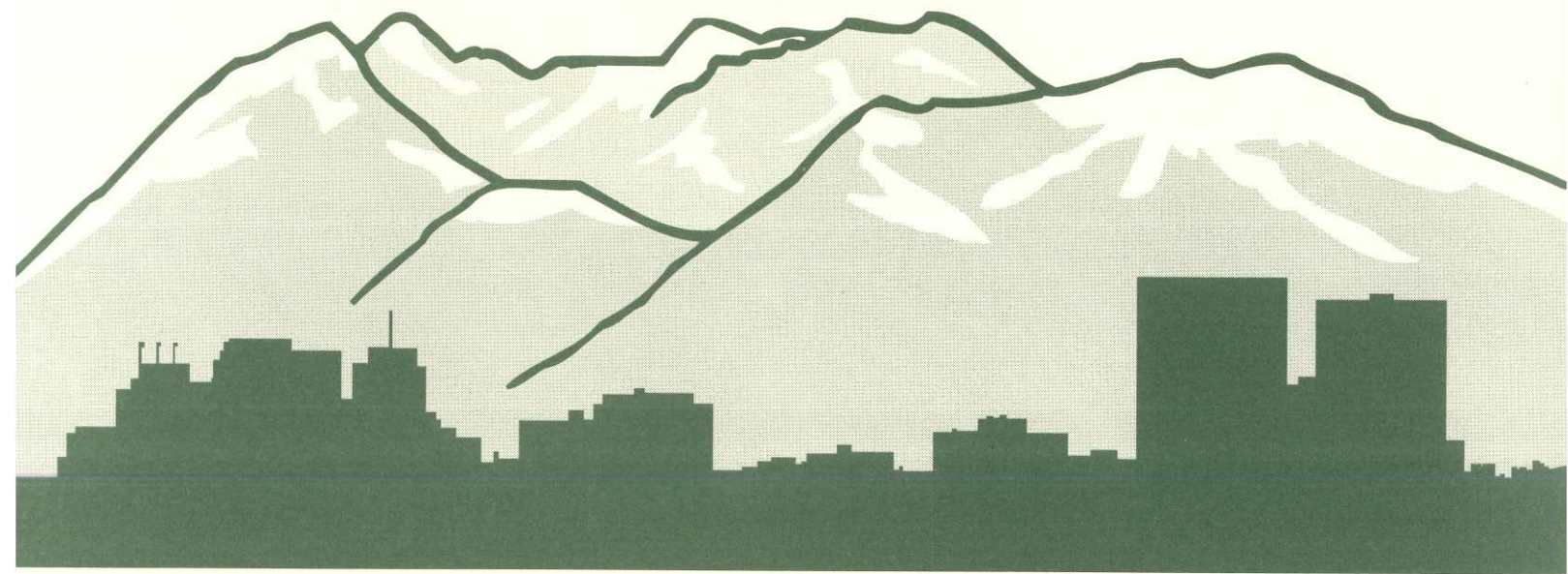


Municipality of Anchorage



George P. Wuerch
Mayor

Proposed General Government Operating Budget



2001

Municipality
of
Anchorage



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George P. Wuerch, Mayor

OFFICE OF THE MAYOR

September 29, 2000

Dear Resident of Anchorage:

I am pleased to present the Municipality of Anchorage's General Government Operating Budget for 2001.

It represents the first time in more than a dozen years that proposed city spending in actual dollars would be less than the previous year's spending. This reduction is to be accomplished despite an increase of approximately 22 percent in voter-approved debt service payments next year. Debt repayment in 2001 is expected to cost \$34.5 million, compared to \$28.3 million this year.

More important, our budget anticipates holding property taxes below the municipality's existing tax cap. We expect to do this even though the tax cap for 2001 is substantially lower than it was this year. The cap for 2000 was \$154.5 million. In 2001, it is calculated to be just \$148.5 million.

It will be lower as a result of this year's allocation of \$20 million from the city's fund balance in place of property tax revenue. That action resulted in a lower base from which the tax cap is calculated in the succeeding year.

Rest assured that our proposed 2001 budget maintains current levels of public safety services. No reductions are anticipated in the number of uniformed police and firefighters.

Many other areas of government, however, must experience some reductions in order to achieve the proposed savings of \$9 million in overall spending.

We are accomplishing these savings by adopting a team approach among the various departments and by reorganizing many areas of government. We decentralized decision-making, flattened the organization and empowered administrators with direct authority and responsibility.

We are making better use of available technology, like the Internet and charge cards, in order to reduce paperwork and red tape. Proven, good business practices are being implemented wherever practicable.

To achieve these changes, the full cooperation, involvement and support of city employees and their union representatives has been essential. Residents of Anchorage have every reason to be proud of the men and women who work for them in city government. They are dedicated and committed to providing increased services at efficient costs.

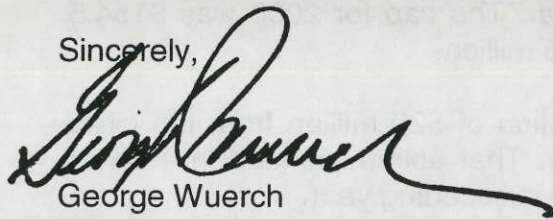
Anchorage has a sound economic plan for its government operations. This was evidenced by the most favorable bond rating assigned the city this year after our budget strategies were scrutinized by the investment community.

The new budget anticipates a greater role for public volunteerism in some of the city's operations. For instance, we intend to fully fund the city's greenhouses and continue to grow flowers – but we will be looking to the business community, civic organizations and individuals to help plant and care for the public gardens and displays.

We recognize the importance of maintaining and supporting all those amenities that contribute to a wonderful quality of life in Anchorage. Our playgrounds and green belts, libraries and museum, clean and safe neighborhoods are essential to making this city a great place to raise a family. The challenge is to balance these desires with taxpayer resistance.

The service priorities and the programs detailed in this proposed 2001 budget continue the positive steps that improve quality of life in Anchorage. We intend to accomplish our goal, while lessening the burden on the taxpayers.

Sincerely,



George Wuerch
Mayor

2001 PROPOSED

GENERAL GOVERNMENT OPERATING BUDGET



MUNICIPALITY OF ANCHORAGE
George Wuerch, Mayor

2001 PROPOSED
GENERAL GOVERNMENT OPERATING BUDGET
MUNICIPALITY OF ANCHORAGE

MAYOR

George Wuerch

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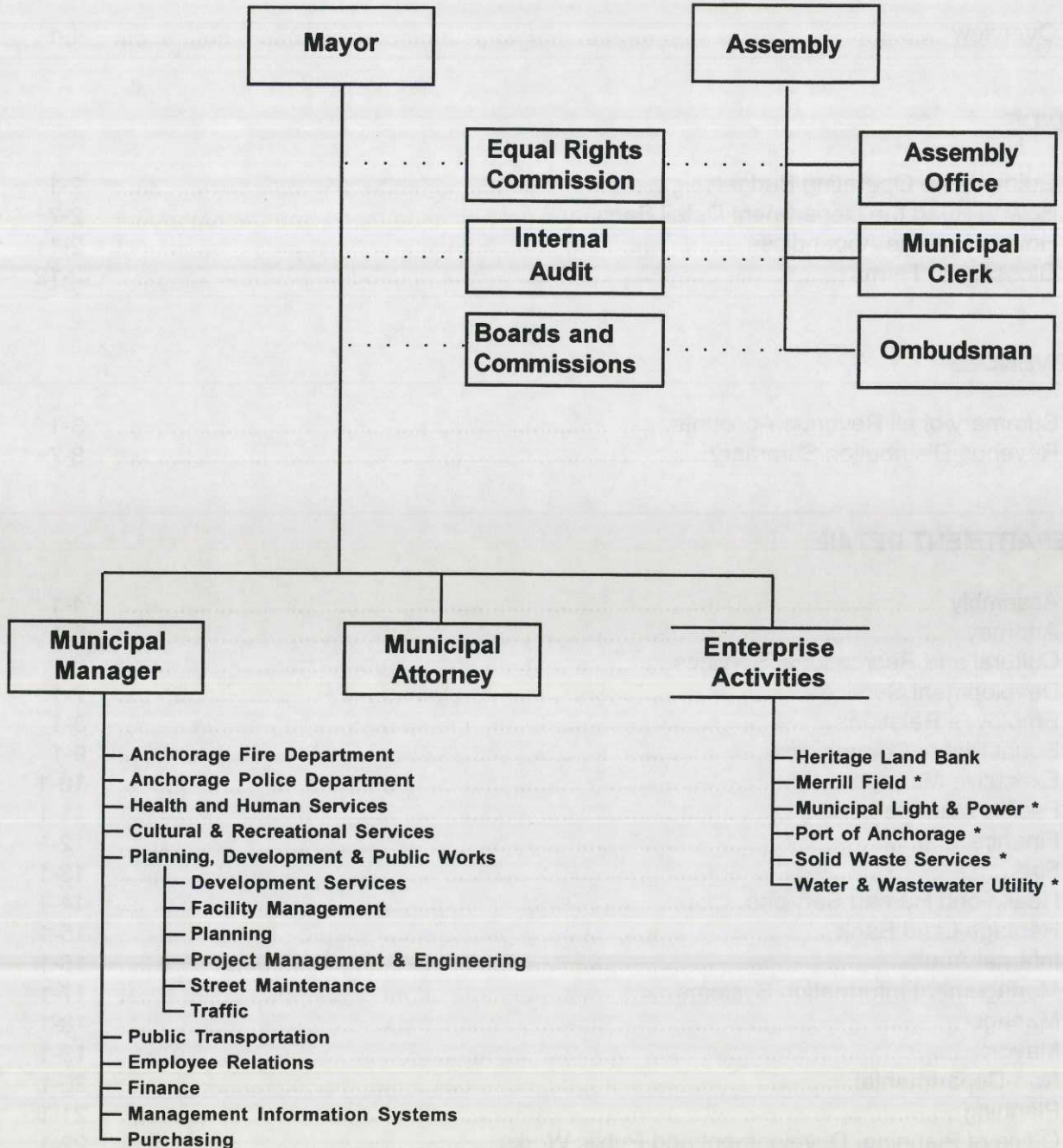
Cheryl Frasca

Tim Rogers

Earlene Aquino

Bruce Holmes

**2000 GENERAL GOVERNMENT OPERATING BUDGET
MUNICIPALITY OF ANCHORAGE
ORGANIZATION**



* The enterprise activities (excluding Heritage Land Bank) publish a separate budget document.

2001 Proposed General Government Operating Budget

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