

BUDGET OVERVIEW

OVERVIEW OF THE GENERAL GOVERNMENT OPERATING BUDGET

The Right Services at the Right Price

Discussions about the Municipality's annual budget might sound like boring stuff to some, but keep in mind your government spends more than a quarter-billion dollars each year (the Approved 2003 General Government Operating Budget is \$283,497,130) of your tax dollars and other revenues to provide you and your fellow Anchorage residents certain services. Are you getting your money's worth?

This Budget Overview reviews a few of the basics about the process that the administration goes through to develop each new budget.

Three Steps

Developing the complex budget necessary to run city government is not that much different than the process most families go through in preparing their home budgets.

- First, determine how much income is available;
- Next, decide the order of spending priorities;
- Then, allocate accordingly.

Available Income

If your family is like most, this first budget step is constrained by your paychecks. For municipal government the limit is set by the Citizens' Tax Cap.

In 1983, Anchorage voters amended the Anchorage Home Rule Charter to place a limit on annual tax increases. This cap sets the ceiling on the total amount of taxes that can be collected during a fiscal year. It allows only slight adjustments for increases in population, inflation, new construction and voter-approved bond debt.

Identifying the Priorities

Looked at in the broad context, the order of the municipality's priorities is readily apparent: people want to be safe, have drivable streets, and services such as health, recreation, and culture that improve the quality of life for themselves and their families and that promote a stable economy.

The challenge becomes complex as decisions have to be made among the many options to accomplish these priorities.

The Right Services at the Right Price

Is it more important, for instance, for the Police Chief to add a new police officer, a new vehicle, or new technology in order to accomplish his department's goal of providing public safety? Given the constraints of the Citizens' Tax Cap, does the Cultural and Recreation Department spend more for library books, for flowers, for trails, or for swimming pools? Each Department

Director is faced with making such choices among numerous options in order to accomplish their department's goals.

They know that their mission is to deliver the right services at the right price – to be as efficient, innovative and flexible as possible to produce the desired results.

Allocating Available Funds

How do taxpayers know if the mission is being accomplished? Some people might contend the only measure is counting how much money is allocated to services. The Anchorage municipal government has adopted a better way.

It is called, Investing for Results. This is a program that requires your local government to hold itself accountable to you and the rest of the public by measuring the results of services provided. See several graphical representations of providing the right services on this and the next page. If you are curious about how well we are doing in accomplishing other missions, check out the report cards of our municipal departments that are posted on the Municipality's web site: www.muni.org

The People's Budget

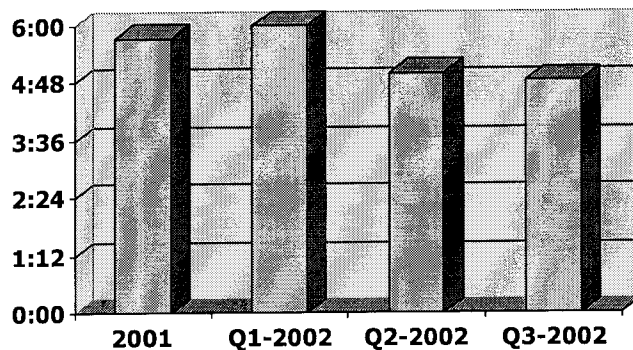
Spending decisions for the 2003 budget take into account the results generated under this program. Those services that produce desired results move to the top, those that do not accomplish goals fall to the bottom.

Our intention is to invest your tax dollars wisely to produce the results you want.

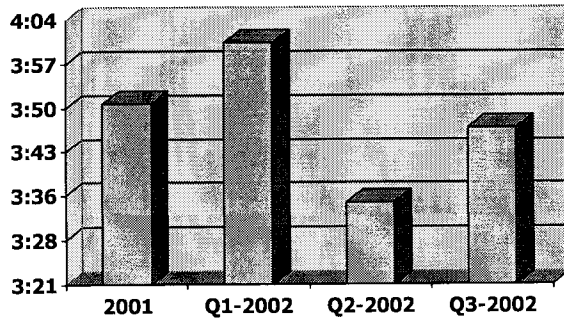
Citizen participation in this new budgeting process is very important. We need to know what you and your neighbors think about the objectives and goals that the departments have identified. The same goes for the results that are being measured.

Look through this budget document and the information on the city's web page. If you have suggestions for other goals or measures that are important to you, let us hear your opinion.

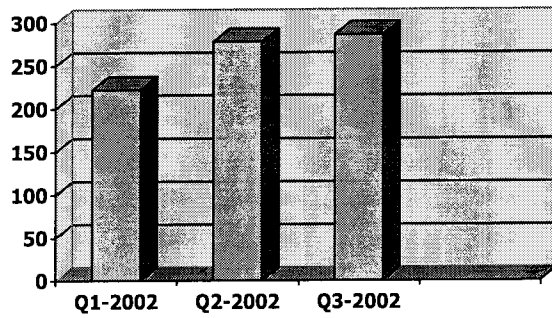
Average Police Response Time (Minutes)



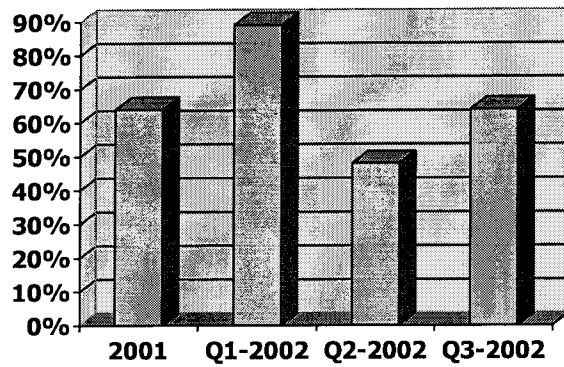
Average Emergency Medical Response (Minutes)



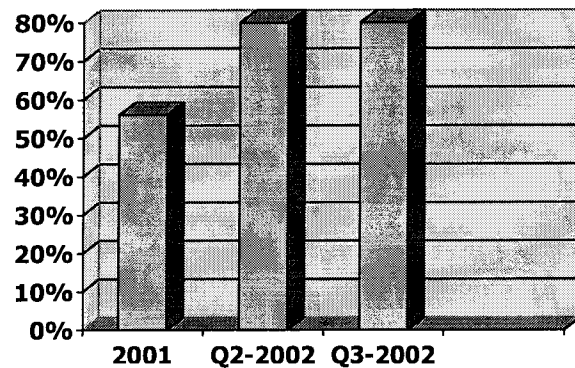
Number of Lives Potentially Saved By Medical Intervention



Percent of Fires Contained to Room of Origin



Percent of Motorists Driving within Speed Limit Due to Speed Humps



**2003 APPROVED BUDGET
COMPARED TO 2002 REVISED**

	2002 REVISED BUDGET (After 1st Qtr & Supplementals) (1)	2003 APPROVED BUDGET	2003 Approved Budget vs. 2002 Revised Budget
<u>EXPENDITURES</u>			
Departments (Direct Costs)	\$ 239,162,810	\$ 247,482,500	\$ 8,319,690
Voter-Approved Debt Service (2)	35,286,390	36,014,630	728,240
Total Expenditures	\$ 274,449,200	\$ 283,497,130	\$ 9,047,930
<u>REVENUES</u>			
Non-Property Taxes:			
State	12,181,140	11,990,340	(190,800)
Federal	486,570	487,170	600
Program	36,532,770	37,036,060	503,290
Taxes, Interest, Other	45,303,000	42,470,450	(2,832,550)
IGC's to Non-General Government	18,498,810	19,481,480	982,670
Applied Fund Balance	1,750,070	2,616,890	866,820
Total Non-Property Taxes	\$ 114,752,360	\$ 114,082,390	\$ (669,970)
PROPERTY TAXES	\$ 159,696,840	\$ 169,414,740	\$ 9,717,900

(1) Includes supplemental through 5/31/02

(2) Voter-Approved Debt Service Only (excludes fiscal agency fees and other long-term debt costs)

**2003 Approved General Government Operating Budget by Department
Compared with 2002 Revised Budget**

Department	2002 Revised (5/31/02)		2003 Approved		Difference, 2003 less 2002	
	Operating	Debt Service ⁽¹⁾	Operating	Debt Service ⁽¹⁾	Operating	Debt Service
Assembly ⁽²⁾	\$ 2,143,870		\$ 2,306,420		\$ 162,550	
Cultural & Recreational Svcs	18,444,550	2,911,530	17,933,310	2,527,310	(511,240)	(384,220)
Development Services ⁽³⁾	7,854,440		6,510,540		(1,343,900)	-
Employee Relations	3,291,790		3,876,320		584,530	-
Equal Rights	488,880		523,670		34,790	-
Finance	14,624,640		15,191,360		566,720	-
Fire	38,983,350	1,992,630	42,276,990	2,298,270	3,293,640	305,640
Health & Human Services	10,369,480	1,584,530	10,946,160	1,601,990	576,680	17,460
Information Technology	12,807,080	81,600	13,613,400	81,600	806,320	-
Internal Audit	381,000		346,020		(34,980)	-
Maintenance & Operations ⁽⁴⁾	38,091,740	27,872,850	37,297,500	28,516,120	(794,240)	643,270
Mayor ⁽⁵⁾	9,045,550		8,558,050		(487,500)	-
Municipal Attorney	3,940,980		4,247,390		306,410	-
Municipal Manager	1,619,780	393,060	1,690,820	517,480	71,040	124,420
Planning ⁽⁶⁾	2,432,350		2,732,730		300,380	-
Planning, Dev, and PW ⁽⁷⁾	554,080	151,050	1,949,400	246,790	1,395,320	95,740
Police	46,390,480	235,510	47,867,040	234,340	1,476,560	(1,170)
Proj Mgmt & Engineering	5,067,000		5,358,220		291,220	-
Public Transportation	11,496,590	166,680	11,809,410	165,480	312,820	(1,200)
Purchasing	1,149,580		1,215,430		65,850	-
Real Estate	5,357,260		6,044,540		687,280	-
Traffic	4,525,290		5,013,030		487,740	-
Totals	\$239,059,760	\$35,389,440	\$247,307,750	\$36,189,380	\$ 8,247,990	\$ 799,940

(1) This column shows all debt service amounts, including voter approved debt on G.O. Bonds, fiscal agency fees and other long term debt. See Appendix J-1 for explanation of voter-approved and other debt service for 2003.

(2) The amount requested by the Assembly Department for their 2003 budget is \$2.4 million.

(3) Effective for 2003 Development Services is transferring four functions with a cost of \$1 million to the Office of Planning, Development and Public Works and one to the Planning Department.

(4) Effective in 2003 the former Facility Management and Street Maintenance Departments are combined to form the new Maintenance and Operations Department.

(5) 2003 Mayor's Office total includes \$714,550 for operations and \$7,843,500 for economic development grants.

(6) Effective for 2003 the Planning Dept. is transferring a program to the Office of Planning, Development & Public Works, receiving a program from the Development Services Dept.--a net \$.25 million budget increase.

(7) Effective for 2003 the Office of Planning, Development and Public Works is absorbing one program from the Planning Dept. and four from the Development Services Dept. resulting in a \$1.5 million budget increase.

2003 Approved General Government Operating Budget

PERSONNEL SUMMARY

Department	2002 Revised Budget				2003 Approved Budget				Net Change in Positions
	FT	PT	Temp	Total	FT	PT	Temp	Total	Total
Assembly	25	0	0	25	28	0	0	28	3
Cultural and Recreational Services	160	120	135	415	157	113	107	377	(38)
Development Services ^{(2), (3)}	104	3	1	108	80	4	1	85	(23)
Employee Relations	27	1	0	28	29	1	0	30	2
Equal Rights Commission	6	0	0	6	6	0	1	7	1
Facility Management ⁽¹⁾	81	0	5	86	0	0	0	0	(86)
Finance	106	0	0	106	101	0	6	107	1
Fire	384	1	0	385	408	0	0	408	23
Health and Human Services	66	14	0	80	67	12	0	79	(1)
Information Technology	80	0	0	80	80	0	0	80	0
Internal Audit	4	1	0	5	4	1	0	5	0
Maintenance and Operations ⁽¹⁾					208	6	29	243	243
Mayor	8	0	0	8	8	0	0	8	0
Municipal Attorney	53	0	0	53	54	0	0	54	1
Municipal Manager	19	3	0	22	19	3	0	22	0
Planning ^{(2), (3)}	27	1	0	28	31	0	0	31	3
Planning, Development & Public Works ⁽³⁾	4	0	0	4	21	0	0	21	17
Police ⁽⁴⁾	519	0	0	519	519	0	0	519	0
Project Management & Engineering	53	0	2	55	54	0	2	56	1
Public Transportation	136	0	0	136	138	0	0	138	2
Purchasing	15	0	0	15	14	0	0	14	(1)
Real Estate	6	1	0	7	6	1	0	7	0
Street Maintenance ⁽¹⁾	127	6	43	176	0	0	0	0	(176)
Traffic	50	0	0	50	50	0	0	50	0
Total	2,060	151	186	2,397	2,082	141	146	2,369	(28)

(1) Facility Management and Street Maintenance Departments merged into the new Maintenance and Operations Department for 2003.

(2) Positions from Development Services' Land Use Enforcement and Plat Review sections were transferred to the Planning Department for 2003.

(3) Positions from Planning Department's Technical Services section and from Development Services' Technical Services section were transferred to the Office of Planning, Development & Public Works for 2003.

(4) The Anchorage Police Department personnel in 2003 has an additional 13 new officers for the COPS in Schools Program that are partially funded by a Federal Grant.