

2024 Qu 1 Budget

Municipality of Anchorage

LOTTs (69%) / Addendum (31%)

Year	2015		2016		2017		2018		2019	
Date	4/14/2015		4/12/2016		4/11/2017		4/10/2018		4/9/2019	
Document	Number	Action	Number	Action	Number	Action	Number	Action	Number	Action
GG Ops Budget	AR 2015-107	LOTT	AR 2016-104	Addendum	AR 2017-139	LOTT	AR 2018-109	LOTT	AR 2019-109	LOTT
GG Mills	AO 2015-34	LOTT	AO 2016-44	Addendum	AO 2017-69	LOTT	AO 2018-29	LOTT	AO 2019-47	LOTT
ASD Mills	AO 2015-35	Addendum	AO 2016-45	Addendum	AO 2017-70	LOTT	AO 2018-30	LOTT	AO 2019-48	LOTT
U/E Budget	AO 2015-42	LOTT			AO 2017-72	LOTT	AR 2018-112	Not introduced	AO 2019-56	LOTT

Year	2020		2021		2022		2023		2024	
Date	4/14/2020		4/13/2021		4/12/2022		4/11/2023		4/9/2024	
Document	Number	Action	Number	Action	Number	Action	Number	Action	Number	Action
GG Ops Budget	AR 2020-94	LOTT	AR 2021-94	LOTT	AR 2022-98	Addendum	AR 2023-102	Addendum	AR 2024-104	LOTT
GG Mills	AO 2020-44	LOTT	AO 2021-36	LOTT	AO 2022-45	Addendum	AO 2023-40	Addendum	AO 2024-29	LOTT
ASD Mills	AO 2020-45	LOTT	AO 2021-37	LOTT	AO 2022-46	Addendum	AO 2023-41	Addendum	AO 2024-30	LOTT
U/E Budget	AR 2020-114	LOTT	AR 2021-113	LOTT	AR 2022-99	Addendum	AR 2023-103	Addendum	AR 2024-105	LOTT
U/E Budget CIP			AR 2021-112	LOTT						

In 2006, all Budget items were “TBS” (To Be Submitted, Later)

Why a LOTT?

- TANs cancellation Monday April 1. Affected many depts' revenues and expenses [Row 11 – TANs Cancellation](#)
- Prop assessment figures were updated Friday, April 5 enough to adjust mill rates. Even if items had been submitted on Assembly agenda or addendum, they w/h/been replaced with S Versions
- SWS CIB item added Friday, April 5. Important, grant-funded and time-sensitive item
- Many unusual items in Qu 1 budget – Golden Lion opex correction, ML&P PERS, Building Safety Fund, Workers' Comp and G/L, ASD Correction, etc. Each took time and attention to evaluate.

Mill Levy by Tax District - 2024 based on AO 2024-29 for GG and AO 2024-30 for ASD

	Tax District	101 103 107 Area wide	131 104 Fire	151 152 Police	161 162 Parks & Rec	163 Anch Bld Safety	141 105 Roads & Drainage	106 Girdwood Valley	18, 119, 121, 122, 149 Various Rural Road Service Areas	Lewy w/o ASD, ERSL, & LRSAs	129 Eagle River Street Lights Areas	Various Limited Road Service Areas	Lewy w/o ASD	School District (ASD)	Total Levy	Tax District
City/Anchorage	1	0.28	2.26	3.63	0.68	0.05	2.55	-	-	9.45	-	-	9.45	6.67	16.12	1
Hillside	2	0.28	2.26	3.63	0.68	0.05	-	-	-	6.90	-	-	6.90	6.67	13.57	2
Spenard	3	0.28	2.26	3.63	0.68	0.05	2.55	-	-	9.45	-	-	9.45	6.67	16.12	3
Girdwood Valley	4	0.28	-	-	-	-	-	5.36	-	5.64	-	-	5.64	6.67	12.31	4
Glen Alps SA w/o Fire	5	0.28	-	3.63	-	-	2.75	-	-	6.66	-	-	6.66	6.67	13.33	5
Spenard w/o Building Safety	8	0.28	2.26	3.63	0.68	-	2.55	-	-	9.40	-	-	9.40	6.67	16.07	8
Stuckagain Heights w/o Parks & Rec	9	0.28	2.26	3.63	-	-	-	-	-	6.17	-	1.25	7.42	6.67	14.09	9
Eagle River	10	0.28	2.26	3.63	0.05	-	-	-	2.10	8.32	-	-	8.32	6.67	14.99	10
Municipal Landfill w/o ERPSA	11	0.28	2.26	3.63	-	0.05	-	-	-	6.22	-	-	6.22	6.67	12.89	11
Canyon Road (Glen Alps SA)	12	0.28	2.26	3.63	0.68	0.05	2.75	-	-	9.65	-	-	9.65	6.67	16.32	12
Muni/Outside Bowl w/o APD (w Turnagain Arm Police)	15	0.28	-	0.19	-	-	-	-	-	0.47	-	-	0.47	6.67	7.14	15
Muni/Outside Bowl with Police	16	0.28	-	3.63	-	-	-	-	-	3.91	-	-	3.91	6.67	10.58	16
Upper OMalley LRSA	19	0.28	2.26	3.63	0.68	0.05	-	-	-	6.90	-	2.00	8.90	6.67	15.57	19
Talus West LRSA	20	0.28	2.26	3.63	0.68	0.05	-	-	-	6.90	-	0.80	7.70	6.67	14.37	20
Rabbit Ck View/Rabbit Ck Hts LRSA w/ APRSA	21	0.28	2.26	3.63	0.68	0.05	-	-	-	6.90	-	2.50	9.40	6.67	16.07	21
Chugiak Fire Service Area	22	0.28	1.00	3.63	0.05	-	-	-	2.10	7.06	-	-	7.06	6.67	13.73	22
Rabbit Ck View/Rabbit Ck Hts LRSA w/o APRSA	23	0.28	2.26	3.63	-	-	-	-	-	6.17	-	2.50	8.67	6.67	15.34	23
Birch Tree/Elmore LRSA	28	0.28	2.26	3.63	0.68	0.05	-	-	-	6.90	-	1.50	8.40	6.67	15.07	28
Eagle River Valley RRSA w/no Fire	30	0.28	-	3.63	0.05	-	-	-	2.10	6.06	-	-	6.06	6.67	12.73	30
South Goldenview Area RRSA	31	0.28	2.26	3.63	0.68	0.05	-	-	1.80	8.70	-	-	8.70	6.67	15.37	31
Section 6/Campbell Airstrip LRSA	32	0.28	2.26	3.63	0.68	0.05	-	-	-	6.90	-	1.25	8.15	6.67	14.82	32
Skyranch Estates LRSA	33	0.28	2.26	3.63	0.68	0.05	-	-	-	6.90	-	1.30	8.20	6.67	14.87	33
Valli-Vue Estates LRSA	34	0.28	2.26	3.63	0.68	0.05	-	-	-	6.90	-	1.40	8.30	6.67	14.97	34
Mountain Park Estates LRSA	35	0.28	2.26	3.63	0.68	0.05	-	-	-	6.90	-	1.00	7.90	6.67	14.57	35
SRW Homeowners LRSA	36	0.28	2.26	3.63	0.68	0.05	-	-	-	6.90	-	1.50	8.40	6.67	15.07	36
Mountain Park/Robin Hill LRSA	37	0.28	2.26	3.63	0.68	0.05	-	-	1.30	8.20	-	-	8.20	6.67	14.87	37
Raven Woods/Bubbling Brook LRSA	40	0.28	2.26	3.63	0.68	0.05	-	-	-	6.90	-	1.50	8.40	6.67	15.07	40
Upper Grover LRSA	41	0.28	2.26	3.63	0.68	0.05	-	-	-	6.90	-	1.00	7.90	6.67	14.57	41
View Point	42	0.28	-	3.63	-	-	2.55	-	-	6.46	-	-	6.46	6.67	13.13	42
Bear Valley LRSA	43	0.28	2.26	3.63	-	-	-	-	-	6.17	-	1.50	7.67	6.67	14.34	43
Villages Scenic Parkway LRSA	44	0.28	2.26	3.63	0.68	0.05	-	-	-	6.90	-	1.00	7.90	6.67	14.57	44
Sequoia Estates LRSA	45	0.28	2.26	3.63	0.68	0.05	-	-	-	6.90	-	1.50	8.40	6.67	15.07	45
Eaglewood Contributing RSA	46	0.28	2.26	3.63	0.05	-	-	-	0.42	6.64	-	-	6.64	6.67	13.31	46
Gateway Contributing RSA	47	0.28	-	3.63	0.05	-	-	-	0.32	4.28	-	-	4.28	6.67	10.95	47
Paradise Valley South LRSA	48	0.28	2.26	3.63	0.68	0.05	-	-	-	6.90	-	1.00	7.90	6.67	14.57	48
ER Street Lights SA w/ Anchorage Fire	50	0.28	2.26	3.63	0.05	-	-	-	2.10	8.32	0.20	-	8.52	6.67	15.19	50
ER Street Lights SA w/ Chugiak Fire	51	0.28	1.00	3.63	0.05	-	-	-	2.10	7.06	0.20	-	7.26	6.67	13.93	51
Rockhill LRSA	52	0.28	2.26	3.63	0.68	0.05	-	-	-	6.90	-	1.50	8.40	6.67	15.07	52
Totem LRSA	53	0.28	2.26	3.63	0.68	0.05	-	-	-	6.90	-	1.00	7.90	6.67	14.57	53
Lakehill LRSA	54	0.28	2.26	3.63	0.68	0.05	-	-	-	6.90	-	1.50	8.40	6.67	15.07	54
South Goldenview RRSA w/o Fire	55	0.28	-	3.63	-	-	-	-	1.80	5.71	-	-	5.71	6.67	12.38	55
Bear Valley LRSA w/o Fire	56	0.28	-	3.63	-	-	-	-	-	3.91	-	1.50	5.41	6.67	12.08	56
Homestead LRSA	57	0.28	2.26	3.63	0.68	0.05	-	-	-	6.90	-	1.30	8.20	6.67	14.87	57
Eagle River Valley RRSA w/ ERSL w/o Fire	58	0.28	-	3.63	0.05	-	-	-	2.10	6.06	0.20	-	6.26	6.67	12.93	58
Rabbit Ck View/Rabbit Ck Hts LRSA w/o APRSA w/o Fire	59	0.28	-	3.63	-	-	-	-	-	3.91	-	2.50	6.41	6.67	13.08	59

Note: District 6 was subsumed to District 18; Districts 14 & 18 were subsumed to District 3. District 7 was subsumed to District 2.
 District 11 is the Anchorage Landfill. District 36 is new from 2005. April 6, 2010, Mt. Park/Robin Hill LRSA voted to become a RRSA (District 37).
 District 57 was created in 2014 for new Homestead LRSA.
 District 58 was created in 2016 for Eagle River Valley with Eagle River Street Light Service but without Fire Service.
 District 59 was created in 2023 for Rabbit Ck View/Rabbit Ck Hts LRSA without Anchorage Parks and without Anchorage Fire

Mill Levy by Tax District - 2024 based on AO 2024-29 for GG and AO 2024-30 for ASD

		101 103 107	131 104	151 152	161 162	163	141 105	106	18, 119, 121, 122, 149	Ley w/o ASD, ERSL, & LRSA	129 Eagle River Street Lights Service Areas	Various Limited Road Service Areas	Ley w/o ASD	School District (ASD)	Total Ley	Tax District
	Tax District	Area wide	Fire	Police	Parks & Rec	Anch Bld Safety	Roads & Drainage	Girdwood Valley Ley	Rural Road Service Areas							
City/Anchorage	1	0.28	2.26	3.63	0.68	0.05	2.55	-	-	9.45	-	-	9.45	6.67	16.12	1
Hillside	2	0.28	2.26	3.63	0.68	0.05	-	-	-	6.90	-	-	6.90	6.67	13.57	2
Spenard	3	0.28	2.26	3.63	0.68	0.05	2.55	-	-	9.45	-	-	9.45	6.67	16.12	3
Girdwood Valley	4	0.28	-	-	-	-	-	5.36	-	5.64	-	-	5.64	6.67	12.31	4
Glen Alps SA w/o Fire	5	0.28	-	3.63	-	-	2.75	-	-	6.66	-	-	6.66	6.67	13.33	5
Spenard w/o Building Safety	8	0.28	2.26	3.63	0.68	-	2.55	-	-	9.40	-	-	9.40	6.67	16.07	8
Stuckagain Heights w/o Parks & Rec	9	0.28	2.26	3.63	-	-	-	-	-	6.17	-	1.25	7.42	6.67	14.09	9
Eagle River	10	0.28	2.26	3.63	0.05	-	-	-	2.10	8.32	-	-	8.32	6.67	14.99	10
Municipal Landfill w/o ERPRSA	11	0.28	2.26	3.63	-	0.05	-	-	-	6.22	-	-	6.22	6.67	12.89	11
Canyon Road (Glen Alps SA)	12	0.28	2.26	3.63	0.68	0.05	2.75	-	-	9.65	-	-	9.65	6.67	16.32	12
Muni/Outside Bowl w/o APD (w Turnagain Arm Police)	15	0.28	-	0.19	-	-	-	-	-	0.47	-	-	0.47	6.67	7.14	15
Muni/Outside Bowl with Police	16	0.28	-	3.63	-	-	-	-	-	3.91	-	-	3.91	6.67	10.58	16
Upper OMalley LRSA	19	0.28	2.26	3.63	0.68	0.05	-	-	-	6.90	-	2.00	8.90	6.67	15.57	19
Talus West LRSA	20	0.28	2.26	3.63	0.68	0.05	-	-	-	6.90	-	0.80	7.70	6.67	14.37	20
Rabbit Ck View/Rabbit Ck Hts LRSA w/ APRSA	21	0.28	2.26	3.63	0.68	0.05	-	-	-	6.90	-	2.50	9.40	6.67	16.07	21
Chugiak Fire Service Area	22	0.28	1.00	3.63	0.05	-	-	-	2.10	7.06	-	-	7.06	6.67	13.73	22
Rabbit Ck View/Rabbit Ck Hts LRSA w/o APRSA	23	0.28	2.26	3.63	-	-	-	-	-	6.17	-	2.50	8.67	6.67	15.34	23
Birch Tree/Elmore LRSA	28	0.28	2.26	3.63	0.68	0.05	-	-	-	6.90	-	1.50	8.40	6.67	15.07	28
Eagle River Valley RRSA w/no Fire	30	0.28	-	3.63	0.05	-	-	-	2.10	6.06	-	-	6.06	6.67	12.73	30
South Goldenview Area RRSA	31	0.28	2.26	3.63	0.68	0.05	-	-	1.80	8.70	-	-	8.70	6.67	15.37	31
Section 6/Campbell Airstrip LRSA	32	0.28	2.26	3.63	0.68	0.05	-	-	-	6.90	-	1.25	8.15	6.67	14.82	32
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SRW Homeowners LRSA	36	0.28	2.26	3.63	0.68	0.05	-	-	-	6.90	-	1.50	8.40	6.67	15.07	36
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Raven Woods/Bubbling Brook LRSA	40	0.28	2.26	3.63	0.68	0.05	-	-	-	6.90	-	1.50	8.40	6.67	15.07	40
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View Point	42	0.28	-	3.63	-	-	2.55	-	-	6.46	-	-	6.46	6.67	13.13	42
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Villages Scenic Parkway LRSA	44	0.28	2.26	3.63	0.68	0.05	-	-	-	6.90	-	1.00	7.90	6.67	14.57	44
Sequoia Estates LRSA	45	0.28	2.26	3.63	0.68	0.05	-	-	-	6.90	-	1.50	8.40	6.67	15.07	45
Eaglewood Contributing RSA	46	0.28	2.26	3.63	0.05	-	-	-	0.42	6.64	-	-	6.64	6.67	13.31	46
Gateway Contributing RSA	47	0.28	-	3.63	0.05	-	-	-	0.32	4.28	-	-	4.28	6.67	10.95	47
Paradise Valley South LRSA	48	0.28	2.26	3.63	0.68	0.05	-	-	-	6.90	-	1.00	7.90	6.67	14.57	48
ER Street Lights SA w/ Anchorage Fire	50	0.28	2.26	3.63	0.05	-	-	-	2.10	8.32	0.20	-	8.52	6.67	15.19	50
ER Street Lights SA w/ Chugiak Fire	51	0.28	1.00	3.63	0.05	-	-	-	2.10	7.06	0.20	-	7.26	6.67	13.93	51
Rockhill LRSA	52	0.28	2.26	3.63	0.68	0.05	-	-	-	6.90	-	1.50	8.40	6.67	15.07	52
Totem LRSA	53	0.28	2.26	3.63	0.68	0.05	-	-	-	6.90	-	1.00	7.90	6.67	14.57	53
Lakehill LRSA	54	0.28	2.26	3.63	0.68	0.05	-	-	-	6.90	-	1.50	8.40	6.67	15.07	54
South Goldenview RRSA w/o Fire	55	0.28	-	3.63	-	-	-	-	1.80	5.71	-	-	5.71	6.67	12.38	55
Bear Valley LRSA w/o Fire	56	0.28	-	3.63	-	-	-	-	-	3.91	-	1.50	5.41	6.67	12.08	56
Homestead LRSA	57	0.28	2.26	3.63	0.68	0.05	-	-	-	6.90	-	1.30	8.20	6.67	14.87	57
Eagle River Valley RRSA w/ ERSL w/o Fire	58	0.28	-	3.63	0.05	-	-	-	2.10	6.06	0.20	-	6.26	6.67	12.93	58
Rabbit Ck View/Rabbit Ck Hts LRSA w/o APRSA w/o Fire	59	0.28	-	3.63	-	-	-	-	-	3.91	-	2.50	6.41	6.67	13.08	59

Topics – 2024 Qu 1

1) Major Assumptions

2) Major Changes from 2024 Approved Budget

- 2a. PERS (ML&P) partially offset by G. Lion (ML&P)
- 2b. Revenue Changes incl.: SOA Rev Sharing and Dividends
- 2c. Building Safety Fund
- 2d. TANS
- 2e. Worker's Comp & General Liability

3) Minor Changes from 2024 Approved Budget

4) ASD

5) Alcohol Tax

6) Utilities / Ent Funds

- Operating Changes
- Changes to Capital (CIB)

7) Tax Limit Calculation

2024 1st Quarter Budget Revisions, Tax Rates, and Tax Levies Schedule

Date	Party	Action
Friday, April 12, 2024	OMB	Assembly work session on proposed budget revisions and tax levies
Monday, April 15, 2024	OMB	Resolutions for approved bond appropriations in OnBase for introduction on 04/23 Assembly meeting, based on election results, for action on 05/07
Tuesday, April 16, 2024		Election Commission Meeting and Public Canvass - Adoption of Report and Unofficial Election Results Published (AMC 28.80.030A: 2nd Friday after Election)
Wednesday, April 17, 2024	Public Finance/Treasury	Updated debt service and revenue requirements, based on election results, to OMB
Wednesday, April 17, 2024	Property Appraisal	Updated assessed values, based on election results, to OMB
Thursday, April 18, 2024	Assembly	NEW - Special Assembly Meeting
Friday, April 19, 2024	Assembly (OMB Attendee)	Assembly work session on proposed budget revisions and tax levies - Assembly Amendments
Monday, April 22, 2024	OMB	S versions in OnBase for 04/23 Assembly meeting. Election results (annexations/deannexations, bond props, etc. may affect budgets and mill rates due to debt service, O&M, etc.)
Tuesday, April 23, 2024		Regular Assembly Meeting - Certification of election results (AMC 28.80.060), Public hearing on budget revisions and tax levies. Action on operating budget revisions, tax levies (<i>this is the last meeting before Treasury bill notification deadline</i>), and bond appropriations.
Wednesday, April 24, 2024	OMB	Load budget amendments into SAP
Tuesday, April 30, 2024	Assembly	NEW - Special Assembly Meeting
Wednesday, May 1, 2024	Treasury	Deadline for Treasury to receive mill rates to prepare tax notice mailouts
Friday May 3, 2024	Assembly (OMB Attendee)	Worksession - CIB and planning for 2025 CIP, CIB, and Bonds
Wednesday, May 15, 2024		Deadline for tax notices to be mailed (AMC 12.15.060 A.2. requires "tax bills be mailed...at least 30 days prior to the date taxes owed become due" which is June 15)

Gray = informational	Red = Updates
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Topic #1 – Major Assumptions

1) Major Assumptions

- 2022 ACFR issuance delays will not impact SEMT revenues or MOA's continued self-insurance
- No unbudgeted 2024 litigation / trials (ex: Eklutna)
- No negative issues re: Alaska Center for Treatment / Golden Lion (aka, no required refunds under Municipal Charter and/or the Stipulation Agreement with the Settling Parties). Note: Administration has a forthcoming proposal re: Alaska Center for Treatment.
- No negative financial effects of ML&P close out other than WC / GL
- No additional charges (allocations from Fund 603 – WC / GL; ref: 2.e)

[Why a LOTT?](#)

1) Major Assumptions, Cont. – Fund Balance

- Fund Balance is exactly @ $10\% + 2\% = 12\%$ fund balance policy
 - Fund Balance due from Controller each year for prior year-end by 3/11/XX (thus, 12/31/2023 fund balance was due to OMB on 3/11/2024)
 - Even 2022 fund balance was unavailable as of 3/31/2024
 - Even *had* 2022 fund balance been known, parties still could not roll from 2022:
 - Not all 2023 months have been closed, and
 - The months that *have* been closed have only been partially closed (example: TANS, MUSA, ML&P Close out, etc.)
- If Fund Balance ultimately exceeds 12% policy? 2024 supplemental appropriations will be possible to allow additional 2024 spend, once Fund Balance is known (once month “14” of 2023 is closed). *Spending cap vs. Tax cap.*
- If Fund Balance < 12% policy, expense reductions to balance budget

Fund Balance Calc (2022) Rec'd 4.10.2024

	2021 Audited Actuals	2022 Draft ACFR Exhibit E-1	
<u>The 12% Fund Balance Components - Fund Balance / (Deficit)</u>			
Committed: 10% Bond Rating Designation	50,153,511	47,841,911	
Unassigned: 2% Working Capital Reserve	11,035,495	10,515,204	
Unassigned: Other	(71,589,440)	(42,902,083)	28,687,357 Improvement during 2022
Total Unrestricted	(10,400,434)	15,455,032	
Nonspendable, restricted, and Committed Fund Balances	22,006,016	37,338,075	15,332,059 Improvement during 2022
Grand Total	11,605,582	52,793,107	41,187,525 Improvement during 2022

Topic #2 – Major Changes from 2024 Approved *(Ref: AR 2024-104)*

2a. Pers (ML&P) vs. Golden Lion (ML&P)

- This ML&P issue is only a small fraction of the total ML&P issues that must be dealt with to wrap up the 2020 ML&P sale to CEA
- However, timely, because it affects 2024 budget
- High level issue is:
 - some ML&P costs have been charged to the taxpayers that s/h/b charged to ML&P (Row 47)
 - offset by some costs having been charged to ML&P that s/h/b charged to taxpayers (Row 35)
 - the two partially offset

2a. PERS / ML&P (Charter)

Section 13.11. - Trust fund.



(a) When a municipal owned utility is sold pursuant to [section 16.02](#) of this **Charter**, the proceeds shall be used to:

- (1) Retire the debt of that utility;
- (2) Retire other municipal debt deemed appropriate by the assembly;

(3) Establish a trust fund with the balance of the proceeds.

(b) The trust fund shall be defined as an endowment fund with a controlled spending policy limiting dividend distributions and managed by the MOA Trust Fund Board of Trustees consistent with the Uniform Prudent Investor Act as adopted by reference and amended in the municipal code with the following stipulations:

- (1) The corpus, or a portion of the corpus, of this trust shall be maintained in perpetuity as an endowment. Any use of the corpus, or a portion of the corpus, separate from the controlled spending policy of the endowment, may only be used for purposes approved by a majority of the voters voting on a ballot proposition in a regular or special election;
- (2) Under the endowment's-controlled spending policy an annual dividend may be appropriated by the assembly provided that the annual appropriation does not exceed five percent of the average asset balance of the trust.
- (3) The MOA Trust Fund Board shall advise both the assembly and administration.

(c) The fund shall be invested and managed in accordance with [chapter 6.50](#) of the Municipal Code.

Had ML&P been a “Clean” Transaction, PERS Debt to SOA w/h/been Repaid In Full @ Time of Sale

Simple Transaction (#s all illustrative)

Cash Up Front (this is the # approved by voters)	Pay off all debts except PERS debt (A)	Pay off ML&P's share of SAP debt	Pay off ML&P PERS debt to SOA	Share of Worker's Comp and GL Debt - MISSING	Transaction Fees and other Payments	\$ to MOA Trust Fund
1,000,000,000	(505,757,096)	(5,405,736)	(28,000,000)	(2,500,000)	(7,269,512)	451,067,656

Annual MOA Trust Fund Div increase to GG w/h/b about: 18,042,706 x 4%

2a. Why Wasn't all (PERS) Debt Paid @ Time of Sale?

- PERS used to be a multi-employer single agent plan (each participant, including ML&P, “stood alone”)
- State of Alaska comingled employers' accounts (!)
- No reasonable choice but to merge all State of Alaska accounts into cost-sharing plan (2008); ML&P no longer had its own standalone calculated liability that it could pay off @ time of sale
- Ref: PERS footnotes in annual audited financial statements

2a. Were Other Obligations Repaid from ML&P Cash on Hand @ Time of Sale?

First Pers Payment		1,890,032
Pers Payments #2 through up to 100+		omitted from analysis
IBEW Settlement of Payroll Grievances, Ralph Duerre & Blair Christensen email Aug 12, 2020, To be delivered to employees in final ML&P paycheck		250,368
Lost IGC Revenue from ML&P Nov - Dec 2020		650,000
SWS Staff Position Amount Due to SWS for 2021 - Energy Manager	25,000	
AEDC Contribution for 2021, 9/8 Conf Call	50,000	
ML&P Lobbyist for 2021, 9/8 Conf Call	75,000	
		150,000
Plant 2A guardshack costs of removal		200,000
Retention Payments paid to ML&P Executives - Anna Henderson, ML&P General Manager 9/10/20 email		1,157,864

The above represents a mere sampling of payables – including a PERS payment to the State of Alaska paid from the proceeds from the sale of the utility. Many pockets of cash flows – debt, FLTA, cash on hand, etc., transacted.

2a. Current PERS status

- We receive a bill each year (range: \$1.2m to \$1.4m)
- We have been treating the costs as (taxpayer) operating expenses, but they are NOT operating expenses – they have ABSOLUTELY NOTHING TO DO WITH OPERATIONS
- SOA Bills will **only** stop at the earlier of:
 - When PERS becomes “fully funded”, or
 - When a SOA legislative solution corrects this problem
- Bills will continue long after the mortal lives of the employees / PERS dependents, because the State’s annual invoices have *nothing to do with any human individuals*
- If no legislative solution is obtained, 100 years of payments would equal about \$135 million (undiscounted figure)
- Prior PowerPoint presentations to Assembly?:
 - Payments would stop in 10 years? (incorrect)
 - Payments would stop in 25 years? (incorrect)

2a. ML&P Sale Complications (some of them...)

- CEA couldn't afford to pay 100% at time of transaction
 - PILT for 50 years (in lieu of lost MUSA) to G.G.
 - Power Purchase Agreement payments for 35 years (Deemed “Utility proceeds” per Charter, which are appropriately forwarded to the MOA Trust Fund)
- PERS couldn't be fully repaid at time of transaction
 - First payment? Properly paid out of ML&P's cash on hand @ time of transaction rather than charged to MOA taxpayers as a general gov't cost
 - Subsequent payments? Incorrectly charged to general gov't., resulting in less services each year to taxpayers, EVEN THOUGH THERE WAS STILL ML&P CASH ON HAND REMAINING
 - Even if ML&P cash on hand had run out, the charge s/n/h/been a hit to general government, since it was a debt of ML&P

2a. State's Unfunded Liability Treatment

- Amortized over 25-year term (“closed” amortization period)
- The plan appears to be a layered plan, and it appears to re-set to 25 years annually (rather than dropping to 24 years, 23 years, 22, etc.)
- 25 years is merely the time the unfunded liability is expected to be paid. However, if the amortization life is reset each year, no progress will be made (similar to if you refinanced your 30-year mortgage every year into a new 30-year mortgage)
- National averages are 20 years (median 19 years), so Alaska is not tackling its unfunded liability as aggressively as its peers

2a. State of Alaska Code: §39.35.625(a)

- (a) Notwithstanding AS 39.35.255, an employer that terminates participation of a department, group, or other classification of employees in the plan under AS 39.35.615 or that terminates participation in the plan under AS 39.35.620 shall pay to the plan each payroll period until the past service liability of the plan is extinguished an amount calculated by applying the current past service contribution rate adopted by the board to the greater of total base salaries paid
 - (1) during the payroll period to employees in positions for which coverage has been terminated;
 - (2) at the time of termination to employees in positions for which coverage has been terminated; or
 - (3) during the corresponding payroll period for the fiscal year ending June 30, 2008, to employees in positions for which coverage has been terminated

2a. State of Alaska Code: §37.10.220(a)(8)(B)

Powers and Duties of the (State Pers) Board

(a) The Board Shall

(8) coordinate with the retirement system administrator to have an annual actuarial valuation of each retirement system prepared to determine system assets, accrued liabilities, and funding ratios and to certify to the appropriate budgetary authority of each employer in the system

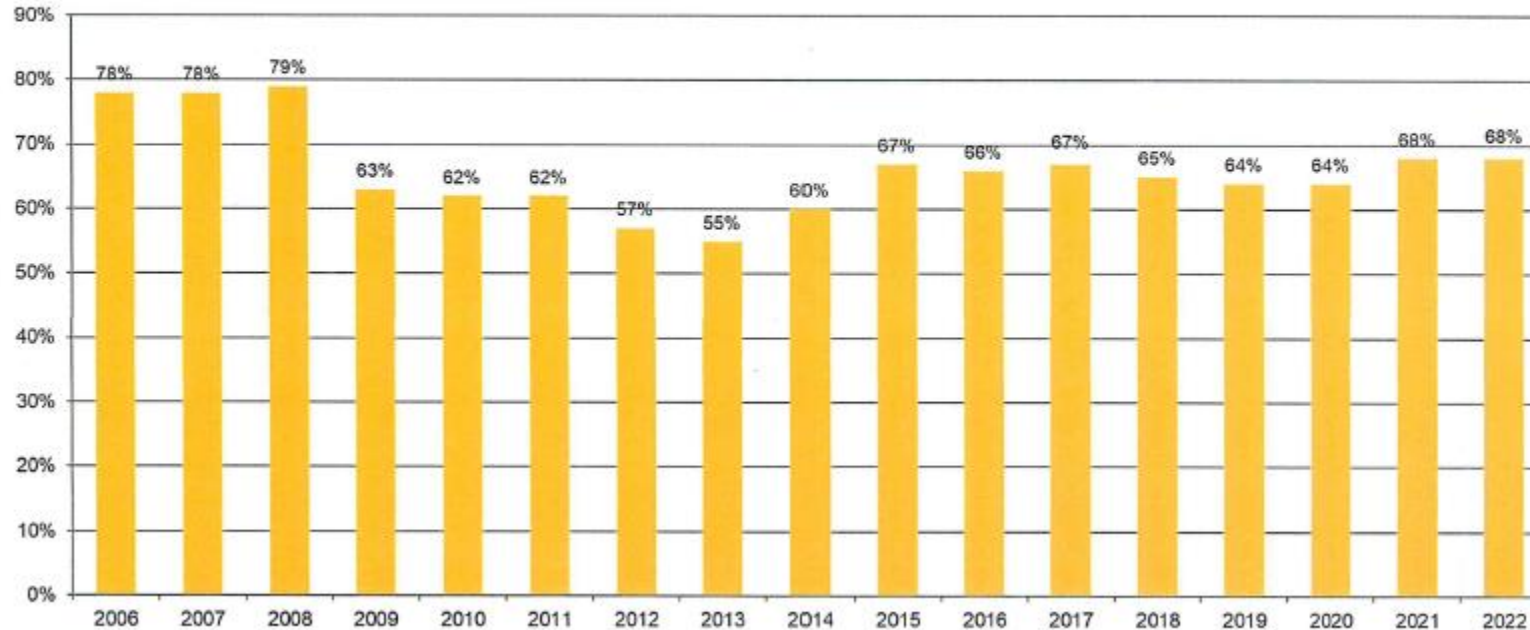
(B) an appropriate contribution rate for liquidating any past service liability;

(B) Requires the board to utilize a level percent of pay method based on amortization of the past service liability for a closed term of 25 years.

2a. Alaska Makes No Progress Toward PERS Full Funding

Funded Ratio History (Based on Valuation Assets)

Pension (2006 and later)



Source: p. 3, June 2023 Buck Report. Before 2006, funding ratios were presented comingled for pension and health (Beginning 68% in 1979 and Ending 66% in 2005, aka, no progress then, either)

2a. Cumulative PERS Hits to Gen'l Gov't To-Date (Year 5 = Budget only)

description	\$\$	period	Comment	Source of funds	
				proceeds from sale	charged to G.G. \$\$
Year 1 PERS	1,890,032	time of close		1,890,032	
these are tiny PERS items charged to GG in 2020; see below	55,523				
	55,523				
	(4,548)				106,498
Year 2 PERS (A)	888,369	44,348	partial period		888,369
Year 3 PERS (A)	1,449,936	44,713			1,449,936
Year 4 PERS (A)	1,267,803	45,078			1,267,803
Year 5 PERS (A)	1,293,142	45,444			1,293,142
Year 6 PERS (A)					

OK

NO

Note: PERS figures reflect SOA fiscal years, therefore, they don't align perfectly with our budget years

6,895,780

1,890,032

5,005,748

2a. Budget Opportunities – PERS – Three Parts

- Short Term Solution – 2024
 - Current Year – Reverse 2024 Budgeted Expense out of HR (charge to lingering ML&P cash on hand in Fund 170 - \$1.2m)
 - Prior Years – Recover Payments Charged to General Government, and charge to lingering ML&P cash on hand in Fund 170 - \$4.8m) [ML&P Reconciliation in Support of PERS Appropriation \(Ro...](#)
- Long Term Solutions (not for action now)
 - Hydro utility continues to receive Power Purchase Agreement \$\$ from Chugach Electric Association annually
 - Hydro first transfers each year's SOA PERS obligation to General Gov't out of this source of revenue
 - Hydro then remits the remainder – the net balance - to the MOA Trust Fund
 - The Municipality seeks a legislative solution to the terminated employer issue alongside other similarly situated Alaskan employers such as the City of Sitka

2a. Long Term Proposal - #s Illustrative due to State (6/30 vs. 12/31) fiscal year misalignment

What Happened?		Correct Treatment	
Utility Proceeds to MOA Trust Fund (OK)	2,805,180	Utility Proceeds from Sale	2,805,180
		Utility Debt / Obligations	(1,449,936)
Utility Debt / Obligations - charged to G.G	(1,449,936)	Utility Net Proceeds after repayment	<u>1,355,244</u>

In accordance with Charter, this figure should be forwarded to the MOA Trust Fund, to hold current taxpayers harmless from the ML&P sale

Visually (Future Year Dividends from Hydro, once ML&P Escrow cash has been spent)

All numbers would be subject to annual Assembly appropriations....

Gen'l Gov't (numbers illustrative)		Hydro (numbers illustrative)	
Revenue from Hydro (dividend)	1,350,000	ML&P Utility Proceeds - Installment Sales (Revenue)	2,600,000
Pers obligation (expense) to SOA	<u>(1,350,000)</u>	Dividend to GG equal to year's ML&P PERS obligation	<u>(1,350,000)</u>
Net "hit" to GG	<u><u>-</u></u>	Subtotal: Net ML&P proceeds	<u>1,250,000</u>
		Dividend to MOA Trust Fund	<u>(1,250,000)</u>
		Net \$ retained by Hydro	<u>-</u>

Row 11 – TANs Cancellation

- TANs sale cancelled effective April 1, 2024 (this is the date OMB learned of the cancellation)
- **Net** (negative) hit to 2024 approved budget of \$307k
- However, many funds and accounts affected, both revenues and expenses (on a gross level), requiring budget to be re-run on April 5:

2024 Approved TANs Budgets

Fund	Department	Expenditures		Total	Revenues		Total	Net
		580120 - TANS Interest	580130 - TANS Fiscal Agent Fees		440030 - TANS Interest Earnings	460035 - Premium on TANS		
131000	Fire	641,000	57,000	698,000	-	(72,300)	(72,300)	625,700
141000	Maintenance & Operations	288,000	12,000	300,000	-	(12,050)	(12,050)	287,950
101000	Non-Departmental	2,565,000	138,000	2,703,000	-	-	-	2,703,000
161000	Parks & Recreation	32,000	2,000	34,000	-	(6,025)	(6,025)	27,975
151000	Police	641,000	86,000	727,000	-	(96,400)	(96,400)	630,600
Multi	Taxes & Reserve	-	-	-	(4,167,000)	(415,725)	(4,582,725)	(4,582,725)
	Grand Total	4,167,000	295,000	4,462,000	(4,167,000)	(602,500)	(4,769,500)	(307,500)

Topic 2b

Revenue Changes



THE STATE
of **ALASKA**
GOVERNOR MIKE DUNLEAVY

Department of Commerce, Community,
and Economic Development

DIVISION OF COMMUNITY AND REGIONAL AFFAIRS
Anchorage Office

550 West Seventh Avenue, Suite 1650
Anchorage, Alaska 99501
Main: 907.269.7906
Fax: 907.269.4539

Row 16 – prev
budget forecast
was approx.
\$4m, which was
our 2023 State
of Alaska
Revenue Sharing

January 31, 2024

Kent Kohlase, Municipal Manager
Municipality of Anchorage
P.O. Box 196650
Anchorage, AK 99519

Dear Mr. Kohlase,

The Division of Community and Regional Affairs (DCRA) is pleased to provide you with the attached FY25 Community Assistance Program (CAP) application. Please carefully review the application and instructions. The completed FY25 CAP application must be returned **no later than June 1, 2024**.

Please be aware that the funding level for the FY25 CAP has not yet been determined. This estimate is based on the statutorily required distribution of one third of the anticipated June 30, 2024, CAP fund balance. The payment estimate does not take into consideration any possible increases to the funding level through either a FY25 supplemental budget or other legislative appropriations. Payment amounts will be updated to reflect actual award amounts after June 30, 2024 at:

<https://www.commerce.alaska.gov/dcra/eGrantsOnLine/Pages/RevenueSharing.aspx>

Municipality of Anchorage estimated FY25 CAP payment is **\$429,165.13**

In addition to the borough's initial payment, \$15,789 is added for the unincorporated communities certified by the borough assembly as meeting the eligibility criteria under AS 29.60.865, AS 29.60.879, and 3 AAC 180.110.

The application and required documents must be received by the department either by electronic mail no later than 4:30pm on June 1, 2024, or by regular mail postmarked no later than June 1, 2024. Please carefully review the instructions in regard to submitting by electronic mail. The electronic mailing address is: caa@alaska.gov.

Please contact Lindsay Reese with any questions at (907) 269-7906 or lindsay.reese@alaska.gov.

Sincerely,
Lindsay Reese

2c. Building Safety Fund #163

- Hybrid Fund. Acts like an internal service fund (fees supposed to cover expenses) but in reality, it is a service area fund that carves out Eagle River / Chugiak
- Fund (economically) fails as an internal service fund, and deficits have grown
 - No reasonable ability to increase fees enough to break even, and
 - No reasonable ability to cut costs without decimating service levels
 - Other options? Charge some mill rate, as was done around 20 years ago. *Impact is less \$ available for other gen gov't spending and a hit to 2024-approved budget*

MUNICIPALITY OF ANCHORAGE, ALASKA
Building Safety Service Area
Comparative Balance Sheet
December 31, 2021 and 2020

	2021	2020
ASSETS		
Cash	\$ 500	\$ 500
Taxes Receivable:		
Delinquent Taxes	2,017	2,017
Penalties and Interest	4,078	4,078
Less: Allowance for Uncollectibles	(143)	(143)
Total Net Taxes Receivable	<u>5,952</u>	<u>5,952</u>
Accounts Receivable	65,640	103,900
Less: Allowance for Uncollectibles	(5,441)	(3,970)
Total Net Accounts Receivable	<u>60,199</u>	<u>99,930</u>
TOTAL ASSETS	<u><u>66,651</u></u>	<u><u>106,382</u></u>
LIABILITIES		
Accounts Payable and Retainage	5,801	9,964
Accrued Payroll Liabilities	290,424	240,698
Due to Area-wide	12,705,142	10,620,839
Unearned Revenue and Deposits	228,000	229,000
Total Liabilities	<u>13,229,367</u>	<u>11,100,501</u>
DEFERRED INFLOWS OF RESOURCES		
Unavailable Revenues - Property Taxes	6,238	5,952
Total Deferred Inflows of Resources	<u>6,238</u>	<u>5,952</u>
FUND BALANCE (DEFICIT)		
Committed	649,109	654,461
Unassigned (Deficit)	(13,818,063)	(11,654,532)
Total Fund Deficit	<u>(13,168,954)</u>	<u>(11,000,071)</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND DEFICIT	<u><u>\$ 66,651</u></u>	<u><u>\$ 106,382</u></u>

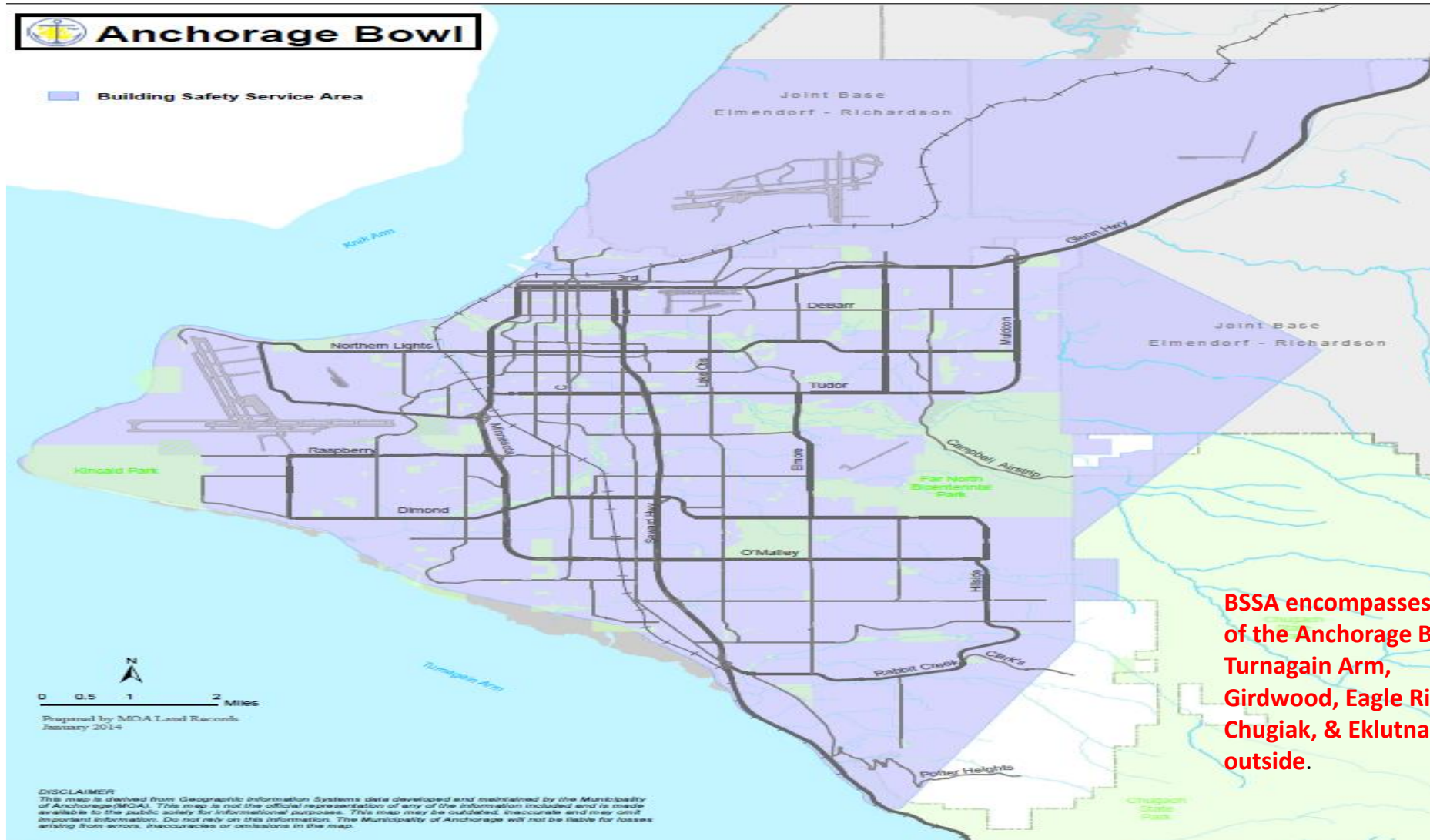
EXHIBIT AA-67

MUNICIPALITY OF ANCHORAGE, ALASKA
Building Safety Service Area
Comparative Statements of Revenues, Expenditures,
and Changes in Fund Deficit
For the Years Ended December 31, 2021 and 2020

	2021	2020
REVENUES		
Taxes	\$ (286)	\$ -
Intergovernmental	177,530	185,752
Licenses and Permits	5,969,254	6,441,226
Charges for Services	21,385	21,334
Investment Loss	(325,275)	(14,859)
Fines and Forfeitures	29,175	64,575
Other	4,856	515
Total Revenues	<u>5,876,639</u>	<u>6,698,543</u>
EXPENDITURES		
Public Services:		
Economic and Community Development	7,867,992	7,932,862
PERS On-behalf Expenditures	177,530	185,752
Total Public Services	<u>8,045,522</u>	<u>8,118,614</u>
Total Expenditures	<u>8,045,522</u>	<u>8,118,614</u>
Net Change in Fund Deficit	(2,168,883)	(1,420,071)
Fund Deficit, January 1	(11,000,071)	(9,580,000)
Fund Deficit, December 31	<u><u>\$ (13,168,954)</u></u>	<u><u>\$ (11,000,071)</u></u>

2c. Building
Safety Fund,
cont.

2c. Map of Building Safety Service Area



BSSA encompasses most of the Anchorage Bowl – Turnagain Arm, Girdwood, Eagle River, Chugiak, & Eklutna are outside.

2c. Building Safety Proposal:

- Mill Rate of .5 to be assessed
- Tax Revenue of \$1.7m to be collected in addition to normal operating revenues (see row 9 of AR 2024-104 attachment)
- Note that this should only stop further growth of the deficit. A larger mill rate would be needed in future years to **reduce** the deficit.
- Impact of this proposal w/h/been same taxes / lower service levels, except for offsetting AWU dividend

IMPORTANT – MILLS OF .5 OR EVEN MORE MUST CONTINUE FOR INDEFINITE FUTURE (UNLESS RATES ARE INCREASED AND/OR COSTS ARE CUT)

2e. Worker's Comp / Gen Liability

- Very Similar to Building Safety – Long Term deficit that grows every year
- Premiums charged to depts, enterprise funds and utilities don't cover costs

2e. First
Deficit
Appeared in
2000

RISK MANAGEMENT FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
For the Year Ended December 31, 2001
With Comparative Totals for the Year Ended December 31, 2000

	General Liability/ Workers' Comp	Medical Dental Life	Unemployment Compensation	TOTAL December 31 2001	-
OPERATING REVENUES					
Premiums	\$ 6,946,650	\$ 22,885,653	\$ 772,959	\$ 30,605,262	\$
OPERATING EXPENSES					
Operations:					
Services and Charges:					
Insurance Premiums	501,163			501,163	
Unemployment Compensation			324,379	324,379	
Claims and Processing Fees Net of Change in Estimated But Not Reported Claims of \$83,010 in 2001 and \$253,212 in 2000	7,764,302			7,764,302	
Claims and Processing Fees Net of Change in Estimated But Not Reported Claims of \$(4,582,623) in 2001 and \$552,000 in 2000		22,648,530		22,648,530	
Professional Service Fees	554,455	145,814		700,269	
Total Services and Charges	8,819,920	22,794,344	324,379	31,938,643	-
Charges from Other Departments	492,388			492,388	-
Total Operating Expenses	9,312,308	22,794,344	324,379	32,431,031	-
Operating Income (Loss)	(2,365,658)	91,309	448,580	(1,825,769)	-
NON-OPERATING REVENUES					
Investment Income:					
Short-Term Investments	479,955	72,075	52,751	604,781	-
Income (Loss) before Operating Transfers	(1,885,703)	163,384	501,331	(1,220,988)	-
TRANSFER (TO) FROM OTHER FUNDS:					
Management Information Systems Fund	(32,000)			(32,000)	-
NET INCOME (LOSS)	(1,917,703)	163,384	501,331	(1,252,988)	-
Retained Earnings, January 1	945,602	279,043	818,458	2,043,103	
RETAINED EARNINGS (DEFICIT), DECEMBER 31	\$ (972,101)	\$ 442,427	\$ 1,319,789	\$ 790,115	\$

2e. WC and GL 2024 Qu 1. (Row 40)

- \$.5m partial recovery
- If, during 2024, 2023 Month 14 is closed and Fund balance exceeds 12%, further appropriations to shore up WC and GL could be considered by the Assembly
- **IMPORTANT** – As ML&P is wound up, ML&P should be assessed a portion of this debt (this was an inadvertent omission on the original ML&P appropriations)

MUNICIPALITY OF ANCHORAGE, ALASKA
 General Liability and Workers' Compensation Fund
 Comparative Statements of Net Deficit
 For the Years Ended December 31, 2021 and 2020

	2021	2020
CURRENT ASSETS		
Cash and Investments in Central Treasury	\$ 12,950,670	\$ 12,234,710
Accounts Receivable, Net	16,793	15,509
Prepaid Items and Deposits	785,060	762,905
Total Current Assets	<u>13,752,523</u>	<u>13,013,124</u>
NONCURRENT ASSETS		
Advances to Other Funds	5,811,513	6,207,910
Net OPEB Asset	211,633	5,780
Total Noncurrent Assets	<u>6,023,146</u>	<u>6,213,690</u>
Total Assets	<u>19,775,669</u>	<u>19,226,814</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Outflows Related to Pension	26,978	6,804
Deferred Outflows Related to OPEB	4,724	3,417
Total Deferred Outflows of Resources	<u>31,702</u>	<u>10,221</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>19,807,371</u>	<u>19,237,035</u>
CURRENT LIABILITIES		
Accounts Payable and Retainages	8	29
Accrued Payroll Liabilities	13,944	12,350
Compensated Absences	32,218	28,789
Claims Payable	17,264,563	15,163,781
Claims Incurred but Not Reported	3,623,535	3,283,151
Total Current Liabilities	<u>20,934,268</u>	<u>18,488,100</u>
NON-CURRENT LIABILITIES		
Compensated Absences	7,489	18,169
Claims Incurred but Not Reported	7,771,841	7,226,576
Net Pension Liability	291,943	68,673
Net OPEB Liability	-	100
Total Noncurrent Liabilities	<u>8,071,273</u>	<u>7,313,518</u>
Total Liabilities	<u>29,005,541</u>	<u>25,801,618</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred Inflows Related to Pension	116,420	-
Deferred Inflows Related to OPEB	112,021	4,608
Total Deferred Inflows of Resources	<u>228,441</u>	<u>4,608</u>
NET DEFICIT		
Unrestricted	<u>(9,426,611)</u>	<u>(6,569,191)</u>
Total Net Deficit	<u>(9,426,611)</u>	<u>(6,569,191)</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET DEFICIT	<u>\$ 19,807,371</u>	<u>\$ 19,237,035</u>

Fund 603 – WC / GL (Row 40)

Deficit @ end of 2022:
\$14m per draft ACFR

3. Other Changes from 2024 Approved

- Additional OT for O & M \$601,873. M & O – running hot – and believes this request is legitimate Row 38 and see next slide
- Some Payroll Budget \$\$ allocated from IT to Finance and Purchasing (no change in total) Rows 33, 37, 41
- \$1,000 retention bonuses for all non-reps (excl. public safety) in lieu of 2024 new step; must be employed @ y/e to be eligible for retention bonus (Row 43)
- City Hall parking garage costs absorbed by MOA. Parity within MOA groups, increase employee morale and retention, reduce poaching by other depts, etc. (\$79,319 Row 42)

M & O Overtime Adjustment

2024 Labor Budget to Actuals at 2024-04-11 (28% thru the year)					
General Government	Current Budget Incl. Transfers	Encumbrance	YTD Actuals	% Spent	Underspend / (Overspend)
Assembly	4,871,131	-	1,113,068	23%	248,179
Municipal Attorney	6,753,697	-	1,336,910	20%	550,425
Community Development	2,436,954	9,536	532,220	22%	139,257
CFO	311,824	-	96,360	31%	(9,220)
Development Services	11,513,312	-	2,706,628	24%	510,791
Equity & Justice	430,942	-	84,685	20%	35,742
Equal Rights Commission	831,020	-	167,827	20%	64,403
Fire	87,715,840	49,045	20,861,844	24%	3,601,483
Finance	11,744,003	-	2,786,509	24%	495,377
Health	6,659,001	-	1,203,909	18%	656,962
Human Resources	6,568,768	-	1,572,784	24%	262,872
Internal Audit	849,227	-	162,984	19%	74,334
Information Technology	13,947,184	-	3,111,704	22%	785,865
Library	7,355,697	-	1,748,547	24%	307,018
Office of the Mayor	1,580,869	-	422,789	27%	18,988
Municipal Manager	2,770,163	(7,427)	596,489	21%	185,066
Maintenance & Operations	19,190,643	-	5,985,028	31%	(622,164)
Office of Management & Budget	998,898	-	218,450	22%	60,694
Police	109,507,730	-	27,374,831	25%	3,227,330
Planning	3,358,907	-	756,633	23%	182,021
Project Management & Engineering	714,954	-	147,221	21%	52,574
Parks & Recreation	13,325,228	-	2,399,615	18%	1,324,147
Public Transportation	20,872,784	-	4,941,801	24%	891,141
Purchasing	1,802,956	-	411,455	23%	92,384
Public Works Director	237,959	-	-	0%	66,498
Real Estate	725,729	-	105,789	15%	97,017
Traffic Engineering	5,044,375	-	1,103,665	22%	305,996
Total General Government	342,119,795	51,153	81,949,746	24%	13,605,181
	13,605,181				
Utility / Enterprise	Current Budget Incl. Transfers	Encumbrance	YTD Actuals	% Spent	Underspend / (Overspend)
Anchorage Hydropower	188,517	-	-	0%	52,681
Anchorage Wastewater Utility	19,643,182	(1,954)	4,789,004	24%	702,277
Anchorage Water Utility	20,422,882	(3,949)	5,119,454	25%	591,711
Merrill Field Airport	1,406,897	-	272,876	19%	120,284
Don Young Port of Alaska	3,029,557	-	724,444	24%	122,172
Solid Waste Services	15,170,534	-	3,214,455	21%	1,024,982
Total Utility / Enterprise	59,861,569	(5,902)	14,120,233	24%	2,614,108
	2,614,108				

3. Other Changes from 2024 Approved, cont.

- Transfer \$75k BDO contract amendment from CFO to Assembly (no change in total spending); **Assembly budget increased** for this budget amendment, therefore, Assembly budget is held harmless for this increased cost Row 31

4) ASD

What Happened Last Year, and How Should we Fix it This Year?

4. ASD

- Last Year ASD Budget inadvertently charged over the tax cap and total 2023 MOA was very near the tax cap (only \$57,890 under)
- Thus, MOA taxpayers were overcharged
- A correction is required this year

ASD taxed over the tax cap last year; ASD’s budget year straddles two MOA budget years

Appendix E

Anchorage School District
Fiscal Year 2023-2024

COMPUTATION OF MUNICIPAL PROPERTY TAX LIMITATION

		<u>Charter Limit</u>
Taxes Projected – Anchorage School District FY 2022-2023		\$ 256,691,028
Less: Prior Year Taxes Required for Debt Service		<u>38,661,922</u>
Net Taxes Approved for General and Transportation Funds		218,029,106
<u>Allowable Growth Factors</u>		
Population – 5 year Average	-0.6%	
CPI – 5 average year Anchorage Urban	<u>3.3%</u>	
	2.7%	<u>5,886,786</u>
Basic Tax Limitation		223,915,892
<u>Plus Exclusions:</u>		
Judgments/Legal Settlements		-
Taxes for Operations and Maintenance on New Voter Approved Facilities		-
Taxes Requested on New Construction/Property Improvements		<u>1,575,489</u> [1]
Tax Limitation – General Fund		225,491,381
Taxes Requested for Debt Service		<u>37,403,080</u>
Tax Limitation FY 2023-2024		262,894,461
General and Transportation Funds	226,080,926	
Debt Service Fund	<u>37,403,080</u>	
Taxes Projected in Financial Plan – FY 2023-2024		<u>263,484,006</u>
Amount Over (Under) as allowed by the Property Tax Cap Limitation under the MOA Charter		<u>\$ 589,545</u>

[1] New construction uses the 2022 amount pending updated information from the Municipality

ASD Appendix E,
this year

Anchorage School District
Fiscal Year 2024-2025

Appendix E

COMPUTATION OF MUNICIPAL PROPERTY TAX LIMITATION

		<u>Charter Limit</u>
Taxes Projected – Anchorage School District FY 2023-2024		\$ 263,484,006
Less: Prior Year Taxes Required for Debt Service		<u>37,403,080</u>
Net Taxes Approved for General and Transportation Funds		226,080,926
<u>Allowable Growth Factors</u>		
Population – 5 year Average	-0.4%	
CPI – 5 average year Anchorage Urban	<u>2.8%</u>	
	2.4%	<u>5,425,942</u>
Basic Tax Limitation		231,506,868
<u>Plus Exclusions:</u>		
Judgments/Legal Settlements		-
Taxes for Operations and Maintenance on New Voter Approved Facilities		-
Taxes Requested on New Construction/Property Improvements		<u>1,692,321</u> [1]
Tax Limitation – General Fund		233,199,189
Taxes Requested for Debt Service		<u>34,112,425</u>
Tax Limitation FY 2024-2025		267,311,614
General and Transportation Funds	229,832,346	
Debt Service Fund	<u>34,112,425</u>	
Taxes Projected in Financial Plan – FY 2024-2025		<u>263,944,771</u>
Amount Over (<u>Under</u>) as allowed by the Property Tax Cap Limitation under the MOA Charter		<u>\$ (3,366,843)</u>

[1] New construction amount taken from the Municipality of Anchorage's 2024 Proposed General Government Operating Budget.

4. 2023: ASD overcharged

Gross Taxes
 Reverse: Last Year's Debt Service
 Tax Cap Starting Point before Current Year Debt Service and Changes in CPI and Pop

Population decline - 5 year Average
 CPI - 5 year Average

Plus: Taxes for New Construction/Property Improvements (1)
 Add: This Year's Debt Service
 Tax Limitation per ASD (General Fund)

Rollforward for purposes of calculating Tax Cap Limit
 Taxes - Rollforward Figure, excl. Debt Service
 Debt Service
 Total ASD Tax Cap Limit (Financial Plan)

Over / (Under) as allowed by the Property Tax Cap Limitation under the MOA Charter

2023-2024		2024-2025	
	256,691,028		263,484,006
	(38,661,922)		(37,403,080)
	218,029,106		226,080,926
-0.6%		-0.4%	
3.3%		2.8%	
2.7%	5,886,786	2.4%	5,425,942
	1,575,489		1,692,321
	37,403,080		34,112,425
	262,894,461		267,311,614
	226,080,926		229,832,346
	37,403,080		34,112,425
	263,484,006		263,944,771
	589,545		(3,366,843)

(1) Source: MOA 2024 Proposed General Government Operating Budget

ASD's last year error, at 100%
 Year's don't align perfectly - 6/30 vs. 12/31

589,545
 294,773

4) MOA s/h corrected for ASD's mistake last year, but didn't

Amount that should have been adjusted	589,545 /	2 :	294,773	offset too little
Amount that should have been adjusted	589,545 /	2 :	294,773	offset too little
2023 GG Ops did not tax to the cap by \$57,890			(57,890)	
GG should have corrected for ASD's overcollection			<u>531,655</u>	offset too little
2023 ASD taxes included 1/2 of amount	589,545 /	2 :	294,773	collected too much
2024 ASD taxes includes 1/2 of amount	589,545 /	2 :	<u>294,773</u>	collected too much
			<u>589,545</u>	collected too much
			<u>1,121,200</u>	taxpayers overcharged

4) Is ASD's "go-forward" math too high?

Gross Taxes
 Reverse: Last Year's Debt Service
 Tax Cap Starting Point before Current Year Debt Service and Changes in CPI and Pop

Population decline - 5 year Average
 CPI - 5 year Average

Plus: Taxes for New Construction/Property Improvements (1)
 Add: This Year's Debt Service
 Tax Limitation per ASD (General Fund)

Rollforward for purposes of calculating Tax Cap Limit
 Taxes - Rollforward Figure, excl. Debt Service
 Debt Service
 Total ASD Tax Cap Limit (Financial Plan)

Over / (Under) as allowed by the Property Tax Cap Limitation under the MOA Charter

	2023-2024		2024-2025		
		256,691,028		263,484,006	or 262,894,461
		(38,661,922)		(37,403,080)	(37,403,080)
		218,029,106		226,080,926	225,491,381
	-0.6%		-0.4%		
	3.3%		2.8%		
	2.7%	5,886,786	2.4%	5,425,942	5,411,793
		1,575,489		1,692,321	1,692,321
		37,403,080		34,112,425	34,112,425
		262,894,461		267,311,614	266,707,920
					diff:
					(603,694)
		226,080,926		229,832,346	
		37,403,080		34,112,425	
		263,484,006		263,944,771	
		589,545		(3,366,843)	

(1) Source: MOA 2024 Proposed General Government Operating Budget

ASD's last year error, at 100%
 Year's don't align perfectly - 6/30 vs. 12/31

589,545
 294,773

4) ASD – Carryforwards for Future Years

OMB Recommendations:

- ASD’s resolutions to the Assembly could attach ASD’s Exhibit E each year, and
- ASD’s resolutions to the Assembly could specifically articulate compliance with ASD’s tax cap as a “Whereas”, and
- ASD could research whether it needs a tweak in its go-forward math (see previous slide)

[ASD – Reasons to Wait and See?](#)

5) Alcohol Tax – No Change to 2024 Approved

Any additional needs for homelessness (currently estimated at approx. \$873k, down from \$1.03m) will be processed via a supplemental appropriation.

2023 Budget to Actuals
Function Cost through December 31, 2023 as of April 3, 2024

Category and Description		2023 Revised Budget	Transfers and Supplementals	2023 Total Budget	Encs	Expenditures	Total Encs + Expenditures	(Over) / Under Budget	% of Budget Spent & Encumbered
<u>Child Abuse, Sexual Assault, and Domestic Violence</u>									
Health	Early education grants to providers	1,999,850	-	1,999,850	0	1,509,725	1,509,725	490,125	75%
Health	Evidence-based grants to providers	4,000,000	(190,000)	3,810,000	250,000	1,456,002	1,706,002	2,103,998	45%
Health	Evidence-based grants to providers WIC	-	190,000	190,000	-	60,482	60,482	129,518	32%
Health	Evidence-based grant to Abused Women's Aid in Crisis (AWAIC)	125,000	-	125,000	-	125,000	125,000	-	100%
Health	Evidence-based grant to Standing Together Against Rape (STAR)	125,000	-	125,000	-	125,000	125,000	-	100%
Health	Evidence-based grant to Victims for Justice	125,000	-	125,000	(0)	125,000	125,000	-	100%
Health	APD DV Overtime	-	-	-	-	0	0	(0)	0%
Health	Program operations	67,675	-	67,675	-	54,955	54,955	12,720	81%
Library	Early Literacy program operations	128,357	-	128,357	-	128,357	128,357	0	100%
Library	Best Beginnings	150,000	-	150,000	-	150,000	150,000	-	100%
		6,720,882	-	6,720,882	250,000	3,734,522	3,984,522	2,736,360	59%
<u>First Responders</u>									
Fire	Mobile Crisis Team	2,447,180	(486,011)	1,961,169	0	918,674	918,674	1,042,495	47%
Fire	Polyfluorinated substances response equipment	100,000	-	100,000	-	-	-	100,000	0%
Municipal Attorney	Program operations	267,989	-	267,989	0	166,210	166,210	101,779	62%
Police	Program operations	600,590	-	600,590	-	703,659	703,659	(103,069)	117%
Police	Mobile Intervention Team	225,601	-	225,601	(205,286)	331,252	125,966	99,635	56%
		3,641,360	(486,011)	3,155,349	(205,286)	2,119,795	1,914,509	1,240,840	61%
<u>Homelessness</u>									
C Development	Golden Lion	250,000	-	250,000	(0)	243,823	243,823	6,177	98%
Health	Salvation Army Treatment Center	-	-	-	(4,580)	-	(4,580)	4,580	0%
Health	Pay for Success/Home for Good - housing program	1,800,000	-	1,800,000	-	1,746,000	1,746,000	54,000	97%
Health	Program operations	679,079	-	679,079	-	546,642	546,642	132,437	80%
Health	Catholic Social Services Complex Care	1,830,000	-	1,830,000	-	1,830,000	1,830,000	-	100%
Health	Christian Health Association	550,000	-	550,000	(0)	407,047	407,047	142,953	74%
Health	Brother Francis Shelter	670,000	-	670,000	0	665,991	665,991	4,009	99%
Health	Anchorage Coalition to End Homelessness	700,000	1,150,000	1,850,000	-	1,370,265	1,370,265	479,735	74%
Health	Covenant House	730,000	200,000	930,000	-	930,000	930,000	-	100%
Health	Sullivan Arena operations	326,000	1,492,546	1,818,546	0	1,818,546	1,818,546	-	100%
Health	Anchorage Affordable Housing & Land Trust	250,000	-	250,000	-	250,000	250,000	-	100%
Health	Providence Crisis Stabilization Center	1,000,000	-	1,000,000	-	1,000,000	1,000,000	-	100%
Health	Restorative Reentry Services	-	23,548	23,548	-	23,548	23,548	-	100%
Health	Alex Hotel Operations	-	598,261	598,261	0	520,968	520,968	77,293	87%
Health	Alex Hotel Leased Units	-	608,920	608,920	-	608,920	608,920	-	100%
Health	Aviator Hotel	-	1,323,789	1,323,789	-	1,323,789	1,323,789	-	100%
Health	Oversight Cold Weather Shelter Ops	-	50,000	50,000	-	14,286	14,286	35,714	29%
Health	Emergency Sheltering	-	907,138	907,138	-	907,138	907,138	-	100%
Health	Homelessness – Sheltering and Housing	-	1,300,000	1,300,000	-	1,275,928	1,275,928	24,072	98%
Library	Community Resource Coordination	348,952	-	348,952	-	-	-	348,952	0%
Parks & Recreation	Healthy Spaces homeless camp abatement	634,290	-	634,290	-	615,846	615,846	18,444	97%
		9,768,321	7,654,202	17,422,523	(4,580)	16,098,738	16,094,158	1,328,366	92%
<u>Mental Health and Substance Misuse</u>									
Health	Direct grant to Recover Alaska	100,000	-	100,000	-	100,000	100,000	-	100%
Health	Direct grant to Volunteers of America	100,000	-	100,000	-	100,000	100,000	-	100%
Health	American Foundation for Suicide Prevention information campaign	30,000	-	30,000	-	29,635	29,635	365	99%
		230,000	-	230,000	-	229,635	229,635	365	100%
<u>Administration, Collection, and Audits to the Municipality</u>									
Assembly	Alcohol Tax Program education and outreach	50,000	150,000	200,000	-	67,420	67,420	132,580	34%
Assembly	Alcohol Tax strategic planning on use in all categories	250,013	-	250,013	-	16,004	16,004	234,009	6%
Assembly	Alcohol Tax IGCs	-	-	-	-	13	13	(13)	0%
Finance	Alcohol tax enforcement, including tax collection software costs	277,800	-	277,800	-	273,297	273,297	4,503	98%
		577,813	150,000	727,813	-	356,733	356,733	371,080	49%
	Total Alcoholic Beverages Retail Sales Tax Program	20,938,376	7,318,191	28,256,567	40,134	22,539,423	22,579,556	5,677,011	80%

Function Costs are unaudited and include Direct Costs (salaries and benefits, supplies, travel, contractual/other services, equipment furnishing, and debt service) and allocated Intragovernmental Charges (IGCs). This report pulls from the SAP system; anything not posted into the system will not be reported.

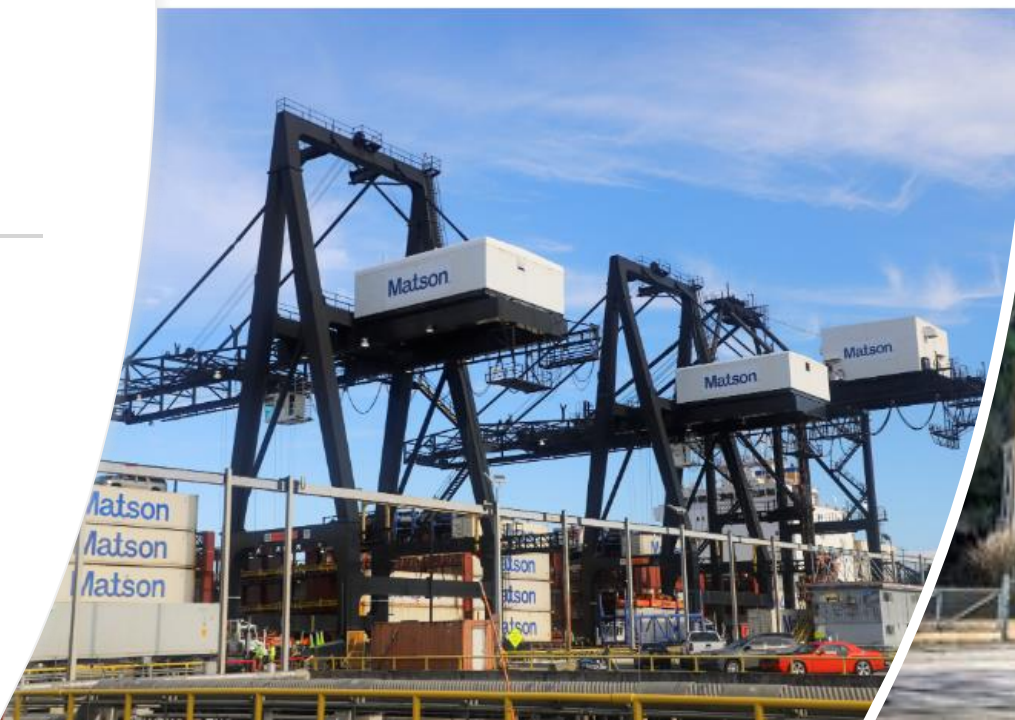
Municipality of Anchorage Alcoholic Beverages Retail Sales Tax Fund (206000)
2024 Budget to Actuals
Function Cost through March 31, 2024 as of April 11, 2024

Category and Description		2024 Approved Budget	Transfers and Supplementals	2024 Total Budget	Pre-Encs	Encs	Expenditures	Total Encs + Expenditures	(Over) / Under Budget	% of Budget Spent & Encumbered
Child Abuse, Sexual Assault, and Domestic Violence										
Health	Early education grants to providers	2,282,127	-	2,282,127	-	-	-	-	2,282,127	0%
Health	Evidence-based grants to providers	2,000,000	-	2,000,000	100,000	1,546,657	13,343	1,660,000	340,000	83%
Health	Evidence-based grant to Abused Women's Aid in Crisis (AWAIC)	225,000	-	225,000	-	225,000	-	225,000	-	100%
Health	Evidence-based grant to Standing Together Against Rape (STAR)	225,000	-	225,000	-	225,000	-	225,000	-	100%
Health	Evidence-based grant to Victims for Justice	225,000	-	225,000	-	225,000	-	225,000	-	100%
Health	APD DV Overtime	1,750,000	-	1,750,000	-	1,750,000	-	1,750,000	-	100%
Health	Program operations	67,675	-	67,675	-	-	37,850	37,850	29,825	56%
Library	Early Literacy program operations	133,192	-	133,192	-	-	16,104	16,104	117,088	12%
Library	Best Beginnings	250,000	-	250,000	-	-	-	-	250,000	0%
		7,157,994	-	7,157,994	100,000	3,971,657	67,296	4,138,953	3,019,041	58%
First Responders										
Fire	Mobile Crisis Team	-	-	-	-	(49,045)	51,448	2,403	(2,403)	0%
Municipal Attorney	Program operations	277,507	-	277,507	-	-	49,560	49,560	227,947	18%
Police	Program operations	640,197	-	640,197	-	941	182,693	183,634	456,563	29%
Police	Mobile Intervention Team	-	-	-	-	-	39,924	39,924	(39,924)	0%
Police	Training Modules for Anchorage Police Department	550,000	-	550,000	-	116,000	33,483	149,483	400,517	27%
		1,467,704	-	1,467,704	-	67,896	357,107	425,003	1,042,701	29%
Homelessness										
Health	Pay for Success/Home for Good - housing program	1,800,000	-	1,800,000	-	-	258,836	258,836	1,541,164	14%
Health	Program operations	703,877	-	703,877	-	-	89,636	89,636	614,241	13%
Health	Catholic Social Services Complex Care	1,330,000	-	1,330,000	-	1,170,054	159,946	1,330,000	-	100%
Health	Christian Health Association	550,000	-	550,000	-	365,807	184,193	550,000	-	100%
Health	Brother Francis Shelter	445,000	-	445,000	-	-	445,000	445,000	-	100%
Health	Anchorage Coalition to End Homelessness	700,000	-	700,000	-	441,164	(258,836)	182,328	517,672	26%
Health	Covenant House	600,000	-	600,000	-	363,325	236,675	600,000	-	100%
Health	Covenant House-ECWS Jan-April	-	-	-	-	-	-	-	-	0%
Health	ECWS Jan-April	2,000,000	1,500,000 A	3,500,000	-	429,007	2,603,234	3,032,241	467,760	87%
Health	ECWS Non Emergency Transport	200,000	-	200,000	-	-	-	-	200,000	0%
Health	Modular Units as Transitional Shelters	-	500,000 A	500,000	-	-	-	-	500,000	0%
Real Estate	ACEH Anchored Home Next Step Pilot Program	-	1,500,000 B	1,500,000	-	-	-	-	1,500,000	0%
Library	Community Resource Coordination	378,591	-	378,591	-	-	-	-	378,591	0%
Parks & Recreation	Healthy Spaces homeless camp abatement	665,491	-	665,491	-	-	172,189	172,189	493,302	26%
Assembly	Professional Service Contracts for Housing Initiatives	150,000	-	150,000	-	-	-	-	150,000	0%
		9,522,959	3,500,000	13,022,959	-	3,214,356	3,445,875	6,660,230	6,362,729	51%
Mental Health and Substance Misuse										
Health	Behavior Health for Mobile Case Management	330,000	-	330,000	-	-	-	-	330,000	0%
Health	Anchorage Safety Center / Community Patrol	2,000,000	-	2,000,000	-	-	-	-	2,000,000	0%
		2,330,000	-	2,330,000	-	-	-	-	2,330,000	0%
Administration, Collection, and Audits to the Municipality										
Assembly	Alcohol Tax Program education and outreach	50,000	-	50,000	-	50,000	-	50,000	-	100%
Assembly	Alcohol Tax strategic planning on use in all categories	250,000	-	250,000	-	145,436	33,160	178,596	71,404	71%
Assembly	Alcohol Tax IGCs	14	-	14	-	-	-	-	14	0%
Finance	Alcohol tax enforcement, including tax collection software costs	290,591	-	290,591	18,000	-	64,267	82,267	208,324	28%
		590,605	-	590,605	18,000	195,436	97,427	310,863	279,742	53%
		21,069,262	3,500,000	24,569,262	118,000	7,449,345	3,967,705	11,535,050	13,034,212	47%

Function Costs are unaudited and include Direct Costs (salaries and benefits, supplies, travel, contractual/other services, equipment furnishing, and debt service) and allocated Intragovernmental Charges. This report pulls from the SAP system; anything not posted into the system, including transfers and supplementals, will not be reported.

Supplementals: A - AR 2024-32(S) - Appropriation of alcohol tax to AHD to be used for emergency cold weather sheltering.
B - AR 2023-421, As Amended and Corrected - Appropriation of alcohol tax to Real Estate Department for Anchored Home Program

Major Topic #6
– Utilities /
Enterprise
Activities



6) Hydro. Ref. AM 284-2024 rows 21 thru 25

			Department Submissions				OMB		
			Expenditure	Rev Incr /	Non-Cash	Dept Total:	OMB - F,	OMB: Y,	
			Incr / (Decr)	(Decr)	Depreciation -	Fav / Unfav	(Unfav)	N or	OMB Comments
					Incr / (Decr)			New?	
Hydro	Add position Non Gr 14 Admin Officer	R	-	-	-	0	(135,000)	New	
	Operating Supplies	R	-	-	-	0	(3,000)	New	
	Travel and Training	R	-	-	-	0	(24,000)	New	
	Office Lease	R	-	-	-	0	(60,000)	New	
	Equipment Furnishings	One Time	-	-	-	0	(30,000)	New	
	Adjust (Increase) Installment Payment to match Year 5 of Exh D of CEA PPA Sale Agreement	R	26,638	26,638	-	0	-	New	Housekeeping Item
	Personnel Updates from Scrub	-	-	-	-	0	-	New	
	IGC Updates (Pending)	-	-	-	-	0	-	New	Record on GG, also
			26,638	26,638	-	0	(252,000)		
							(252,000)		Incr / (Decr) to Budgeted Income Before Transfers

6) AWU – Op changes

			Department Submissions				OMB		
			Expenditure Incr / (Decr)	Rev Incr / (Decr)	Non-Cash Depreciation - Incr / (Decr)	Dept Total: Fav / Unfav	OMB - F, (Unfav)	OMB: Y, N or New?	OMB Comments
AWU	Water Commercial Sales	R							
	Water Residential Sales	R	-	1,700,000	-	1,700,000	1,700,000	Y	
	Water Commercial Sales	R	-	100,000	-	100,000	100,000	Y	
	Water Public Authority Sales	R	-	100,000	-	100,000	100,000	Y	
	Water Misc Charges	R	-	(1,000,000)	-	(1,000,000)	(1,000,000)	Y	
	GASB 101 One-time starting balance	One Time	67,921	-	-	(67,921)	0	N	supporting calculation provided by staff was inadequate. Further, all utilities should implement simultaneously
	GASB 101 Leave accrual adjustment 2024	R	388,620	-	-	(388,620)	0	N	
	Loss of Chugach Elec Restricted Rate Reduction	R	196,000	-	-	(196,000)	0	N	
	Chemicals - 2024 bid openings/chemical change	R	250,000	-	-	(250,000)	0	N	
	Travel	R	25,000	-	-	(25,000)	0	N	
	Other Professional Services	R	(25,000)	-	-	25,000	0	N	
	MUSA	R	(85,814)	-	-	85,814	85,814	Y	Record on GG, also
	Depreciation	R	-	-	(79,574)	79,574	0	N	
	AFUDC	R	210,593	-	-	(210,593)	0	N	
	Personnel Updates from Scrub	-	-	-	-	0	(88,893)	New	
IGC Updates (Pending)	-	-	-	-	0	0	New	Record on GG, also	
Dividend	One Time	-	-	-	0	4,100,000	New	Dividends do not affect net income but are instead an equity transfer (see 2022 AWU financials for example)	
			1,027,320	1,000,000	(79,574)	52,254	996,921		
							944,667		Incr / (Decr) to Budgeted Income Before Transfers

Utilities can record GASB 101 **now**; SAP does not utilize budget controls for labor accounts. Further, GASB 101 is merely a non-cash journal entry.

[AWWU GASB 101](#)

6) Operating Changes - Utility Dividend #1 – AWU

AR 2024-104 Row 17

- ASU still under RCA dividend restriction due equity levels < 33%. Too early to request lifting the dividend restriction (equity ratio as of 12/31/2022 is 28%)
- 12/20/2018 RCA lifted AWU's dividend restriction
- AMC 26.10.065.A. (adopted via AO 2017-97)
 - Up to 75% of utility's change in net position (75% of 2022 change in net position is \$12.6 million)
 - Zero if equity ratio is < 30%
- Hydro: AMC 26.10.068.B

Important: Dividends are NOT expenses. Dividends allocate earnings between operator and owner. Ref: AWU I/S, p. 17.



AMC 26.10.065.A.3.d (Utility Divs excl. Hydro)

26.10.065 - Utility Revenue Distribution to the General Government Budget.

A. If a municipal utility has or is anticipated to have net income accruing from its operations in any year, a portion of the net income may be pledged by inclusion in the respective municipal utility and general government budgets for the subsequent year. The pledged amount shall be described as "Utility Revenue Distribution from (name of utility)." The assembly shall hold a public hearing as part of the annual budget process on the proposed utility revenue distribution and use of funds. Payment of any approved and budgeted utility revenue distribution shall be made in two equal payments on or before the 15th calendar day of August and October of such subsequent year only after the income has been collected by the municipality pursuant to lawful authority and the annual audit has been completed, or is substantially complete. The amount of utility revenue distribution for the subsequent year:

1. Shall initially be proposed by the utility, which shall provide a signed report to the assembly by not later than the time for first-quarter budget revisions that documents:
 - a. The utility's current best estimate of achieved return on equity, and any shortfalls of achieved returns, as compared with approved or target returns;
 - b. The effect of the proposed distribution on the utility's current and future capital structure, in light of planned expenditures; and
 - c. How the proposed distribution is consistent with prudent, business-like operation of the utility;
2. May not exceed 75 percent of the utility's change in net position for the prior year before payment of a dividend, unless:
 - a. A greater percentage is necessary to:
 - i. Prevent the utility from increasing its equity-capitalization percentage, defined in terms of the ratio of the utility's equity to its total book value, above 65 percent; or
 - ii. Enable the utility to reduce its equity-capitalization percentage into a range that the RCA has ordered is reasonable for that utility; and
 - b. The utility provides to the Assembly in writing a justification for why the utility's equity-capitalization percentage is excessive, or absent payment of the recommended distribution would become excessive, and should be reduced.
3. Shall be zero if:
 - a. The utility's change in net operating position for the prior year is negative;
 - b. The utility's equity-capitalization percentage is less than 30 percent;
 - c. The utility's bond rating is below investment grade; or
 - d. The utility is subject to an order of the Regulatory Commission of Alaska to cease the payment of dividends; and
4. Shall be approved by the Assembly.

B. Any unfunded pension liability applicable to any utility shall be excluded from the calculation of the Utility Revenue Distribution to be paid by any utility.

C. Any federal subsidy received with respect to the Build America Bonds issued in 2009 for any utility shall be excluded from the calculation of the utility's gross revenues.

D. This section does not apply to the Anchorage Hydropower utility.

6. Hydro: AMC 26.10.068.B (current language)

26.10.068 - Revenue distribution from the Anchorage Hydropower Utility.

- A. The Anchorage Hydropower utility shall pledge and distribute to the MOA Trust Fund revenue received pursuant to that certain Eklutna Power Purchase Agreement Between Chugach Electric Association, Inc. ("Purchaser") and Municipality of Anchorage ("Seller"), dated December 28, 2018, by and between the Municipality and Chugach Electric Association, Inc., as amended.
- B. If the Anchorage Hydropower utility has or is anticipated to have net income accruing from its operations in any year in addition to revenue received from Chugach Electric Association, Inc. and pledged to the MOA Trust Fund under subsection A. of this section, a portion of the net income may be pledged by inclusion in the respective municipal utility and general government budgets for the subsequent year. The pledged amount shall be described as "Utility Revenue Distribution from Anchorage Hydropower." The assembly shall hold a public hearing as part of the annual budget process on the proposed utility revenue distribution and use of funds. Payment of any approved and budgeted utility revenue distribution shall be made in two equal payments on or before the 15th calendar day of August and October of such subsequent year only after the income has been collected by the municipality pursuant to lawful authority and the annual audit has been completed, or is substantially complete. The amount of utility revenue distribution for the subsequent year may equal or exceed the change in net operating position for the prior year; provided, however, that the utility retain sufficient reserves:
 - 1. To meet anticipated capital and operating expenses; and
 - 2. As required by the Regulatory Commission of Alaska.

6. 12/20/2018 RCA lifted AWU's dividend restriction - Testimony

- Dividends paid to (MOA) annually beginning 2019 at a level of **33% of prior year's net income (p. 9/16 row 10)**
- Dividend is “an Assembly decision” (p 10/16, row 15)

6. MOA Dividend Disparity

2023 Utilities Dividend Summary Report							
Utility or Fund	Dividend Paid (2023)	Revenues (2022)	Earnings before div (2022)	Div as a % of Earnings	Div as a % of Rev	Equity (2022)	Equity Ratio
Anchorage Water Utility (A)	1,500,000	68,090,785	17,132,960	9%	2%	216,005,321	33%
Anchorage Wastewater Utility (B)	-	67,270,302	14,477,979	0%	0%	144,440,371	28%
AWWU Consolidated	1,500,000	135,361,087	31,610,939	5%	1%	360,445,692	31%
SWS Blended Fund	1,050,000	47,355,807	5,332,849	20%	2%	97,648,951	35%
Merrill Field	-	1,462,896	1,409,033	0%	0%	91,469,365	86%
Port	736,369	19,773,386	3,801,178	19%	4%	282,563,343	62%
Hydro (C)	300,000	5,004,931	2,124,672	14%	6%	15,265,949	13%
Utilities excl. AWWU	2,086,369	73,597,020	12,667,732	16%	3%	486,947,608	51%
Utilities combined	3,586,369	208,958,107	44,278,671	8%	2%	847,393,300	40%
(A) Dividend is less than per EMP parameters discussed in recent AWU RCA rate case (33% of prior year net income, or \$5.6 million) and far less than AMC 21.10.065, or max 75% of change in net position (aka, net income), or \$12.6m							
(B) Dividend-restricted by RCA and therefore dividend restricted per AMC 21.10.065. Also dividend restricted per AMC 21.10.065 because equity ratio is under 30%							
(C) Separate AMC language for Hydro dividends; see: AMC 26.10.068.B							

6. AWU Memos to Assembly

- 2023 – pay only \$1.5m due to “the current Covid-19 situation”, the expenses associated with the (2018) earthquake, and FEMA recovery timeline
- 2024 – *Dated March 20, 2024* - pay only \$1.5m due to employee vacancies, expenses associated with the (2018) earthquake, supply chain issues, and FEMA recovery timeline. No other risks noted.

6. 4/10: EPA Issues Nat'l Primary Drinking Water Regulation for six PFAS

- PFAS: Per- and Polyfluoroalkyl Substances
- EPA is providing \$1 billion to help states implement PFAS testing / treatment (separate EPA memo forthcoming re: Alaska Native communities). No cost share or match component. States allocate \$\$ to Disadvantaged** and Small (< 10,000) communities.
- Recoverable through utility rates if not grant funded
- Timing:
 - Initial monitoring by 2027
 - Solutions by 2029 if levels exceed Maximum Contaminant Levels
 - Notification to public by 2029 if levels exceed Maximum Contaminant Levels

** Determined to be disadvantaged under the affordability criteria established by the state under §1452(d)(3) of the Safe Drinking Water Act or may become disadvantaged community as a result of carrying out a project or activity under the grant program.

6. AWWU B to A History

	Budget	Actual	Var - Fav, (U)	Budget	Actual	Var - Fav, (U)	Budget	Actual	Var - Fav, (U)
2022	Water			Wastewater			Combined		
Revenues	67,461,050	68,090,785	629,735	66,822,050	67,270,302	448,252	134,283,100	135,361,087	1,077,987
Expenses (incl. MUSA)	60,847,986	56,207,347	4,640,639	61,038,462	57,623,336	3,415,126	121,886,448	113,830,683	8,055,765
Items that aren't budgeted	-	(5,249,522)	5,249,522	-	(4,831,013)	4,831,013	-	(10,080,535)	10,080,535
Net Income before Dividend	6,613,064	17,132,960	5,270,374	5,783,588	14,477,979	8,694,391	12,396,652	31,610,939	13,964,765
Dividend to MOA (B)	300,000	300,000	-	none	none	none	300,000	300,000	none
2021	Water			Wastewater			Combined		
Revenues	65,998,628	65,945,784	(52,844)	62,521,270	62,878,674	357,404	128,519,898	128,824,458	304,560
Expenses (incl. MUSA)	59,668,435	58,884,937	783,498	59,710,446	55,331,224	4,379,222	119,378,881	114,216,161	5,162,720
Items that aren't budgeted	-	(2,664,709)	2,664,709	-	(3,988,753)	3,988,753	-	(6,653,462)	6,653,462
Net Income before Dividend	6,330,193	9,725,556	730,654	2,810,824	11,536,203	4,736,626	9,141,017	21,261,759	5,467,280
Dividend to MOA (A)	none	none	none	none	none	none	none	none	none
2020	Water			Wastewater			Combined		
Revenues	66,155,175	63,615,139	(2,540,036)	60,330,889	58,030,864	(2,300,025)	126,486,064	121,646,003	(4,840,061)
Expenses (incl. MUSA)	62,581,972	51,752,269	10,829,703	59,563,048	52,308,483	7,254,565	122,145,020	104,060,752	18,084,268
Items that aren't budgeted	-	(280,765)	280,765	-	(475,835)	475,835	-	(756,600)	756,600
Net Income before Dividend	3,573,203	12,143,635	8,289,667	767,841	6,198,216	4,954,540	4,341,044	18,341,851	13,244,207
Dividend to MOA (D)	1,630,000	1,630,000	-	none	none	none	1,630,000	1,630,000	-
2019	Water			Wastewater			Combined		
Revenues	65,928,550	65,965,881	37,331	61,475,000	59,889,870	(1,585,130)	127,403,550	125,855,751	(1,547,799)
Expenses (incl. MUSA)	61,175,231	52,375,903	8,799,328	57,155,650	52,096,026	5,059,624	118,330,881	104,471,929	13,858,952
Items that aren't budgeted	-	(3,707,833)	3,707,833	-	(3,707,835)	3,707,835	-	(7,415,668)	7,415,668
Net Income before Dividend	4,753,319	17,297,811	8,836,659	4,319,350	11,501,679	3,474,494	9,072,669	28,799,490	12,311,153
Dividend to MOA (C)	none	none	none	none	none	none	none	none	none
Four Years Summed									
Revenues	265,543,403	263,617,589	(1,925,814)	251,149,209	248,069,710	(3,079,499)	516,692,612	511,687,299	(5,005,313)
Expenses (incl. MUSA)	244,273,624	219,220,456	25,053,168	237,467,606	217,359,069	20,108,537	481,741,230	436,579,525	45,161,705
Items that aren't budgeted	-	(11,902,829)	11,902,829	-	(13,003,436)	13,003,436	-	(24,906,265)	24,906,265
Net Income before Dividend	21,269,779	56,299,962	23,127,354	13,681,603	43,714,077	21,860,051	34,951,382	100,014,039	44,987,405
Dividend to MOA	1,930,000	1,930,000	-	none	none	none	1,930,000	1,930,000	-
Owner's Share of Earnings	9%	3%		0%	0%		6%	2%	
(A) Reasons for no 2021 dividend: Covid, 2018 earthquake, FEMA.									
(B) Reasons for tiny dividend: none offered									
(C) Reasons for no 2019 dividend: 2018 earthquake, FEMA									
(D) Reasons for low dividend: Covid, 2018 earthquake, FEMA.									

6. Range of Options (AWU Dividend)

	2024 Approved Budget	33% Per RCA Testimony from AWWU execs	75% of Prior Year Net Income (Code)
Dividend	1,500,000	5,600,000	12,800,000

↓
OMB does not recommend; AWU would become equity impaired quickly

2022 net income before dividend used (2022 is most recent "full" fiscal year available for calculation purposes).

6. AWU Return to Owner / Taxpayers

- Not all taxpayers are AWWU / AWU ratepayers; these taxpayers, in particular, deserve a rate of return on AWU
- Proposed dividend of \$5.6m represents an AWU rate of return of .9% *on assets*

	AWU	ASU	AWWU
Assets	656,472	509,501	1,165,973
Dividend / Return	5,600	-	5,600
ROR	0.9%	0.0%	0.5%

6) Airport – Op Changes AM 284-2024 Row 31

			Department Submissions				OMB		
			Expenditure	Rev Incr /	Non-Cash	Dept Total:	OMB - F,	OMB: Y,	
			Incr / (Decr)	(Decr)	Depreciation -	Fav / Unfav	(Unfav)	N or	OMB Comments
					Incr / (Decr)			New?	
Merrill Field	Personnel Updates from Scrub	-	-	-	-	0	-	New	No changes from scub
	IGC Updates (Pending)	-	-	-	-	0	-	New	Record on GG, also
	Dividend	One Time	-	-	-	-	100,000	New	Dividends do not affect net income but are instead an equity transfer (see 2022 AWU financials for example)
			-	-	-	-	0		Incr / (Decr) to Budgeted Income Before Transfers

6) Airport AR 2024-102 Row 18

- Proposed Dividend of \$100,000
- Merrill Field is essentially debt free, and dividend represents .1% of the airport's equity
- Dividend is very small because the airport's ability to pay a dividend is restricted (*ref: FAA Administration Assurances, §25.a*)
- Only revenues NOT generated by the airport (or mineral lease revenues) are eligible for a dividend
- Dividend source is cumulative (net) revenues generated from net OPEB asset from SOA

6) SWS

AM 284-2024 Rows 34 thru 6

			Department Submissions				OMB		
			Expenditure	Rev Incr /	Non-Cash	Dept Total:	OMB - F,	OMB: Y,	
			Incr / (Decr)	(Decr)	Depreciation -	Fav / Unfav	(Unfav)	N or	OMB Comments
					Incr / (Decr)			New?	
SWS - Admin	Material Recovery Facility Staffing - SWS Account	R	186,180	-	-	(186,180)	0	N	
	Representative III Grade 11 FT	-				0	(13,104)	New	
	Personnel Updates from Scrub	-				0	-	New	Record on GG, also
	IGC Updates (Pending)	-				0			
SWS - Disposal	Material Recovery Facility Staffing -Journeyman Grade	R	108,928	108,928	-	0	0	Y	Grant funded position
	18 FT Funded by AFD Grant	R	30,000	-	-	(30,000)	0	N	
	Turbine Extended Warranty	R	(1,958,206)	-	-	1,958,206	1,958,206	Y	Housekeeping Correction, no change to SWS Blended Fund consolidated
	Bond Interest	R	1,216,281	-	-	(1,216,281)	(1,216,281)	Y	Record on GG, also
	MUSA Adjustment from 2024 Approved	-	-	-	-	0	60,408	New	
	Personnel Updates from Scrub	-	-	-	-	0	0	New	Record on GG, also
	IGC Updates (Pending)	-				0			
SWS - Refuse	Turbine Extended Warranty	R	20,000	-	-	(20,000)	0	N	
	Bond Interest	R	1,958,206	-	-	(1,958,206)	(1,958,206)	Y	Housekeeping Correction, no change to SWS Blended Fund consolidated
	MUSA Adjustment from 2024 Approved	R	681,716	-	-	(681,716)	(681,716)	Y	Record on GG, also
	Personnel Updates from Scrub	-	-	-	-	0	36,418	New	
	IGC Updates (Pending)	-	-	-	-	0	0	New	Record on GG, also
SWS Blended Fund			2,243,105	108,928	-	(2,134,177)	(1,814,275)		
							319,902		Incr / (Decr) to Budgeted Income Before Transfers

6) SWS Wood Lot

- SWS requested three new positions
 - One grant funded position (approved) in Disposal
 - Two new Admin positions in SWS Admin (see below)

OMB evaluated SWS's YTD Labor Budget to Actual (17% spent vs. 27% through year, savings of \$350k so far in 2024).

The two positions can be created with these actual savings, and the Wood Lot can move forward.

Utility Capital Requests

6) AWU – CIB Qu 1

AR 2024-105 2/3 rows 17 - 33

Project Description	Existing Project Budget for any project w/ a requested change	Department Proposals (all numbers in \$ thousands)					New CIB Amount for projects w/Changes	OMB - Incr / (Decr)	OMB: Y, N?	OMB Comments
		Department's Proposed Funding Source			Dept's Requested Capex Incr / (Decr)	Cash on Hand				
		Grants	Debt							
Alyeska Subdivision Water Access - Grant matching funds on existing project to construct a water pipeline to replace a failing private water service in the Alyeska Subdivision in Girdwood.	75	300	-	-	300	375	300	Y	AWU (and also ASU) is seeking a large grant award in support of numerous projects in lieu of traditional capital funding through debt. To be eligible to apply for, be awarded, and receive a grant award, the project(s) must be authorized as approved; such approval may be contingent upon and subject to the grant award. OMB supports the utility's pursuit of grant-funded capex infrastructure expansion, noting the substantial interest savings over the life of the associated borrowing that otherwise would have been required, even if under a lower-cost loan program such as with the SOA, not to mention the principal repayments that are avoided.	
Emergency Water Fill Station - Seek grant matching funds on existing project for three Emergency Water Fill Stations, one each in Girdwood, Anchorage, and Eagle River will increase total project budget to \$2,188k	438	1,750	-	-	1,750	2,188	1,750	Y		
Huffman Road Fire Protection Pipeline - Seek grant matching funds on existing project to construct a regional water pipeline to improve emergency and fire protection water transmission and supply at or near Huffman road in Anchorage.	300	1,200	-	-	1,200	1,500	1,200	Y		
Terraces Subdivision Fire Protection Pipeline - Grant matching funds on existing project to construct a water pipeline to improve the water pressure in The Terraces Subdivision in the area of Lake Otis Parkway and O'Malley Road.	738	3,750	200	-	3,950	4,688	3,950	Y		
Eldon Subdivision Water Access - Grant matching funds on existing project to construct approximately 1,750 feet of water pipeline to provide water service to existing residents in the Eldon Subdivision in the area of East 120th Avenue and Old Seward Highway. Remove this project, not grant funded.	438	-	(438)	-	(438)	-	(438)	Y		
Eagle River Fire Protection Water Storage Tank - construct reservoir in Upper Eagle River Valley to provide emergency and firefighting water supplies. Remove this project, not grant funded	2,500	-	(2,500)	-	(2,500)	-	(2,500)	Y		
Eagle River Well - develop a high production well in Eagle River. Remove this project, not grant funded.	1,625	-	(1,625)	-	(1,625)	-	(1,625)	Y		
Romig Park Water Utility Acquisition - purchase Romig Park Water Utility. Remove this project, not grant funded.	1,625	-	(1,625)	-	(1,625)	-	(1,625)	Y		
Sand Lake Subdivision Water Access - construct approximately 1.25 miles of water pipelines in a Sand Lake neighborhood to replace private wells with public water. Remove this project and incorporate into new project: "Public Drinking Water Access".	1,750	-	(1,750)	-	(1,750)	-	(1,750)	Y		
Public Drinking Water Access - replacement project in place of Sand Lake Subdivision Water Access; construct water pipelines in a Sand Lake neighborhood to replace private wells with public water.	-	5,300	1,325	-	6,625	6,625	6,625	Y		
	9,489	12,300	(6,413)	-	5,887	15,376	5,887			

6) ASU – CIB Qu 1

AR 2024-105 2/3 rows 35 thru 51

	Project Description	Existing Project Budget for any project w/ a requested change	Department Proposals (all numbers in \$ thousands)					New CIB Amount for projects w/Changes	OMB - Incr / (Decr)	OMB: Y, N?	OMB Comments
			Department's Proposed Funding Source			Dept's Requested Capex Incr / (Decr)					
			Grants	Debt	Cash on Hand						
ASU	Powder Reserve Sewer Access - Seek grant matching funds to construct sanitary sewer pipelines and to upgrade a regional pump station to serve an ongoing Eklutna Inc. property development in Eagle River.	1,125	4,500	175	(175)	4,500	5,625	4,500	Y	ASU (and also AWU) is seeking a large grant award in support of two projects in lieu of traditional capital funding through debt. To be eligible to apply for, be awarded, and receive a grant award, the project(s) must be authorized as approved; such approval may be contingent upon and subject to the grant award. OMB supports ASU's pursuit of grant-funded capex infrastructure expansion, noting the substantial interest savings over the life of the associated borrowing that otherwise would have been required, even if under a lower-cost loan program such as with the SOA, not to mention the requirement of principal repayment that is avoided. The FOG Receiving Station is a new project that is an important project needed to protect the integrity of the existing sewer infrastructure.	
	HLB Holton Hills Sewer Access - added project - Construct sewer pipelines to an ongoing development. This residential public private collaborative development in Girdwood seeks to reduce the housing and economic pressure for local residents. Constructing this sewer pipeline reduces needed infrastructure investment, thereby increasing the likelihood the project will economically pencil out and progress to consummation by the developer under the development agreement. The Municipality is committed to meeting the match fund requirements as identified by Senator Murkowski's subcommittee on the Interior, Environment, and Related Agencies.	-	2,500	-	-	2,500	2,500	2,500	Y		
	Fats, Oils, and Grease ("FOG") Receiving Station - added project - This project will double the capacity of the regional facilities (all located within Anchorage) that receive commercial grade fats, oils, and grease. These concentrated sewer pollutants damage the sewer system, increasing risk of sewer overflows, impacting community health and safety. Doubling the capacity of this facility will improve efficiency of commercial enterprises, increase the treatment of waste, lower operations cost, and better protect health and safety of Anchorage citizens.	-	-	12,000	-	12,000	12,000	12,000	Y		
		1,125	7,000	12,175	(175)	19,000	20,125	19,000			

6) SWS Disposal – CIB Qu 1 AR 2024-105 3/3 rows 2 thru 26

	Project Description	Existing Project Budget for any project w/ a requested change	Department Proposals (all numbers in \$ thousands)					New CIB Amount for projects w/Changes	OMB - Incr / (Decr)	OMB: Y, N?	OMB Comments
			Department's Proposed Funding Source			Dept's Requested Capex Incr / (Decr)					
			Grants	Debt	Cash on Hand						
SWS - ARL	15th Ave - Increase the existing \$150,000 project in the FY2024 CIB to fix overflow onto 15th Ave from leachate seep at the former landfill site at Merrill Field. Repairs will alleviate traffic hazards @ 15th Ave. incl. winter freeze issues.	150	-	-	250	250	400	250	Y	1) SWS is seeking a grant award in support of a large project in lieu of funding through debt or cash on hand. To be eligible to apply for, be awarded, and receive a grant award, the project(s) must be authorized as approved; such approval may be contingent upon and subject to the grant award. OMB supports the utility's pursuit of grant-funded capex infrastructure expansion, noting the substantial interest savings over the life of the associated borrowing that otherwise would have been required, not to mention the avoided principal repayments. 2) Use of cash on hand vs. debt for the Cell 9 remediation project is appropriate. At 12/31/2022, SWS consolidated had almost \$49m in cash on hand, excluding the \$17m in landfill post closure reserves. Compare to 2022 total opex of \$37m (cash opex of \$27m), 90 days of cash opex = \$7m. Using cash on hand will save SWS substantial interest expense and preserve earnings.	
	Regional Landfill Leachate Treatment Facility - added project - this project will create a leachate disposal facility in lieu of the current system of leachate disposal, which requires treatment on site at SWS in leachate ponds, then truck hauling of approximately 46 million gallons of leachate annually (under approved permit) to ASU's Asplund Wastewater Treatment Center for additional treatment before discharge directly into Cook Inlet. New facility may pursue a deep well injection system in place of current disposal process. This project is time sensitive because of the risk that ASU may not be able to accept SWS's leachate at some point in the future due to the issuance of a new ASU discharge permit by the EPA.	-	13,000	-	-	13,000	13,000	13,000	Y		
	Cell 9 ARL Remediation - Emergency repair to address environmental and regulatory requirements. SWS and the MOA could be liable for heavy fines if this is not dealt with promptly. In November 2020, a fire was discovered at the working face of the landfill. AFD and SWS extinguished the fire. In August 2023, a liquid seep was observed outside of the landfill. Subsequent testing indicated the seep consisted of leachate from Cell 9 emanating from below the bottom liner. The likely source is a defect in the bottom liner potentially caused by the 2020 fire and subsequent firefighting activities. In consultation with the Alaska Department of Environmental Conservation, it was determined that an evaluation of the integrity of the bottom liner system in the vicinity of the seep and fire area was necessary. This project consists of the work necessary to perform that evaluation and correct any identified defects.	-	-	-	11,200	11,200	11,200	11,200	Y		
		150	13,000	-	11,450	24,450	11,600	24,450			
GRAND TOTAL, AWU, ASU and SWS ARL		10,764	32,300	5,762	11,275	49,337	47,101	49,337			

7) Tax Limit Calculation

“Tax Cap”

Tax Limit Calculation

Anchorage Municipal Charter 14.03 and Anchorage Municipal Code 12.25.040

Line		2023		2024		Line			
		at Revised		at Revised					
1	<u>Step 1: Building Base with Taxes Collected the Prior Year</u>					1			
2	Real/Personal Property Taxes to be Collected		297,648,243		317,799,100	2			
3	Auto Tax		10,608,323		10,409,910	3			
4	Tobacco Tax		20,700,000		21,500,000	4			
5	Marijuana Sales Tax		6,000,000		4,700,000	5			
6	Motor Vehicle Rental Tax		8,300,000		10,000,000	6			
7	Fuel Excise Tax		13,300,000		14,400,000	7			
8	Payment in Lieu of Taxes (State & Federal)		11,620,949		10,999,990	8			
9	MUSA/MESA		20,722,252		19,260,458	9			
10	Step 1 Total		388,897,767		409,069,458	10			
11						11			
12	<u>Step 2: Back out Prior Year's Exclusions Not Subject to Tax Limit</u>					12			
13	Judgments/Legal Settlements (One-Time)		(166,050)		(827,500)	13			
14	Debt Service (One-Time)		(54,847,881)		(62,839,984)	14			
15	Step 2 Total		(55,012,931)		(63,667,484)	15			
16						16			
17	Tax Limit Base (before Adjustment for Population and CPI)		333,884,836		345,401,974	17			
18			218,029			18			
19	<u>Step 3: Adjust for Population, Inflation</u>					19			
20	Population 5 Year Average	-0.50%	(1,668,420)	-0.50%	(1,727,010)	20			
21	Change in Consumer Price Index 5 Year Average	3.30%	11,018,200	3.00%	10,362,060	21			
22	Step 3 Total	2.80%	9,348,780	2.50%	8,635,050	22			
23						23			
24	The Base for Calculating Following Year's Tax Limit		343,233,616		354,037,024	24			
25						25			
26	<u>Step 4: Add Taxes for Current Year Items Not Subject to Tax Limit</u>					26			
27	New Construction		1,617,597		4,212,114	27			
28	Taxes Authorized by Voter-Approved Ballot - O&M		322,500		338,000	28			
29	Judgments/Legal Settlements (One-Time)		827,500		2,455,352	29			
30	Debt Service (One-Time)		62,839,984		55,482,032	30			
31	Step 4 Total		65,607,581		62,487,498	31			
32						32			
33	Limit on ALL Taxes that can be collected		408,841,197		416,524,522	33			
34						34			
35	<u>Step 5: To determine limit on property taxes, back out other taxes</u>					35			
36	Automobile Tax		(10,409,910)		(10,311,702)	36			
37	Tobacco Tax		(21,500,000)		(19,050,000)	37			
38	Marijuana Sales Tax		(5,700,000)		-	38			
39	Motor Vehicle Rental Tax		(10,000,000)		(10,000,000)	39			
40	Fuel Excise Tax		(14,400,000)		(13,500,000)	40			
41	Payment in Lieu of Taxes (Utility, State, and Federal)		(10,999,990)		(10,070,633)	41			
42	MUSA/MESA		(19,260,458)		(19,820,798)	42			
43	Step 5 Total		(92,270,358)		(82,753,131)	43			
44						44			
45	Limit on PROPERTY Taxes that can be collected		316,570,839		333,771,391	45			
46						46			
47a	Add General Government use of tax capacity within the Tax Cap for 2023		1,288,151		-	47a			
47b	for 2024 with 2023 ASD Correction		-		(1,121,200)	47b			
47c	for 2024 with 1/2 of ASD 2024-2025 tax capacity of \$3,368,843		-		1,683,422	47c			
48						48			
49	Limit on PROPERTY Taxes that can be collected within the Tax Cap		316,570,839		334,333,613	49			
50						50			
51	<u>Step 6: Determine property taxes to be collected if different than Limit on Property Taxes that can be collected</u>					51			
52	Property taxes to be collected based on spending decisions minus other available revenue.					52			
53						53			
54	Property taxes TO BE COLLECTED		317,799,100		333,298,677	54			
55						55			
56	Amount below limit on property taxes that can be collected ("under the cap")		(1,228,261)		1,034,936	56			

There also are service areas with boards that set their maximum mill levies. The property taxes in these service areas are not subject to the Tax Limit Calculation ("outside the cap"). The 2024 total property taxes "outside the cap" is \$26,594,951, making the total of all property taxes to be collected for General Government \$359,893,628.

4) MOA s/h corrected for ASD's mistake last year, but didn't

Summary

- \$1m under tax cap
- Substantial new infrastructure development, much funded debt-free
- New budget gaps (ex: SOA revenue sharing) solved
- Building Safety Fund – new revenue source / corrective action begun
- WC / GL Fund – corrective action begun
- Administration working w/Assembly – new revenue sources to ease pressure on A. Tax as sole funding source
- ASD prior year over collection – **MOA** absorbs this year to make taxpayers whole

Thank you - Questions

Please contact me on my home phone number 24/7 with any questions or concerns. I will attempt to circle back to the entire Assembly with analysis / support on the topic within 24 hours.