



MUNICIPALITY OF ANCHORAGE

ASSEMBLY INFORMATION MEMORANDUM

No. AIM 223-2023

Municipal Clerk's Office

Accepted

Meeting Date: November 21, 2023

Date: **November 21, 2023**

FROM: MAYOR

SUBJECT: MUNICIPAL BUDGET ADVISORY COMMISSION 2024 PROPOSED BUDGET RESOLUTION, NOVEMBER 2023.

Attached is a resolution from the Municipal Budget Advisory Commission regarding the 2024 Proposed Budget. The Commission makes the following recommendations:

- 1) The BAC supports the dedicated use of the alcohol tax in alignment with the intended purposes endorsed by Anchorage voters through a ballot proposal. We urge the Administration and Assembly to exercise fiscal responsibility in decision-making. In prioritizing allocations between the alcohol tax and general government funds, preference should be given to directing the alcohol tax toward new prevention services in alignment with a long-term plan.
- 2) The BAC appreciates fiscal restraint exercised by the Administration and the Assembly. The BAC encourages due consideration for the target level of service of our municipal government and fiscal restraint with regard to spending below the tax cap and future implications that will result from spending below the tax cap. We encourage responsible downward pressure but with due consideration for both short and long-term effects on the level of service.
- 3) The BAC supports the Administration and Assembly funding actionable items directly included in the Housing Strategic Plan and other long-term plans and advocates against inclusions in the budget that are not directly included in the Housing Strategic Plan and other long-term planning.
- 4) The BAC advocates for transparency regarding assumed vacancy rates in the budget and actual vacancy rates in past years. Additionally, we underscore the importance of due consideration for the implications on tax capacity in future years. The BAC supports increased efforts to fill vacancies and a more precise approach to position reductions and savings or efficiencies realized through increased vacancy rates.

The resolution was discussed at the special meeting of the Commission on November 17, 2023, and approved on November 20, 2023.

Prepared by: Office of Management & Budget (OMB)
 Concur: Sharon Lechner, OMB Director
 Concur: Kent Kohlhasse, P.E., Municipal Manager
 Respectfully submitted: Dave Bronson, Mayor

**Municipal Budget Advisory Commission 2024 Proposed Budget Resolution,
November 2023**

Whereas; The Municipal Budget Advisory Commission (BAC) is an independent, volunteer-led citizen advisory board responsible to provide the Assembly, the Mayor, the Anchorage School Board (ASD), and the Anchorage Superintendent of Schools well-informed advice as to budgets and budgeting process, as outlined in AMC 4.50.030; and

Whereas; Under AMC 4.50.030 the Municipality and the ASD shall provide sufficient staff assistance as needed by the BAC in its review of the municipal and school budgets, respectively; and

Whereas; Under AMC 4.50.030, The BAC shall provide broad, rather than specific issue-level interest in the budgets; and

Whereas; The BAC has reviewed the proposed 2024 budgets (General Government, Capital, Utility & Enterprise Funds) and heard presentations of the proposed budgets by the Office of Management and Budget at its regular meeting on November 14, 2023; and

Whereas; The BAC endorses the Administration's stated objectives to provide essential city services, ensure public safety, and create prosperity for all residents; and

Whereas; The BAC recognizes the Tax Cap as an instrument to limit the growth of government spending and supports its full application in the budget process by adjusting as required to account for losses in non-property taxes, adjusted for new construction, population, and consumer price index that maintains investment in public safety and basic government service as proposed in the 2024 budget; and

Whereas; The BAC supports the Administration's stated commitment to ensure the safety of our community and improve spending efficiencies in how we operate our city while maintaining fiscal conservatism; and

Whereas; The BAC recognizes the proposed 2024 General Government operating budget of \$597,927,286 represents a reduction of \$2.4 million from the 2023 revised budget and that the 2024 budget is \$12 million under the preliminary 2024 tax cap; and

Whereas; beginning in 2021, the Municipality dedicated alcohol tax revenue toward a new mental health first responders model, the Mobile Crisis Team, as a new program within General Government; and

Whereas; The Municipality's capital improvement program and capital budget, including projects approved by voters as capital bonds, is an important investment in our city's infrastructure and amenities, creating jobs, economic activity and long-lasting assets for our community.

Now Therefore Be It Resolved:

- 1) The BAC supports the dedicated use of the alcohol tax in alignment with the intended purposes endorsed by Anchorage voters through a ballot proposal. We urge the Administration and Assembly to exercise fiscal responsibility in decision-making. In prioritizing allocations between the alcohol tax and general government funds, preference should be given to directing the alcohol tax toward new prevention services in alignment with a long-term plan.
- 2) The BAC appreciates fiscal restraint exercised by the Administration and the Assembly. The BAC encourages due consideration for the target level of service of our municipal government and fiscal restraint with regard to spending below the tax cap and future implications that will result from spending below the tax cap. We encourage responsible downward pressure but with due consideration for both short and long-term effects on the level of service.
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Passed and approved by the Budget Advisory Commission on this date: November 20, 2023

Nolan Klouda

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Budget Advisory Commission, Chair