

1972 Annual Budget



CITY OF ANCHORAGE, ALASKA

All America City 1956 - 1965

CITIZENS OF ANCHORAGE

COMMISSIONS

- PARKING & TRAFFIC COMMISSION
- TRANSPORTATION COMMISSION
- PORT COMMISSION
- TELEPHONE COMMISSION
- ELECTRIC UTILITY COMMISSION
- CITY PLANNING ADVISORY COMMISSION
- CITY HISTORICAL & FINE ARTS COMMISSION
- URBAN BEAUTIFICATION COMMISSION
- CIVIL DEFENSE & DISASTER ADVISORY COMM.
- HUMAN RELATIONS COMMISSION
- CITIZENS BUDGET ADVISORY COMMISSION

BOARDS

- POLICE & FIRE RETIREMENT BOARD
- BOARD OF EXAMINERS & APPEALS
- BOARD OF GAS FITTER & PLUMBER EXAMINERS & APPEALS
- LIBRARY ADVISORY COMMITTEE
- CONSTRUCTION ADVISORY COMMITTEE
- PARKS & RECREATION ADVISORY BOARD

MAYOR
CITY COUNCIL

CITY
MANAGER

CITY
CLERK

CITY
ATTORNEY

*
DISTRICT
JUDGE

INTERNAL
AUDIT
Int. Auditor

PERSONNEL
Pers. Director

HUMAN
RELATIONS
Exec. Director

CIVIL
DEFENSE
Director

FINANCE
DEPARTMENT
Director

DATA
PROCESSING
Manager

FIRE
DEPARTMENT
Chief

TRAFFIC
ENGINEERING
DEPARTMENT
Traffic Eng.

LIBRARY
Librarian

PUBLIC WORKS
DEPARTMENT
Director

POLICE
DEPARTMENT
Chief

PARKS &
RECREATION
DEPARTMENT
Director

ANCHORAGE
TELEPHONE
UTILITY
Manager

MUNICIPAL
LIGHT &
POWER
Manager

PORT OF
ANCHORAGE
Director

* APPOINTED BY THE GOVERNOR OF ALASKA

OFFICE OF THE CITY MANAGER

1972 BUDGET LETTER OF TRANSMITTAL

November 5, 1971

Honorable Mayor and Council
City of Anchorage, Alaska

Gentlemen:

Pursuant to Section 6.2, Chapter VI, Code of Ordinances, the 1972 Budget is submitted herewith. The budget message is part of the budget document which contains the City Manager's budget recommendations, analysis of revenues, and comparisons of prior year data.


A copy of the 1972 budget has been filed with the City Clerk for public inspection.

Section 6.3(b), Chapter VI, Code of Ordinances, requires a public hearing on the budget prior to final adoption by Council. We suggest a public hearing be held on Tuesday, November 23, 1971, at 7:30 p.m.

I wish to express my appreciation to everyone who participated and assisted in the preparation of this budget.

The City Administration is prepared to meet in work sessions at Council's pleasure to assist in the review of the budget.

Respectfully submitted,


Robert E. Sharp
City Manager

CITY OF ANCHORAGE, ALASKA
RESOLUTION 54-R-71

A RESOLUTION ADOPTING THE 1972 BUDGET FOR THE CITY OF ANCHORAGE, ALASKA, AND APPROPRIATING MONIES FOR THE 1972 BUDGET

Whereas, the City Manager has prepared his proposed 1972 Budget for the City of Anchorage, Alaska, and has presented the budget to the City Council in accordance with Section 6.2 of the City Charter; and

Whereas, the City Council reviewed the budget as presented and made various changes therein; and

Whereas, a notice of the public hearing was published as required by Section 6.3(b) of the City Charter by the City Clerk one week prior to the date of hearing; and

Whereas, on November 23, 1971, at the regular meeting of the City Council a public hearing was held on the budget as revised in accordance with Section 6.3 of the City Charter; and

Whereas, the 1972 budget is ready for adoption.

NOW, THEREFORE, THE CITY OF ANCHORAGE RESOLVES:

Section 1. That the 1972 budget for the City of Anchorage as prepared by the City Manager and revised by City Council be and the same hereby is adopted as the 1972 budget of the City.

Section 2. That the amounts as set forth in the 1972 budget as revised by City Council for the respective departments shall be and they hereby are appropriations for the 1972 fiscal year.

Publication of this resolution shall be made by posting a copy hereof on the City Hall Bulletin Board for a period of ten (10) days following its passage and approval.

Passed and approved by the City Council of the City of Anchorage, Alaska this 14th day of December, 1971.

ATTEST:

Beatrice Price
City Clerk

George M. Sullivan
Mayor



CITY OF ANCHORAGE, ALASKA

ANNUAL BUDGET

CITY COUNCIL

GEORGE M. SULLIVAN

Mayor

WILDA HUDSON

BERNARD L. MARSH

RICHARD L. SILBERER

WILLIAM A. BESSER

BENNIE LEONARD

DAVID A. ROSE

JAMES O. CAMPBELL

GORDON HARTLIEB

APPOINTED OFFICIALS

ROBERT SHARP..... CITY MANAGER

B.W. BOEKE..... CITY CLERK

JOHN R. SPENCER.....CITY ATTORNEY





City of Anchorage

JACK D. EASLEY ASSISTANT CITY MANAGER

DEPARTMENT HEADS

LT. COL. DOUGLAS M. CLURE. CIVIL DEFENSE DIRECTOR

NORMAN J. LEVESQUE FINANCE DIRECTOR

VICTOR BERNASCONI. FIRE CHIEF

BETTY LOU TOWNLEY. LIBRARIAN

CARROLL A. OLIVER. MUNICIPAL LIGHT & POWER MANAGER

B.W. CREIGHTON. PARKS AND RECREATION DIRECTOR

JOHN C. FLANIGAN. POLICE CHIEF

ERWIN E. DAVIS. PORT DIRECTOR

WILLARD C. JENSEN. PUBLIC WORKS DIRECTOR

J.T. HARRIS, JR. TELEPHONE UTILITY MANAGER

THOMAS E. PRICE. TRAFFIC ENGINEER

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It is planned in early 1972 to retitle the Assistant City Manager's position to Deputy City Manager and to reclassify the Administrative Analyst's position to Assistant City Manager. The Assistant City Manager's position will concentrate on the administrative area, thereby allowing the Deputy City Manager to concentrate on public works and public utility and enterprise activities. This is a start toward the introduction of another level of supervision over the next several years as the City's growth and management activities continue to grow. It is planned to submit legislation in mid-1972 for Council consideration for the creation of a Department of Administration to consolidate activities in this important area and to re-assign such functions.

Cognizance was taken in this budget review of the 41 employees which will be federally funded under the Emergency Employment Act of 1971. Provision has been made to fund most of these positions after federal funds are exhausted in 1972.

This budget contains funds for a general pay increase of four per cent except for those employees under continuing contracts. It also contains funds for re-classification or range change of a number of positions which the annual wage survey revealed to be below the going rate for this area.

Actuarial studies required an increase of 0.769 per cent of payroll in the City's contribution to the Classified Employees Retirement Plan. Other aspects of the actuarial report are under investigation and could result in future recommendations to this plan. Financial reports on the health and life insurance programs were received as this budget was completed. Reviews now under way could result in later recommendations to fund these programs in 1972.

Implementation of increases in pay and related programs will be subject to the federal phase two program guidelines soon to be published, and subject to such federal approvals as may be required.

A review of the budget indicates that in most cases forecasts of revenues and expenditures are relatively accurate. Several months of work by department and staff personnel have gone into the preparation of this budget. It represents a reasonable funding level for the essential governmental service needs and the utility and enterprise services requirements of the City of Anchorage. The 1972 budget is in balance.

The principal funds are discussed in detail in separate sections of this message.

GENERAL FUND

The total General Fund budget recommended for fiscal year 1972 totals \$15,874,744. This compares with departmental requests of \$16,265,612 and the 1971 revised budget of \$14,929,429 as of October 31, 1971. The property tax rate needed to fund this budget is 9 mills compared to 9.3 mills in 1971.

The following table compares the 1971 and 1972 budgets by major classifications:

Classification	Amount		Per cent of Total	
	1971 Revised	1972	1971 Revised	1972
General Government	\$ 1,144,525	\$ 1,190,880	7.66	7.50
Public Safety ***	4,935,567	4,717,640	33.06	29.72
Traffic Engineering and Public Works	2,630,627	2,917,910	17.63	18.38
Library **	522,343	475,260	3.50	2.99
Museum, Parks and Recreation	1,086,590	1,204,980	7.27	7.59
Miscellaneous	304,925	705,510*	2.04	4.44
Debt Service	3,537,700	4,045,026	23.70	25.49
Grant Programs	767,152	617,538	5.14	3.89
TOTALS	\$14,929,429	\$15,874,744	100.00	100.00

* Includes funds for general pay increase and other pay and benefit adjustments.

** Includes funding for Borough Library contract, recovered 100%.
(\$166,090 - 1971 and \$90,810 - 1972)

*** Includes funding for Borough Police and Ambulances Services, recovered 100%.
(\$888,300 - 1971 and \$508,540 - 1972)

It is significant to note that grant programs (primarily federal) during 1971 have been revised upward from an initial budget of \$145,452 to \$767,152 or 5.14 per cent of the 1971 budget. The 1972 grant estimate of \$617,538 is 3.89 per cent of the budget and we would expect this to be revised upward during 1972 as new grants are received or existing programs renewed during the year.

The proportion of the 1972 budget allocated to each major classification of expenditures has not changed a great deal. Public Safety with 29.72 per cent of the total continues to receive the greatest amount of funds. Debt Service follows with 25.49 per cent. Traffic Engineering and Public Works is the next highest with 18.38 per cent of the total.

The 41 positions under the Emergency Employment Act Program are not listed by department. Similarly, the funding for the balance of 1972 for some of these positions is contained in the miscellaneous area. However, these positions will be used in all major departments. Other new positions include:

Building Safety Section:

Mechanical Inspector

1

Combination Inspection/Plan Review Engineer

1

Library:

Clerk I - Borough, half-time	1/2
Librarian II - One-half City, One-half Borough	1
Library Assistant - Borough	1
Librarian I - Government Hill, 3/4 Year	1
Pages - Half-time	2

Internal Audit:

3/4 to full time

Data Processing:

Computer Operator	1
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UCS - Customer Service:

Location Specialist, Starting April	1
Customer Service Rep. 1	2
Clerk I (file)	1
Clerk II - two temporary	1/2

Public Works - Engineer - Construction Projects:

Engineering Aid	1
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Public Works - Engineer - Survey Projects:

Temporary: Instrumentman (2)	1
Chainmen (2)	1
Eng. Aid (4)	2

The Financial Management System is scheduled for implementation on January 1, 1972. Two personnel reductions are scheduled in this budget, and after the system is operative observation may lead to further reductions.

The City Attorney's staff has been substantially changed from seven to twelve during 1971, and no change is forecast in 1972. This year a great deal more legal work is being done "in-house" and the work load continues to increase. It may be necessary to increase the staff for prosecutors depending on scheduling and work load in 1972.

The District Court budget includes funding for 1 1/2 district judges, an increase of 1/2 of one judge's salary to meet the indicated work load. No funding for jury trial fees is included in this budget, but \$60,000 has been put in the miscellaneous section for this contingent cost.

Additional inspection effort has been provided in the Public Building Safety Section. Consolidated management is provided for the Maintenance Operations Division and Refuse Utility. A substantial sum (\$215,000) has been provided in the budget for asphalt overlay and seal coating to improve the maintenance of paved streets. Funds for additional equipment for snow and ice control and street cleaning have been budgeted.

Increased service levels for the Library system have been provided. In addition to three Emergency Employment Act positions, a children's librarian and two pages have been budgeted. The book budget section has been increased by over \$10,000. Provision has been made to open a branch library on Government Hill in rental quarters. If the circulation warrants, permanent quarters will be sought in the future.

No major capital outlays, other than equipment and books, are scheduled from the General Fund. Major bond programs are being used in the CIP section funding. Vacancy factors have been used where sizable numbers of employees made it a practical application.

The General Fund revenues have been reviewed in detail. The Borough Assessor's forecast of \$747,050,000 in total assessed value for real and personal property has been used. This is an increase of \$118,171,205 or 18 per cent. This represents both new construction and upward re-assessments in accordance with Borough assessment policies. The property tax revenue is 42.35 per cent of the total General Fund Revenue. This compares with approximately 51 per cent in 1971. The revenue estimate contemplates full funding of the State shared revenues authorized by AS 43.18.010. This revenue item of \$1,524,090 for 1972 has become a major revenue source contributing materially to the City's ability to reduce its mill rate for the third straight year. \$865,626 has been estimated from the City's share of the Alaska Business License tax. If this source of revenue were lost to the City without a comparable amount of revenue being substituted therefor, over one mill in additional property taxes would have to be levied to offset this loss and to fund this budget.

Payments in lieu of taxes and an eight per cent return on City equity in utility plant has been used in the revenue estimates as in past years.

Other revenue estimates have been thoroughly reviewed, and we believe they are relatively accurate.

ELECTRIC UTILITY FUND

Municipal Light & Power continues to show a rapid growth in peak demand and energy sales. 1972 electric utility revenues are estimated at \$7,271,230 and expenditures at \$6,695,160. Net income from operations is estimated at \$576,070 for 1972. The retained earnings balance on January 1, 1972 is expected to be \$574,859, and \$335,939 at year end. A \$4 million electric revenue bond sale is planned in 1971 to fund most of the 1972 \$4,720,000 capital improvement program.

TELEPHONE UTILITY FUND

The Telephone Utility revenue estimate for 1972 is \$21,393,000, including gross toll collections. 1972 expenditures, including tolls, are forecast at \$18,916,000. The 1972 capital budget of \$10,692,000 will be funded with telephone revenue bonds of \$8,280,000 and the balance from construction reserves. The net income for 1972 is estimated at \$2,477,000. The retained earnings balance is

expected to total \$2,107,247 on January 1, 1972 and \$2,681,937 at year end. The Telephone Utility continues to be the fastest growing of the several utilities owned by the City.

WATER UTILITY FUND

1972 Water Utility resources are estimated at \$3,163,000 and expenditures at \$2,741,060. The gross income forecast is \$421,940. The retained earnings balance at January 1, 1972 is estimated at \$222,104 and at \$68,467 on December 31, 1972. The capital improvement program is budgeted at \$3,900,000, of which \$2,970,000 is to be funded with water revenue bond proceeds.

GARAGE FUND

This is a revolving fund in which the equipment pool is financed. All costs are recorded and rental rates generally recover such costs and appear as expenditures in the various budgets.

PORT AND TERMINAL FACILITIES FUND

The revenue forecast for 1972 is \$1,540,000, and the expenditures forecast is \$1,059,150. The net income is estimated at \$480,850. The 1972 capital improvement program budget is \$120,000, of which \$60,000 would be financed from bond funds.

PORT INDUSTRIAL PARK FUND

The 1972 revenue estimate for this fund is \$144,120, and the expenditures \$42,910. The balance of \$101,210 is transferred to the General Fund for bond debt service.

REFUSE FUND

The 1972 revenue estimated is \$1,225,150, and expenditures are estimated at \$1,137,890. The gross income is estimated at \$87,260. This will help reduce the small deficit initially incurred in 1970.

CAPITAL IMPROVEMENT PROGRAM AND FUNDS

The proposed 1972 capital improvement program totals \$27,196,000. This is essentially the same program Council reviewed earlier this year prior to authorizing certain bond propositions on the ballot except for a few carryover projects and excluding parking facilities.

This program is funded primarily from bond funds but includes federal grants and substantial utility construction reserve funds.

During the Council work session the Capital Improvement Program for 1973-1977 will also be presented although no funding is requested at this time. These forecasts give weight to accelerated growth experienced in 1970 and 1971 but do not include the greater growth which is expected when the pipeline construction to the North Slope oil fields is commenced.

The 1972 Capital Improvement Program is summarized below:

Public Works

Residential Paving	\$ 2,700,000
Arterial Streets	577,000
Subdivision Paving	2,000,000
Storm Sewer	690,000
Subdivision Storm Sewer	<u>300,000</u>
	<u>\$ 6,267,000</u>

Method of Financing - City Chare	\$ 1,379,500
Assessable Cost	<u>4,887,500</u>

G.O. Bond Funds	<u>\$ 6,267,000</u>
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<u>Traffic Engineering</u>	<u>\$ 120,000</u>
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Method of Financing - G.O. Bond Funds	<u>\$ 120,000</u>
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Public Structures

Remodel Public Safety Building	\$ 215,000
Fire Station - New	275,000
Mt. View Library	<u>255,000</u>
	<u>\$ 745,000</u>

Method of Financing - G.O. Bond Funds	<u>\$ 745,000</u>
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Merrill Field

Runway and Taxiway Lights	<u>\$ 117,000</u>
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Method of Financing - G.O. Bond Funds	\$ 43,875
Federal	<u>73,125</u>

	<u>\$ 117,000</u>
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<u>Parks and Recreation</u>	\$ 190,000
Method of Financing - Federal	\$ 73,620
G.O. Bond Funds	114,980
Cemetery Trust	<u>1,500</u>
	\$ 190,100
Carryover Projects & Funded 1971	\$ 275,000
<u>Port Industrial Park</u>	\$ 50,000
Method of Financing - G.O. Bond Funds	\$ 50,000
<u>Water Utility</u>	\$ 3,900,000
Method of Financing - Water Revenue Bonds	\$ 2,970,000
Contribution in Aid	300,000
Construction Reserve	<u>630,000</u>
	\$ 3,900,000
<u>Anchorage Telephone Utility</u>	\$10,692,000
Method of Financing - Revenue Bonds	\$ 8,280,000
Construction Reserves	<u>2,412,000</u>
	\$10,692,000
<u>Municipal Light & Power</u>	\$ 4,720,000
Method of Financing - Revenue Bonds	\$ 4,000,000
Construction Reserve	<u>720,000</u>
	\$ 4,720,000
<u>Port of Anchorage</u>	\$ 120,000
Method of Financing - G.O. Bond Funds	\$ 60,000
Federal	<u>60,000</u>
	\$ 120,000
TOTAL 1972 CIP	\$27,196,000

The street and storm sewer programs reflect current demands for subdivision improvements. Residential streets will depend on petitions from property owners.

The Parks and Recreation program reflects the balance of the bond program plus a substantial carryover from 1971.

The Port of Anchorage program contains two carryover projects. It is expected that a pre-project application conference with Economic Development Administration will be held soon and that upon favorable action by this agency, hopefully during 1972, further Capital Improvement Program recommendations for the Port will be made to Council.

The pre-project study covering a Civic, Community, and Convention Center, City Administration Building, and Headquarters Library Building is about half finished. The report is expected in January, 1972 and following its receipt further recommendation on these major projects will be made to Council.

Six or more bond sales will be scheduled between December, 1971 and July, 1972 to finance this Capital Improvement Program.

CONCLUSIONS

The recommended 1972 budget generally reflects the continuation of the current level of economic activity in the City of Anchorage and adjacent utility service areas. Substantial economic change, either up or down, would require budgetary adjustment. However, much of this change would fall in the Capital Improvement area where bond authorizations would permit budget adjustments.

Utilization of Emergency Employment Act manpower and the other added positions will allow the City to continue an equal high level of service to a greater number of citizens. Added utility manpower reflects the customer growth and service requirements.

The recommended 1972 Capital Improvement Program budget is \$27,196,000. It reflects the continued demands for new subdivision development and public utility customer demand.

The ad valorem tax rate of 9 mills is a reduction of 0.3 mills and compares with the adjusted rate of 9.3 mills for 1971, 9.5 mills for 1970, 10.0 mills in 1969, and 10 mills in 1968. No general utility tariff revisions are contemplated in 1972.