

FEDERATION OF COMMUNITY COUNCILS

LOCAL LENS PRESENTATION

MUNI BUDGET 101

October 14, 2025



PRESENTERS

Assembly Budget and Finance Committee	Office of Management & Budget (OMB)	Budget Advisory Commission
		
Anna Brawley, Co-Chair Assembly Vice Chair & Member for West (District 3), Anchorage Assembly	Ona Brause OMB Director, Municipality of Anchorage	Ian Mills, BAC Chair Research & Data Manager, UAA Center for Economic Development

Let's talk about **WHY**
we budget &
HOW it's decided.

WHY CARE ABOUT THE MUNICIPAL BUDGET?

The Muni budget affects our daily lives:

- Snow removal & road quality
- Emergency service response times
- Libraries, playgrounds, parks and trails



The budget is a reflection of the values, vision and priorities of our community. We fund what is important to us.

And it keeps our large, complex, spread-out organization functioning smoothly!

WHAT'S IN THE MUNICIPAL BUDGET?

- Operating Budget: core services like fire, police, parks, libraries, roads & health
- Capital Budget: Bonds & Grants for Projects
 - Bonds for roads, parks, municipal facilities and public safety vehicles
 - Requests to the state and feds for capital grants
- Enterprise and Utilities Budgets: Port, Solid Waste Services, AWWU, ACDA, etc...
- Dedicated Taxes: Revenue for Specific Purposes
 - *Bed tax*: 4% general government, 4% tourism promotion, 4% convention centers
 - *Alcohol tax*: public safety, homelessness, substance misuse prevention & response
 - *Marijuana tax*: early education & childcare (now ACCEE Fund)
 - *Other special tax levies*: police tech like body cams, fire & EMS, snow fleet vehicles

CAPITAL PROJECTS

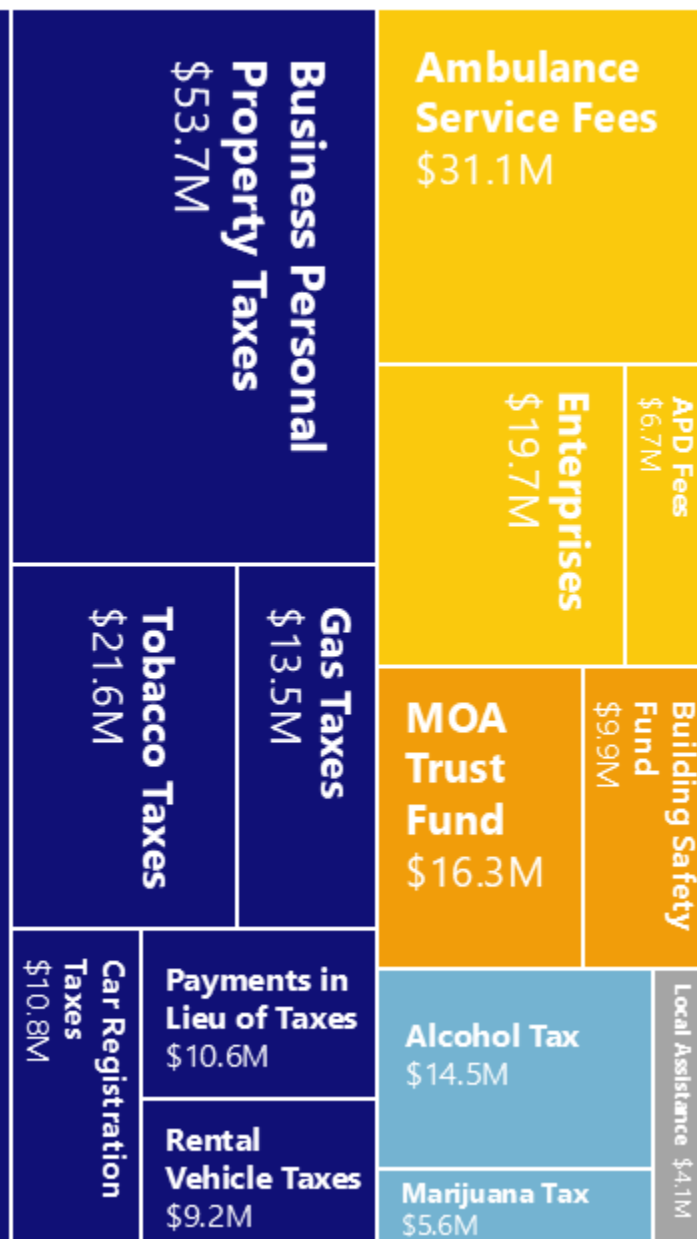
- Capital Improvement Plan (CIP) – 6-year plan for road, parks, library, facilities projects
- Capital Improvement Budget (CIB) – bonds, state, federal & private requests for the current year
- Community Councils do CIP surveys in the spring
- State & Federal funding has dropped off.
Most local projects paid by voter-approved bonds,
plus pass-through money for transportation projects



THE COLOR OF MONEY

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

Property Taxes
 \$569.3M



WHY SO MUCH PROPERTY TAX?

State investments have been shrinking.

- In **1982**, State grants to the Muni funded about **42%** of our operating revenue. Property taxes were about **36%**.
- In **2024**, State Community Assistance funding was about **0.5%**. Property taxes are about **58%** ... with a lot more roads, facilities, neighborhoods & infrastructure to maintain!
- In the last 10 years, the Muni got **\$700 million less** State money: **\$100 million** less for operations, **\$600 million** less for capital.

WHAT DOES THIS MEAN FOR LOCAL SERVICES?

- MOA in good financial health – balanced budgets, nearly 100% COVID costs reimbursed by FEMA & new sources of revenue through marijuana and alcohol tax
- Therefore, MOA doing more with less:
 - *1983 Budget* : \$193.5M (**\$629M** in 2025 dollars), **211K** residents
 - *2025 Budget* : **\$648M**, **291K** residents ... that's **\$750 less** per capita.
- Who pays our costs has shifted from State to local residents.
- We use property taxes more, to pay for the same level of service.

MOA SPENDING ON HOMELESSNESS

- **2020:** First year of MOA operating funds towards shelter (\$735K) + \$300K for Home for Good supportive housing pilot program
- **2025:** \$4.5M for homeless services (shelter & support) + alcohol tax grants to providers.
- **6.7%** of spending on housing and homelessness from 2016-2025 has been local MOA funds. **19%** has been from alcohol tax.
- **\$50M** of COVID funds went to long-term solutions: nonprofits purchased & renovated **15 facilities** (aging hotels), adding **600+ units** of affordable and supportive housing. Another **\$27M** went to rent & mortgage assistance.

WHAT ABOUT SCHOOL FUNDING?

- School funding is part of your property tax bill, but not represented in the general government budget!
- About **45%** of our property taxes go to Anchorage School District, to fund public schools.
- The School Board follows the State's fiscal year (July 1-June 30) and prepares its budget for adoption by March.
- The Anchorage School Board approves an annual budget and sends it to the Assembly for adoption ... but the rules are different:
 - Only the top-line number is approved by the Assembly.
 - The School Board makes all line-item decisions, including cuts if not fully funded.

HOW & WHEN IS THE BUDGET DECIDED?

- **October 2:** Mayor releases proposed FY26 budget
- **October 7:** Budget documents formally introduced on agenda
- **October 10 & 24:** Assembly worksessions, FY26 budget
- **October 21:** 1st Public Hearing at Assembly Meeting
- **November 4:** 2nd Public Hearing at Assembly Meeting
- **November 7:** Assembly worksession, proposed amendments
- **November 18:** Assembly amendments & vote at Meeting
- **April 2026:** 1st Quarter ("1Q") Revisions process & 2026 tax levies set

OPPORTUNITIES FOR PUBLIC INPUT ON BUDGET

- Budget worksessions are open to the public – attend in person, stream or view recording
- Email mayor@anchorageak.gov and assembly@anchorageak.gov
- Public Testimony on Oct 21 and Nov 4

Budget info and schedule at www.muni.org/assembly – Budget and Taxes page



Let's talk about
WHAT is in our
budget &
WHERE money goes.

2026 Proposed General Government Operating Budget

- \$656.9 million total appropriation
- \$175,000 under the tax cap
- \$7M total property tax increase over 2025

Overview

Operating Budget Summary



Overview

Preliminary
Property
Tax
Impact



Table 4 illustrates an average property tax impact per \$100,000 of property value, with 2026 based on the current preliminary taxable assessed values and proposed average mill rate. The average property tax bill is projected to decrease 0.4% from 2025 due to the 2026 property taxes to be collected being up by 1.9% and the preliminary taxable assessed value projected to go up 2.4% from the amounts for 2025. These amounts will be updated in the spring during the Revised Budget process to include most recent taxable assessed values and mill rates.

Table 4. Property Tax Impact			
	2025	2026 (rounded)	Change
Tax Per \$100,000 Assessed Value	\$913	\$909	-\$4
<i>(Excludes Anchorage School District)</i>			

Overview

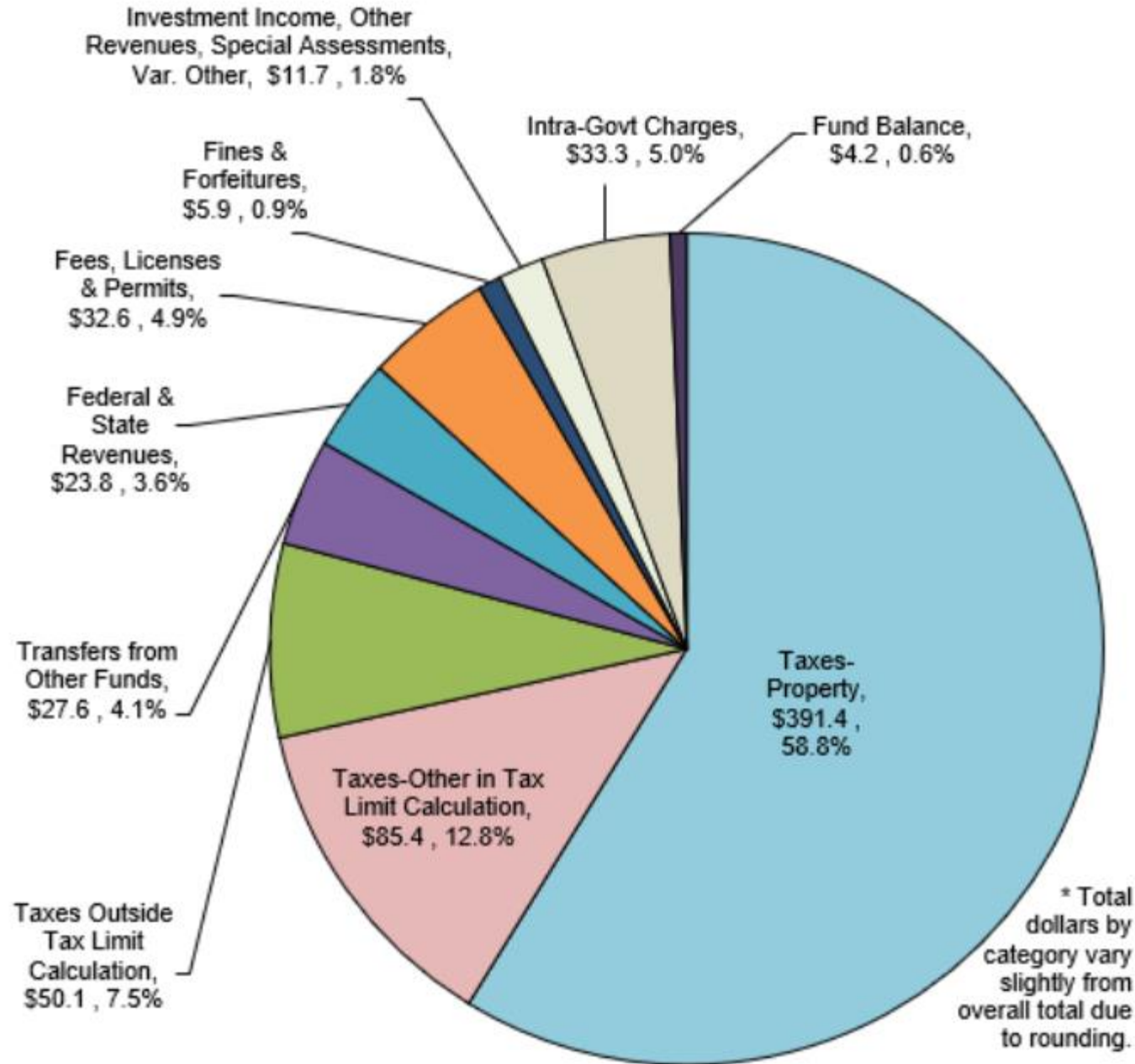
Departments by % of Budget



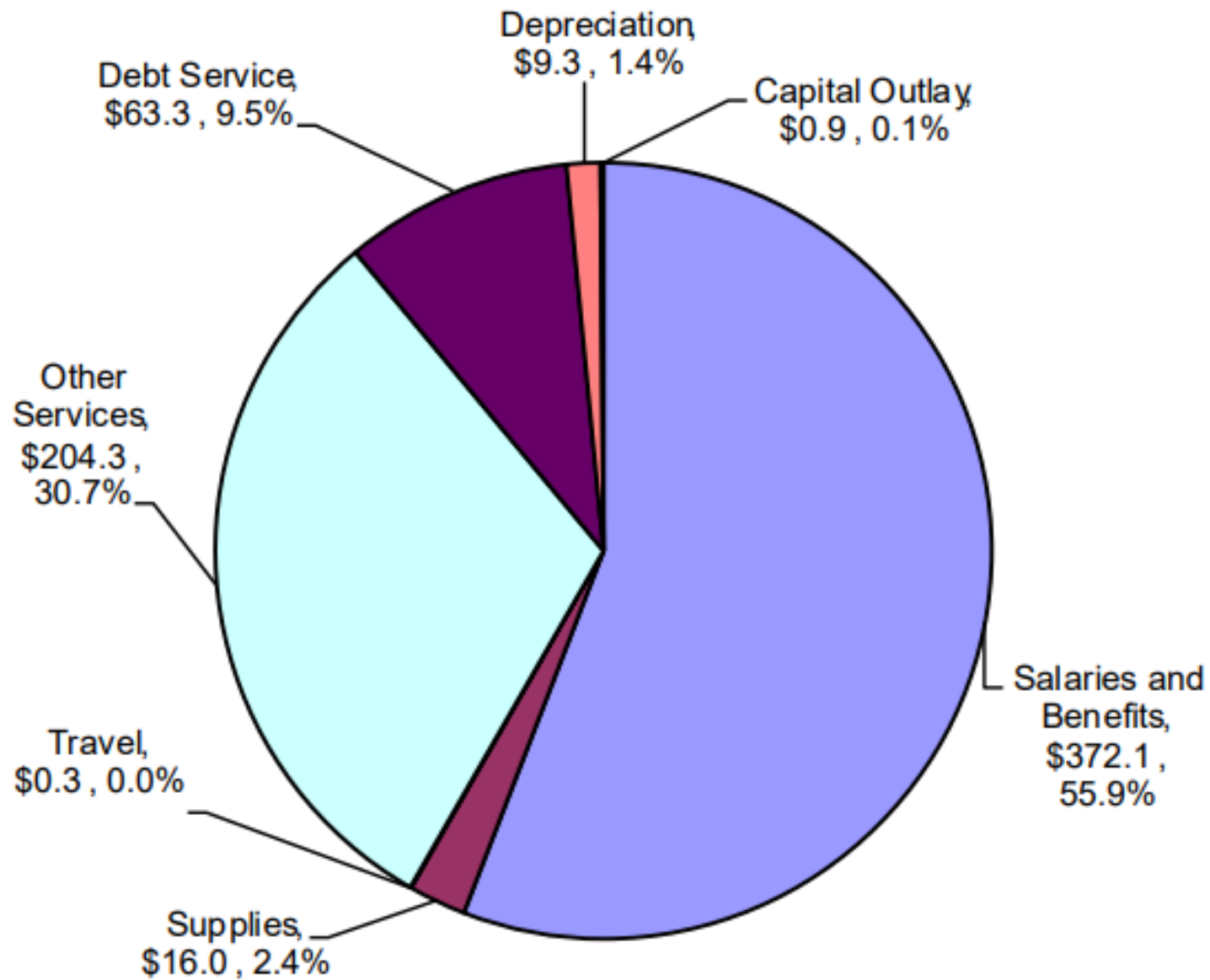
Table 1. 2026 Proposed Budget by Department / Agency with Debt Service and Depreciation Noted Separately Ranked by Percentage of Budget (\$ thousands)					
Police	\$ 148,947	22.4%	Assembly	\$ 9,259	1.4%
Fire	\$ 127,544	19.1%	Traffic Engineering	\$ 7,269	1.1%
Maintenance & Operations	\$ 70,654	10.6%	Human Resources	\$ 7,215	1.1%
Debt Service Incl Areawide TANS	\$ 63,343	9.5%	Real Estate	\$ 5,108	0.8%
Public Transportation	\$ 33,149	5.0%	Planning	\$ 3,752	0.6%
Taxes & Reserve	\$ 26,818	4.0%	Mayor	\$ 3,155	0.5%
Information Technology	\$ 23,200	3.5%	Municipal Manager	\$ 2,273	0.3%
Parks & Recreation	\$ 23,144	3.5%	Community Development	\$ 2,233	0.3%
Chief Administrative Officer	\$ 22,669	3.4%	Purchasing	\$ 2,155	0.3%
Health	\$ 20,575	3.1%	Public Works	\$ 1,563	0.2%
Finance	\$ 15,344	2.3%	Management & Budget	\$ 1,346	0.2%
Development Services	\$ 12,840	1.9%	Internal Audit	\$ 948	0.1%
Library	\$ 10,335	1.6%	Project Management & Engineering	\$ 901	0.1%
Municipal Attorney	\$ 9,925	1.5%	Equal Rights Commission	\$ 771	0.1%
Depreciation	\$ 9,300	1.4%	Equity & Inclusion	\$ 431	0.1%
TOTAL				\$ 666,166	100.0%

Overview

Financing Sources



**2026 Proposed
Financing
Sources
\$666.2 million**



**2026 Proposed
Financing
Uses
\$666.2 million**

Overview

Capital Summary from 2025 Budget



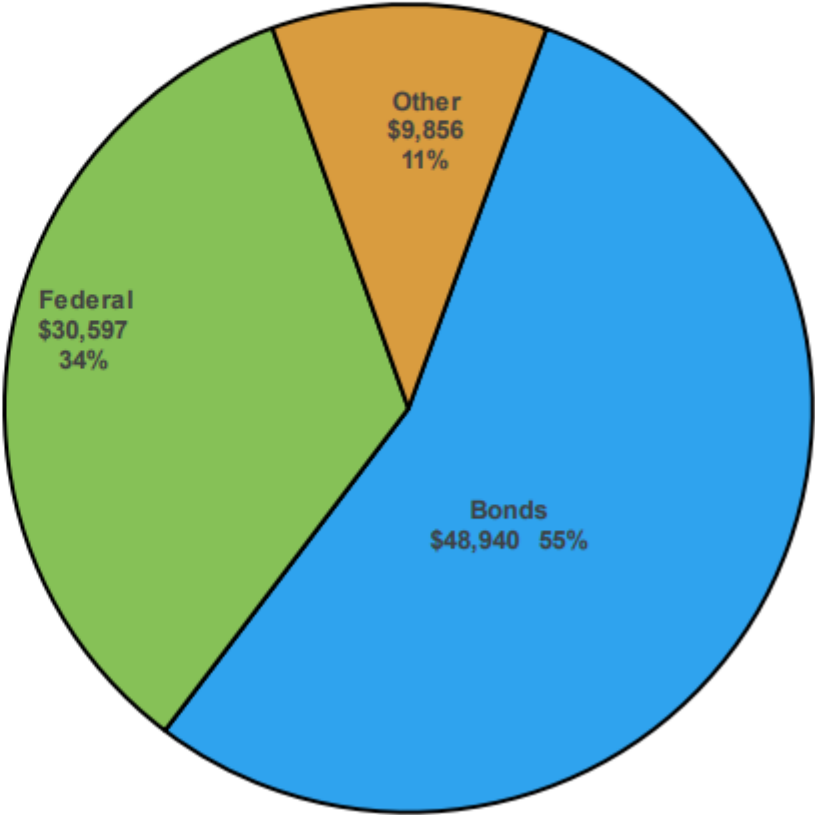
(in thousands)					
Department	Bonds	State	Federal	Other	Total
Fire	3,150	3,100	-	-	6,250
Information Technology	-	-	-	700	700
Library	2,650	-	-	-	2,650
Maintenance & Operations	4,700	16,830	-	3,976	25,506
Parks & Recreation	7,700	-	-	-	7,700
Police	3,400	-	-	3,000	6,400
Project Management & Engineering	37,150	143,350	21,810	650	202,960
Traffic Engineering	4,500	3,000	-	-	7,500
Total	63,250	166,280	21,810	8,326	259,666



2026 Capital Improvement Budget

2026 Proposed Funding Sources (in thousands)

Source		\$	%
Bonds	\$	48,940	55%
State	\$	-	0%
Federal	\$	30,597	34%
Other	\$	9,856	11%
Total	\$	89,393	100%

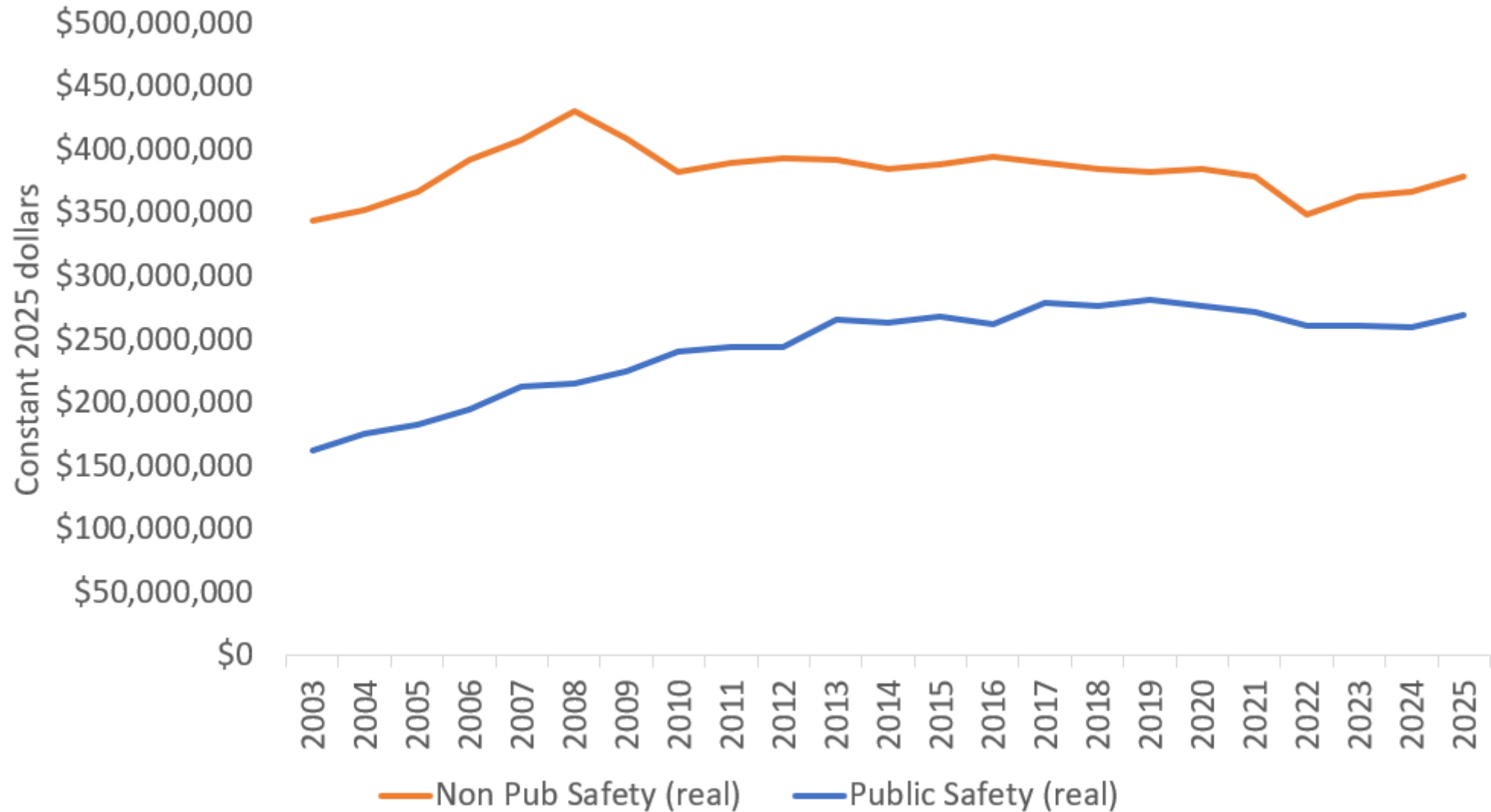


Historical

Operating
Budget
Totals

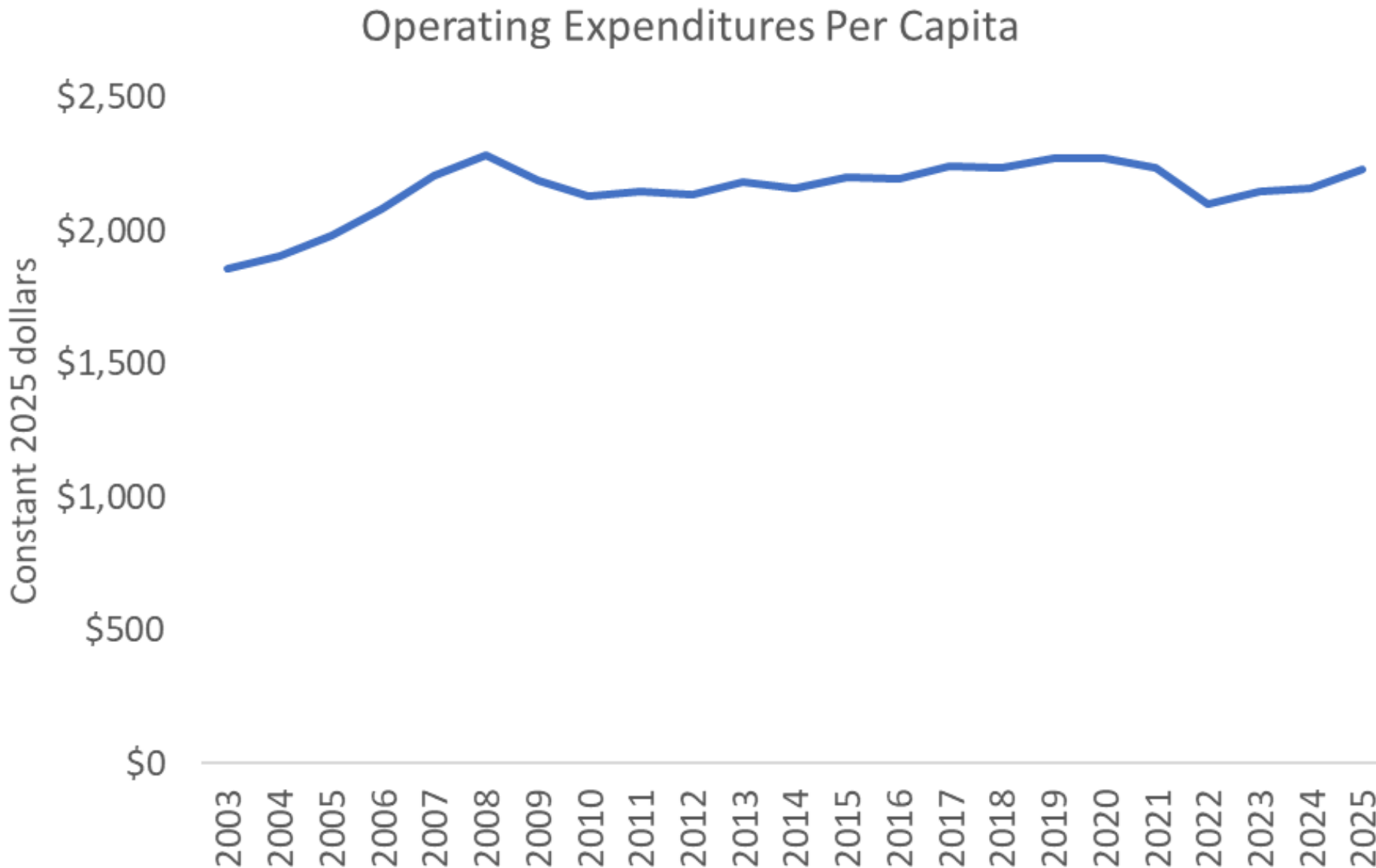


Non-Public Safety vs Public Safety Spending



Historical

Operating
Budget
Totals



Let's talk about **WHO**
participates & how
YOU can be involved.

About the Budget Advisory Commission (BAC)

- Purpose: provide the assembly, the mayor, the school board and the superintendent of schools well-informed advice as to the budgets and budgeting process
- Also:
 - Participate with the assembly and the mayor in the review of the budgets
 - Publish resolutions regarding the budget or other fiscal issues
 - Work with the assembly and mayor to increase public understanding and involvement in budget and fiscal issues
- Meetings are open to the public for attendance (virtually or in person)

Why to Care or Be Involved

- The context around municipal finances is shifting
- Local leaders are asking for input
- Broader participation leads to better outcomes

How to read the budget...

- Start with the "Budget Overview",
 - Next "Revenues" and Appendix A
 - Then "Fiscal Program"
- "120 Day Memo" is a great resource to understand the Mayor's priorities
 - Four-page summary in plain language
 - Appendix A is one page: shows projected revenue
 - Appendix B is one page: shows how property tax budget is calculated

Join the BAC

- 11 seats: 3 vacancies
- Meet monthly on the second Thursday
- Stay up to date on municipal finances
 - Regular updates from the Mayor's office, Assembly, OMB, and Anchorage School District
 - Monthly presentations from municipal departments
- **Learn more & apply:**
<https://onboard.muni.org/board/2866>

How to Advocate and Get Involved

- Join the BAC!
- Contact your Assembly Member
- Listen in on Assembly work sessions
- Attend public hearings

SO, WHAT'S NEXT?

- As a community, we need to decide:
 - **Levels of services** we want
 - **How much** we are willing to pay for services
 - **How** to pay for it through local revenue (taxes, fees, grants, etc.)
 - **What to prioritize** for funding. Total needs > available resources.
- We can look into creative solutions – we don't have to do it the way it's always been done!

QUESTIONS?

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BAC CHAIR IAN MILLS

Apply to join the Commission! onboard.muni.org

