



MUNICIPALITY OF ANCHORAGE

OFFICE OF THE MAYOR

MEMORANDUM

DATE: May 3, 2022

TO: Anchorage Assembly
Suzanne LaFrance, Assembly Chair

FROM: Mayor Dave Bronson *ds*

SUBJECT: Vetoes of AR 2022-98 (S) as Amended

Pursuant to the authority vested in me by Charter section 5.02(c), I hereby, by veto, strike or reduce the following amendments to **AR 2022-98 (S) as Amended: A RESOLUTION OF THE MUNICIPALITY OF ANCHORAGE REVISING AND APPROPRIATING FUNDS FOR THE 2022 GENERAL GOVERNMENT OPERATING BUDGET FOR THE MUNICIPALITY OF ANCHORAGE**, that were moved and approved by the Assembly at the meeting of April 26, 2022.

These vetoes continue to reflect my administration's priorities: protecting the public's safety; creating a prosperous and business-friendly community; compassionately addressing our homelessness crisis; re-organizing for more efficient and effective government; and aligning costs to better reflect cost causer/cost payer.

My vetoes save taxpayers \$3.4 million by coming \$4.7 million below the Tax Cap, which compares to the Assembly-approved budget that is only \$1.2 million under the Tax Cap. I have provided an explanation with each item vetoed.

Dunbar & Quinn-Davidson Amendment #3 – General Government Operating **Strike** Line 1: (\$2,308,894), Police, Fully fund School Resource Office (SRO) program (additional 9 months) remove revenue receipt from Anchorage School District (ASD).

My reason is as follows: The ASD approved budget includes Anchorage property taxes to pay for the SRO program during the 2022-2023 school year. The Assembly's action taxes property owners a second time to pay for the same program. At its inception in 2002, the SRO program was funded through a federal matching grant. Over time, the Municipality and ASD have shifted responsibility for funding between the two organizations. My proposal would allow for the program to be funded by a cost-causer/cost-payer model, accurately representing ASD's utilization of the services. While I continue to support the work of the SROs, I believe it is

appropriate that ASD pay for the program during the school year and the Municipality pay for it in the summer months. For this reason, I have vetoed funding from general government for school year operations and continue to support a shared arrangement.

Strike Line 2: \$314,636, Development Services, Starting July 1, fund 1 Electrical Inspector, 2 Mechanical/Plumbing Inspectors, and 1 Structural Inspector.

My reason is as follows: The reduction of these positions is part of an effort to right-size the inspector staff with the anticipated workload. This will not impact service and is part of my strategy to bring the Building Safety Service Area Fund (163000) to be self-sustaining and reduce its current negative fund balance.

Strike Line 4: \$1,061,897, Health, Maintain funding 8 Anchorage Health Department (AHD) positions out of AHD's operating budget; correct any associated labor expense (Jan - April) for these positions to be paid for in AHD's operating budget.

My reason is as follows: These positions are critical in servicing populations experiencing homelessness, substance misuse, and mental health crises—all of which were expressed priorities in establishing the alcohol tax. The Assembly amendment switched funding to property taxes; my veto continues funding these positions using alcohol taxes.

Dunbar & Quinn-Davidson Amendment #1 – Alcohol Tax Program

Strike Line 2: \$657,176, Fire, Maintain funding for MCT for a total recurring amount of \$1,575,180.

My reason is as follows: Current collective bargaining agreements do not allow for the Mobile Crisis Team (MCT) program to be fully implemented at the Anchorage Fire Department (AFD) (\$918,004 is currently in the department's budget for this program). Because of this limitation, additional funds will not achieve the amendment's desired outcome. In addition, AFD's program is intended to be an interim solution while community partners stand-up the 988 Crisis Now model (see December 1, 2021 Assembly Health Policy Committee Presentation by the Alaska Mental Health Trust). It would not be prudent to build out this program now, only to lay off trained personnel when the Crisis Now program is deployed.

Strike Line 3: \$872,000, Fire, Increase MCT to be 24-7 starting July 1 (Total program needs to be \$2,447,358).

My reason is as follows: Current collective bargaining agreements do not allow for the MCT program to be fully implemented at the AFD (\$918,004 is currently in the department's budget for this program). Because of this limitation, additional funds will not achieve the amendment's desired

outcome. In addition, AFD's program is intended to be an interim solution while community partners stand-up the 988 Crisis Now model (see December 1, 2021 Assembly Health Policy Committee Presentation by the Alaska Mental Health Trust). It would not be prudent to build out this program now, only to lay off trained personnel when the Crisis Now program is deployed.

Strike Line 4: \$122,000, Fire, 1FTE for new, permanent position in MCT – Logistics Coordinator.

My reason is as follows: Current collective bargaining agreements do not allow for the MCT program to be fully implemented at the AFD (\$918,004 is currently in the department's budget for this program). Because of this limitation, additional funds will not achieve the amendment's desired outcome. In addition, AFD's program is intended to be an interim solution while community partners stand-up the 988 Crisis Now model (see December 1, 2021 Assembly Health Policy Committee Presentation by the Alaska Mental Health Trust). It would not be prudent to build out this program now, only to lay off trained personnel when the Crisis Now program is deployed.

Strike Revenue Source Line 5: (\$1,061,897), Health, Maintain funding 8 AHD positions out of AHD's operating budget; correct any associated labor expense (Jan - April) for these positions to be paid for in AHD's operating budget.

My reason is as follows: The effect of this veto is that it reinstates funding for these positions from alcohol tax revenue instead of property taxes. These positions are critical in serving populations experiencing homelessness, substance misuse, and mental health crises, all of which were expressed priorities in establishing the alcohol tax.

Strike Revenue Source Line 6: (\$788,379), Health, Operational costs for shelter to balance increase to MCT program.

My reason is as follows: Shelter operational costs are a high priority to the mass care exit strategy from the Sullivan Arena. As explained in other sections, the MCT program has sufficient funding for its current operation and, accordingly, this funding is better used for the more critical need of shelter operations.

Strike Zaletel Amendment #1: \$500,000 – Alcohol Tax Program – Police, specifically to fund trainings that will focus on the roll-out of new equipment, case law updates, de-escalation, cultural awareness, wellness, and significant policy changes. This would allow up to 20 hrs of in-service training per officer in 2022. APD will provide a report to the Assembly on these efforts no later than October 2022.

My reason is as follows: Anchorage Municipal Charter (Charter), Article XIV, Section 14.07 provides that net receipts from the alcoholic beverages retail sales tax (Alcohol Tax) are dedicated and to be available only for:

- (1) funding for police, related criminal justice personnel, and first responders;
- (2) Funding to combat and address child abuse, sexual assault, and domestic violence; and
- (3) Funding for substance misuse treatment, prevention programs, detoxification or long-term addiction recovery facilities, mental and behavioral health programs, and resources to prevent and address Anchorage's homelessness crisis.

Further, the net receipts of the Alcohol Tax cannot be used to supplant funding for existing service levels as contained in the Municipality's actual operating budget for fiscal year 2020. Charter, art. XIV, § 14.07.(e). In other words, the net receipts of the Alcohol Tax are to be used only for additional services above the 2020 baseline.

Here, the intended use of funds in Zaletel Amendment #1 are inconsistent with the expressed limitations in Charter of Alcohol Tax net receipts. The amendment does not add police or criminal justice personnel, nor does it fund substance misuse treatment or behavioral health programs. As approved by the Assembly, the amendment also provides no analysis of how the funds will be specifically used to combat and address child abuse, sexual assault, and domestic violence. Because the Assembly has not shown a nexus between the proposed use of the funds and the limitations of Alcohol Tax revenues, I must veto the Amendment.

Strike Zaletel Amendment #2: \$50,000 – Alcohol Tax Program – Fire, to fund a study to review and make recommendations regarding the personnel levels, staffing structure, national standards and other contributors to overall costs related to the labor costs within the Anchorage Fire Department.

My reason is as follows: As discussed above, Charter Article XIV, Section 14.07 expressly restricts use of Alcohol Tax net receipts to very narrow purposes. Here, an appropriation to the Assembly to “fund a study to review and make recommendations regarding personnel levels, staffing structure, national standards and other contributors to overall costs related to the labor costs with the Anchorage Fire Department” is not an acceptable use of Alcohol Tax net receipts. The appropriation does not add personnel, it does nothing to combat domestic violence or sexual assault, and it does not provide services for mental health or substance misuse. As such, this appropriation is an improper use of the Alcohol Tax.

Strike Rivera & Zaletel Amendment #1: \$50,000 – Alcohol Tax Program – Police, for specific recruiting efforts to increase the number of officers with APD specifically focused on recruiting individuals that are reflective of the overall demographics of the community. APD will provide a report to the Assembly on these efforts no later than October 2022.

My reason is as follows: In this amendment, the Assembly is again attempting to use net receipts of the Alcohol Tax inconsistent with the plain language of Charter. While I support efforts to create a more diverse workforce within APD, the Alcohol Tax cannot be used for recruitment alone. This amendment does not show, or provide any analysis tending to show, how these funds would add services above the 2020 baseline. In other words, this amendment does not directly add personnel above the 2020 service levels. Instead, it seeks only to recruit a more diverse applicant base. Without showing how these funds will add personnel or increase services above the baseline 2020 level, the appropriation is an improper use of the Alcohol Tax net receipts.

Strike Dunbar, Quinn-Davidson, & Zaletel Amendment #2: \$50,000 – Alcohol Tax Program – Assembly, Facilitate an education effort on the Alcohol Tax Program, including an opportunity to collect feedback from the public.

My reason is as follows: Dunbar, Quinn-Davidson, & Zaletel Amendment #2 is another improper use of Alcohol Tax funds. The expressed language in Charter provides that the net receipts of the tax must be used in very specific ways. Nothing in the plain language of Charter leads to the conclusion that an education effort on the Alcohol Tax Program is acceptable. As stated above, to spend from the Alcohol Tax fund, an appropriation must show how the appropriation will increase services above the 2020 baseline. This amendment fails to do so and, as a result, must be vetoed.