

Anchorage Transition Reports

Executive Summary

Submitted to Mayor-Elect Mark Begich

By The Transition Committee

June 30, 2003

Purpose of These Reports

In May and June, 2003, Mayor-Elect Mark Begich appointed a transition committee of more than 100 community leaders and technical experts to thoroughly assess the state of the municipal government he was about to lead. The following five reports represent the committees' assessment of the challenges facing the Municipality and the capabilities of the local government to meet those challenges.

Major Themes

The committee found six overarching themes that spanned the Municipality and deserve the Mayor-Elect's focused attention.

- **Lack of strategic plan.** Anchorage lacks a strategic plan or a clearly defined set of goals that could focus and inspire municipal workers and citizens in common cause. The need for a plan and unified effort is especially evident in the area of economic development. Every department could be contributing to this critical goal, but instead efforts are uncoordinated and haphazard.
- **Financial shortfall.** Municipal departments have for several years held staff positions vacant and cut corners to the point that some are now unable to satisfactorily achieve their missions. Huge deferred maintenance backlogs have accumulated. The Municipality's financial reserves have been drained. Against this background, in 2003 and 2004 the new administration faces both a severe reduction in state revenues and major new costs due to an underfunded Police and Fire Retirement system.
- **Poor communication and coordination.** Municipal agencies often communicate and collaborate poorly or not at all. At the strategic level, departments seem to behave as separate entities rather than as part of a whole dedicated to serving Anchorage. Tools that could improve coordination are not working: the PeopleSoft information technology system doesn't meet employee needs and even radio communications are incompatible from one department to the next.
- **Excellent disaster preparation.** One area in which the previous administration has made a focused, high-level effort represents a notable success in inter-departmental collaboration: the preparation for emergencies. Although work always remains to be done, Anchorage is now blessed with an excellent level of disaster preparation.

- **Workforce at risk.** The Municipality generally has a highly skilled and experienced workforce, but a perfect storm threatens with simultaneous problems in worker retention, workforce development, and diversity. Staff is aging in many departments and large numbers of retirements loom. At the same time, municipal compensation is stagnant and often uncompetitive, and programs to train a pool of qualified new hires in many technical fields do not exist. Finally, the Municipality's efforts to promote diversity in its workforce are lackluster or in disarray and must be made effective before a large influx of new blood.
- **Troubled agencies.** In the following section the committee highlights key issues found in various departments and agencies. A broader theme is that several important municipal agencies suffer from serious problems affecting their effectiveness. While the nature of the problems is diverse, the solutions for all have in common the need for attention from the executive level. Areas demanding immediate attention include: Information Technology, Police, Law, Community Development, Planning, Property Appraisal, and Equal Rights.

Key Issues

The committee highlighted the following issues as among the most critical for attention by the new administration. Issues are listed in order of their appearance in the reports, not priority order.

- The need for aggressive economic development receives too little attention and coordination in the current municipal organization. Municipal departments and the Mayor's Office should be reorganized to better focus on this high priority need.
- The focus of the Mayor and Municipal Manager on emergency preparedness and safety has given Anchorage a streamlined, well-organized disaster preparedness system that should be continued.
- The Municipal Attorney's office is staffed with hard-working professionals but they are underpaid and lack leadership and direction from the top. Routine delays of weeks or months for legal work cause frustration and inefficiency for client agencies and affected private citizens. The committee found ample short term and long term opportunities to improve efficiency and avoid legal costs.
- While significant federal dollars and grants have been secured, there is too little coordination of requests for state and federal dollars among all municipal agencies. The Municipality's lobbying efforts in Juneau and Washington, D.C., need better coordination.
- Several important municipal departments lack adequate diversity. There is little institutional support for the Affirmative Action Plan and little meaningful recruitment effort for minorities in the critical area of public safety.
- The Equal Rights Commission's 17-year work-sharing agreement with the state Human Rights Commission was canceled in December 2002, in part because of the state's concerns with the municipal commission's ability to produce consistent, high-quality investigative case processing. The Equal Rights Commission is suffering from

high staff turnover, which may exacerbate delays in addressing complaints. Consideration should be given to combining the municipal ERC, the state Human Rights Commission and perhaps the municipal Office of Equal Opportunity.

- Well-publicized dispatch problems, aggravated by short staffing and excessive overtime, continue at APD, along with a suite of other urgent problems. The overall picture is of a department without a strategic plan or long-term objectives to correct serious deficiencies that have persisted for long periods of time.
- Shortfalls in the Police and Fire Retirement System threaten department budgets and create the likelihood of an exodus of the most experienced employees and an attendant staffing crisis.
- Lack of community policing has a negative impact on the community's social well being, affecting many areas of public safety beyond the Anchorage Police Department.
- The operations departments should be restructured to improve communication, address on-going problems, update functions, create focus, and take advantage of opportunities. The current organization conglomerates numerous disparate functions into larger departments with little apparent benefit. This review found many instances in which this unwieldy, diffuse organizational structure is not working.
- The Municipality faces serious unfunded and deferred maintenance needs for streets, roads, government buildings, and parks. This large financial liability is growing without a funding source to begin to address it.
- Traffic planning needs leadership to implement plans for a relief of congestion in various parts of the Municipality. Traffic problems increasingly harm businesses and neighborhoods.
- The Planning Department appears to be out of touch with its constituencies and in crisis due, in part, to a lack of administration support. Planning efforts have fallen behind community needs and have lost the confidence of some stakeholders.
- The Community Development Division appears to be in crisis and unable to perform its function of distributing federal grant funds, which are in danger of being returned for lack of use by the Municipality.
- The PeopleSoft management information system must be better managed and steps taken to quickly correct its shortcomings. We recommend the creation of a management information system committee staffed by the municipal manager, Chief Fiscal Officer (CFO), and a new position called the Chief Information Officer (CIO), reporting to the mayor, to direct the future of the PeopleSoft system.
- The property appraisal system is outdated and problematic and should be revamped.
- We recommend crafting a plan of action to deal with 2003 and 2004 budget shortfalls. This should entail an aggressive program to enhance revenues over the next six months.

- The municipal enterprise activities offer Anchorage some of its best economic development tools and the benefits of the opportunities they present should be maximized.
- Generally, the enterprise activities are well run and all received high marks for service from their customers.
- Anchorage taxpayers and ratepayers have made decades of investments in the property, infrastructure and operations of the utilities, port, and airport. It is time for the community to evaluate the opportunity for these programs to provide the citizens a return on that investment.