

1963

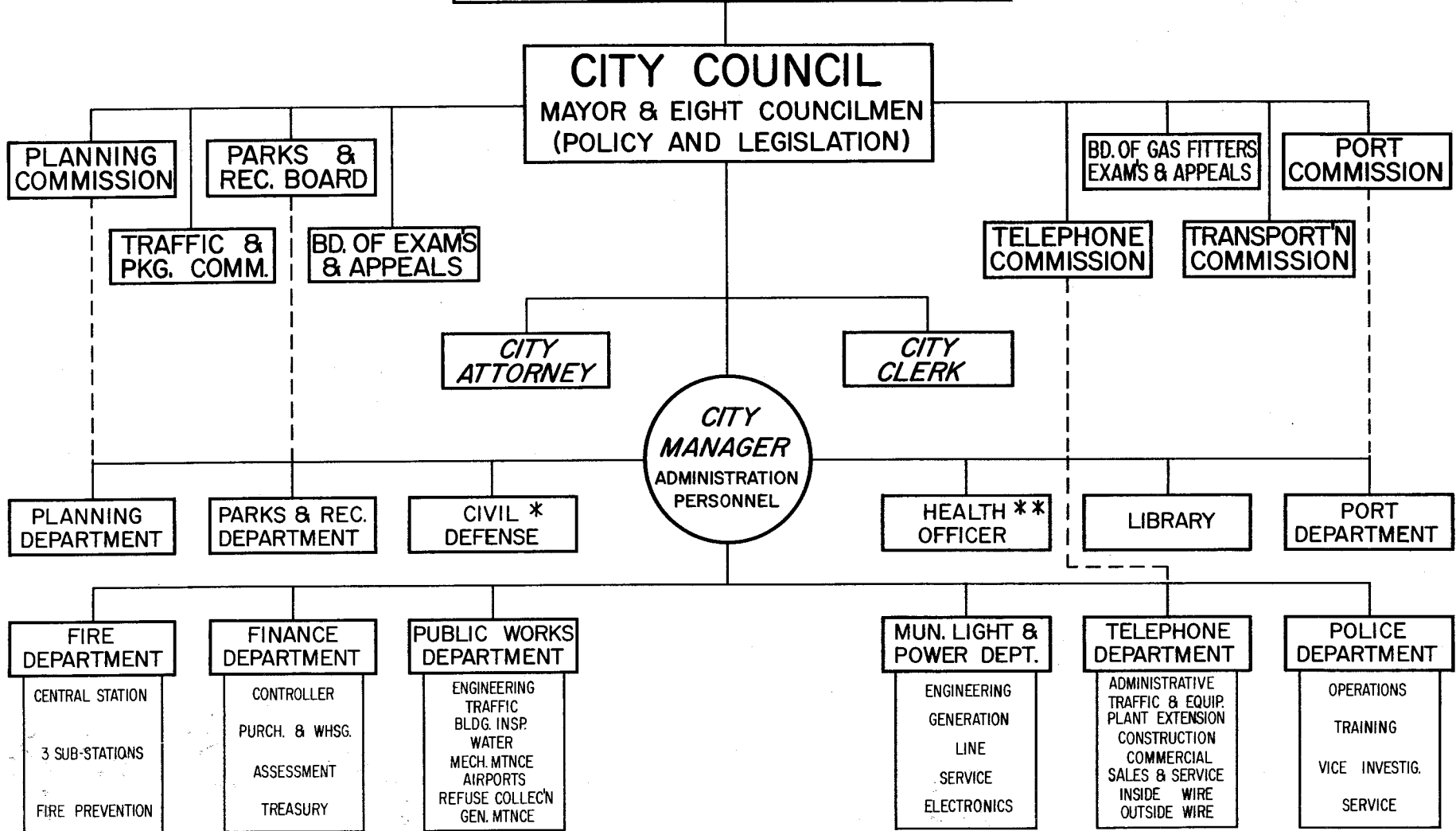
CITY OF

ANCHORAGE

ALASKA

BUDGET

PEOPLE OF ANCHORAGE



* LIAISON WITH STATE C.D. ON ACTIONS OUTSIDE THE CITY.

** SERVICES PROVIDED UNDER CONTRACT WITH STATE DEPARTMENT OF HEALTH.

----- SIGNIFIES LIAISON RELATIONSHIP

ANNUAL BUDGET
CITY OF ANCHORAGE
ALASKA
FOR THE YEAR
1963

COMPILED AND SUBMITTED BY
ROBERT H. OLDLAND
CITY MANAGER

DIRECTORY OF OFFICIALS

MAYOR

GEORGE SHARROCK

COUNCILMEN

William A. Besser
Joseph A. Yesenski
Harry J. Pursell
Dr. Robert D. Livie

Frank Feeman, Jr.
E. N. Courtney
C. A. Hostetler
Sewell F. Faulkner

APPOINTIVES

City Manager Robert H. Oldland
City Attorney Richard O. Gantz
City Clerk B. W. Boeke

OTHER OFFICIALS

Public Works Director Robert B. Smith
Port Director James J. Cahill (Acting)
Controller James P. Bell
Electric Utility Manager Roy S. Samson
Telephone Utility Manager John T. Harris, Jr.
Planning Director Charles E. Olson

Police Chief John C. Flanigan
Fire Chief George Burns
Civil Defense Director Douglas M. Clure
City Librarian Irene Griffith
Parks & Recreation Director. . Alice M. Rhoden

November 6, 1962

The Mayor and Members of City Council
City of Anchorage
Anchorage, Alaska

Gentlemen:

In accordance with the requirements of Section 6.2, Chapter VI of the City Charter, the City Manager submits herewith, budget proposals for the City of Anchorage for the 1963 fiscal year. Budget proposals contained herein and submitted for your consideration will serve not only for accounting purposes, but the final document as approved by Council will also constitute the community's financial plan of action for the coming fiscal period.

* * * *

It is believed particularly important that Council's attention be drawn to the following facts regarding this compilation and the method of its submittal:

1. The materials contained herein are not intended to serve as the finished product for the 1963 budget, but rather as constituting sufficient detail to enable Council to study needs and resources and decide on final budget materials to be included in the approved program document.

2. While it details the City Managers' recommendations, this submission is intended as a 'work' document for Council's review. After completion of Council's studies, the final budget document reflecting the decisions of Council will be prepared and bound for public distribution.

3. The entire format of budget preparation has been revised in an effort to provide additional basic data for comparison purpose; to standardize the reporting format for all operating departments (with some exceptions due to utility accounting); and to permit a more specific and direct association of operating costs with the individual departments concerned.

* * * *

Based on detailed budget studies and departmental reviews which have been conducted with great care in recent weeks, this budget has been prepared with the objective of continuing proper levels of service throughout the community with minimal increases in costs and within a revenue framework which includes a municipal property tax rate of 11 mills.

The City Boards and Commissions, the department heads of our City, and their respective staffs have spent a great deal of time in the preparation of their respective budgets. The City Manager's recommendations, although in some instances at variance with departmental requests, recognize the need to keep the budget at a minimum consistent with basic departmental requirements.

In reviews conducted by the City Manager, departmental requests were reduced in the amount of \$247,867. The reductions affect parts of work programs, proposed personnel additions, and areas of improvement that can be delayed without seriously jeopardizing the continuance of adequate City services.

The proposed tax rate for 1963 is 11 mills, or \$11 per thousand dollars of assessed valuation utilizing a valuation factor of 70 percent. This produces an estimated tax dollar income of \$2,409,000 on a total assessed valuation within the City of \$219,000,000. Comparative tax rates, tax dollar income, and assessed valuations for the five fiscal periods beginning with 1959 are as follows:

	<u>1959</u>	<u>1960</u>	<u>1961</u>	<u>1962</u>	<u>1963</u>
Tax Rate:	11	12	11	10	11
Tax Dollar Income	\$ 1,345,566	\$ 1,882,472	\$ 2,133,906	\$ 2,105,000	\$ 2,409,000 est.
Assessed valuations	\$ 122,324,180	\$ 156,872,660	\$ 193,991,450	\$ 210,500,000	\$ 219,000,000 est.
	60%	60%	70%	70%	70%

* * * *

GENERAL FUND

The 1963 General Fund Revenue estimates are detailed in Section A. The majority of the items of General Fund Revenue are, by necessity, estimated based on prior year experience and forecasted growth.

The payment in lieu of taxes from the Telephone Utility has in past years been computed on 100 percent of depreciated plant value. It is recognized that the prevailing City practice in rendering assessments on private property provides for a factor of 70 percent to be applied to the depreciated value to obtain assessed value. This practice has been extended to the computation of the Telephone Utility

payment in lieu of tax for 1963 resulting in a decrease in revenue of \$63,725 and a similar decrease in Telephone Utility expense. Due to the impact upon General Fund Revenues, this change in procedure has not been applied to the Water Utility but will be programmed for the 1964 budget.

A review of the rentals charged to the utilities will be made prior to 1964 budget deliberations in order to reevaluate and equalize the rates.

The City owns a substantial amount of real property, the sale of which (or portions thereof) can produce income for the General Fund. This is a source of money which, for example, could be used in support of programs or debt service requirements on a 'loan' basis as total dollar needs become apparent during the 1963 fiscal period.

The City has approximately \$1,817,000 worth of land, most of which is immediately negotiable. This includes \$400,000 in the lower parking bowl, between Second and Third Avenues; 320 acres in the Russian Jack Springs area, estimated to be worth \$3,500 an acre or \$1,120,000 in all; and two tracts in the Fourth Addition, worth perhaps \$180,000. In addition, if the City were to pay off \$15,839 in amortization value for 97 acres around Goose Lake, an additional estimated \$50,000 would be realized.

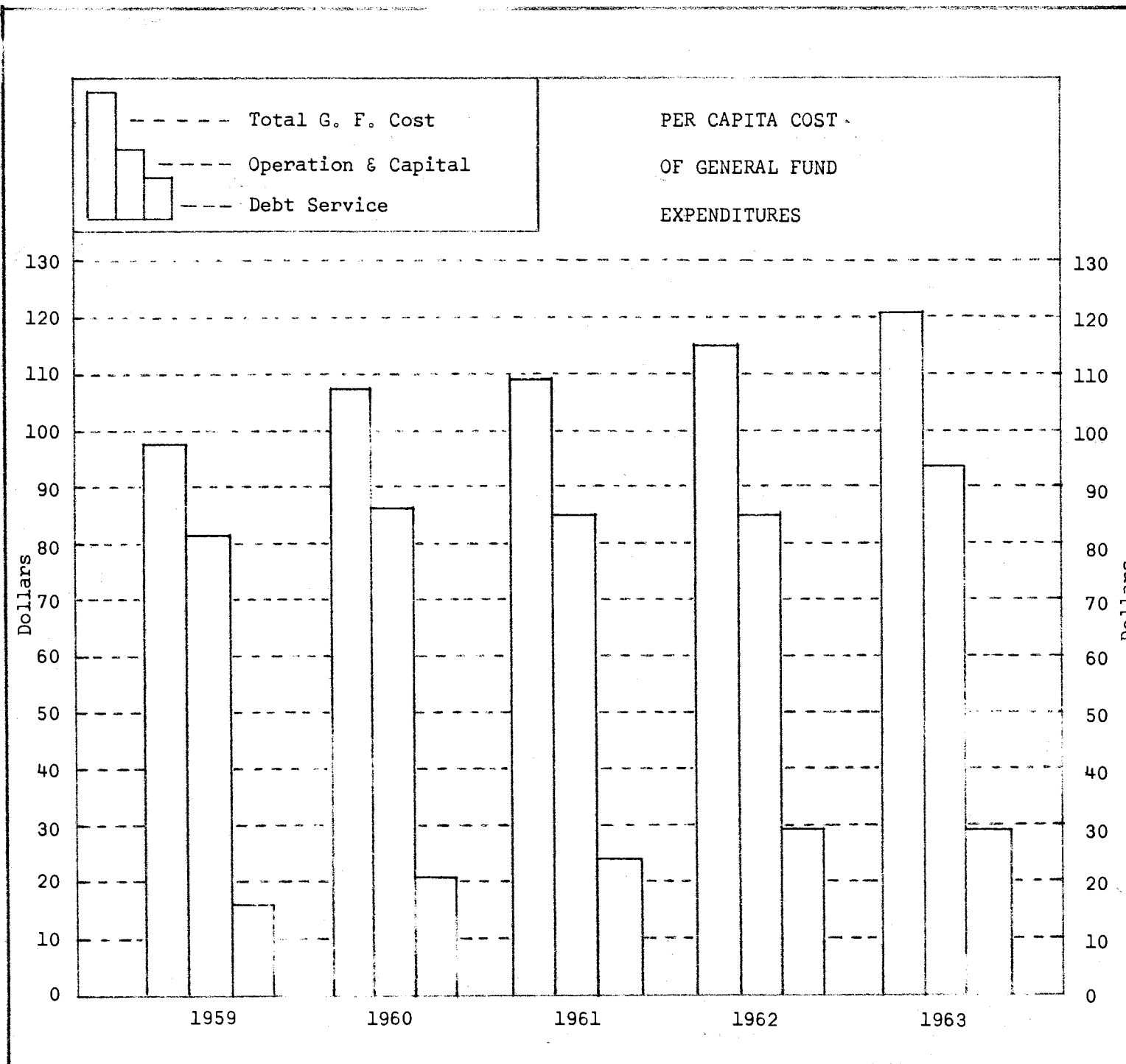
A modest sum of \$30,000 has been budgeted as 1963 revenue pending a determination of program needs and the establishment of policy by Council regarding the disposition of City owned lands.

* * * *

The proposed General Fund budget for fiscal 1963 is \$5,999,459 compared to the original 1962 budget of \$5,087,350. This is an increase of 18 percent, with a major portion thereof directly attributable to increasing personal service costs which will constitute 46.56 percent of the total general fund operations, and to increasing debt service costs from \$1,259,080 in 1962 to \$1,405,368 in 1963.

A graphic tabulation of per capita cost of all General Fund expenditures for the last five years is shown on page iv.

Using an estimated population of 49,700, the total per capita cost of Anchorage City government is \$121. Of this, \$28 is for debt service and \$93 for operation and capital expenditures. It should be noted that, while these figures represent the cost per capita, only 40 percent of the funds to pay this cost is derived from taxation.



Major attention is given in the proposed budget to reorganization within the general fund operating structure with particular emphasis on the financial operations of the City.

Recent studies conducted by the Ernst and Ernst consulting firm, coupled with an organizational review and study of functions performed by the City Manager's office, indicate a basic need for a number of organizational changes to meet the needs of a growing community. These changes are deemed necessary if the City is to meet the increasing demands for service of an improved and extended nature most effectively and economically. They are required also if we are to provide an adequate foundation for the orderly and effective growth of the municipal structure, following modern and progressive concepts of good business administration and personnel management.

Proposed herein is the establishment of a Finance Department in which will be centered all functions and responsibilities relating to:

- a. The determination of income
- b. The billing of charges
- c. The collection of all monies due the City
- d. Disbursements of City funds
- e. Purchasing, stocking, issuing, and safeguarding of municipal supplies and equipment.
- f. Deposits and investments of municipal funds
- g. The accounting and auditing of the foregoing actions

By placing all these money-oriented responsibilities and activities under the overall control and supervision of one department head, better coordination of related tasks will result, and more effective management of personnel and resources will be possible. It will be noted that the proposed organization attempts to bring together functions that are related, with Division Supervisors (who will have specific authorities and responsibilities) appointed within the span of control dictated by good management principles. These supervisors will exercise direct supervision over specific areas of concern and be responsible to the Finance Department Director. The Director, in turn, will administer the coordinated efforts of the several divisions, and be directly responsible to the City Manager.

Several advantages are expected to accrue from the proposed reorganization:

- a. Reduction of the too-broad span of control of the City Manager (to whom 12 different departments now report directly) by placing the Assessor function within the Finance Department.
- b. Avoidance of adding another function (Purchasing and Warehousing) directly under the Manager, yet providing for its close supervision by making this a division of the new department.

c. Fixing of responsibility for all aspects of financial administration and centralizing fiscal controls. This will provide the guide lines necessary to developing cooperation among inter-related functional areas.

d. Establishment of an integrated program of receipts and expenditures.

e. Improvement of the capability of the principal financial spokesman to advise and assist the City Manager in the preparation of the budget and various reports to the Council.

f. Elimination of the current weaknesses associated with the now interdepartmental interchange of vital information between billing and collecting agencies concerning final bills, delinquent accounts, and miscellaneous outstanding bills.

g. Administration of all financial transactions and fund accountability in accordance with tried and proven practices followed by other cities.

The proposed reorganization aligns closely with the structure recommended in the Model City Charter of the National Municipal League, and espoused by the International City Manager's Association. Quoting from an ICMA document: "Without doubt, the type of financial organization which is most effective from the administrative standpoint is one that integrates the fiscal functions and places them under executive direction (City Manager), and the Department of Finance is today the most advanced arrangement of this type of organization. This department ordinarily provides a closely integrated structure under a single officer who is responsible directly to the chief administrator."

Position classification and related, assigned, salary grades requiring consideration in implementing the new department include the following:

1. The establishment of a new "Finance Director" classification with corresponding salary grade commensurate with the responsibilities, and equitably related to other comparable positions in the City service.
Proposed pay grade - 34 (\$1,217 - \$1,423 per month)
2. A change in the existing "City Controller" classification to reflect the reduced divisional status and a reduction in pay grade assigned to the revised classification.
Proposed pay grade - 29 (\$1,000 - \$1,170 per month)
3. The establishment of a new "Purchasing Agent" classification and adequate pay grade assignment.
Proposed pay grade - 25 (\$854 - \$1,000 per month)

4. The establishment of a new "City Treasurer" classification with salary grade to be commensurate with the duties and responsibilities.
Proposed pay grade - 29 (\$1,000 - \$1,170 per month)
5. Although the City Assessor will assume divisional status within the proposed Finance Department, only minor changes to reflect this status will be required in the actual position classification.
Proposed pay grade - as is, 26 (\$889 - \$1,040 per month)

The proposed pay grade assignments are based on other existing classified pay scales and would be subject to review at any time existing schedules receive an overall review.

In addition to the proposed organization concerned directly with the City's financial program, it should be noted that the proposal deletes the garage function from this department.

A new Division of Mechanical Maintenance within the Public Works Department is proposed to cover the existing and planned extension of the current automotive and equipment maintenance, pooling, and repair operations now supervised by the Controller. Headed by a proposed new classification of Mechanical Maintenance Division Supervisor, pay grade 23 (\$790 - \$925 per month), this operation would be transferred to and come under the direct operating authority of the Public Works Director.

This is believed necessary in order to provide the basic nucleus for not only extending and improving the existing repair and service operations but for purposes of initiating additional programs in this area. Programs of immediate concern would include:

- a. The initiation of a working preventive maintenance schedule;
- b. The development of plans, including control formulae, for initiating a "car pool" operation to insure a more effective and economical use of municipal vehicles; and
- c. The development of pre-planning for repair and service schedules to insure equipment availability when needed, with emphasis being given to possible contract repairs for those of a major nature.

It is estimated that the total dollar cost in implementing the new Finance Department, when compared to the total cost of the existing organization, will be \$30,888. This estimate cannot, at this time, reflect nor take into consideration possible 'ultimate salary cost savings' due to a lack of operating records, procedures studies, and policy determinations regarding the eventual disposition of the City Clerk's operation. These factors will receive close scrutiny and analysis during the coming year's operation.

* * * *

The refuse disposal division of the Public Works Department, while a general fund operation, has been set forth in this budget document in such a manner as to include the cost of services performed by other departments of the City. The purpose is to better identify within the divisional account all costs attributable to the operation so as to provide a more valid comparison with revenue from this operation.

* * * *

A General Services Department is set forth in this budget presentation in order to centralize all general accounts for the general fund. Included in this department is a contingency account in the amount of \$107,789. Although it would be desirable, within the scope of budget operations proposed herein, to provide for a larger contingency factor, revenue limitations preclude this consideration for 1963. It should be noted, however that two major program areas currently under review may well require an expenditure of most of the funds budgeted in this category. First, the City is presently studying the programming and associated costs of a major medical and retirement program for the municipal employees. Second, and as recommended herein, the position classification and salary structure reviews for non-union employees will, upon implementation, require fund expenditures in the various departmental "personal service" accounts in excess of current budget proposals. As an indication of potential cost, an estimated 4 percent general salary increase in the classified service, effective on January 1, 1963 would increase the general fund budget for the fiscal period by approximately \$95,000. Further, and based on the fact that 30 months have elapsed since the last full position classification and salary review, it is recommended that immediate steps be taken to contract with a consulting firm for a new study in order that early 1963 implementation will be possible.

* * * *

CAPITAL PROGRAMMING

Although this operating budget attempts to provide the detail and the basic fund resources and assignment necessary to meet the City's operating needs for fiscal 1963, some mention is deemed desirable herein of the Capital Improvement Program for 1963 which is presented in summary form in Section G of the budget.

Previous discussions with the Mayor and members of the City Council regarding the Capital Improvement Program for the coming year, based on recommendations from the City Planning Commission, indicate that with the completion of projects currently programmed for 1963, almost all available funds for capital financing will be exhausted. With this in mind, the administration will prepare and

submit to Council during the 1963 period, a listing of capital needs and accompanying suggestions for funding.

* * * *

It should be noted that the City has been devoting time and effort during the past several weeks to the task of developing an accelerated public works project listing that may qualify under the newly enacted Federal Accelerated Public Works Program.

Studies completed at this time indicate that the City will file a total public works program application consisting of approximately 4-1/2 million dollars for consideration by the appropriate Federal agencies. Their findings and rulings with regard to the allocation of Congressionally appropriated monies on a 50-50 or 75-25 matching fund basis may well enable the City to substantially increase its Capital Improvement Program for the coming 12 months. All developments and progress in this regard will be reported to the Mayor and City Council as they occur.

* * * *

WATER UTILITY FUND

The recommended Water Utility Department budget shows a net increase of \$349,840 over the adjusted 1962 budget. The greater portion of this increase represents the proposed 25 percent increase in water rates as discussed in detail below. Other significant changes include an increase of \$51,910 in the non-operating revenue depreciation reserve. This results from an equal increase to depreciation expense. The projected contribution in aid of construction shows a decrease from 1962 of \$58,000. Available earned surplus equaling \$174,660 is recommended to be appropriated in order to provide sufficient resources to match proposed expenditures.

The utility operation and maintenance accounts show little change over 1962. The major portion of the net increase in expenditures is attributable to the necessary increases in fixed charges over those requested for 1962 as follows: Depreciation - \$51,910; Payment in Lieu of Taxes - \$58,497; Interest on Long Term Debt - \$13,190; Bond Retirement - \$45,000; Contribution to General Fund - \$24,335; and Capital Expenditures - \$152,310.

The proposition on the sale of bonds to support the construction of the Water Treatment Plant, as approved in the election of October 5, 1954, contained the condition that the expenses involved would be borne principally from the revenues of increased water rates. The bonds were sold in 1961 and 1962. It now becomes necessary to consider the imposition of the aforementioned rate increase to aid in

the debt service payments of 1963 and thereafter. In 1963 alone the debt service on the plant will amount to \$143,529. An additional \$50,000 will be spent in 1963 to operate the plant and supply it with required chemicals.

Additional revenue is needed not only for the Treatment Plant bonds, but to assist in the payments for other water system improvement bonds that have been issued and against which the City has received insufficient return. This refers to the City's construction of mains and extensions in past years before the adoption of the assessment system of financing this work. Whereas under the latter the City receives two thirds of the installation cost almost immediately, the past practice was for the City to advance all the funds and then wait for customer hook-ups before receiving user contributions. This is no longer economically feasible. It is estimated that water service is available to perhaps 2000 customers who have not connected to the system. This represents a potential of \$560,000 in payments in support of past construction, plus at least (at the \$5.45 per month residential rate, for purposes of illustration) \$130,000 a year in the sale of water. The increase in operating cost of furnishing service to this added customer population would be very nominal.

During early 1963 the administration will complete its study of the water system revenues problem and submit recommendations to the Council covering: (1) a proposed water rate increase, and (2) a proposal on mandatory hook-up to the City water system where service is readily available (and where, in the interest of public health, City service should be obtained), with an accompanying timetable covering several years for compliance therewith.

* * * *

In addition to normal operation and maintenance of the system during 1963, the Water Utility Department plans to flush the entire water system in order to eliminate all dirt and debris collected during the years prior to the installation of the Water Treatment Plant. A concerted effort will be made to extend water service to properties presently utilizing a private water supply even though City water mains are available.

* * * *

A construction fund equaling \$258,310 is available to the utility during 1963 for service connections and main extensions. Specific projects totaling \$229,800 have been approved by the Planning Commission and are recommended herein for construction. \$28,510 remains available for projects proposed during the year.

Although \$1,200,000 in unsold revenue bonds is available, the construction program for 1963 does not require funding in excess of the construction fund provided from the depreciation reserve. A six-year Capital Improvement Program will be detailed during 1963, identifying capital requirements and the resulting effect upon revenues and expenditures of the utility.

* * * *

MUNICIPAL LIGHT AND POWER UTILITY DEPARTMENT

Municipal Light and Power Department revenues for 1963 show an increase of \$373,980 over 1962. This consists of \$217,000 in operating revenues due mainly to a trend of higher commercial and industrial sales, and \$156,980 in depreciation reserve, an amount equal to depreciation expense.

An equal overall increase in expenditures results from an increase in the amount of power produced and purchased. Depreciation expense and General Fund contributions are up due to the addition of the gas turbine generator during 1962.

While the construction fund has been calculated in the past as five percent of gross plant plus depreciation, the fund is recommended in this document to be \$591,170 in order to present a balanced budget. It should be noted that only \$392,050 is scheduled for use during 1963, leaving a balance available for future construction from 1963 operations of \$199,120.

* * * *

The 1963 work program for the Municipal Light and Power Department provides for the generation of 51 million kilowatt hours of electricity compared with an estimated 17.2 million kilowatt hours generated in 1962. Subject to the availability of cheaper power from the Bureau of Reclamation, the new gas turbine generator will carry the increased load projected for 1963. Continued operation and maintenance of distribution facilities is programmed with specific inspection and maintenance of substations as a major item.

* * * *

As indicated above, the 1963 construction fund is \$591,170, consisting of \$149,050 in minor, routine items detailed on page 24E; \$243,000 in major plant construction shown on page 26E; and \$199,120 unallocated and available for future construction. A crew headquarters building is proposed to be built at First Avenue and Post Road to house all department personnel not scheduled for relocation to the City Hall Annex.

Studies now in progress by the management team of the ML&P Department are expected to provide the foundation for programming additional capital improvements to meet the City's generation needs in the immediate future. As previously discussed by the City Council, the City's power consultants, and the administration, it is apparent that additional generation capacity must be provided for in order to meet current needs with regard to reserve power as well as anticipated increasing expansion of the City's distribution facilities.

The financial review of the Electric Utility Fund, shown on page 31E of the department budget incorporated herein, indicates an estimated \$670,330 as being available in 1963 for plant expansion. It is therefore obvious that, upon completion of current studies and a determination of design requirements for the planned additional generation facilities, revenue bond programming will be necessary. In accordance therewith, steps should be taken in early 1963 to assure completion of the engineering details, feasibility studies, and bond referendum procedures necessary to actual acquisition and installation of the additional generation facilities.

* * * *

TELEPHONE UTILITY DEPARTMENT

The Telephone Utility Department budget provides for an expected increase in operating revenues of \$98,600 and an increase in total revenue of \$206,475. Since all exchanges but Diamond will have reached the saturation point in 1963, the additional operating revenue must be achieved through stimulated sales of auxiliary services not requiring central office facilities. A study of the customer service functions in the Finance Department will be made to determine whether this service can better be provided by Telephone Utility personnel under the direct supervision of telephone management. Recognition will be given to the efficiency and cost-saving features of centralized customer service. A loan of \$101,213 from the \$6,000,000 bond fund is proposed to finance the extraordinary expense to be incurred during 1963 resulting from the overall improvement program. The loan will be repaid out of 1964, 1965, and 1966 revenues so as to replace the cash in the bond fund prior to its need for construction.

Due to a lack of sufficient time in the Telephone Utility Department (because of the recent bond campaign) the telephone expenditure budget does not provide the detail information set forth for other departments. Additionally, various accounts have been adjusted in order to more closely conform with the uniform system of accounts as prescribed by the Federal Communications Commission. Comparison of proposed expenditures for 1963 with the past therefore is difficult. This will be corrected in the 1964 budget document.

1963 will see no major changes in the regular day to day operations of the Telephone Utility Department. All efforts will be directed toward caring for as many subscribers as the system can economically support plus rehabilitating and improving the existing plant. These improvements are an absolute necessity to provide a sound base for the \$6,000,000 capital improvement and expansion program. As pointed out in the utility budget, self-generated funds (depreciation reserve) will be invested in the operation of the system and not be used to expand it to unserved areas.

The \$6,000,000 improvement and expansion program is expected to get underway in 1963. Until the bonds are sold, however, the work to be done in 1963 is variable.

It is expected that about \$2,800,000 will be committed. This will cover the purchase of land for a new south (DIAMOND) wire center; start of a new north (BROADWAY) wire center; traffic and engineering studies, preparation and analysis of central office bid specifications; a heavy outside plant construction program; engineering and starting the manufacture of 12,000 lines of central office equipment; and purchase of telephones, switchboard systems, and key equipment.

In 1964 it is expected that \$2,800,000 will be further committed with the greatest amount going into central office equipment and buildings. In 1965 the first phase of the program will be completed with the expenditure of an estimated \$1,750,000. Phase II will call for a second bond issue to be submitted to the people in the fall of 1965.

* * * *

PORT OF ANCHORAGE DEPARTMENT

As indicated in the 1963 revenue and expenditure tabulation of Port funds, only \$336,066 is currently projected as being available for debt service, principal, and interest due on the \$6,200,000 of Port Revenue Bonds, during 1963. Debt service requirements for the year total \$407,000.

Steps are now in progress regarding a professional appraisal and forecast of the Ports' activities and potential to determine with greater accuracy the extent of the 1963 debt service problem as well as that which may continue to exist for several years. The City Council, City administration, and the Port Commission are working also toward all possible solutions leading to increased tonnage coming over the City Port facilities.

Based on the facts as detailed herein, and pending additional developments during the coming months, it is sufficient at this time to indicate the City's complete awareness of the problem and the possibility that an interim loan from other City funds to the Port fund for debt service may be desirable during the 1963 fiscal period.

Council's attention is invited to an item budgeted in the General Fund, General Services Department, providing for \$8,000 for fill and extensions to the back-up area for purposes of improving the Port capabilities and operations.

* * * * *

S U M M A R Y

A balanced budget for all departments and funds is herewith recommended to Council. A tax rate of 11 mills for 1963 is incorporated in the General Fund, identical to the rate proposed last year. Due to economies exercised by the City administration during the 1961 fiscal period, it was found that sufficient surplus was available to allow the 1962 mill rate to be reduced to 10 mills. The spiraling costs of municipal government including the general purpose debt service resulting from improvement programs of the past, dictate the need during 1963 for the 11 mill rate. A brief history of mill levies for the City of Anchorage is as follows:

1952 thru 1958	10 mills
1959	11 mills
1960	12 mills
1961	11 mills
1962	10 mills
1963 (proposed)	11 mills

A rate increase is proposed for the Water Utility, necessitated by the debt service and operating costs for the non-revenue producing Water Treatment Plant. This was contemplated by the voters when the bond proposal for the plant was approved. The rates for telephone, electric, and refuse disposal service will remain unchanged pending further studies and reviews by the administration and the City Council.

A comparison of the recommended total budget for each of the distinctly categorized municipal operations with the adjusted 1962 budget reveals the following percentage increases:

	1962 Budget <u>Revised</u>	1963 Budget <u>Proposed</u>	Percent <u>Increase</u>
General City Operations	\$ 5,310,385	\$ 5,999,459	13.0 %
Electric Utility	3,150,500	3,524,480	11.9 %
City of Anchorage Port Department	219,930	279,390	27.0 %
Water Utility	1,510,930	1,860,770	23.2 %
Telephone Utility	<u>3,613,050</u>	<u>3,819,525</u>	<u>2.7 %</u>
TOTALS	\$ 13,804,795	\$ 15,483,624	12.2%

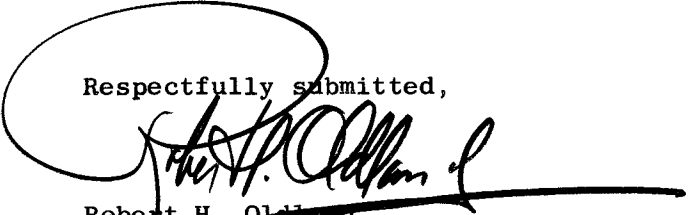
Much continuous effort has been expended in the compilation of the budget by many City employees. This office is appreciative of the assistance received from the City Advisory Boards and Commissions, from the department and division heads, and from their respective staffs. A special commendation is extended to Mr. James Bell, City Controller, for his untiring efforts on the project.

With this budget, the administration has attempted to hold the line on municipal expenditures and property tax rates, despite spiraling increases in the costs of labor, equipment, and materials. During the coming year municipal personnel will be alerted to the necessity for stringent economy measures in all operations so that a maximum amount of service can be rendered to the community with a minimum amount of expense.

* * * *

The City Charter requires that the City Council conduct a public hearing on the budget document not less than one week prior to final adoption. The Charter further provides that at a regular meeting held not less than ten days prior to the end of the fiscal year, the Council shall, by resolution, adopt a budget for the following fiscal year and make an appropriation of the money needed therefor. Based on these Charter requirements, and on the method of presentation of the budget for Council's review, it is suggested that, upon completion of Council's budget studies, a public hearing on the total 'work draft' budget, as amended by Council, be set for the regular meeting of December 11, 1962. Adoption of the budget will then be possible at the Council's regular meeting of December 18. The final, bound, budget books will then be prepared for distribution.

Respectfully submitted,



Robert H. Oldham
City Manager

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