

Submitted by: ASSEMBLY MEMBERS SELKREGG,
OSSIANDER & DRUMMOND
Reviewed by: Assembly Counsel
For reading: December 16, 2008

CLERK'S OFFICE
AMENDED AND APPROVED ANCHORAGE, ALASKA
Date: 1-20-09 AR NO. 2008-334

NOTICE OF RECONSIDERATION

WAS GIVEN BY MR. FLYNN 1-21-09; RECONSIDERED 2-3-09; REAPPROVED 2-3-09

**A RESOLUTION OF THE ANCHORAGE MUNICIPAL ASSEMBLY IN SUPPORT OF
SOUND FINANCIAL MANAGEMENT BY POSTPONEMENT OF NEW HIRES AND
CERTAIN MUNICIPAL CONTRACTS UNTIL AFTER FIRST QUARTER BUDGET
REVIEW, SUBJECT TO MONTHLY REPORTING ON THE STATUS OF MUNICIPAL
FINANCES.**

WHEREAS, the State of Alaska economy and the Municipality of Anchorage economy are interwoven into the nation economy; and

WHEREAS, the collapse of the privately-secured mortgage market has triggered a wave of dislocation within the financial system, resulting in the current global financial market crisis; and

WHEREAS, in July 2008 the per-barrel price of oil was \$147 and as of December 14, 2008, the per-barrel price has dropped to \$47.30; and

WHEREAS, the 2009 Municipal Budget is predicated on an inflation rate of 3.1%, based on reasonable financial forecast when the price of oil was high and prior to the current global financial crisis; and

WHEREAS, this assumption may be too optimistic given the current financial situation; and

WHEREAS, the budget of Municipality of Anchorage is built upon historical trends, and some historical trends may prove unreliable in light of the current national and global economy; and

WHEREAS, prudent management of the municipal budget requires careful and close monitoring of financial resources and revenues in relation to financial obligation and expenditures; and

WHEREAS, the 2009 Municipal Budget has not been adjusted yet for the impact of any investment losses that have occurred or may occur in the coming months as a result of the world-wide financial crisis; and

WHEREAS, the 2009 Municipal Budget includes hotel/motel bed tax revenue projections, reasonable when developed a few months ago, but now may be too optimistic in light of potential impact on Alaska tourism from the world-wide financial crisis;

1 NOW, THEREFORE, in conjunction with passage and approval of the 2009
2 Municipal Budget, the Anchorage Assembly resolves:

3
4 **Section 1.** New municipal hires shall be deferred until 2009 First Quarter Budget
5 Review, unless monthly reports on the state of municipal finances
6 reflect adequate funding. This deferral shall include part-time, full-
7 time, and temporary hires of all municipal departments, including the
8 Assembly, **unless the Acting Mayor certifies to the Assembly that**
9 **the new hire is essential to the continued operations of the**
10 **Municipality and the Assembly approves the new hire** ~~(but~~
11 ~~excludes emergency hires related to community health and safety).~~

12
13 **Section 2.** The Administration's approval of all non-critical contracts shall be
14 deferred until First Quarter Budget Review, unless monthly reporting
15 on the status of municipal finances reflects adequate funding.

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17 **Section 3.** The Budget and Finance Committee shall review the monthly financial
18 status reports and provide monthly evaluations and recommendations
19 to the Assembly on the state of Municipal finances in order to
20 determine when the Municipality can return to normal hiring and
21 contract management practices.

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24 PASSED AND APPROVED by the Anchorage Assembly this 3 day of
25 February, 2009.

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28 Chair

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30 ATTEST:

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32 Municipal Clerk
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MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

No. AM 882-2008

Meeting Date: December 16, 2008

From: Assembly Member Selkregg
Subject: **AR 2008-334 — A RESOLUTION OF THE ANCHORAGE MUNICIPAL ASSEMBLY IN SUPPORT OF SOUND FINANCIAL MANAGEMENT BY POSTPONEMENT OF NEW HIRES AND CERTAIN MUNICIPAL CONTRACTS UNTIL AFTER FIRST QUARTER BUDGET REVIEW, SUBJECT TO MONTHLY REPORTING ON THE STATUS OF MUNICIPAL FINANCES.**

The purpose of this resolution is to support continued sound financial management of municipal finances during the international economic crisis.

The resolution proposes two things:

- 1) A temporary hiring freeze until the 2009 first quarter budget review has been completed. Emergency hires are excluded from this restriction.
- 2) A delay of all non-critical contracts until 2009 first quarter budget review.

Critical contracts are excluded from deferral. Critical contracts include time-sensitive construction contracts that could experience a negative financial impact upon the Municipality in total cost due to inflation and other factors during a delay.

Respectfully submitted:

Sheila Selkregg, Ph. D.
Assembly Member, Section 5

21 Jan 2009

I hereby give notice of reconsideration of my vote
on AR 2008-334 (Item 11E). Dan Coffey will ~~be~~
second the motion (I think).

Pat Flynn

Patrick Flynn

1-21-09
4:30 P.M.

Second: Elvi Gray-Jackson
Elvi Gray-Jackson

M.O.A.
2009 JAN 21 PM 4:43
CLEMNS OFFICE

M.O.A.
2009 JAN 21 PM 1:22
CLEMNS OFFICE