

## 120 Day Memo Questions

In the 2022 120 Day Memo, the Mayor included homelessness in his administration's priorities. In the 2023 120 Day Memo, it is taken out. Why? (Assembly Member Rivera)

Both the 2022 and 2023 120-day preliminary memos included homelessness –

2022 – We are committed to implementing a compassionate solution to homelessness, accelerating the work necessary to reconstruct our rapidly deteriorating Port of Alaska, and focusing on maintaining a safe community.

2023 – When it comes to public safety, economic development, the Port of Alaska, homelessness, property taxes, the budget, and being accountable to the people of Anchorage, we are getting back on the right track and rebuilding our great city.

Why is there a \$1M reduction in the motor vehicle rental tax? (Assembly Member Rivera)

Further decreases expected due to price competition and increased supply of vehicles which notably reduces the projected revenue generated from Rental Vehicle Tax (RVT). A potential national economic recession in 2024 could also negatively impact RVT revenues. Finally, Turo has the ability to capture additional market share and lead to lower average car rental rates.

Why is vehicle rental tax assumed to be \$1M less than 2023, while room tax is assumed to increase slightly? As I understand it, those usually trend together. And the last revenue update seemed to suggest they were projecting similar performance to this year. (Assembly Member Brawley)

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Why does the administration believe that there will be a \$3.7M increase in state community assistance? (Assembly Member Rivera)

Per a conversation with State of Alaska, the Municipality is programmed to receive \$4,101,821.

Please explain how CPI is calculated as part of the tax limit calculation. (Assembly Vice Chair Zaletel)

As required by Charter: Section 14.03 (a) except as provided in this section, the total amount of municipal tax that can be levied during a fiscal year shall not exceed the total amount approved by the assembly for the preceding year by more than a percentage determined by adding the average percentage increase in the Federal Consumer Price Index for Anchorage from the preceding five fiscal years.....

The U.S. Bureau of Labor Statistics has published the annual CPI for Anchorage as:

2023: first half 0.6%

2022: 8.1%

2021: 4.9%  
 2020: -1.1%  
 2019: 1.4%

The average of the five years (rounded) 2.80%

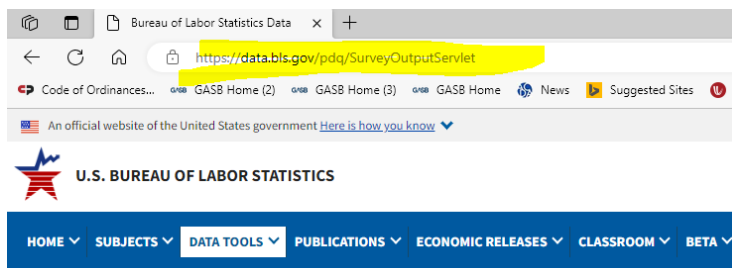
In the tax cap calculation, what is the actual percentage of inflation from the last 5 years? – basically, show the homework on calculating that, including the source. (Assembly Member Brawley)

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### Databases, Tables & Calculators by Subject

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Data extracted on: July 26, 2023 (4:17:04 PM)

#### CPI for All Urban Consumers (CPI-U)

**Series Id:** CUURS49GSA0  
 Not Seasonally Adjusted  
**Series Title:** All items in Urban Alaska, all urban consumers, not seasonally adjusted  
**Area:** Urban Alaska  
**Item:** All items  
**Base Period:** 1982-84=100

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Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	HALF1	HALF2
2013													212.381	210.853	213.910
2014													215.805	214.777	216.833
2015													216.909	217.111	216.706
2016													217.830	216.999	218.660
2017												220.374	218.873	218.616	219.131
2018	221.679			222.485		228.555		228.716		228.170		226.537	225.545	223.099	227.992
2019	227.183			228.553		234.179		230.406		227.552		226.527	228.676	228.858	228.495
2020	226.510			222.909		225.245		226.984		228.343		227.259	226.153	225.049	227.258
2021	229.478			233.519		239.296		239.899		242.708		243.568	237.188	232.679	241.698
2022	246.369			251.041		268.916		258.149		261.093		256.634	256.423	252.271	260.576
2023	256.856			258.866		259.930								257.938	

Please verify the judgements/legal settlements amounts for prior year and current year in tax limit calculation. (Assembly Vice Chair Zaletel)

This lists \$827,500 for 2023 – I believe that is in error, it is the total of the 2 discussed earlier this year, i.e. \$277,500 (MacAlpine, approved) and \$550,000 (Demboski, not approved). Is that what those are? Or are there other settlements included? (Assembly Member Brawley)

Yes, the two settlements mentioned above are what the \$827,500 is comprised of and no other settlements are included.

Where is the \$2.45M Hickel settlement in this calculation? That was specified to be above / outside the cap. (Assembly Member Brawley)

The \$2.45M Hickel settlement is not factored in the tax calculation, as there was a specific funding source that was available and appropriated for this purpose.

Please explain how Prop 14 MJ Tax dedication is shown in the tax limit calculation. (Assembly Vice Chair Zaletel)

The dedicated Marijuana proceeds are no longer shown under the tax limit calculation as provided under AO 2022-017(S-2), As Amended and approved by the voters as proposition 14 “Shall the Anchorage Municipal Charter be amended as set forth above, and the Accountability Board of Child Care and Early Education **that advises the assembly and administration** be established with the retail marijuana sales tax dedicated to child care and early education programs **and moved outside the tax cap....”**

A new fund 208000 (similar to the Alcohol Tax Fund) has been created to account, track, and record for the marijuana tax for the dedicated purpose as identified in the proposition.

Is there a possibility of moving up the Cuddy Warming Facility slated for the 2029 bond to the 2026 bond? AO 2023-2(S), As Amended included the warming facility on the 2023 ballot prop, what happened to the project? (Assembly Member Rivera)

Parks & Recreation currently has \$550k in bond funding available for Cuddy Park (2019 - \$250k), (2023 - \$300k)

The proposed Warming Shelter is estimated to cost between \$1M - \$2M. It is the department’s understanding that the project sponsors will fundraise for at least half of the total project costs. At this time, it’s believed that not much private capital has been raised. Thus, the department has put an additional \$250k in the 2029 bond under the assumption that, in the intervening years, the project advocates will raise additional funds to bring this project to fruition.

**EXHIBIT A-revised**

**Anchorage Parks and Recreation Service Area  
2023 Bond Project List  
(000)'s**

<u>Project</u>	<u>Amount</u>	<u>O&amp;M</u>
Campbell Creek Trail Rehabilitation and Way Finding	\$ <u>300</u> [600]	\$ <u>15</u> [30]
Fish Creek Trail to the Ocean	150	7 [-]
Peratrovich Park Upgrades	<u>700</u> [750]	<u>35</u> [38]
Ship Creek Trail	<u>250</u> [450]	<u>12</u> [23]
<del>[RUSSIAN JACK GREENHOUSE ROOF]</del>	<del>[350]</del>	<del>[-]</del>
<u>Athletic Field Safety Improvements</u>	<u>200</u>	<u>10</u>
<u>Chester Creek Complex Facility Safety, Security and ADA Upgrades</u>	<u>100</u>	<u>5</u>
<u>Playground Development – All-inclusive</u>	<u>300</u>	<u>15</u>
<u>Far North Bicentennial Park Bridge Replacement</u>	<u>150</u>	<u>7</u>
<u>Russian Jack Springs Park Safety and ADA Improvements</u>	<u>300</u>	<u>15</u>
<u>Fairview Recreation Center Improvements</u>	<u>500</u>	<u>25</u>
<u>Spenard Recreation Center Improvements</u>	<u>200</u>	<u>10</u>
<u>Tony Knowles Coastal Trail to Ship Creek Trail Connection</u>	<u>150</u>	<u>7</u>
<u>Cuddy Park Ice Oval Warming Chalet</u>	<u>300</u>	<u>15</u>
<u>Mulcahy Stadium Improvements</u>	<u>350</u>	<u>17</u>
<b>Total</b>	<b>\$ <u>3,950</u> [2,300]</b>	<b>\$ <u>195</u> [94]</b>

I appreciate doubling the school zone safety and traffic calming parts of the Traffic Engineering capital requests. (Assembly Member Rivera)

Why is the administration putting forward \$6.075M in capital requests to the state for the golf course? This makes that request the 9<sup>th</sup> largest state request. Are there not other higher priorities? (Assembly Member Rivera)

The list of state request projects is not submitted in a priority order and further discussion and prioritization typically occurs later in the development process for the legislative program.

What does the "SAP migration to S/4 HANA" capital request mean / do? (Assembly Member Rivera)

SAP announced that beginning in 2027, they will no longer support Enterprise Resource Planning (ERP) Central Component (ECC) systems, nor will they support the purchasing / Supplier Relationship Management (SRM) or the human resources / Human Capital Management (HCM) modules; they also made it clear that their business model is to phase out ECC and promote the move for SAP ECC users to SAP suite for High-performance Analytic Appliance (S/4HANA). S/4HANA is an in-memory, column-oriented, relational database management system developed by SAP.

This project proposes: conversion of our current SAP ECC to S/4HANA, adopt the core functionalities of S/4HANA Self Services Procurement as well as H4S4 to replace HCM or embrace SuccessFactors, develop solutions for missing functionalities such as

ROS/SUS, and adapt our current business processes while reducing our customization footprint to facilitate the conversion. The scope of the migration will be extensive and will highlight areas that might need extra attention including but not limited to:

- Study of our current licensing model and financial impact to convert to the S/4HANA licensing model
- Complete a comprehensive readiness assessment/study of our SAP ECC systems
- Data cleansing and archiving
- Rethink, reengineer, and simplify business processes
- Custom codes clean-up and reduction
- Business enhancement requests freeze

Why the large assumed amount of state funding? Past experience suggests that won't be successful to ask for that much. Especially given that in the 2024-2029 list, it's more than double under PM&E than subsequent years. This doesn't seem realistic.

(Assembly Member Brawley)

There is no assumption of large state funding. This is a preliminary list of state request projects and is not presented in a priority order nor does it represent the final legislative program funding request. Further discussions, adjustments, and prioritizations will occur later in the development process for the legislative program.

Below are several questions about specific projects, if the existing project description addresses that, then those can wait for the actual budget publication. Noting these in the meantime. (Assembly Member Brawley)

- What is the \$6M state ask for Anchorage Golf Course? And what is the total \$11.2M for the golf course over 5 years?
- What is the \$1.325M state ask for Denaina Center, or total \$3.125M over 5 years? The DC has about \$26 million in a capital reserve fund, it doesn't seem strategic to request state funding for that, given other facility needs. In fact, same question for the 2024-2028 list on page 17. There is also \$1.1M for the Egan, which I believe can utilize the same local funds.
- What are the PAC upgrades, \$11.1M over 5 years? That was in the Legislative program for 2023, but no one is really familiar with the ask.
- What is \$200K security fencing at Old ANMC Hospital site, and why is that listed as 2024 state request?
- What is the \$6M state request for the Sullivan over 5 years?

The details for the capital projects included in the Mayor's 2024 Proposed budget will be presented on October 2.