

# **SIX YEAR FISCAL PROGRAM**

**2010-2015**



**Municipality of Anchorage**

**Dan Sullivan  
Mayor**

**(Updated October 22, 2009)**

**MUNICIPALITY OF ANCHORAGE**  
**Six Year Fiscal Program**  
**2010 - 2015**

**Dan Sullivan, Mayor**

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September 28, 2009

Dear Residents of Anchorage:

I am pleased to present the Six Year Fiscal Program for 2010-2015. This document presents what might be in store for Municipal government over the next six years unless corrective action is taken.

Although the long-term future of Anchorage is bright, Anchorage has been affected by the national economic recession. Tourism activity is down and some of the Municipality's long term investments have not performed well. This has had an adverse effect on some of our revenue sources. Anchorage's job growth has slowed and we will see reductions in job growth this year and in 2010. The Alaska Railroad recently announced a 20% reduction in their labor force and cargo traffic at the airport is down over 30% over the last two years, resulting in job loss in that sector as well.

Coinciding with the decrease in revenues available to the city are dramatic increases in the cost of labor, as a result of the long term contracts passed by the Assembly in December, 2008. The cost of these labor contracts through 2015 were estimated to be as high as \$195 million dollars and along with other anticipated cost increases, including the projected contribution to the Police Fire Retirement fund of \$12 million dollar per year for the next 15 years, creates a significant imbalance in the municipal financial structure.

The national economy shows signs of recovery and there are a number of positive economic opportunities available to our state. One of the most significant opportunities is the proposed gas pipeline; however, we won't see the effects of this project until many years in the future.

Since taking office on July 1, 2009, my administration has been immersed in reacting to revenue shortfalls in 2009 and preparing a 2010 budget that makes the necessary adjustments in the costs of government so we are better aligned with anticipated revenues in subsequent years. As we accomplish that goal, we are committed to limiting increases in property taxes while continuing to provide essential public services

Once we have submitted the 2010 budget, I am quite sure there will be a spirited discussion regarding the role of government and what are essential services. I look forward to this dialogue. During this discussion, we need to keep in mind that decisions made today will impact the decisions we will make in the future. The six year fiscal projection contained in this document illustrates this point.

My administration intends to work cooperatively with the Assembly toward the objective of adopting a 2010 budget and a long term direction that best suits the needs of the community and stays within acceptable levels of taxation.

Sincerely,

Daniel A. Sullivan, Mayor

# PREFACE

In accordance with the Municipal Charter, the Mayor is required to submit to the Assembly a "six-year program for public services, fiscal policies, and capital improvements of the Municipality. The program shall include estimates of the effect of capital improvement projects on maintenance and personnel costs."

Like all responsible governments, the Municipality of Anchorage must provide its citizens with an acceptable level of publicly critical services. The purpose of this "Six Year Fiscal Program" is to provide various public policy scenarios related to the services demanded by the public for review and consideration.

The "Six Year Fiscal Program" is intended to encourage a balanced approach towards responding to ever changing fiscal conditions. Achieving balance starts with a mindful approach and engaged activities to keep the cost of local government in focus. In addition to cost containment, other fiscal strategies include economic development, expenditure reductions and revenue enhancement. Key strategic policy decisions will need to be made in order to determine exactly what the appropriate balance point should be.

Detailed demographic and financial information about Anchorage are available at, Municipal libraries and the Municipal website at [www.muni.org](http://www.muni.org). Relevant documents include:

- Comprehensive Annual Financial Reports
- General Government Operating Budgets
- General Government Capital Budgets/Programs

# SIX YEAR FISCAL PROGRAM 2010 – 2015

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# ***1. MAJOR SIX YEAR OPERATING AND PROGRAM GOALS***

The City of Anchorage has a set of overarching goals that were identified by the Mayor and his Administration. The goals presented herein are the program and service areas in which the Administration intends to focus in the next few years.

Strategies for accomplishing these goals are in the process of being completed. Departments will be responsible for establishing business plans that are aligned with the City's goals. Aligning priorities with services helps departments manage their resources effectively and measure their progress more accurately.

Although not specifically mentioned, we will continue to provide other basic services to the public.

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## Quality of Life:

Anchorage is blessed with an unsurpassed quality of life, characterized by an incredible natural setting, an abundance of park land, a world class trail system, and first rate public facilities including; the Anchorage Center for the Performing Arts, the Loussac Library, the Sullivan Arena, the new Dena'ina Convention Center, our recreation centers and much more. The quality of life is further enhanced by access to quality education, good employment opportunities, and a low per capita tax structure.

We are committed to maintain and improve our quality of life through the following goals:

- Maintain our public facilities to a high standard to maximize recreational and cultural opportunities.
- Encourage citizen participation in sports, recreation and cultural programs.
- Promote efforts to encourage private sector support for these programs.
- Continue to provide financial support for the operations of the Anchorage Museum and the Alaska Center for the Performing Arts.
- Work cooperatively with the Anchorage School District to share facilities and programs.

#### Fiscal Policy:

- Contribute to the quality of life by leaving discretionary income in the hands of the public rather have government increase the collection of taxes and utility rates:
  - Limit increases to property taxes
  - Limit increases to utility rates
- Operate within available revenues and maintain a favorable bond rating

#### Energy:

- Ensure stable and reliable source of energy
  - Develop an effective emergency response plan for any interruptions in supply
  - Advocate for long term energy supplies to provide the lowest rates and greatest reliability

#### Public Safety:

- Provide a safer community with a reduction in the level of violent crimes
- Reduce loss of life and property from fires
- Maintain the ISO rating
- Respond timely to calls for paramedic and EMT assistance
- Resolve the inebriate homeless problem

#### Economic Development:

- Provide a business friendly local government through stable business taxes and streamlined permitting and plan review.
- Develop strategies to provide housing options that will allow our work force to continue to live in Anchorage.
- Judiciously use our development tools such as tax deferrals and tax abatements to encourage new business.
- Maximize economic development efforts through the Anchorage and Eagle River Chambers, Anchorage Economic Development Corporation (AEDC) and Anchorage Convention & Visitors Bureau (ACVB)

#### Transportation:

- Improve traffic flow by completing road connectivity plan. Extend the life cycle of roads.
- Complete the port project and market its expanded capabilities
- Maintain existing bike trails and plow key sidewalks in winter
- Maintain a viable public transportation system

#### Municipal Operations:

- Maintain a workplace where employees are treated in a fair and equitable manner
- Increase efficiency
- Restructure executive branch organizations in response to current and future labor cost increases

- Establish effective performance measurements
- Maintain existing facilities

#### Community Relations:

- Maintain open, professional and cordial relationships with the public and the media
- Achieve an organization culture that puts a higher value on public service
- Promote diversity awareness in the community and encourage unity in the pursuit of common goals

### **Capital Projects**

Capital project requests from Federal, State and local sources will focus on transportation, energy, and public health and safety. We can expect more limited funding availability from outside sources. In turn, we need to maintain our favorable bond ratings by limiting per capita debt. We will continue to seek favorable debt refunding opportunities to decrease interest rates and long term debt obligations.

The capital program will be based on the premise that we must first adequately maintain our current assets before we add any significant new projects with high operation and maintenance costs.



## ***2. ECONOMIC TRENDS AND INDICATORS***

This is an unusual period in our history in terms of national and international economic conditions, in energy prices, and in equity and debt markets. Predicting future events is difficult under the best of circumstances; however, there have been few periods in the recent past when the future is so uncertain. In such an unpredictable global economic environment, and with Alaska and Anchorage so closely linked to national and global economies, forecasting local conditions is a real challenge.

The forecasts presented here are based largely on secondary research and qualitative analysis performed by Anchorage Economic Development Corporation (AEDC). They are intended to provide the “big picture” and identify potentially significant shifts from past trends, rather than subtle or relatively minor changes in the economy. Nevertheless, it is prudent to consider the forces shaping our economy, and take measure of where those forces are taking us.

### **Economic Overview**

Current economic trends in Anchorage remain steady and are outperforming most other regions of the United States. After a record year of 152,200 jobs in 2008, several economic sectors are showing modest declines overall in 2009 employment including construction, air transportation, tourism, financial services, information technology, and wholesale trade. Other sectors are showing positive growth in jobs creation including health care, professional and business services and state and local government. Overall, growth in the Anchorage economy is trending flat for 2009 and will likely remain flat in 2010. Based on current projections in Anchorage overall most sectors should return to modest annual job growth in 2011 0.5% to 1.5% and continue to trend upwards at a similar pace in the following years, barring unforeseen circumstances.

Anchorage housing markets remain steady in 2009 with pricing remaining steady and inventory levels remaining relatively in balance with market conditions. Foreclosure rates, while up from previous years, still remain relatively low compared to both current national trends and historic peak Anchorage trends in the mid 1980’s.

Several long-term economic indicators are demonstrating a period of relative flat economic growth through 2010. These same indicators also appear to be trending towards continued modest growth starting in 2011, with those trends likely to continue into the years beyond 2012. Those indicators include activity at Ted Stevens Anchorage International Airport (AIA), population growth, military deployments and spending, oil and gas, the Port of Anchorage, and construction activity. Some sectors likely slow to recover include tourism and the Alaska Railroad.

## ***Demographics***

In 2008, Anchorage employment grew by 1.7 percent and although employment is trending down in 2009, AEDC expects the jobs picture to stabilize in 2010. A slow growth trend of between 0.5 and 1 percent annually is expected to return in 2011 and 2012.

Over the past decade, the city's population, a reliable barometer of economic health, has grown at an annual average rate of 1.1 percent which follows employment growth trends. AEDC expects continuing slow population growth in Anchorage in the near term, rising at about 0.5 percent annually over the next three years.

Personal income growth has been solid over the past six years in Anchorage-growing at an average annual rate of 5 percent. However, it is anticipated that growth will slow in the next three years due to slower employment growth, decreasing investment returns, lower local business profits and smaller Permanent Fund Dividend payments. Nominal personal income (before accounting for the effects of inflation) is expected to grow between 1 and 3 percent annually between 2008 and 2012.

## ***Port of Anchorage (POA)***

The volume of freight at the POA reflects, in part, conditions in the Anchorage and Alaska economies. In 2009 shippers reported declining volumes in construction materials, automobiles, and high-end durable goods. Petroleum shipments through the port are reflective of shifts in the AIA jet fuel usage and gas station sales. With air cargo landings down 31 percent for the first five months of 2009, year-over-year jet fuel shipments are expected to drop in 2009.

By the end of 2009, the POA will have industrial land with deep water, rail, and road access available for development, as well as two public barge berths that will expand barge services, thus increasing potential revenue streams. AEDC expects moderate increases, between 5 to 8 percent annually, in freight handled at the POA in 2010 through 2012.

## ***Ted Stevens Anchorage International Airport (AIA)***

Between January and May 2009, passenger volume at AIA decreased by 10 percent compared to the same time period in 2008, but AEDC expects passenger travel to stabilize in 2010.

Declining air traffic in Alaska is part of a national trend and assuming some stabilization in the U.S. economy, AEDC predicts that passenger volumes at AIA will start to recover in 2010 and resume slow growth (1 percent annually) in 2011 and 2012.

Landed weight at the airport is down about 35 percent in the first five months of 2009 compared to the same period last year. In line with national industry forecasts, AEDC

predicts a continued decline in the total amount of freight moving through the airport in 2009, though with a modest recovery (2 percent growth), in 2010 through 2012.

### ***Alaska Rail Road***

Freight levels for the Alaska Railroad have been decreasing since 2005 with much of this due to decreased volumes from the Flint Hills refinery. Passenger levels have remained relatively steady over the past three years staying around 530,000 passengers a year. This might increase in the middle of next the decade with the completion of the track straightening project, and the introduction of a commuter train from the Matanuska Valley into Anchorage, but if the recent layoff notice of 143 employees is any indication, the railroad is looking at declining revenues and employment that will probably continue in the coming years.

### ***Military***

Troop levels in Anchorage have been increasing since the 2002 low of about 8,500 troops and are now around 12,000 troops. Levels are expected to be maintained over the coming years with the exception of Fort Richardson which will increase troop levels 169 percent from 2003 levels of 2,683 to 7,225 troops by 2013.

### ***Oil & Gas***

Oil and gas employment has continued to rise since 2004's low of 1,900 to 2,800 jobs in 2008. The price of oil has crept up this year after the steep decline of late 2008, early 2009 that coupled with other external factors; including both political and non-political, have caused some companies to reduced oil exploration thus decreasing Alaska's oil related jobs. Projects like Exxon's Point Thompson and the Liberty Field, however, are helping to offset some of the job losses.

As planning intensifies for the gas line development employment growth may be seen in professional and technical sectors. If open season in 2010 goes well, it can be expected that oil and gas related jobs will increase significantly over the next decade.

### ***Tourism***

In contrast to recent modest growth, Anchorage is experiencing a decline in visitor volume. The May room occupancy rate fell by 15 percent compared to the same period last year. Aggressive discounting of peak season room rates is expected to reduce gross revenues and bed tax receipts by approximately 20 percent.

According to the Anchorage Convention & Visitors Bureau (ACVB), convention sales have continued to be strong throughout 2009. However, 2010 sales are down by approximately 10 percent, but advance bookings for 2011 and 2012 indicate a full recovery in this market segment.

Adding to the downward trend in 2010, several cruise lines announced reductions to the number of ships sailing in Alaska waters. This will result, in a projected loss of approximately 150,000 cruise passengers to the Anchorage area in 2010. Decreases will have ramifications felt by most of the hospitality industry. A new development for 2010 is Holland America's 14-day cruise itinerary, which will include Anchorage as a port of call on nine sailings.

### ***Construction***

Residential, commercial and government construction building permit values were 19 percent higher in the first five months of 2009 over 2008. However, by the end of the year, AEDC anticipates combined permit values to settle back to the 2008 year-end totals.

Residential construction continues its steady decline since the homebuilding peak in 2003. Going forward, residential and commercial construction will mirror the economy with government construction expected to rise again in 2010. Given the list of proposed projects coupled with state budget surpluses and the federal stimulus monies government-related construction has the potential to increase over the coming six-years.

If the Anchorage economy returns to a growth track in 2010, a turnaround in residential and commercial building construction activity could be expected by 2011. Overall, AEDC predicts total building permit values in 2009 and 2010 will remain at the 2008 level and will begin to recover at a slow growth rate of 1 percent to 2 percent in 2011 and 2012.

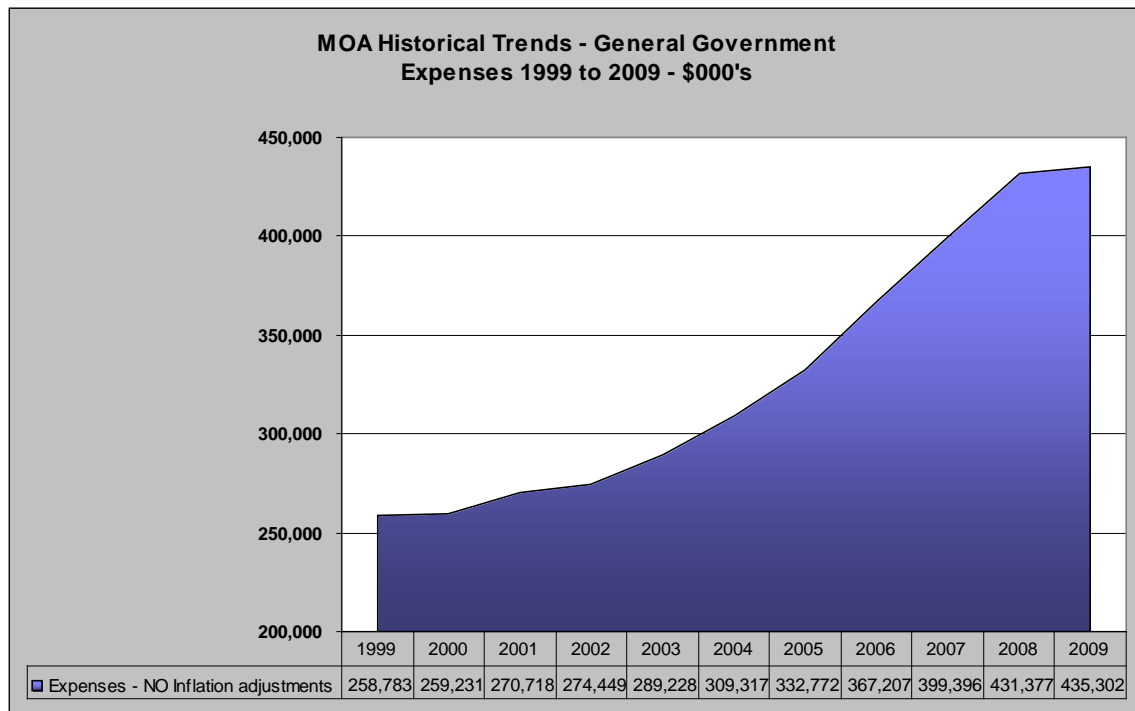
### ***Government***

There were 300 new jobs in June of 2009 compared to June of 2008. Due to state spending levels government jobs are expected to increase throughout 2009 and into 2010. If federal and state spending levels continue on the same trend, we expect these job levels to stay the same or have a modest increase, but this growth will depend on oil prices because of our resource dependent state budget.

### 3. HISTORICAL FINANCIAL TRENDS

The following provides a graphical view of the expenditure trends for General Government for the Municipality of Anchorage from since 1999 to current. The expenditures have not been adjusted for inflation. During years 1999-2002 the growth rate of government was gradual, with additional steepening beginning in 2003. Key indicators to consider over the past 6 years include the cumulative growth in population at of 4.5% and inflation of 16.6% over this period.

During the same time period local property taxes increased 36% while voter-approved debt service increased 29%. Overall, growth in personnel costs during the past six years increased 58% primarily driven by increases in the number of police officers as well as increased costs associated with fire department operations. Non-public safety personnel increased 36% overall during the same time period.



## **4. FISCAL PROJECTIONS AND POTENTIAL STRATEGIES**

The economic downturn has and will likely continue to impact Anchorage's economy causing fiscal projections to be uncertain. This uncertainty impacts the ability to forecast revenues into the short and longer terms. Further complicating the uncertain revenue forecasts are dramatic increases in expenses to the Municipality. The resulting balancing effort becomes more complex to match revenue with services.

The fiscal challenges that could impact our projections include:

- the potential for continued downturn in the Alaska economy,
- the potential of a decline in state and federal revenues,
- increased labor costs,
- an increase in interest and/or inflation rates, and
- an increase in expenditures associated with police and fire pension liabilities.

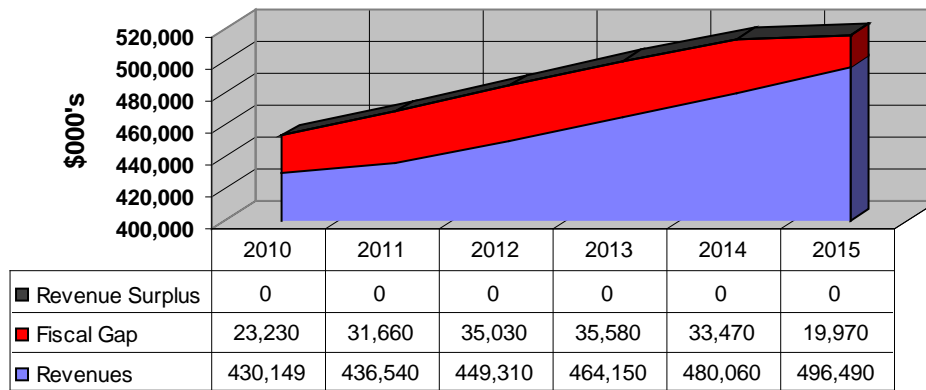
The two different fiscal projections provide different scenarios for analysis. Each scenario details the assumptions and impacts for review:

- 1) "Do Nothing" - Take no Action except to increase property taxes
- 2) "Take Action Now" - Reduce the size of government and minimize property tax increases

### **1. "Do Nothing" Scenario Projection**

In the "Do Nothing" scenario it is assumed that the Municipality will operate the city as it is today incorporating known impacts including labor contract increases and liabilities associated with the Police and Fire Retirement System. Property taxes will increase to the maximum amount allowed under the tax cap. The six-year fiscal trend for this scenario is illustrated below:

### Fiscal Trends 2010 to 2015 "Do Nothing"



As demonstrated above, without action, the “Do Nothing” scenario will result in large deficits to the Municipality into the future. The deficits will exist even when increasing property taxes to the maximum level provided under the tax cap.

“Do Nothing” scenario assumptions include:

#### **Expenditure Forecasts**

In the “Do Nothing” case scenario, there will be no downward adjustments to the 2009 cost of government. Known cost increases are included and discussed below.

Personnel costs are the single largest category of expense in the scenario and represent the largest increase in the 2009 cost structure. Labor contracts approved over the past two years are incorporated reflecting the maximum price tag of \$195 million over a six year period. The labor increase element assumes the maximum amount of cost will be earned by each collective bargaining agreement. The assumption includes the impact of the Performance Improvement Program (PIP) included in several of the labor contracts. It is assumed that participation in the PIP will be at 100%.

Debt service costs vary year to year due to mature debt retirement or refunded and new debt that is approved by voters.. In out years overall debt service is projected to increase by 2.5% primarily due to anticipated increased borrowing costs linked to inflation and base rates set by the Federal Reserve.

The 2009 downturn in the stock market resulted in an actuarial report for the Police and Fire Retirement System showing a present value shortfall of \$101 million. The shortfall further translates to a new contribution requirement from the Municipality in the amount of \$12 million per year over the next 15 years. The “Do Nothing”

scenario assumes a consistent contribution level.

All non-labor expenditures were adjusted upward by 2.5% per year to adjust for annual inflation.

### **Revenue Forecasts**

Local revenue sources tied to tourism and construction permit activity are projected to decline and flatten over the next two years due to the lingering effects of the economic downturn. Starting in 2012 these other local revenue sources are expected to grow again, at an assumed level of approximately 3% per year.

State revenue sharing which is largely dependent on surpluses existing at the State level has historically been unstable and difficult to predict due to volatility in oil prices year to year. The projection model assumes a stepped down decline in State revenue sharing starting in 2011. While the City intends to continue to advocate for its fair share of revenue sharing each year, the budget projection model recognizes the inconsistency and instability of this particular revenue source. Should State revenues exceed the projected level in out years then the City would have the ability to use these additional funds to further offset local property taxes.

Revenues from PFD garnishments, which feed the police department budget, are expected to experience further double digit declines over the next two years, due to severe market value decline in the State Permanent fund earnings in 2008 and its affect on the five year average income that determines distributions. Similarly, distributable earnings from the City's mini permanent fund (i.e., MOA Trust) will be nearly 25% less beginning in 2010 and projected to decline an additional 10% before flattening and returning to slow growth.

Remaining City revenue sources are projected to follow a pattern of decline, then flattening, then annual growth of 1-2% per year.

The forecasted financial statement is as follows:



**SIX YEAR FISCAL PROGRAM - DO NOTHING**  
**PROJECTIONS OF REVENUES & EXPENDITURES (in \$ Millions)**  
**2010 to 2015**

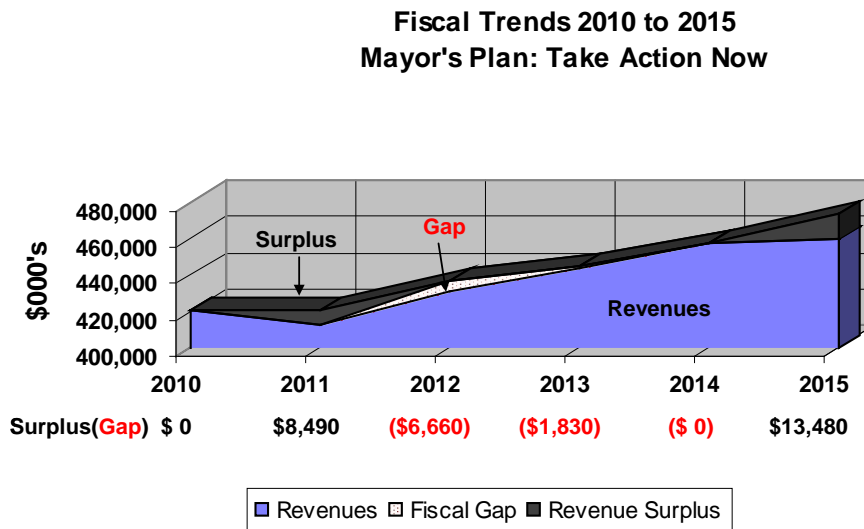
Six Year Budget Projection	PROJECTIONS					
	2010	2011	2012	2013	2014	2015
<b>REVENUES</b>						
Federal Revenues	942	960	980	1,000	1,020	1,040
State Revenues	16,580	8,290	4,150	2,070	1,040	520
Local Revenues (excluding Property)	137,602	138,980	140,370	141,770	143,190	144,620
Property Taxes	247,710	262,710	277,710	292,710	307,710	322,710
Fund Balance Applied (no change beyond 2010)	2,257	-	-	-	-	-
IGC's Outside General Government	25,058	25,600	26,100	26,600	27,100	27,600
<b>TOTAL REVENUES</b>	<b>430,149</b>	<b>436,540</b>	<b>449,310</b>	<b>464,150</b>	<b>480,060</b>	<b>496,490</b>
Change from prior year		1%	3%	3%	3%	3%
<b>EXPENDITURES</b>						
Personal Services	247,010	255,230	264,360	273,100	277,420	278,780
Debt Service	49,730	52,760	56,060	58,890	64,450	62,000
Other	156,639	160,210	163,920	167,740	171,660	175,680
Savings	-	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>453,379</b>	<b>468,200</b>	<b>484,340</b>	<b>499,730</b>	<b>513,530</b>	<b>516,460</b>
Change from prior year		3%	3%	3%	3%	1%
<b>FISCAL SURPLUS/SHORTFALL--REVENUES OVER/(UNDER) EXPENDITURES</b>	<b>(23,230)</b>	<b>(31,660)</b>	<b>(35,030)</b>	<b>(35,580)</b>	<b>(33,470)</b>	<b>(19,970)</b>

## 2. Mayor's "Take Action" Plan: Adjust Cost Structure Down and Minimize Taxes

Below is an illustration of the six-year fiscal plan recommended by the Mayor. As identified in the previous "Do Nothing" scenario, if the Municipality does not take any corrective action to address the increased cost of labor contracts, pension liabilities and reduced revenue, the Municipality could face budget deficits as large as \$36 million by 2013. To provide sound fiscal planning realizing known future expenses, costs must be adjusted downward to achieve goals of the community in a balanced manner.

The scenario assumes a reduction of the cost structure of the city itself while incorporating known expenses including increased labor contracts, increased liabilities for police and fire retirement expenses. Property taxes will be maintained at the minimum level required to balance programs and provide services. Critical programs such as public safety will be minimally impacted.

The six-year fiscal trend of the Mayor's recommended plan is detailed below:



In the Mayor's recommended plan, revenues and expenses are primarily held in balance. As a result of this scenario, a surplus environment is created in 2011 that is intended to be held to offset any deficits in the future. Any surplus realized in 2015 will be used for property tax relief. As needed, adjustments to the plan will be made as specific business actions are implemented by departments.

The assumptions for the Mayor's recommended plan include:

## **Expenditure Forecasts**

As the Mayor's recommended plan illustrates, significant cost reductions including a reduced work force and related wages, are key elements in addressing the fiscal deficits projected. Reductions in the amount of \$20 million are planned for 2010, an additional \$25 million in reductions is planned for 2011 and an additional \$5 million is planned in 2013.

Personnel costs are the single largest category of expense in the projection model. Labor contracts analyzed in this scenario assume expenses will increase to the mid point of the previously negotiated contracts rather than at the high point illustrated in the "Do Nothing" scenario.

In this scenario, debt service costs continue to vary year to year due to mature debt being retired or refunded and new debt cost approved by voters. However, the projection model assumes a one-time reduction in debt service in 2010 tied to a potential refunding in the second half of 2010. The refunding would free up approximately \$22 million in cash that would be available to fund Municipal operations in 2010 and 2011. The impact of the refunding is incorporated.

## **Revenue Forecasts**

The Municipality is heavily dependent on local property tax revenues to fund services. Property taxes are predicted to continue to grow by 4% in 2011 and 5% thereafter per the projection model. As with the "Do Nothing" scenario, other local revenue sources linked to variable tourism and construction permit activities are projected to decline and flatten over the next two years due to the lingering effects of the economic downturn.

The following is the supporting financial statement for the Fiscal Plan recommended by the Mayor:

**SIX YEAR FISCAL PROGRAM - "TAKE ACTION NOW"**  
**PROJECTIONS OF REVENUES & EXPENDITURES (in \$ Millions)**  
**2010 to 2015**

Six Year Budget Projection	PROJECTIONS					
	2010	2011	2012	2013	2014	2015
<b>REVENUES</b>						
Federal Revenues	942	960	980	1,000	1,020	1,040
State Revenues	16,580	8,290	4,150	2,070	1,040	520
Local Revenues (excluding Property)	137,602	138,980	140,370	141,770	143,190	144,620
Property Taxes	238,180	246,520	258,840	271,780	285,370	299,640
Fund Balance Applied (no change beyond 2010)	2,257	-	-	-	-	-
IGC's Outside General Government	25,058	25,600	26,100	26,600	27,100	27,600
<b>TOTAL REVENUES</b>	<b>420,619</b>	<b>420,350</b>	<b>430,440</b>	<b>443,220</b>	<b>457,720</b>	<b>473,420</b>
Change from prior year		0%	2%	3%	3%	3%
<b>EXPENDITURES</b>						
Personal Services	245,050	251,290	258,210	264,700	268,010	268,660
Debt Service	38,630	44,960	59,570	62,230	67,790	65,340
Other	156,939	160,610	164,320	168,140	172,060	176,080
Savings	(20,000)	(45,000)	(45,000)	(50,020)	(50,140)	(50,140)
<b>TOTAL EXPENDITURES</b>	<b>420,619</b>	<b>411,860</b>	<b>437,100</b>	<b>445,050</b>	<b>457,720</b>	<b>459,940</b>
Change from prior year		-2%	6%	2%	3%	0%
<b>FISCAL SURPLUS/SHORTFALL--REVENUES OVER/(UNDER) EXPENDITURES</b>	<b>0</b>	<b>8,490</b>	<b>(6,660)</b>	<b>(1,830)</b>	<b>-</b>	<b>13,480</b>
Allocation of 2011 Surplus			6,660	1,830		