

MUNICIPALITY OF ANCHORAGE

**THE
1978
BUDGET
IN
BRIEF**

PRELIMINARY



GEORGE M. SULLIVAN, MAYOR

PREFACE

The 1978 Budget in Brief is intended to provide the reader with an overview of the 1978 Recommended Budget submitted by the Mayor to the Assembly for approval. For the details supporting these summaries, the reader is referred to the two-volume Preliminary 1978 Annual Operating Budget and the two-volume Preliminary Capital Improvement Program. This analysis does not include any adjustments which may be necessitated by the results of the October 4th election.

MUNICIPALITY OF ANCHORAGE
THE 1978 BUDGET IN BRIEF

For the Fiscal Period of
January 1, 1978 through December 31, 1978

GEORGE M. SULLIVAN, MAYOR

ASSEMBLY

ERNEST BRANNON, CHAIRMAN
PAUL B. BAER
WILLIAM BESSER
FRED CHIEI, JR.
ANTHONY KNOWLES
BERNARD L. MARSH

DAVID A. ROSE
LIDIA SELKREGG
DON SMITH
ARLISS STURGULEWSKI
DAVID WALSH

APPOINTED OFFICIALS

MARY COFFEY MUNICIPAL CLERK
JOEL DE VORE OMBUDSMAN

MUNICIPAL STAFF

DOUGLAS G. WEIFORD Municipal Manager
RICHARD GARNETT Municipal Attorney
ROBERT M. NELSON Chief Fiscal Officer
LARRY D. CRAWFORD Director of Management & Budget
FRED W. JONES Director of Employee Relations
MICHAEL MEEHAN Director of Planning
WILDA HUDSON Director of Cultural & Recreational Services
ROBERT A. HALL Director of Health & Environmental Protection
JAMES SWING Director of Public Works
JOHN VALENSI Director of Administrative Services
EUGENE H. BENNETT Fire Chief
CHARLES G. ANDERSON Chief of Police
JOHN R. SPENCER Director of Enterprise Activities

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SECTION I

**BUDGET
OVERVIEW**

THE 1978 BUDGET

The primary theme for 1978 will be the on-going development of a responsive, cost-effective government - - one in which the residents of Anchorage can continue to take pride. Emphasis will be placed on growth planning and improved utilization of resources. In 1977 the Municipality has undertaken the development of several plans (such as the long range transportation plan, a water quality management plan, a coastal zone management plan and various traffic improvement plans), conducted citizen attitude surveys and program needs assessment studies, and has recently initiated what will be a comprehensive Resource Management Program, designed to establish productivity standards and streamline operations in our major departments. A training program, with the objective of enhancing resource management skills, will be undertaken during 1978.

The 1978 budget reflects the continuation of the Municipality's efforts to develop a comprehensive program budgeting process. Objectives were prepared by each Department/Agency head. Work Program Statements were then developed summarizing the major objectives to be achieved in 1978. In 1978 we plan to refine this budget approach, including the development of an automated budget preparation system, and a multi-year planning budget.

A comparison of the 1978 recommended budget with the 1977 revised budget is as follows:

	<u>1977</u>	1977 per capita in 1977 dollars	<u>1978</u>	1978 in 1977 dollars	1978 per capita in 1977 dollars
General Government	\$ 90,781,980	\$ 473	\$ 99,673,560	\$ 92,142,210	\$ 460
Utilities	61,819,680	322	70,328,160	65,014,150	325
Capital Improvements	86,639,760	452	65,894,400	60,915,410	304
TOTAL	\$239,241,420	\$1,247	\$235,896,120	\$218,071,770	\$1,089

The above is based on an inflationary rate slightly over 8% and a population increase of approximately 4%. This shows a favorable trend in holding the line on the costs of government considering the effects of inflation and the increase in service demands to accommodate our growing population. Areas where higher utilization of existing resources can be realized are expected to be identified during the conduct of the resource management program. Cost reductions that can be implemented prior to June, 1978 will be reflected in the 1978 mill levies that are established in May.

SECTION II

**GENERAL
GOVERNMENT**

GENERAL GOVERNMENT

This portion of the budget covers the operations and maintenance of police, fire, street maintenance, and others that provide general governmental services. This section is organized under the following major headings:

- A. Revenue Sources/Program Expenditures
- B. Departmental Expenditures
- C. Comparison of 1977 and 1978
- D. Personnel
- E. State Revenues
- F. Federal Revenues

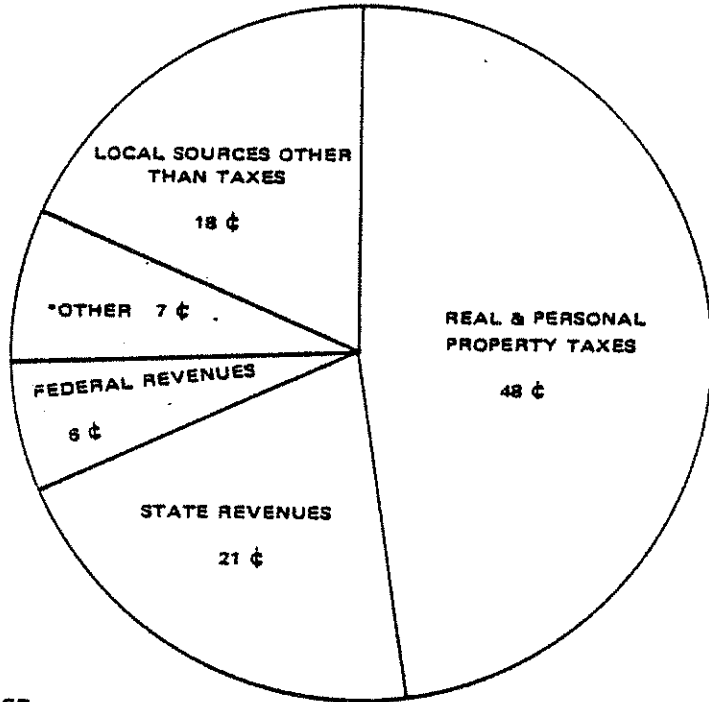
A. REVENUE SOURCES/PROGRAM EXPENDITURES

As shown in Exhibit 1, nearly half of the general government budget is funded by property taxes. State and federal revenues constitute over one-fourth of the revenues with the remainder coming from other local sources.

In Exhibit 1, expenditures are shown by program. The following shows the type of services included in each program:

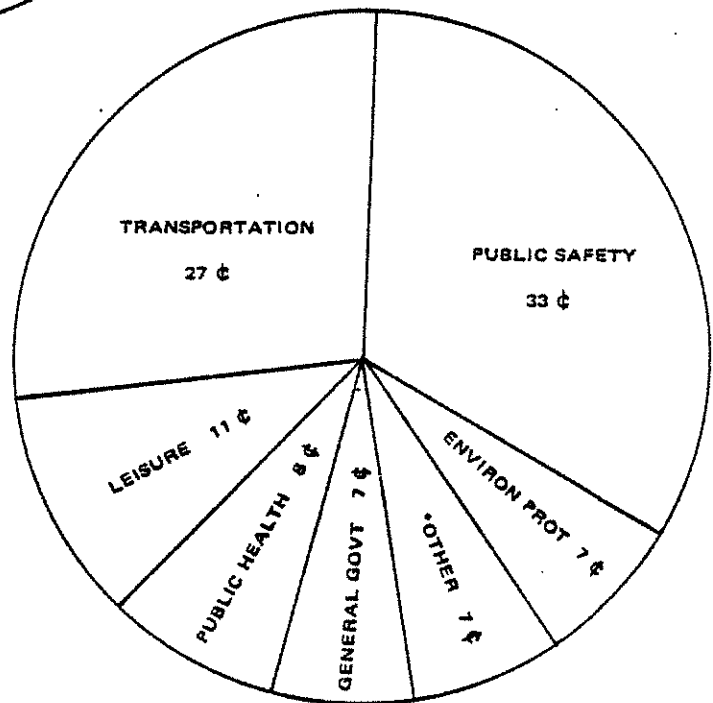
- Public Safety (\$32,594,980): Police, fire, emergency medical care, animal control, building safety, and civil defense.
- Transportation (\$26,501,020): Transportation planning, public transit, road and street maintenance and improvement, traffic engineering, parking facilities, port, and airport.
- Leisure (\$11,121,530): Parks and recreation, cultural and leisure activities, libraries, and museum.
- Public Health (\$7,753,410): Health planning, physical health care, and behavioral health care.
- Environmental Protection (\$6,970,180): Sanitation, solid waste control, storm drainage, air pollution control, and noise control.
- Community Development (\$4,383,160): Comprehensive planning, economic research, and land use regulation.
- Human Development (\$1,045,680): Equal employment opportunity, manpower training, and community assistance.
- General Government (\$7,524,960): Areawide administrative functions such as Assembly, Clerk, community councils, ombudsman, Mayor/Manager's Office, finance, administration, and civil law.
- Other (\$1,778,640): Cemetery, land trust, school district, and miscellaneous.

THE GENERAL GOVERNMENT BUDGET DOLLAR



**WHERE IT COMES FROM
(By Source)**

***OTHER:**
 Other Local Taxes 2 ¢
 Contributions from Other Funds 3 ¢
 Fund Balance 2 ¢



**WHERE IT GOES
(By Program)**

***OTHER:**
 Community Development 4 ¢
 Human Development 1 ¢
 Miscellaneous 2 ¢

B. DEPARTMENTAL EXPENDITURES

The following types of general government expenses are included in the cost categories in Exhibit 2:

- . Personnel: Salaries and wages, overtime, differential compensation, personal benefits, and allowances. A vacancy factor has been included for selected organizations.
- . Supplies & Services: Office, operating, and repair and maintenance supplies, professional services, communications, transportation, insurance, public utility services, repair and maintenance, rentals, and other services and charges.
- . Capital Outlay: Machinery and equipment, improvements other than buildings, library books, and art objects.
- . Debt Service: Principal and interest on outstanding bond issues.
- . Intergovernmental Charge: Charges from and to other Municipal organizations for services and materials are not included in the above costs but are reflected in the Intragovernmental Charges columns. As many costs are charged on a direct basis as is feasible. Indirect costs are allocated to organizations providing direct program service on the basis of the benefits received from various support service budget units. A variety of allocation bases are used, depending upon the nature of the support service provided by each of the support units or indirect cost centers. These bases are designed to effect an equitable allocation to direct program service organizations, which in turn, determines the charges to be made to geographic service areas.

Intragovernmental charges are accounted for using three basic methods:

1. Whenever feasible, the charges are calculated by actual costs using the work authorization feature of the Financial Management System. The work authorization is an agreement between two budget units outlining the scope of the work or project to be done and the maximum dollar amount that will be charged for the job. Actual charges are accumulated as the job progresses, by time cards, voucher checks, vehicle utilization forms, and material issue slips.
2. The second method is based upon historical data or budgeted percentages. These percentages are used when it is not feasible or possible to collect actual charges through the work authorization system.
3. The interdepartmental transfer feature of the Financial Management System is used when standard rates for a service are more equitable than the varying costs that will occur using either of the two methods above. Rates per unit of work are established manually.

Non-Departmental includes such items as CETA (Comprehensive Education & Training Act) contributions, Assembly contingency, school district charges, and contributions to match state and federal categorical grants.

DEPARTMENTAL 1978 GENERAL GOVERNMENT EXPENDITURES

<u>DEPARTMENT</u>	<u>PERSONNEL</u>	<u>SUPPLIES & SERVICES</u>	<u>CAPITAL OUTLAY</u>	<u>DEBT SERVICE</u>	<u>TOTAL DIRECT COSTS</u>	<u>INTRAGOVERNMENTAL CHARGE-INS</u>	<u>TOTAL DEPARTMENTAL COSTS</u>	<u>LESS INTRA-GOVERNMENTAL CHARGE-OUTS</u>	<u>FUNCTION COST</u>
Assembly	\$ 369,030	\$ 617,620	\$ 2,880	\$ -0-	\$ 989,530	274,430	1,263,960	-0-	\$ 1,263,960
Equal Rights	230,070	48,190	4,100	-0-	282,360	39,830	322,190	-0-	322,190
Mayor/Manager	2,174,790	1,717,630	69,650	-0-	3,962,070	1,395,600	5,357,670	1,247,240	4,110,430
Finance	3,835,590	864,770	27,160	-0-	4,727,520	4,462,980	9,190,500	6,399,460	2,791,040
Administrative Services	4,732,010	5,638,330	162,980	-0-	10,533,320	2,063,160	12,596,480	12,032,630	563,850
Planning	1,120,620	615,350	22,590	-0-	1,758,560	2,103,280	3,861,840	1,132,600	2,729,240
Law	1,006,790	273,780	84,820	-0-	1,365,390	381,290	1,746,680	1,535,210	211,470
Health & Environmental									
Protection	3,056,910	3,184,170	96,230	26,800	6,364,110	3,228,640	9,592,750	2,202,780	7,389,970
Transportation	4,766,800	3,992,820	196,120	877,570	9,833,310	1,996,560	11,829,870	3,477,690	8,352,180
Cultural & Recreational									
Services	4,693,730	1,310,100	1,112,550	1,644,220	8,760,600	2,859,170	11,619,770	1,116,550	10,503,220
Fire	10,926,390	1,446,830	173,910	423,850	12,970,980	2,574,880	15,545,860	1,555,060	13,990,800
Police	9,964,530	1,580,150	93,340	166,440	11,804,460	9,416,500	21,220,960	7,481,730	13,739,230
Public Works	13,451,560	7,295,420	154,950	6,252,610	27,154,540	10,087,690	37,242,230	14,270,640	22,971,590
Non-Departmental	6,239,200	3,243,960	-0-	125,960	9,609,120	1,125,270	10,734,390	-0-	10,734,390
TOTAL	\$66,568,020	\$31,829,120	\$2,201,280	\$9,517,450	\$110,115,870	\$ 42,009,280	\$152,125,150	\$ 52,451,590	\$99,673,560

C. COMPARISON OF 1977 and 1978

Anchorage is a growing community. This growth must be accommodated, while preventing any erosions to our developed areas. Strong public opinion has been expressed for increased levels of service in police, transportation, street maintenance and repair, traffic control, emergency medical service, health services (alcoholism, venereal disease and drug abuse), and recreation. The Municipality will attempt to hold the line on the level of service in other general government areas .

The 1978 budget includes only those grants for which funding had been awarded to the Municipality at the time the budget was prepared. Grants awarded during the year will be handled through supplemental appropriations. This procedure will facilitate the identification of grant expenses and allow the funds to be available for use through the period of the grant rather than just the Municipality's fiscal year. To make the 1977 and 1978 expenditures more comparable, the 1977 figures do not include costs associated with those grants which are not included in the 1978 budget. The 1977 costs have also been adjusted to reflect the twenty percent wage increase recently awarded by the federal labor arbitrator to Municipal fire fighters.

Exhibit 3 is a comparison of 1977 and 1978 general government direct costs by department. Of the three levels of cost shown in Exhibit 2, direct costs are most relevant for department comparison because they are the costs over which the department has the most control.

Exhibit 4 is a comparison of 1977 and 1978 general government function costs by fund. Function costs have been selected for fund comparison because they are the costs upon which the property tax requirements for each fund/service area are based.

Since the adoption of the 1977 budget, major changes in service areas have occurred.

- . A new Building Safety Service Area was created. Prior to that time, the building safety function was included in the City Service Area and in Service Area 30. A new Roads and Drainage Service Area was also created to combine the services formerly included in the City Service Area and in Service Area 35. The Port, Airport and Parking Facilities powers expanded to Area-wide powers.
- . Voters in the Eagle River and Chugiak areas approved the creation of a new service area for recreational facilities. A supplemental budget was adopted on February 1, 1977.
- . Voters in the Girdwood/Alyeska area voted to form an expanded service area called Girdwood Valley.
- . Title 27 of the Anchorage Municipal Code (Ordinance 77-197), adopted July 26, 1977, made several revisions to the service areas of the Municipality. The Library service area was deleted and the library power is an Areawide power. Special Assessment Service Areas were created to provide for the retirement of bonded indebtedness for prior City and Borough assessments. Future bonded indebtedness for roads and drainage will be included in the new Anchorage Roads and Drainage Service Area. In addition, the titles of many service areas were changed to more clearly identify them.

DEPARTMENTAL COMPARISON OF 1977 & 1978
GENERAL GOVERNMENT DIRECT ORGANIZATIONAL COSTS

<u>DEPARTMENT</u>	<u>1977</u>	<u>1978</u>	<u>INCREASE (DECREASE)</u> <u>FROM 1977</u>	<u>PERCENT OF</u> <u>INCREASE (DECREASE)</u>
Assembly	\$836,470	\$989,530	\$153,060	18%
Equal Rights	195,000	282,360	87,360	45%
Mayor/Manager	2,888,050	3,962,070	1,074,020	37%
Finance	5,778,430	4,727,520	(1,050,910)	(18%)
Administrative Services	9,659,470	10,533,320	873,850	9%
Planning	1,481,420	1,758,560	277,140	19%
Law	1,273,170	1,365,390	92,220	7%
Health & Environmental Protection	5,346,290	6,364,110	1,017,820	19%
Transporation	7,885,110	9,833,310	1,948,200	25%
Cultural & Recreational Services	8,252,800	8,760,600	507,800	6%
Fire Protection	12,524,760	12,970,980	446,220	4%
Police	10,698,300	11,804,460	1,106,160	10%
Public Works	24,722,230	27,154,540	2,432,310	10%
Non- Departmental	7,087,690	9,609,120	2,521,430	36%
TOTAL	\$98,629,190	\$110,115,870	\$11,486,680	12%

Exhibit 3

GENERAL GOVERNMENT
FUND COMPARISON OF 1977 & 1978
FUNCTION COSTS

Fund	1977	1978	Increase (Decrease) From 1977	Percent of Increase (Decrease)
101 - Areawide	\$27,204,850	\$35,836,590	\$8,631,740	32%
102 - City	9,227,200	963,060	(8,264,140)	(90%)
103 - Eagle River	363,110	475,540	112,430	31%
104 - Chugiak Fire	114,810	135,140	20,330	18%
105 - Glen Alps	18,380	31,350	12,970	71%
106 - Girdwood Valley	100,260	143,900	43,640	44%
121 - Library	2,760,500	0	(2,760,500)	(100%)
131 - Anchorage Fire	12,333,620	12,145,720	(187,900)	(2%)
141 - Anchorage Roads & Drainage	7,074,630	10,446,190	3,371,560	48%
151 - Anchorage Police	12,030,280	13,942,810	1,912,530	16%
161 - Anchorage Parks & Recreation	6,486,090	6,886,450	400,360	6%
162 - Eagle River/Chugiak Recreational Facilities	164,280	199,540	35,260	21%
171 - Anchorage Solid Waste Disposal	1,407,930	1,515,380	107,450	8%
172 - Eagle River/Chugiak Solid Waste Disposal	65,780	94,730	28,950	44%
181 - Anchorage Building Safety	903,610	1,897,000	993,390	110%
201 - Port Van Container Crane No. 1	17,180	78,840	61,660	359%
202 - Port Van Container Crane No. 2	17,190	104,370	87,180	507%
211 - Parking Revenue	1,440,580	1,481,970	41,390	3%
221 - Land Trust	77,380	12,730	(64,650)	(84%)
231 - State Categorical Grants	1,108,730	1,973,460	864,730	78%
241 - Federal Categorical Grants	3,036,860	214,710	(2,822,150)	(93%)
560 - Refuse Collection	2,420,700	2,527,850	107,150	4%
570 - Port Terminal	1,978,800	2,068,460	89,660	5%
575 - Port Industrial Park	93,230	88,960	(4,270)	(5%)
580 - Airport	336,000	409,480	73,480	22%
895 - Special Assessments (Former City Sewers)	0	125,960	125,960	-
896 - Special Assessments (Service Area 35 Roads & Drainage)	0	2,315,170	2,315,170	-
897 - Special Assessments (Former City Roads & Drainage)	0	3,558,200	3,558,200	-
TOTAL	\$90,781,980	\$99,673,560	\$8,891,580	10%

EXHIBIT 4

D. PERSONNEL

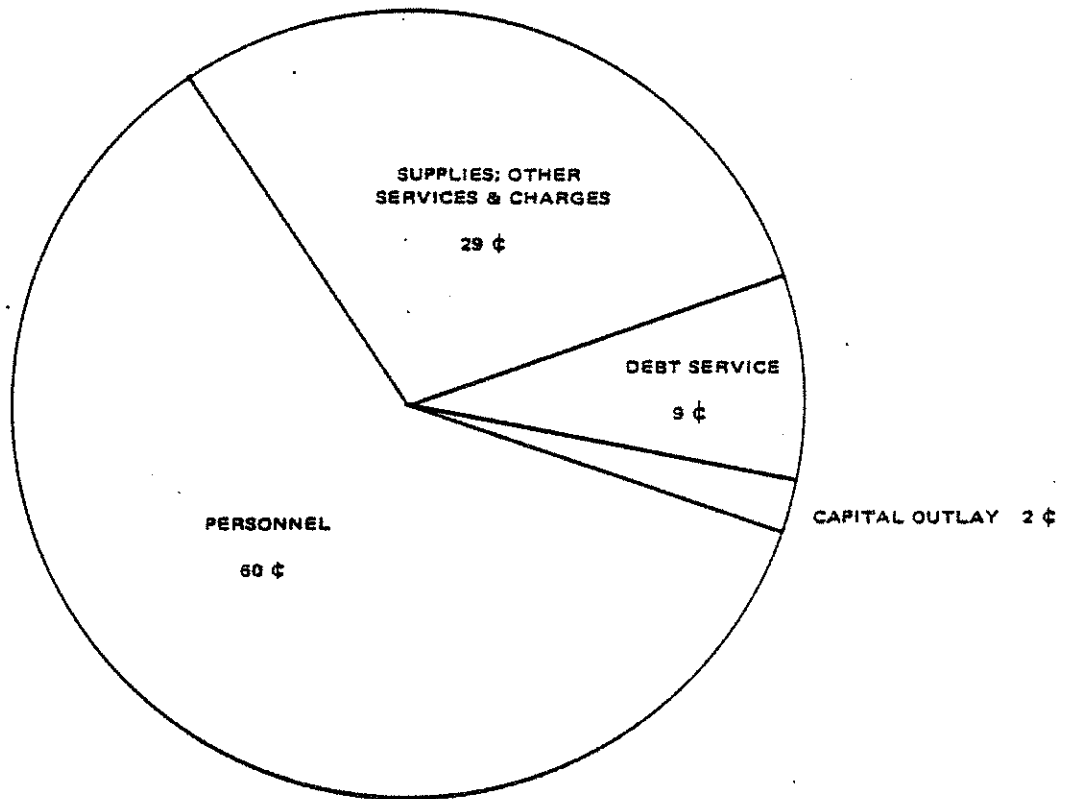
As Exhibit 5 vividly indicates people are the Municipality's major resource, accounting for 60% of the general government budget dollar.

Exhibit 6 presents an analysis of personnel by Department, including the percentage that personnel costs are of total direct costs. Also shown are personnel funded in part by the Federal Comprehensive Education & Training Act (CETA). The local contributions for these general government CETA positions is \$1,556,960.

Although personnel costs do represent a significant portion of the Municipality's budget dollar, Exhibit 7 shows that the number of personnel per 1,000 population has declined during each of the past four years.

THE 1978 GENERAL GOVERNMENT BUDGET DOLLAR

...People Are Our Major Resource...



GENERAL GOVERNMENT

DEPARTMENTAL PERSONNEL ANALYSIS

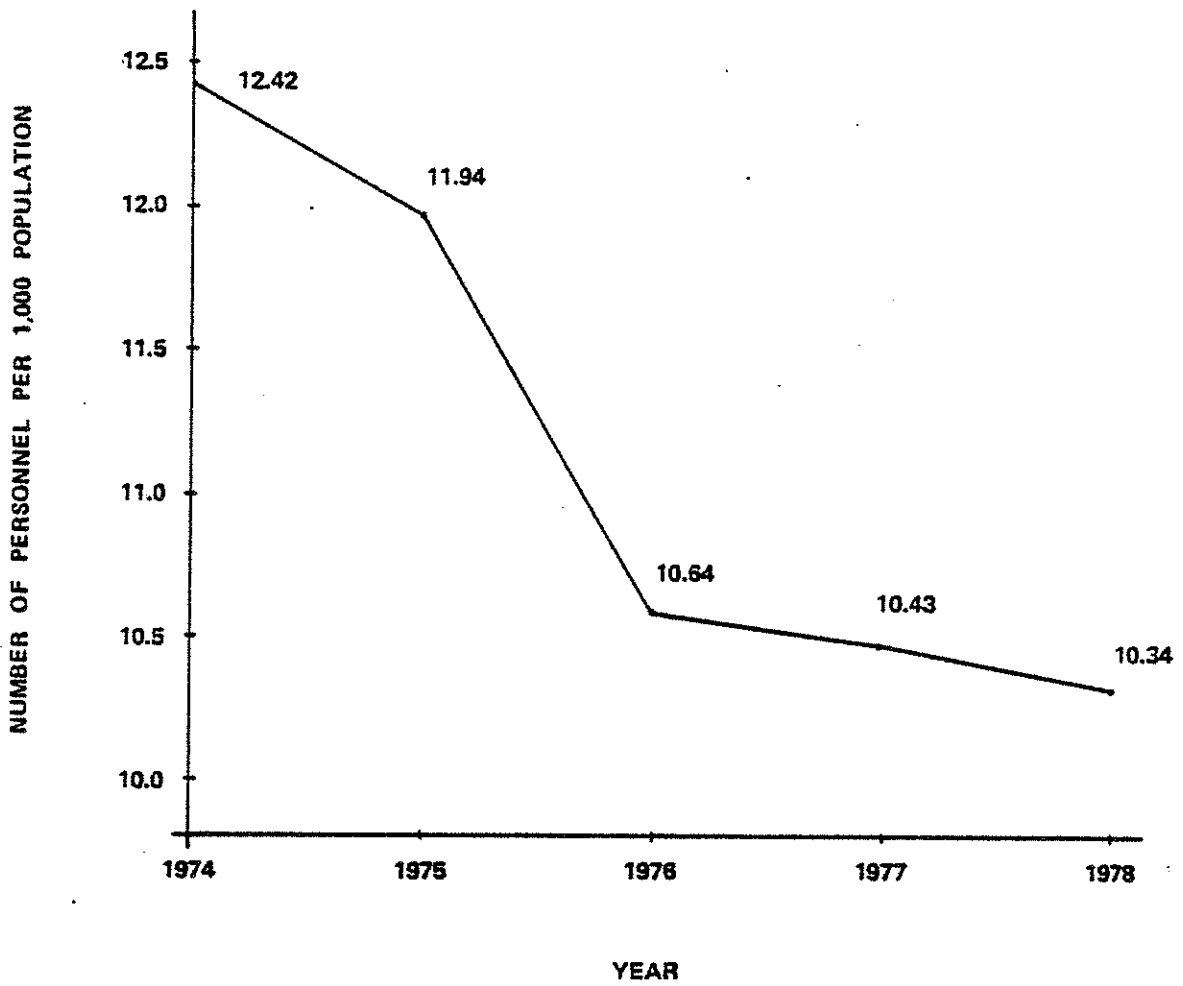
<u>DEPARTMENT</u>	<u>NUMBER OF PERSONNEL</u>				<u>1978 PER- SONNEL COSTS % OF TOTAL DIRECT COSTS</u>	<u>NUMBER CETA* PERSONNEL</u>
	<u>1977</u>	<u>1978</u>	<u>INCREASE (DECREASE)</u>	<u>%INCREASE (DECREASE)</u>		
Assembly	21	22	1	4.8%	37%	0
Equal Rights	7	8	1	14.3%	82%	0
Mayor/Manager	63	69	6	9.5%	55%	12
Finance	150	147	(3)	(2.0%)	81%	2
Administrative Services	181	184	3	1.7%	45%	29
Planning	43	43	0	NC	64%	2
Law	35	34	(1)	(2.9%)	74%	3
Health & Environmental Protection	122	122	0	NC	48%	4
Transportation	153	183	30	19.6%	49%	5
Cultural & Recreational Services	319	341	22	6.9%	54%	39
Fire Protection	244	249	5	2.0%	84%	28
Police	221	232	11	5.0%	84%	6
Public Works	442	436	(6)	(1.4%)	50%	11
TOTAL	2,001	2,070	69	3.4%	60%	141

NOTE: Certain adjustments will have to be made as a result of the October 4th election.

*Comprehensive Education and Training Act

Exhibit 6

GENERAL GOVERNMENT
PER-CAPITA PERSONNEL ANALYSIS



E. STATE REVENUES

The following state revenues are included in the 1978 general government budget:

State Auto Fees	\$ 6,000,000	
State-Shared Revenues	6,784,850	
Business License Allocations	5,271,600	
Electric Co-Op Allocation	364,850	
Grants	97,200	1,293,860
Other State Revenues	2,634,060	1,437,400
	<u>\$21,152,560</u>	

State Auto Fees are a new source of revenue in 1978 received from this State for fees collected in lieu of personal property tax on vehicles. The amount distributed to each fund is based on population and major service categories.

Business License and Electric Co-Op Allocations are distributed to each fund based on the fund's 1977 local tax effort.

The grants included in the general government budget include civil defense, day care assistance, and behavioral health.

State-shared revenues are funded on the following bases with budgeted amounts estimated on receiving 90% of the actual entitlement:

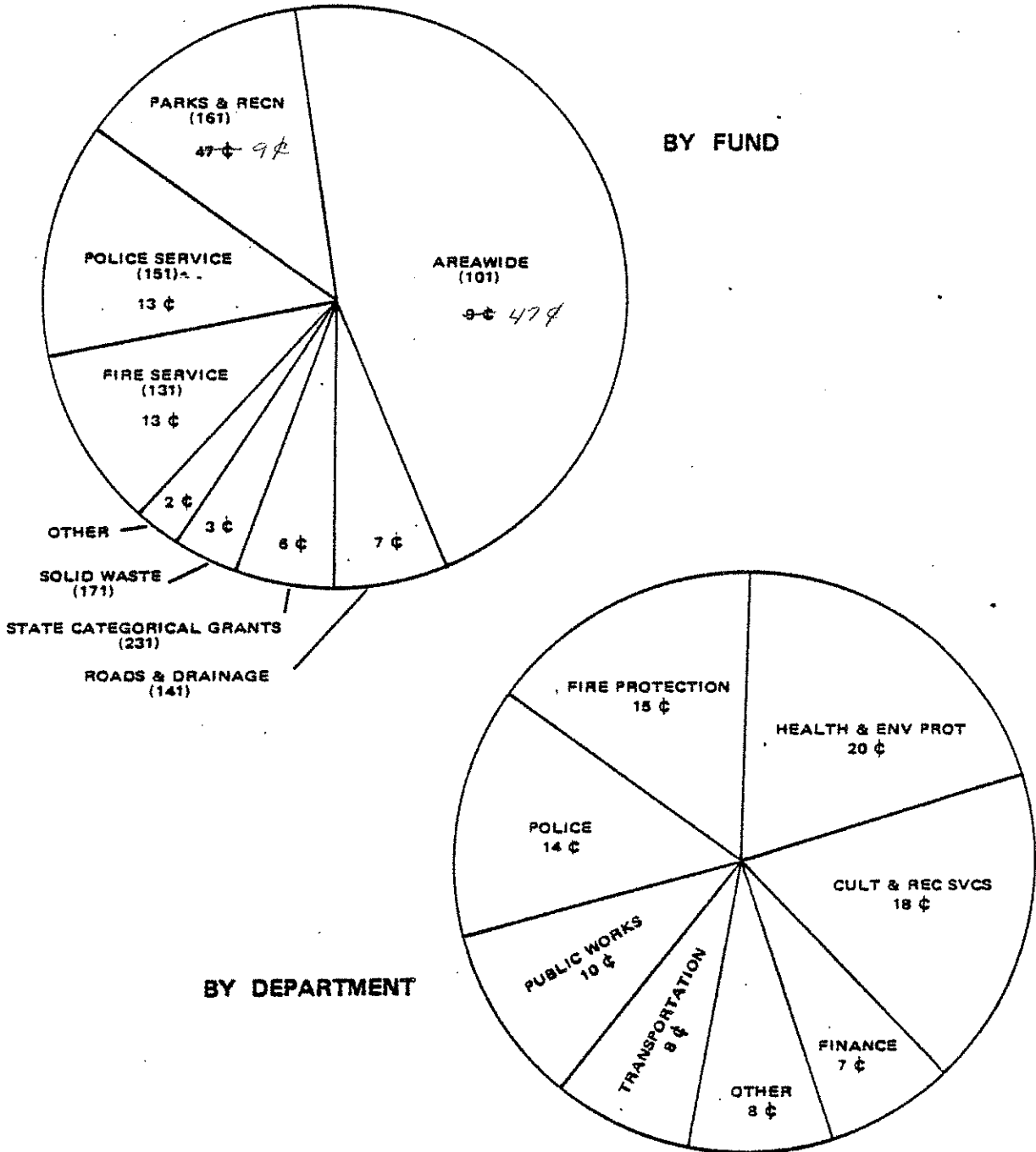
- Air & Water Resources - \$2.00 per capita
- Health Facilities - \$1,000.00 per 24 hr. hospital bed/ \$4,000 per health facility
- Land Use Planning - \$2.00 per capita
- Transportation - \$5.00 per civilian/\$2.50 per military person
- Fire Protection - \$7.50 per capita
- Road Maintenance - \$1,500.00 per mile of road maintained
- Police Protection - \$12.00 per civilian /\$6.00 per military person
- Parks & Recreation - \$5.00 per civilian/\$1.25 per military person
- Health - \$2.00 per capita

Certain state-shared revenues and the other state revenues are distributed to those funds and activities most closely identified with the source of revenue (e.g., Family Planning revenues to the Health & Environmental Protection Department; liquor license revenues to the Police Department--Alaska statutes provide that the fees paid for State liquor licenses are refunded in full to the local governments that provide police protection where the establishments are located). Other state-shared revenues are allocated to funds on the following basis:

- Fire Protection; Parks & Recreation: allocation based on population of the areas served by each fund offering these services.
- Road Maintenance: allocation based on number of miles of maintained roads in the area served by each fund offering road maintenance services.
- Transportation: the Municipality receives two shares due to a state statute provision that no Municipality's state-shared revenues be reduced as a result of unification. The former borough share, based on areawide population, is allocated to transit. The former city share, based on the city population, is allocated to the port (including Small Boat Harbor) and airport on the basis of their 1978 direct costs.

THE STATE REVENUE DOLLAR

Where it goes...



1978 GENERAL GOVERNMENT STATE REVENUES = \$21,152,560

F. FEDERAL REVENUES

The following federal revenues are included in the 1978 general government budget:

Federal Revenue Sharing	\$5,145,000
Other	<u>754,250</u>
	<u>\$5,899,250</u>

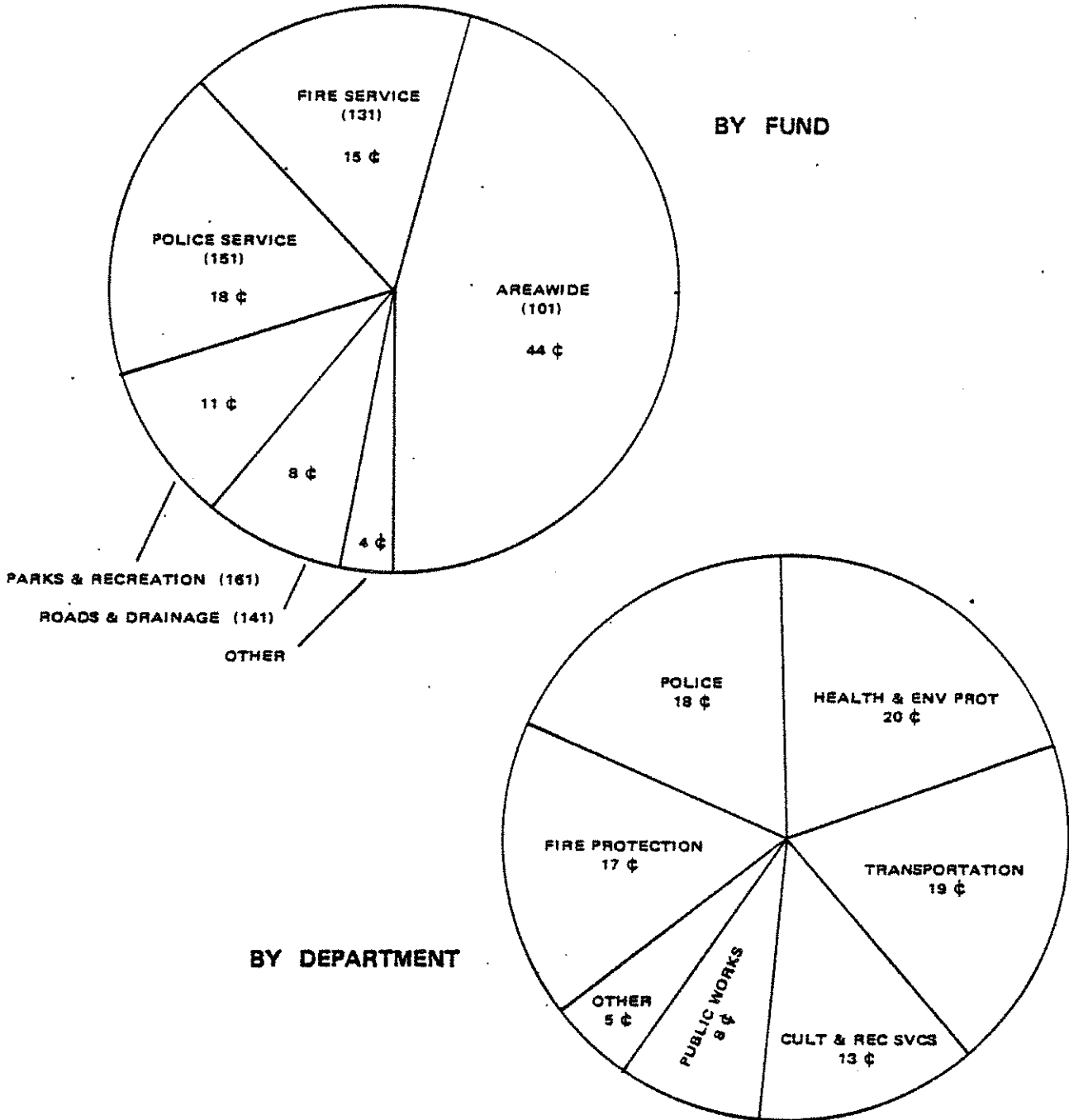
Federal Revenue Sharing monies are allocated to each fund in an amount based on the fund's percentage of state-shared revenues. The following is a recap by program:

Planning	\$ 260,640
Health & Environmental Protection	1,187,610
Transit	685,890
Parks & Recreation	667,400
Fire Protection	923,680
Police Protection	985,270
Roads & Drainage	<u>434,510</u>
	<u>\$5,145,000</u>

Included in the other revenues are \$300,000 for Federal In-Lieu of Property Tax revenues for federal lands located within the Municipality. The amount allocated to each fund is based on the fund's 1977 local tax effort.

THE FEDERAL REVENUE DOLLAR

Where it goes....



1978 GENERAL GOVERNMENT FEDERAL REVENUES = \$5,899,250

SECTION III

UTILITIES

UTILITIES

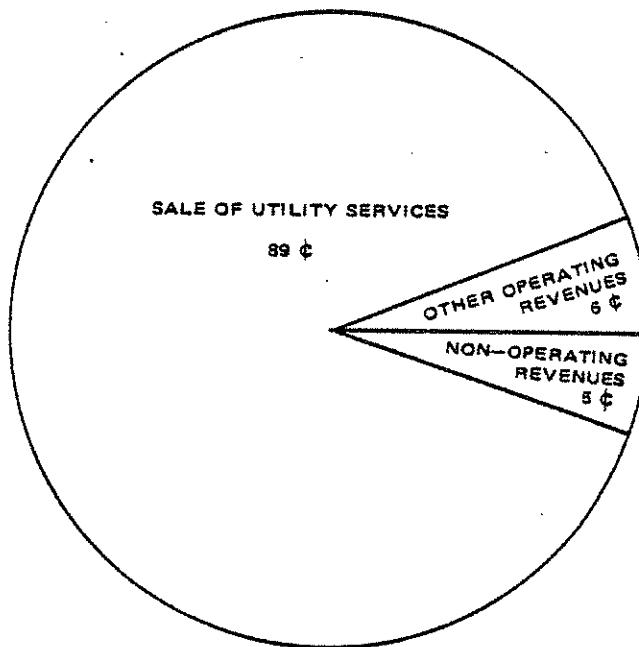
The combined expenditure budgets for Telephone, Light and Power, Sewer and Water have increased 13.8% over the 1977 budget. This increase is the result of a greater demand for Utility services from an expanding population. In addition, the Utilities have also realized inflationary increases in wages, equipment and supplies.

Our utilities continue to expand to meet the needs of our dynamic community. Included in the 1978 expansion are 15,000 additional telephone instruments, ten miles of additional water lines, over ten miles of additional sewer lines, and completion of the new waste-heat fired steam turbine electrical generator. Utility revenues are derived from user charges and do not come from local taxes, except for the service they provide to tax supported government units. In the past, user rates have not been adequate to maintain required growth. Inadequate cash reserves exist in each utility. With prudent utility management, we will resolve this situation and continue to operate our utilities in a cost-effective manner. However, rates must be adequate to generate sufficient operating funds and allow for the investment of utility funds in new plant, plant up-grades and plant repair and maintenance.

THE 1978 UTILITIES BUDGET

<u>UTILITY</u>	<u>1977</u>	<u>1978</u>	<u>INCREASE FROM 1977 BUDGET</u>	<u>% INCREASE</u>
Telephone	\$34,308,640	\$38,605,240	\$4,296,600	12.5%
Light & Power	14,134,570	16,620,430	2,485,860	17.6%
Water	5,573,260	5,923,710	350,450	6.3%
Sewer	7,803,210	9,178,780	1,375,570	17.6%
TOTAL	\$61,819,680	\$70,328,160	\$8,508,480	13.8%

WHERE THE 1978 UTILITIES
BUDGET DOLLAR COMES FROM....



SECTION IV

**CAPITAL
IMPROVEMENT
PROGRAM**

CAPITAL IMPROVEMENT PROGRAM

For 1978 a rather conservative approach has been taken with the Capital Improvement Program. Expenditure levels involving general obligation bonds have been reduced dramatically (\$8.7 million) from those initially planned for 1978. It is felt that this is the right approach if the Municipality is to maintain a favorable debt/revenue ratio and sustain its favorable bond ratings.

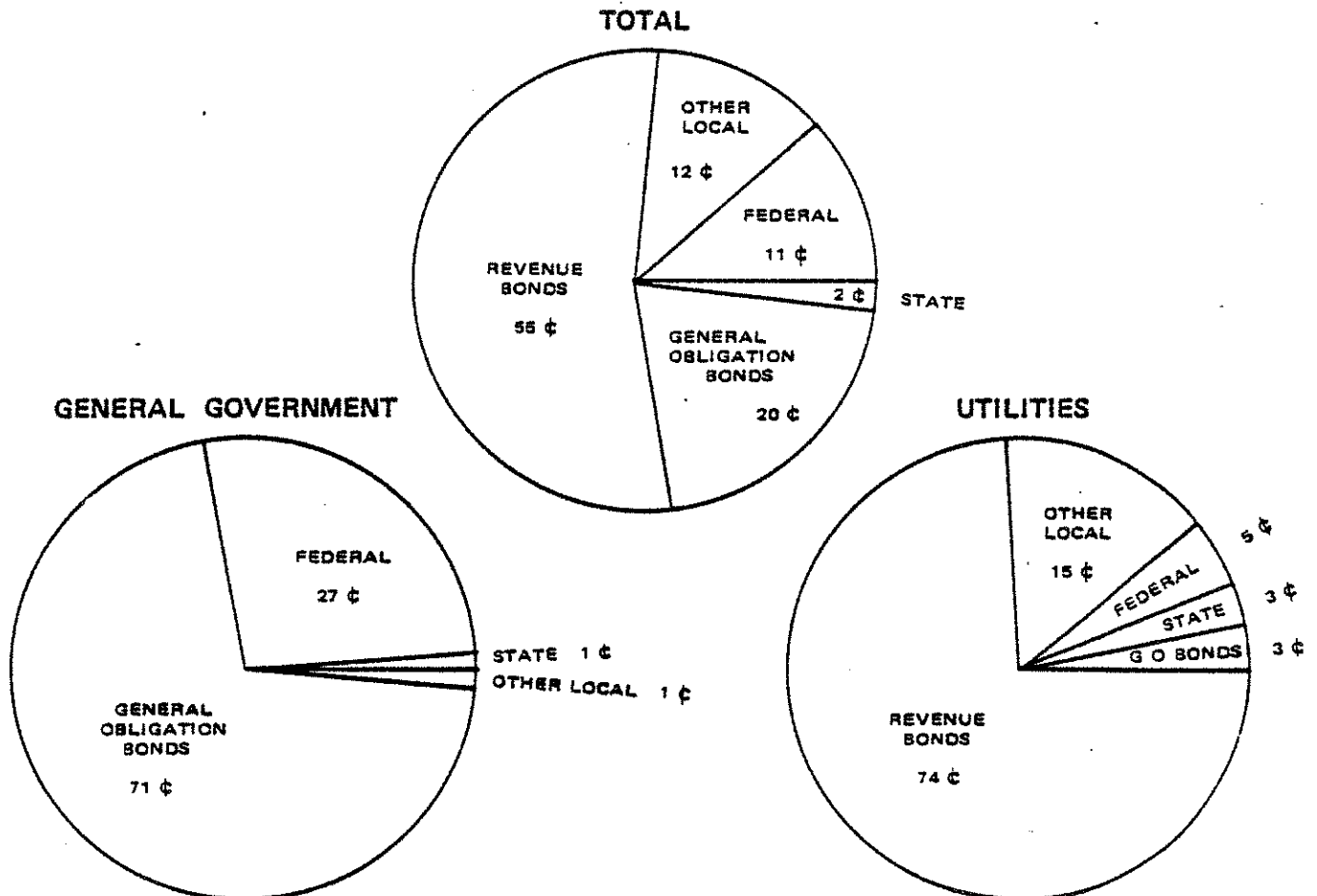
The 1977 Capital Improvement Budget essentially contained carryover projects from the former City and Borough that were funded with previously approved general obligation bonds. Planning efforts are now underway by the Municipality and citizen groups, such as Operation Breakthrough, to define further project priorities. When the work is completed the Municipality will be better able to prioritize capital program needs and select projects accordingly.

General government capital improvements for 1978 include such items as road and sewer improvements, bicycle trail expansion, a pedestrian overcrossing, traffic intersection improvements, and transit facilities. Certain adjustments may have to be made as a result of the October 4th election.

THE 1978 CAPITAL IMPROVEMENT BUDGET

<u>DEPARTMENT</u>	<u>1977</u>	<u>1978</u>	<u>INCREASE (DECREASE) FROM 1977</u>	<u>%INCREASE (DECREASE)</u>
Transportation	\$ 8,368,500	\$ 2,854,500	(\$ 5,514,000)	(65.9%)
Fire Protection	520,000	-0-	(520,000)	(100.0%)
Cultural & Recre- ational Services	4,746,500	4,676,000	(70,500)	(1.5%)
Public Works	15,453,500	9,109,400	(6,344,100)	(41.1%)
 General Govern- ment	 \$29,088,500	 \$16,639,900	 (\$12,448,600)	 (42.8%)
Utilities	57,551,260	49,254,500	(8,296,760)	(14.4%)
 TOTAL	 \$86,639,760	 \$65,894,400	 (\$20,745,360)	 (23.9%)

WHERE THE 1978 CAPITAL IMPROVEMENT DOLLAR COMES FROM...



SECTION V

PROPERTY TAXES

PROPERTY TAXES

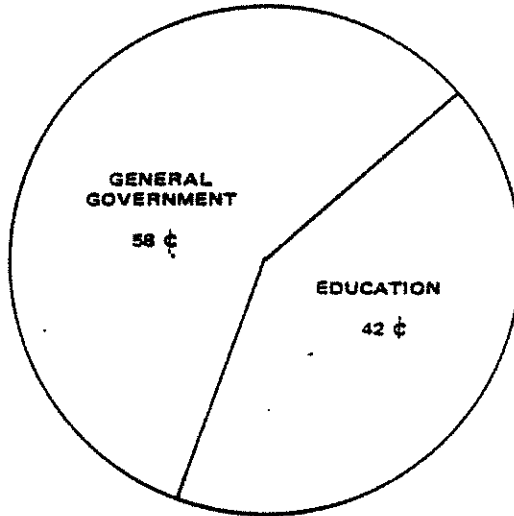
Property taxes paid by Anchorage taxpayers support both Municipal general government operations and the Anchorage School District. The School District has a different fiscal year than the Municipality and their 1978-1979 budget will not be prepared until early 1978. However, assuming the same mill levy in 1978 as in 1977, the School District will receive an average of 42¢ of each tax dollar as shown in the top portion of Exhibit 12. Newly enacted legislation providing for increased state funding of school construction bond debt service could result in a reduced School District mill levy. The bottom portion of Exhibit 12 shows how the remaining 58¢ is spent on Municipal operations.

Exhibit 13 depicts the mill levies by taxing district since 1973. Mill levies for 1977 and 1978 together with the effects of increases/decreases are shown in Exhibit 14.

Exhibit 15 depicts Anchorage real and personal property assessed valuations during the 1973-1983 period. Actual valuations are used for the 1973-1977 period with Property Appraisal Division estimates being used for 1978-1983.

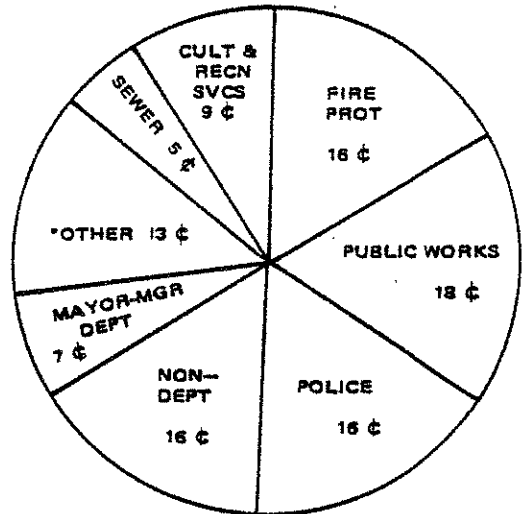
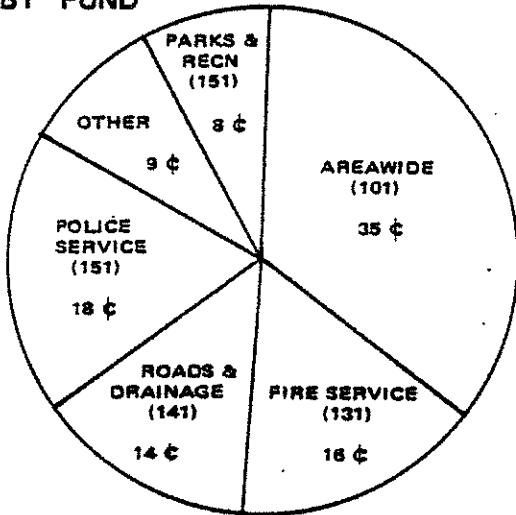
THE PROPERTY TAX DOLLAR

Where It Goes....



THE GENERAL GOVERNMENT PROPERTY TAX DOLLAR

BY FUND



BY DEPARTMENT

*OTHER:

ASSEMBLY	2 C
EQUAL RIGHTS	1 C
FINANCE	2 C
ADMIN SVCS	1 C
PLANNING	3 C
HEALTH & ENV PROT	2 C
TRANSPORTATION	2 C

MILL LEVY TRENDS

<u>Taxing District</u>	<u>1973</u>	<u>1974</u>	<u>1975</u>	<u>1976</u>	<u>1977</u>	<u>1978</u>
Anchorage	20.36	20.34	19.20	20.44	17.18	17.67
Borough Bowl	14.45	13.79	13.93	14.24	13.67	13.46
Spenard	19.68	18.10	18.39	20.34	17.25	18.34
Girdwood	12.86	12.69	11.70	14.37	13.84	14.03
Glen Alps	15.46	15.44	15.90	16.58	13.44	15.86
Richardson Vista	11.17	11.45	11.75	11.75	10.20	10.69
Sand Lake	19.75	17.89	16.93	15.86	14.74	15.74
Muldoon	19.55	17.96	16.93	15.86	14.74	15.74
Rabbit Creek	15.81	15.09	13.93	14.24	13.67	13.46
Eagle River	13.64	13.45	12.61	13.33	13.06	13.17
Chugiak	12.69	13.45	11.40	12.67	11.75	11.14
Rabbit Creek/Oceanview		18.06	16.93	15.86	14.74	15.74
GAAB Landfill		12.05	10.58	12.02	11.25	10.64
Borough Outside Bowl			10.90	12.17	10.54	10.42

Note: Certain adjustments will have to be made as a result of the October 4th election regarding expansion of police protection services.

EXHIBIT 13

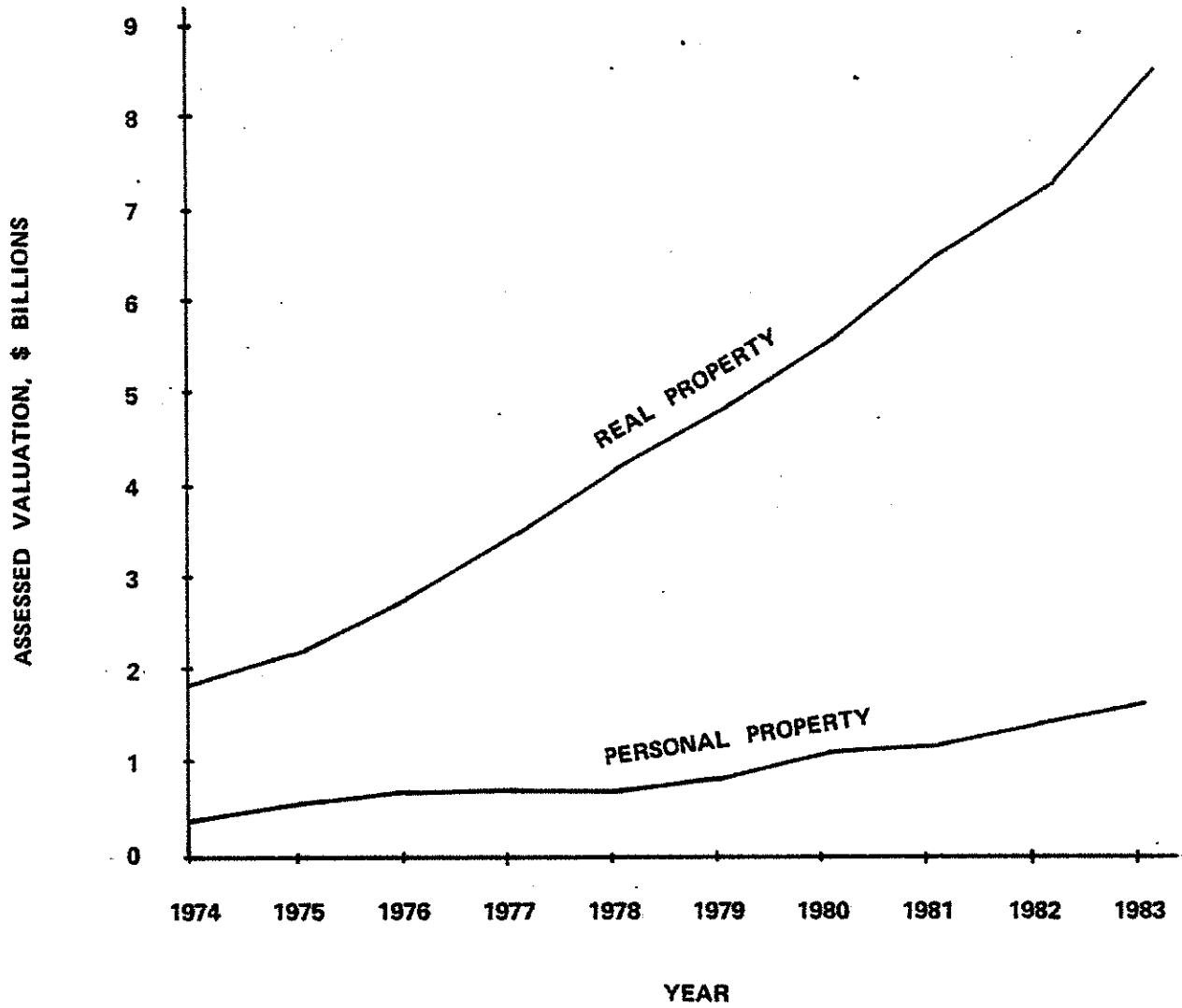
MILL LEVY COMPARISON (1977-1978)

<u>TAXING DISTRICT</u>	<u>1977 MILLAGE RATE</u>	<u>1978 MILLAGE RATE</u>	<u>MILLAGE RATE INCREASE (DECREASE) FROM 1977</u>	<u>PERCENT OF INCREASE (DECREASE)</u>	<u>INCREASE (DECREASE) IN PROPERTY TAX ON \$70,000 HOME</u>
Anchorage	17.18 mills	17.67 mills	.49 mills	2.9%	\$34
Borough Bowl/Rabbit Creek	13.67	13.46	(.21)	(1.5%)	(15)
Spenard	17.25	18.34	1.09	6.3%	76
Girdwood	13.84	14.03	.19	1.4%	13
Glen Alps	13.44	15.86	2.42	18.0%	169
Richardson Vista	10.20	10.69	.49	4.8%	34
Sand Lake/Muldoon/Rabbit Creek-Oceanview	14.74	15.74	1.00	6.8%	70
Eagle River	13.06	13.17	.11	0.8%	8
Chugiak	11.75	11.14	(.61)	(5.2%)	(43)
GAAB Landfill	11.25	10.64	(.61)	(5.4%)	(43)
Borough Outside Bowl	10.54	10.42	(.12)	(1.1%)	(8)

Exhibit 14

ASSESSED PROPERTY VALUATIONS

1974-1983



SECTION VI

**DEBT
SERVICE**

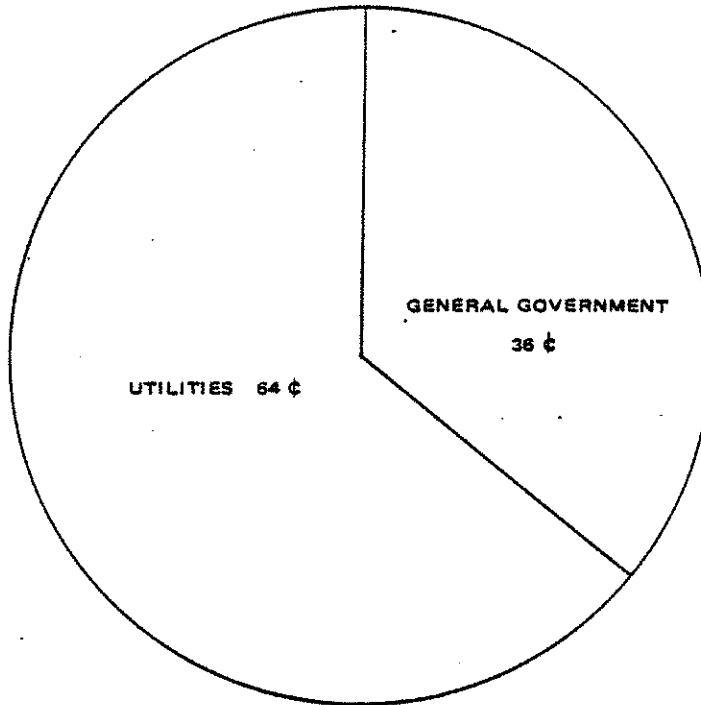
DEBT SERVICE

Over \$29 million of the 1978 budget goes toward debt service --- payment of principal and interest on the Municipality's bonded indebtedness. Exhibit 16 shows the distribution of these costs. Debt service funded from retained earnings are also included.

Throughout 1977 the Municipality continued to realize favorable general obligation and revenue bond ratings and achieved exceptionally good savings through bond refundings in the electric and telephone utilities. These conditions, which are expected to continue during 1978, reflect the confidence of the financial community in the Municipality's fiscal stability and ability to sustain fiscal integrity.

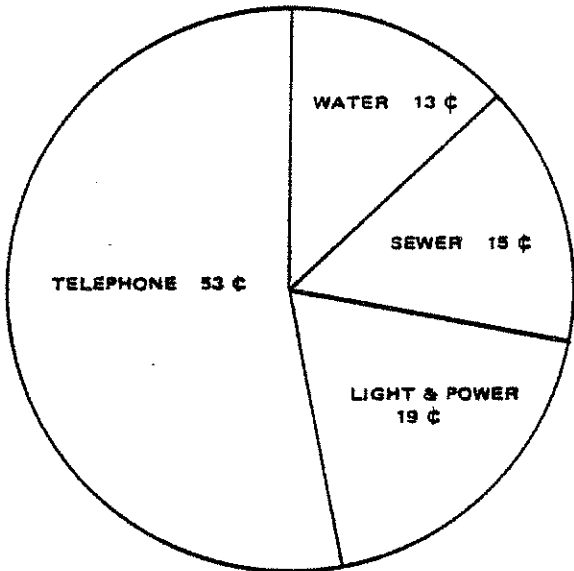
THE 1978 DEBT SERVICE BUDGET DOLLAR

Where it goes....

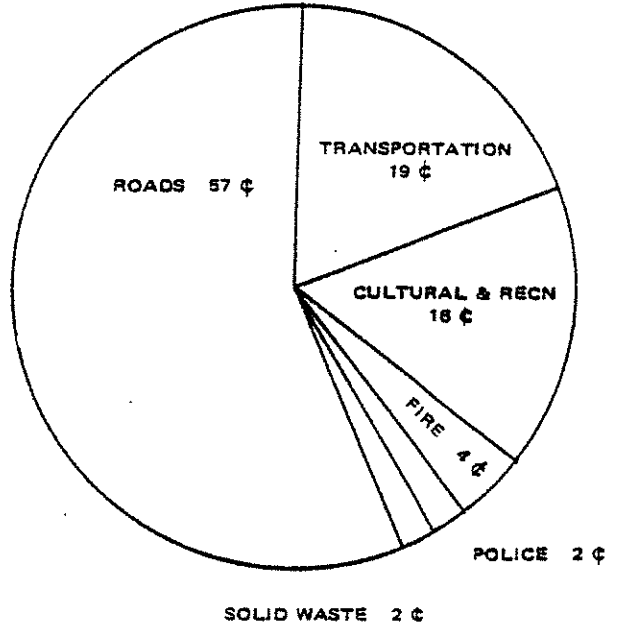


TOTAL BUDGET
\$29,068,410

UTILITIES
\$18,578,070



GENERAL GOVERNMENT
\$10,490,340



SECTION VII

**BUDGET
REVIEW
PROCESS**

BUDGET REVIEW PROCESS

The presentation of the budget to the Assembly initiates a series of review sessions between the administration and the Assembly prior to the time when 1978 mill levies are established in May. These sessions also provide a forum for the public to express their views on program priorities and expenditure levels.

The following schedule presents some of the major dates associated with the review and adoption process:

- * October 6 and October 12 -- budget overview presentations to the Assembly.
- * October 15 to November 15 -- Assembly Sub-Committee work sessions.
- * November 22 and November 29 -- public hearings on the 1978 budget.
- * December 6 -- adoption of the budget.
- * May -- establishment of 1978 mill levies.

The Assembly has formed five major Sub-Committees for purposes of conducting their budget reviews. These Sub-Committees are: Transportation, Public Safety, Utilities, General Government and Human Resources, Leisure and Environmental Protection. As in the past, work sessions are open to the public and the public is urged to attend these sessions and contribute their thoughts about the Municipality's spending plans for 1978. Times and dates will be published. Information can also be obtained from the Municipal Public Information Office (264-4422).

Section 13.05 of the Municipal Charter states: "The Assembly may increase or decrease any item, and may add or delete items, in the proposed operating or capital budget of the Municipality. The Assembly shall approve the budget of the Municipality as amended and appropriate the necessary funds at least twenty-one (21) days prior to the end of the fiscal year of the Municipality. If the Assembly fails to approve the budget and make the necessary appropriation within the time stated, the budget proposal shall become the budget and appropriation for the fiscal year without further Assembly action."