

MUNICIPALITY OF ANCHORAGE



Mayor Dan Sullivan

October 2, 2009

Dear Residents,

Following is the proposed 2010 budget. Beginning in 2005, the previous administration began preparing two year budgets. Due to economic uncertainties and our intent to more closely scrutinize municipal spending, we are returning to the more traditional one year budget planning document.

The 2010 budget recognizes that the combination of increased expenditures and flat revenue growth does not allow us to simply put forth a continuation budget, which would total approximately \$453 million. The budget we are proposing spends less than the approved 2009 revised budget of \$422 million.

The increase in labor costs as a result of the long term contracts approved in 2008 are the primary source of increased expenditures in 2010 and in subsequent years as well. Through 2013, labor costs will increase by approximately \$110 million. Even the most optimistic projections do not produce enough revenue going forward to balance the budget without the spending reductions proposed in this budget.

We have worked diligently with all of our department heads to find savings while still maintaining essential services. We have also listened to the many suggestions that came forth from the public through our TaxSavers program. We have done our best to protect public safety and road maintenance services, but the size of the deficit requires that all departments participate in the solution.

I look forward to working with the Assembly and the public as we finalize a responsible 2010 budget.

Respectfully,



Dan Sullivan
Mayor