



MUNICIPALITY OF ANCHORAGE

ASSEMBLY INFORMATION MEMORANDUM

AIM No. _____

Meeting Date: April 26, 2011

1 **From:** MAYOR

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3 **Subject:** Municipal Budget Advisory Commission Report on Proposed First Quarter
4 Budget Amendments

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6 Attached is a report from the Municipal Budget Advisory Commission on the proposed
7 first quarter amendments to the 2011 General Government Operating Budget. The
8 report was discussed and approved at a special meeting of the commission on April 20,
9 2011.

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12 Prepared by: Cheryl Frasca, OMB Director
13 Concur: George J. Vakalis, Municipal Manager
14 Respectfully submitted: Daniel A. Sullivan, Mayor

Municipal Budget Advisory Commission
Report to the Anchorage Assembly on
Mayor's Proposed First Quarter
2011 Operating Budget Amendments

April 20, 2011

The Budget Advisory Commission reviewed the first quarter revisions that have been proposed by the Administration and recommends the Assembly adopt the revisions as proposed. The directive was to limit revisions to unanticipated costs and priority initiatives. We believe these revisions adhere to those guidelines.

Specifically, public safety is a top priority for the Municipality and as such, \$3.5 million of the \$7.4 million increase is dedicated to public safety. This will fund a 28-person police academy, 29 fire positions, and 6 EMS positions among other things.

Another \$250,000 is required to retrofit a warehouse to store belongings removed from illegal homeless camps. While unfortunate that this cost is necessary, we believe it is justified given the public safety value of being able to clear out illegal homeless camps.

The other \$3.9 million increase is primarily dedicated to unanticipated costs such as workers' compensation, increased fuel cost, and stormwater compliance. These costs are unavoidable and are appropriately included.

There also is a \$300,000 request for the Efficiency RFP. This high dollar study does give us some pause. While the long-term benefits will almost certainly far outweigh the costs, we would like to see enough savings within the current budget year to offset this cost.

The good news is that after all reserves for bond rating and operating emergencies were met, the Municipality still ended up with \$11.2 million in unreserved fund balance, the majority of which (\$6.7 million) will go to property tax relief. This is a very rare event in government and a huge win for property tax payers.

Approved on April 20, 2011 with the following BAC members present:

James Bailey	Tony Cange
Andy Clary	Steve Hartung
Bill Webb	

School Budget Advisory Commission members participating in the discussion:

David Alexander	Shirley Nelson
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