



Our Muni, Our Budget

Real Talk about Revenue, Spending, & What Comes Next

Our community has some tough budget decisions ahead: *What services do we expect from our local government, and at what level? How much are we willing to pay for that?* This is your guide to learn more about the budget and start conversations with your friends and neighbors so we can all be informed and make these decisions together. **Thanks for participating in the fiscal future of the Municipality of Anchorage (MOA)!**

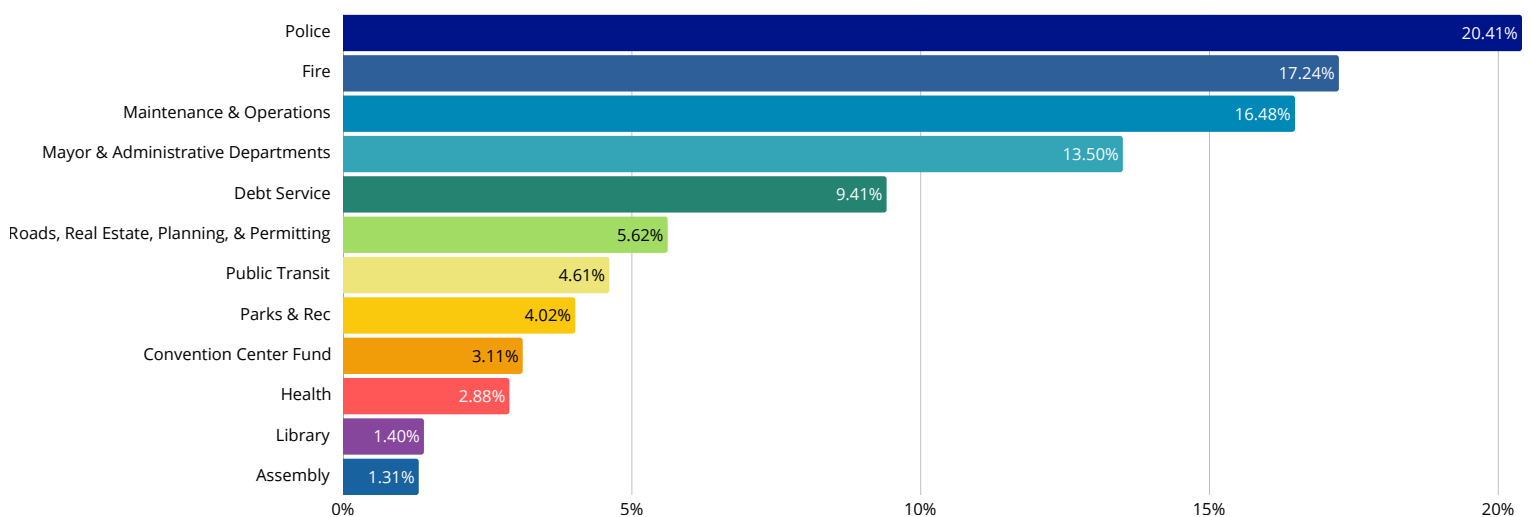
What's in the MOA budget?

The budget isn't just a bunch of numbers on paper – it's the roadmap for how the Municipality works every single day. When you call 911, drive on city streets, visit a park, or turn on your water, you're experiencing the budget in action. The Municipal budget includes several different parts:

- The **Operating Budget**, which allocates funding for local services like fire, police, parks, libraries, roads, city planning, building safety, and health.
 - The Operating Budget has a **Tax Cap**: the annual calculation that limits the amount of property taxes that can be collected and what size the budget can be. The Tax Cap is outlined in our city charter.
- The **Capital Improvement Budget**, which includes the upcoming year's requests for bonds, state appropriations, and federal funds to pay for roads, buildings, and equipment.
- The **Capital Improvement Plan**, the six-year outlook of capital projects the municipality plans to begin and to seek funding for in the future.
- **Enterprise and Utilities Budgets** for the Port of Alaska, Merrill Field Airport, Anchorage Water & Wastewater Utility, and Solid Waste Services.
- **Dedicated Taxes** – revenue for specific uses from taxes on hotel & AirBnB stays, alcohol & marijuana sales, special tax levies approved by voters, etc.

How is our money put to work?

The graphic below shows the breakdown of our \$648M general government operating budget for 2025.



THE COLOR OF MONEY

2024 Municipal Revenue reported in April 2025.
Prepared by the Assembly's Legislative Services Office.

Property Taxes
\$569.3M

| | | |
|--|--|---------------------------------------|
| Business Personal Property Taxes \$53.7M | Ambulance Service Fees \$31.1M | |
| | Enterprises \$19.7M | APD Fees \$6.7M |
| Tobacco Taxes \$21.6M | Gas Taxes \$13.5M | MOA Trust Fund \$16.3M |
| | Car Registration Taxes \$10.8M | Building Safety Fund \$9.9M |
| Payments in Lieu of Taxes \$10.6M | Rental Vehicle Taxes \$9.2M | Alcohol Tax \$14.5M |
| | | Local Assistance \$4.1M |
| | | Marijuana Tax \$5.6M |

Of the 2024 property taxes collected in the municipality, \$280 million went to fund our public schools. This is NOT considered part of the municipal operating budget and is therefore not reflected in our MOA budget totals.

How has funding for municipal operations changed?

A greater share of the responsibility for the cost of services has shifted from the State to local residents. State investment in the Muni has been shrinking over time, especially since 2014.

- In **1982**, the State funded about **42%** of our operating revenue. Property taxes funded about **36%**.
- In **2024**, the State funded about **0.5%** of our operating revenue. Property taxes funded about **58%**
...and we have a lot more roads, facilities, neighborhoods & infrastructure to maintain!

In the last 10 years, the Muni received over **\$700 million less** from the State than the decade prior: **\$100 million less** for operations and **\$600 million less** for capital projects & maintenance. This means that we are using a **much bigger share of our property taxes to fund the same basic services** across a sprawling muni.

Doing more with less

Despite state divestment, the Muni is in good financial health – we continue to have a balanced budget, nearly 100% of our COVID costs were reimbursed by FEMA, and we have new sources of revenue through marijuana and alcohol taxes. However, **we currently have \$500 less per resident per year to invest in operating our city than we did in the 1980's.**

| Budget Year | Operating Budget | Population | \$ per Resident |
|-------------|------------------------------------|------------|-----------------|
| 1983 | \$629 million (in today's dollars) | 231,000 | \$2723 |
| 2025 | \$648 million | 291,000 | \$2226 |

So what are we going to do about our fiscal future?

Personal Reflection: Levels of Service

As our municipal financial picture changes, its important for each of us to decide how we want to allocate our shared resources. **Use this chart to think about your priorities for the services that already exist:** which services are important to you, and at what levels? Choose a spot on each scale that reflects your thinking, and make a mark on the line. Remember that a lower level of service does not mean defunding departments or eliminating a service altogether – but it might mean a change in access, response time, overall quality, or customer care.

**LOWER LEVEL
OF SERVICE**

**SAME LEVEL
OF SERVICE**

**HIGHER LEVEL
OF SERVICE**

SNOW PLOWING ON ROADS

.....

SNOW PLOWING ON SIDEWALKS

.....

ROAD MAINTENANCE & RE-PAVING

.....

TRANSIT SERVICES (BUSES, ANCHOR RIDES, MICROTRANSIT)

.....

POLICE & LAW ENFORCEMENT (RESPONSE TIME, PROACTIVE PATROLS)

.....

FIRE & EMERGENCY MEDICAL SERVICES

.....

PARKS, TRAILS, AND PUBLIC LANDS MAINTENANCE

.....

RECREATIONAL FACILITIES (REC CENTERS, ICE RINKS, COMMUNITY PROGRAMS & EVENTS)

.....

HEALTH SERVICES (CLINICS, IMMUNIZATIONS & TESTING, SAFETY INSPECTIONS)

.....

RESIDENT & BUSINESS SERVICES (TAX COUNTER, PERMITTING, LICENSING)

.....

Personal Reflection: New Priorities

Like most cities, the Municipality was set up to provide some services, but not everything. Many of the biggest challenges we face today are **areas where city governments have historically had a limited role, or did not provide this service at all**. We know that these challenges deserve funding – but how involved should the Muni be in allocating our resources to meet these needs?

**NOT AT ALL
INVOLVED**

**SOMEWHAT
INVOLVED**

**MODERATELY
INVOLVED**

**VERY
INVOLVED**

AFFORDABLE & WORKFORCE HOUSING DEVELOPMENT

HOMELESSNESS RESPONSE

BEHAVIORAL HEALTH (SUBSTANCE MISUSE TREATMENT, MENTAL HEALTHCARE)

CHILDCARE (AVAILABILITY & AFFORDABILITY)

Around the Table: You're the Assembly

First, reflect on your own:

1. Try to rank your top three priorities for services to maintain or expand:
 1.
 2.
 3.
2. Choose at least one area where you would be willing to see a decrease in the level of service:
 1.
3. What other trade-offs would you be willing to make to fund the services that are most important to you?

Then, discuss at your table!

Give each person an opportunity to BRIEFLY list their priorities. Take notes – where do you agree? Where do you disagree?

Pretend your table is a miniature version of the Assembly. What trade-offs are you willing to agree to as a group?