

BUDGET OVERVIEW

**2001 PROPOSED BUDGET
COMPARED TO 2000 REVISED BUDGET**

	2000 REVISED BUDGET	2001 CONTINUATION BUDGET	2001 PROPOSED BUDGET	<i>INCREASE/ (DECREASE) Proposed vs Revised</i>
EXPENDITURES				
Departments (Direct Costs)	\$ 230,910,340	\$ 234,350,870	\$ 215,460,670	\$ (15,449,670)
Voter-Approved Debt Service	<u>28,320,720</u>	<u>34,537,290</u>	<u>34,537,290</u>	<u>\$ 6,216,570</u>
Total	\$ 259,231,060	\$ 268,888,160	\$ 249,997,960	\$ (9,233,100)
REVENUES				
Non-Property Taxes:				
State	\$ 11,686,250		\$ 11,733,490	\$ 47,240
Federal	409,580		358,130	(51,450)
Program	29,773,890		28,836,020	(937,870)
Local Allocated	41,295,140		46,565,240	5,270,100
IGC's to Non-General Government	16,190,350		14,865,990	(1,324,360)
Applied Fund Balance	<u>20,183,230</u>		<u>2,612,670</u>	<u>(17,570,560)</u>
Total	\$ 119,538,440		\$ 104,971,540	\$ (14,566,900)
Property Taxes:				
Taxes on New Construction	\$ 2,902,510		\$ 2,792,640	\$ (109,870)
To Pay Voter-Approved Debt Service	N/A		6,216,570	6,216,570
Additional Taxes on Existing Property	136,790,110		136,017,210	(772,900)
TOTAL TAXES REQUIRED	<u>\$ 139,692,620</u>		<u>\$ 145,026,420</u>	<u>\$ 5,333,800</u>
PROPERTY TAX CAP	\$ 154,430,920		\$ 148,584,070	\$ (5,846,850)
PROPERTY TAX UNDER CAP	<u>\$ (14,738,300)</u>		<u>\$ (3,557,650)</u>	

2001 General Government Operating Budget

PERSONNEL SUMMARY

Department	2000 Revised Budget				2001 Proposed Budget				Net Change in Positions
	FT	PT	Temp	Total	FT	PT	Temp	Total	Total
Assembly	26	0	0	26	25	0	0	25	(1)
Municipal Attorney	55	2	0	57	51	0	0	51	(6)
Cultural and Recreational Services	192	135	208	535	151	120	100	371	(164)
Development Services	84	3	2	89	84	3	1	88	(1)
Employee Relations	29	4	0	33	25	1	0	26	(7)
Executive Manager *	3	0	0	3	0	0	0	0	(3)
Equal Rights Commission	6	0	0	6	3	2	0	5	(1)
Facility Management	84	1	7	92	77	1	5	83	(9)
Finance	114	1	0	115	72	0	0	72	(43)
Fire	324	1	0	325	331	1	0	332	7
Health and Human Services	73	11	1	85	62	7	1	70	(15)
Heritage Land Bank	5	1	0	6	6	1	0	7	1
Internal Audit	6	1	0	7	4	1	0	5	(2)
Management Information Systems	83	1	0	84	71	1	0	72	(12)
Mayor *	8	0	0	8	9	0	0	9	1
Municipal Manager	19	3	0	22	18	2	0	20	(2)
Planning, Development & Public Works	35	1	0	36	6	0	0	6	(30)
Police **	544	0	0	544	533	0	0	533	(11)
Project Management & Engineering	45	1	4	50	48	0	4	52	2
Public Transportation	111	16	0	127	106	8	0	114	(13)
Purchasing	15	0	0	15	13	0	0	13	(2)
Street Maintenance	127	0	2	129	133	4	9	146	17
Traffic	43	0	8	51	43	0	2	45	(6)
Total	2,031	182	232	2,445	1,871	152	122	2,145	(300)

* The Mayor's Office absorbed 3 positions from the Executive Manager's Office in July 2000. After this consolidation, 2 positions were eliminated.

** Includes 15 partially federally funded grant positions.

**2001 General Government Operating Budget
DEPARTMENT OPERATING BUDGETS AT A GLANCE**

Department	2000 Approved Budget	Revisions During 1st Quarter 2000	2000 Revised Budget	One Time/Non- Recurring	Transfers To/From Dept (1)	Salary Cost Changes	Debt Service Increases/ Decreases	Misc. Increase/ Decrease	2001 Continuation Level	Proposed 2001 Budget Changes	Proposed 2001 Budget Total	Debt Service 2000	Debt Service 2001
Assembly	2,130,100	52,100	2,182,200	(15,600)		10,860		4,500	2,181,960	(151,700)	2,030,260		
Attorney	4,060,360	(128,070)	3,932,290			(8,460)			3,923,830	(275,000)	3,648,830		
Cultural & Rec Services	22,036,360	266,820	22,303,180	(189,620)	(2,332,170)	157,220	851,620	5,200	20,795,430	(3,423,470)	17,371,960	1,691,270	2,729,530
Development Services	6,266,630	0	6,266,630	0	222,180	63,240	0	(10,000)	6,542,050	(336,230)	6,205,820		
Employee Relations	2,880,200	(28,500)	2,851,700	(150,000)	175,790	(25,470)		323,400	3,175,420	(523,960)	2,651,460		
Equal Rights	450,760	8,000	458,760	(8,000)		4,100			454,860	(113,580)	341,280		
Facility Mgmt	20,713,680	130,430	20,844,110	(230,430)	(161,100)	(40,120)		728,320	21,140,780	(1,027,800)	20,112,980		
Finance	12,869,090	82,880	12,951,970		(340,690)	185,530		(9,000)	12,787,810	(2,283,820)	10,503,990		
Fire	33,425,740	872,760	34,298,500	(316,860)	(100,890)	275,480	1,084,160	2,332,280	37,572,670	(81,110)	37,491,560	760,970	1,844,830
Health & Human Services	9,946,760	288,530	10,235,290		(222,590)	88,140	173,730	(46,000)	10,228,570	(905,210)	9,323,360	1,413,320	1,588,930
Heritage Land Bank	872,670	0	872,670	(29,450)	(103,570)	7,560		(1,230)	745,980	0	745,980		
Internal Audit	450,320	0	450,320			14,690			465,010	(143,570)	321,440		
Management Info Systems	13,269,610	0	13,269,610		157,130	39,260		(71,150)	13,394,850	(1,935,770)	11,459,080		
Manager	1,510,790	0	1,510,790		0	37,830	318,830	330	1,867,780	(23,170)	1,844,610	38,540	357,370
Mayor	814,440	0	814,440	(43,000)	268,470	22,330			1,062,240	(229,990)	832,250		
Non-Departmental	11,177,510	1,541,770	12,719,280	(1,338,770)			(401,840)	321,920	11,300,590	(1,214,310)	10,086,280	576,170	176,080
Planning	2,715,120	143,220	2,858,340	(143,220)		40,990			2,756,110	(300,000)	2,456,110	23,081,090	27,478,380
Planning, Dev & Public Works	24,538,410	(693,210)	23,845,200		9,390	65,370	4,284,570		28,204,530	(158,130)	28,046,400		
Police	45,903,900	326,230	46,230,130	(232,230)	(48,950)	615,050	(399,540)	970,790	47,135,250	(1,647,150)	45,488,100	635,540	235,800
Project Mgmt & Engineering	4,326,520	0	4,326,520		283,970	78,940			4,689,430	(200,380)	4,489,050		
Public Transportation	9,696,740	85,030	9,781,770		(410)	(40,110)	2,500	1,050	9,744,800	(973,520)	8,771,280	123,820	126,370
Purchasing	1,071,260	0	1,071,260			840			1,072,100	(175,240)	896,860		
Street Maintenance	20,725,010	231,690	20,956,700	(55,000)	2,183,440	(37,620)		1,000	23,048,520	(2,141,840)	20,906,680		
Traffic	4,149,400	50,000	4,199,400	(50,000)	20,000	85,750			4,255,150	(282,810)	3,972,340		
Total	256,001,380	3,229,680	259,231,060	(2,802,180)	10,000	1,641,400	5,914,030	4,551,410	268,545,720	(18,547,760)	249,997,960	28,320,720	34,537,290

- (1) **Transfers To/From Department:** The 2001 budget reflects transfers between departments to consolidate programs to achieve efficiencies and savings. Programmatic transfers to other departments include:
- **Cultural & Recreation Services:** Two engineering positions transferred to Project Management and Engineering (-\$123,730); North/South maintenance and administration transferred to Street Maintenance (-\$2,204,050)
 - **Health & Human Services:** Three on-site engineers transferred to Development Services (-\$222,180)
 - **Mayor's Office:** Former Executive Manager's personnel transferred to Mayor's Office (\$268,470)
 - **Property Facility & Management:** Two engineers transferred to Project Management and Engineering (-\$160,240)
 - **Finance:** Payroll section transferred to Employee Relations Department (-\$175,790)

2001 General Government Operating Budget Administration's Challenges and Priorities

The new administration came into office July 1, 2000, and faced the formidable challenge of preparing two budgets within its first 100 days. The first, or "A" budget, is the proposed budget for 2001, which follows. It proposes that spending be reduced by nearly \$10 million as compared to the current year's spending. When compared to what it would cost to continue the level of services that citizens currently receive, the proposed budget cuts spending by nearly \$19 million. On Oct. 17, the administration will offer a second, or "B," budget. It will lay out \$53 million in reductions that would be required under a 10-mill tax cap, should the tax cap initiative receive voter approval on Nov. 7, 2000.

In approaching the "A" budget, the administration's first priority is to protect the safety of Anchorage's citizens. This means minimal reductions in the Police, Fire and Street Maintenance Departments. To the degree we could when facing \$19 million in reductions, we worked to protect those municipal employees who are on the front line delivering services. By contrast, the areas first examined for reductions were the city's administrative operations.

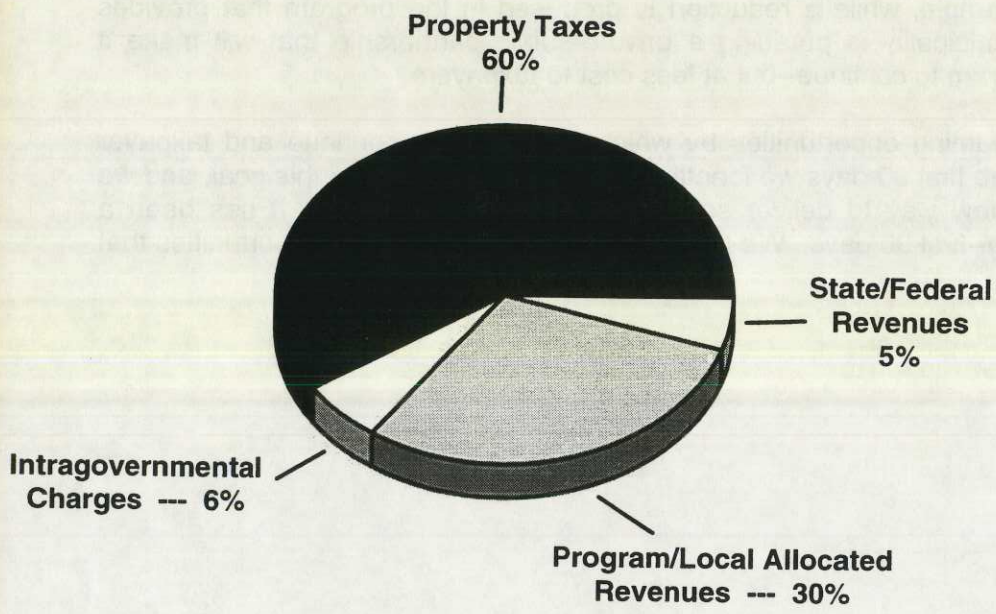
A constant re-examination is underway of how the Municipality delivers its services in order to learn how we can do it more efficiently, more effectively, and at less cost. A number of initiatives are underway that will help accomplish this goal, including the following proposals as part of the 2001 "A" budget:

- Implementation of a procurement card system by which departments will be able to make and pay for smaller purchases. The system will significantly reduce the paperwork to process payments. This has resulted in budget and personnel cuts in the Purchasing Department.
- Re-tooling the city's use of technology to increase citizens' access to information. This includes a pilot project in 2001 by which the Planning Department will distribute planning and zoning documents via the Internet. A current year project enables construction permit fees to be paid by credit card—and the permit can then be printed from the applicant's own computer.
- Maintenance of parks and trails has been consolidated in the Street Maintenance Department. By combing the operations, snow removal and maintenance, these activities will be better coordinated and result in efficiencies and savings.
- Engineers from the Departments of Health and Human Services, and Cultural and Recreational Services will be consolidated under the new Office of Planning, Development and Public Works. This will allow increased coordination and efficiency in not only the delivery of public services, but will minimize the locations where the public has to go for technical assistance.
- Efficiencies are anticipated from the municipality's past investment in its new PeopleSoft software. Administrative savings in the Finance Department's proposed budget are anticipated with the completed roll-out of the Municipality's new financial system.

While the pressure of budget reductions “encourages” program managers to identify new ways to provide services at less cost, it is not possible to achieve \$19 million in reductions that will be invisible to the public. Some reductions in popular programs are proposed—but new alliances are being sought. For example, while a reduction is proposed in the program that provides flowers downtown, the municipality is pursuing a private-public partnership that will make it possible for the flower program to continue--but at less cost to taxpayers.

We continue to look for teaming opportunities by which services can continue and taxpayer relief is provided. During the first 90 days we identified some ways to achieve this goal, and we intend to examine every new way to deliver services and save tax dollars. It has been a challenging—and rewarding--first 90 days. We look forward to the many more opportunities that lie ahead.

WHERE THE MONEY COMES FROM . . .



. . . WHERE IT GOES

