



MUNICIPALITY OF ANCHORAGE

Assembly Information Memorandum

AIM No. 224-2025

Municipal Clerk's Office

Meeting Date: November 18, 2025

Accepted

Date: **November 18, 2025**

1 **FROM: MAYOR**

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3 **SUBJECT: A RESOLUTION OF THE BUDGET ADVISORY COMMISSION**
4 **REGARDING THE 2026 PROPOSED BUDGET.**

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6 Attached is Budget Advisory Commission Resolution 2025-3 regarding the 2026
7 proposed budget, passed at their special meeting on November 5, 2025.

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10 Prepared by: Amanda K. Moser, Office of Management & Budget
11 Approved by: Ona R. Brause, Director, Office of Management & Budget
12 Concur: William D. Falsey, Chief Administrative Officer
13 Concur: Rebecca A. Windt Pearson, Municipal Manager
14 Respectfully submitted: Suzanne LaFrance, Mayor

**Budget Advisory Commission
Resolution 2025-03**

**A RESOLUTION OF THE MUNICIPAL BUDGET ADVISORY COMMISSION
REGARDING THE 2026 PROPOSED BUDGET**

WHEREAS, the Municipality of Anchorage faces structural fiscal constraints, including the charter-imposed tax cap, diminished state revenue sharing, and limited growth in alternative revenue sources, which collectively constrain the ability to fund operating costs and maintain services, and;

WHEREAS, there are various proposed ordinances currently being considered by the Assembly which are designed to diversify and otherwise update the revenue structure of the Municipality, and;

WHEREAS, the 2026 Proposed Operating Budget seeks to maintain largely flat funding levels from 2025, with modest adjustments primarily to accommodate inflation, contractual labor-cost increases, and sustaining core services, and;

WHEREAS, in recent years the Municipality has had a high vacancy rate across multiple departments (which has contributed to the need to outsource critical operational processes to contractors) but has more recently made substantial improvements in this area with the goal of being "fully staffed," and;

WHEREAS, the Mayor's budget emphasizes continued investment in public safety including additional sworn police personnel, enhanced technology, and support for fire safety, expanded crisis response operations, and funding for 24/7 mobile crisis teams, and;

WHEREAS, the proposed budget also includes investments in housing and neighborhood revitalization, removal or remediation of blighted properties, and enhanced cleanup of parks, trails, and public spaces, and;

WHEREAS, capital improvements and infrastructure maintenance remain essential for Anchorage's long-term economic health, and the 2026 capital program allocates funding for road maintenance, drainage projects, safety upgrades to municipal buildings, and park/trail improvements, and;

WHEREAS, economic and demographic trends in Anchorage, including shifting demographics, dependence on federal/state employment and resource development industries, and a historically stable – but potentially shifting – tax base, require that the Municipality manage cost growth prudently and seek sustainable revenue diversification, and;

WHEREAS, the Budget Advisory Commission (BAC) is charged with providing citizen oversight, technical review, and policy counsel to ensure that municipal spending decisions promote fiscal sustainability, service efficiency, accountability, and alignment with community priorities, now, therefore;

THE BUDGET ADVISORY COMMISSION RESOLVES:

- 1) The Budget Advisory Commission commends the Mayor and Administration for submitting a budget that avoids major service cuts or reductions in 2026 under constrained revenue conditions, while targeting investments in public safety and crisis response.
- 2) The Commission urges the Assembly to preserve the proposed investments in public safety, including additional sworn police officers, improved technology for public safety, and full staffing of the Mobile Crisis Team, as these are essential to the provision of high-quality services.
- 3) The Commission advises that the Assembly and Administration expand the use of specialized response models and diversionary programs for incidents involving behavioral health, substance use, and certain non-criminal crises, ensuring that the Municipality's public safety system deploys the most appropriate resources for each situation while maintaining efficiency and community trust.
- 4) The Commission recommends that the Assembly and Administration apply heightened scrutiny to contractual spending to identify efficiencies or cost reductions that do not compromise core service delivery, while continuing efforts to ensure adequate staffing and reduce vacancy rates—both of which are essential for managing operational costs and maintaining consistent, high-quality municipal services.
- 5) The Commission suggests that any new capital projects be evaluated rigorously for their long-term operations and maintenance cost implications, and that capital prioritization criteria continue to emphasize safety, utility, and lifecycle cost.
- 6) The Commission proposes that the Administration and Assembly search for innovative ways to present and discuss year-to-date spending data which make this information more understandable to both facilitate transparency and enable more informed decision-making.
- 7) The Commission requests that the Assembly and Administration conduct scenario analyses (for example, under modest revenue declines or cost pressures) and present alternative budget paths that would preserve essential services amid stress, to inform future planning and enhance resiliency.
- 8) The Commission encourages the Administration and Assembly to explore targeted revenue reforms to support municipal services, reduce overreliance on the property tax base, maintain fiscal flexibility in future years, and increase the contribution made by visitors to help fund the services from which they benefit.
- 9) The Commission advocates for ongoing engagement with community councils, citizen groups, and stakeholder organizations during the budget

1 amendment process to surface priorities, potential trade-offs, and to
2 enhance public understanding of fiscal constraints.
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4 PASSED AND APPROVED by the Budget Advisory Commission this 5th day
5 of November, 2025.
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10 Chair of the Budget Advisory Commission

11 ATTEST:

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15 Office of Management and Budget