




MUNICIPALITY OF ANCHORAGE

MEMORANDUM

DATE: November 28, 2001
TO: Anchorage Assembly
FROM: Mayor George P. Wuerch 
SUBJECT: Vetoes of November 21, 2001 Budget Ordinance, AO No. 2001-162

Consistent with the guidelines and justification provided to the Assembly in the Administration's memorandum of Nov. 20, 2001 (AIM No. 116-2001), I hereby exercise my veto authority to strike or reduce specific budget items and the corresponding department/agency and fund appropriations in the 2002 General Government Operating Budget (AO No. 2001-162) as approved by the Assembly Nov. 21, 2001.

As acknowledged in the above-referenced AIM, all of the Assembly's amendments have merit. The challenge was to balance the wants of many good proposals with the public dollars available to pay for them, not only in 2002 but in future years. As a consequence of these vetoes, I believe the 2002 general Government Operating Budget now comes close to providing that balance. You will find I have concurred in spending approximately 20% of the Bank of America settlement in taking this action.

The vetoes, as itemized below, reduce the Assembly's \$3.9 million in additional spending by \$1.5 million. Although the remaining \$2.4 million in Assembly-approved amendments exceeds the funds anticipated to be left over and available at the end of this budget year, I did not veto these additional amendments because they roughly fall within the guidelines of the November 20, 2001 AIM.

AIM No.116-2001 cautioned the Assembly against using one-time revenue, such as the money received recently from the Bank of America settlement, to pay for recurring general government operating expenses. Whenever the municipality uses one-time revenue to fund one year of a recurring expense, it creates a hole in the subsequent year's budget. That practice is not good fiscal policy, and the Administration intends to transition the municipality away from that practice.

Without my vetoes, the Assembly-approved amendments would spend all but \$300,000 of the Bank settlement money. Reduced by the vetoes, the Assembly approved amendments leave about \$1.8 million from this one-time revenue available for deposit in the Trust Fund Reserve Account. An investment of this size would benefit taxpayers in the future and I will be asking the Assembly to approve that deposit.

Following are the amounts vetoed by department/agency and fund and the reasons for those vetoes. Additionally, a list of the Assembly amendments for which no veto has been made is appended to this veto message.