

ANCHORAGE, ALASKA
AR No. 2023-_____

1 **A RESOLUTION OF THE ANCHORAGE ASSEMBLY SETTING A POLICY**
2 **POSITION FOR THE FY 2024 MUNICIPAL BUDGETS AS A CONTINUATION**
3 **BUDGET, AND IDENTIFIED PRIORITIES.**
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6 **WHEREAS**, the Assembly is the Municipality's appropriation body and approves the
7 annual municipal budgets; and
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9 **WHEREAS**, the most recent 3-Year Economic Outlook published by the Anchorage
10 Economic Development Corporation (AEDC) in August 2023 forecasts a sustained
11 strong outlook for the visitor industry, and modest growth in vehicle and room rental
12 tax revenues to the Municipality¹, and monthly trends in hotel occupancy and room
13 rental tax published by Visit Anchorage shows strong performance in both hotels
14 and other short-term rentals as of June 2023;² and
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16 **WHEREAS**, at the Budget and Finance Committee-of-the-Whole meeting on August
17 17, 2023, the Treasury Department anticipated continued strong performance of
18 revenues related to the tourism and hospitality industry, including room rental tax,
19 vehicle rental tax, and alcohol tax; and
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21 **WHEREAS**, as part of the FY 2024 proposed budget guidance for departments, the
22 Administration directed all departments to prepare 3 budget scenarios from their FY
23 2023 Revised Budget, including a flat budget and cuts of 2% and 4%; and
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25 **WHEREAS**, the Administration has published the 2024 Preliminary 120 Day Memo
26 on September 1, 2023, positing relatively flat preliminary revenue estimates despite
27 strong economic forecasts and stating their priority to maintain the level of public
28 services the residents of Anchorage expect, while reducing department budgets
29 despite considerable vacancies within departments likely resulting in a considerable
30 underspend of the 2023 budget and creating a surplus for 2024; and
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32 **WHEREAS**, AIM 165-2023 -2023 2nd Quarter Expenditures Reports for General
33 Government, Utility, and Enterprise Departments, presented at the August 22, 2023
34 meeting, indicates that the Municipality's workforce continues to experience
35 negative impacts to productivity due to persistent high vacancies across
36 departments, which has led to requiring additional capacity through hiring
37 contractors, and additional strain on remaining workers to perform essential
38 functions; and

¹ Anchorage Economic Development Corporation (AEDC) 2023 3-Year Outlook, published August 2023,
available online at: [2023 3-Year Economic Outlook Report – AEDC \(aedcweb.com\)](https://aedcweb.com)

² Visit Anchorage, "June 2023 Hotel Performance," published July 21, 2023. Available online at: [June 2023 Hotel Performance for Anchorage](https://www.visitanchorage.com)

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WHEREAS, AIM 165-2023 also indicates a difficulty for Municipal departments to effectively use their budget. At the end of June 2023 (50% through the fiscal year), departments had spent only 37.9% of the total budget; and

WHEREAS, Proposition 14, approved by Anchorage voters in April 2023, dedicates the net proceeds of the marijuana sales tax to support and advance child care and early education, removes it from the tax increase limitation, and achieves the policy goal of limiting impacts to property taxes with a one-time reduction of the tax cap by \$1 million in FY 2024; and

WHEREAS, a supplemental appropriation in first quarter of 2024 anticipated the impacts of Proposition 14 ensuring that \$1million of the taxing capacity of the Municipality was in one time expenditures so that it could be available for the reduction of the tax cap; and

WHEREAS, through Assembly amendments, prior municipal budgets have continued to ensure the Municipality adequately funds core public services, including reversal of proposed harmful cuts to public safety and road maintenance; now, therefore

THE ANCHORAGE ASSEMBLY RESOLVES:

Section 1. The Assembly directs the Budget and Finance Committee-of-the-Whole to prepare for a continuation budget for FY 2024, using the following policy statements as assumptions:

1. The basis for the FY 2024 budget will be a continuation budget.
2. Ensure adequate funding for core municipal services, including:
 - a. Winter maintenance, including snow plowing of roads and sidewalks;
 - b. Public safety and emergency services;
 - c. Fiscal responsibility, including seeking efficiencies and the highest return on investment for public dollars spent; and
 - d. Maintaining a high level of service across all departments.

Section 2. This resolution shall be effective immediately upon passage and approval by the Assembly.

PASSED AND APPROVED by the Anchorage Assembly this _____ day of _____, 2023.

Chair of the Assembly

ATTEST:

Municipal Clerk