 2) eliminate all non-essential travel with the exception of Council-approved travel to Juneau and Washington DC for the purposes of lobbying for City of Whittier projects and priorities, and attendance at AML –

¹ This excludes revenues from sales of fixed assets and transfers-in from other Funds.

savings up to \$12K; 3) delay clean-up of the surplus equipment yard and/or refurbishing manholes – savings \$10K; 4) postpone non-critical material and repair costs – savings up to \$15K; 5) request voluntary staff furloughs (unpaid time off) – savings up to \$30K; 6) postpone equipment purchases – savings up to \$10K; 7) investigate AML Shared Services options for employee health insurance – savings unknown.

NOW THEREFORE, BE IT RESOLVED by the City Council of Whittier, Alaska, that:

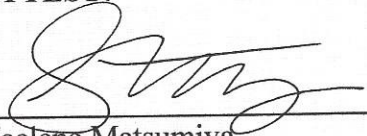
Section 1. In the event that General Fund revenues fail to keep pace with 2021 budgeted revenue projections, the City Manager will take whatever measures necessary, including those options identified within this resolution, to achieve a commensurate level of cost savings to achieve a balanced budget. The monthly city manager's report will identify any significant impacts which were not previously anticipated in the 2021 Budget in order to assess the likelihood of achieving a balanced budget.

Section 2. Funding in the amount of \$40,000 is hereby appropriated from federal grant funding for pandemic relief to federal grant revenues account number 01-330-4012.

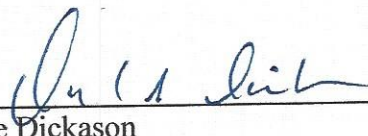
Section 3. This resolution takes effect immediately upon adoption.

PASSED AND APPROVED by a duly constituted quorum of the Whittier City Council on this 16th day of March, 2021.

ATTEST:



Naelene Matsumiya
City Clerk



Dave Dickason
Mayor

Ayes: 7
Nays: 0
Absent: 0
Abstain: 0