

Municipality of Anchorage

2020 Revised Budget Overview & Highlights Assembly Worksession



Presented by:
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Presentation Overview



2019 Year End

2020 Approved Budget

2020 Revised at 1Q

Budget Overview

Historical Adjustments

Revenue Adjustments

Direct Cost Adjustments

Budget Changes

Mill Levy for General Government and for ASD

Utilities / Enterprise

Covid19, CARES Act & FEMA



2019 Year End

- **Direct Cost Budget to Actuals: 100.1%**
 - Departments managed expense: 99.5%
- **Revenues: +\$5.8M**
- **Fund Balance: -\$4.0M**
- **Utilities / Enterprise:**
 - All Under in Expenses
 - Most Over in Revenues



2020 Priorities

2020 Budget is focused on:

- **Public Safety**
- **Housing & Homelessness**
- **Operations Stability**

2020 Approved Budget Commitments



Labor

(salaries & benefits)

\$6.6 million



Non-Labor

(P&F retirement, leases, prof service, contracts)

\$2.4 million



Debt Service

(\$3.1) million



\$5.9 million



2020 Highlighted Service



Public Safety

+\$2.7 million

Academies: AFD = \$1.2M + APD= \$350K

Dispatchers/evidence: APD=\$600K

New Patrols: APD= \$540K

Housing & Homelessness

+\$1.7 million

Homeless & Behavior Health System Coordinator: Health \$53K

Mobile Intervention Team: Health & APD = \$550K

Shelter Contribution / Match with Private Investment Health = \$735K

Camp Clean-up w/14 seasonal positions: Parks & Rec. = \$350K

Operations Continuity

+\$3.0 million

Property Appraisal= \$800K

M&O Fleet Parts = \$200K

Transit Match=\$435K

Payroll Auditors= \$110K*

Women Infants and Children (WIC): Health= \$110K

Misc.: i-Team*, Interpreters, Climate Action Plan, C/ER Cem. and others = \$1.3M

+\$7.4 million

2020 1Q Budget Overview



State Budget ?

\$?.? million

Municipal Assistance

\$4.6 million

(No Change in State Revenue Sharing)

Fund Balance Reserves

10% and 2%

Revenues

+\$6.7 million

Direct Costs

+\$1.1 million

Tax Need / Mill Rates

+\$1.2 million

Historical Direct Cost Adjustments



Previous Years 1Q Adjustments	Amounts
2015 1Q	+\$9.55 million
2016 1Q	+\$7.89 million
2017 1Q	+\$4.94 million
2018 1Q	-\$4.74 million
2019 1Q	+\$1.98 million
2020 1Q Proposed	+\$1.12 million

Adjustments to refine and revise the Approved Budget include:

- Revenue Adjustments (MOA Trust/Other Contributions, MUSA/MESA, Other)
- Expenditure Adjustments (Reduced Fuel/Travel/Vacancies, Add 3 Positions, Settlements, Other)
- Service Area Board Requests (Girdwood, ER Street Light, Turnagain Arm Police, Other)

2020 1Q Revenue Adjustments



	Amount (\$,000)
Revenue Increases	
Contribution from MOA Trust Fund	3,190
MUSA / MESA Payments	935
ML&P Contributions for ML&P IGCs	2,055
Settlement Recoveries	1,777
Contributions from Other Funds	688
Marijuana Sales Tax	120
Cost of Issuance Refunding	102
Total Revenue Increases	8,867
	Amount (\$,000)
Revenue Decreases	
SOA Traffic / Trial Fines and other PFD Garnishments	(1,016)
Tobacco Tax	(700)
Fuel Excise Tax	(290)
Motor Vehicle Rental Tax	(200)
Total Revenue Decreases	(2,206)
Net Other Changes	18
TOTAL Revenue Adjustments in 2020 1Q Budget	6,679

2020 1Q Direct Cost Adjustments



Direct Cost Increases	Amount (\$,000)
Settlement Recovery Contribution	1,777
WC / GL Claims, Insurance, Misc	1,767
Major Facility Contractual Costs	180
Voter Approved Bond O&M	151
Cost of Issuance Refunding	102
ECD - Add GIS Position	100
ECD - Add Back i-Team Position	73
HR - Add Back Payroll Position	51
Total Direct Cost Increases	4,201
Direct Cost Decreases	Amount (\$,000)
Reduction of Fuel - All Departments	(898)
Reduction of Travel - All Departments	(291)
IT - Labor and Contract Savings	(443)
M&O - Vacancies	(304)
P&R - Vacancies	(412)
Purchasing - Vacancies	(207)
Traffic - Vacancies	(171)
Service Area Adjustments	(127)
Police & Fire Retirement - Contributions to COPs Fund	(95)
Municipal Attorney - Time to ML&P Sale Administration	(60)
Total Direct Cost Decreases	(3,008)
Net Other Changes	(68)
TOTAL Direct Cost Adjustments in 2020 1Q Budget	1,125

2020 1Q Budget Changes



	2020 Approved	2020 1Q
Budget Appropriation	\$540.2 million	\$541.4 million
Position Count	2,333	2,342
Property Tax Base	\$291.4 million	\$292.6 million

2020 Average Mill Levy



	2019 1Q	2020 1Q Preliminary	Difference	Cost per \$100,000	Key Factors
					<i>New Construction</i> ↑
General Government	8.88	8.97	+0.09	\$ 897	<i>Debt Service</i> ↓ <i>Tobacco Tax</i> ↓
ASD (ops)	7.16	7.27	0.11	\$ 727	<i>MUSA/MESA</i> ↑
ASD (SOA debt reimb.)	<u>0.00</u>	<u>0.48</u>	<u>0.48</u>	<u>\$ 48</u>	
ASD	7.16	7.75	+0.59	\$ 775	<i>ASD Bond Debt reimbursement</i> ↑
Total	16.04	16.72	+0.68	\$1,672	<i>Assessed Valuations</i> ↑

2020 1Q Utilities / Enterprise



Anchorage Water Utility - Change in Appropriation (\$1.0M)

Anchorage Wastewater Utility - Change in Appropriation \$136k

Merrill Field Airport - Change in Appropriation (\$76k)

Municipal Light & Power - Change in Appropriation (\$62M).

Eklutna Hydroelectric - Establish operating budget \$2.1M and capital budget \$2.4M

Port of Alaska - Change in Appropriation (\$18k)

Solid Waste Services - Refuse Collections Change in Appropriation \$139k

Solid Waste Services - Disposal Collections Change in Appropriation \$917k and capital budget \$3M

Future Budget Considerations



COVID19 & Budgeting

CARES Act

Sources

Uses

Recovery of Expenses

- Staff time
- EOC operations & supportive expenses

Recovery of Lost Revenue

FEMA Recovery

Schedule of Worksessions & Public Hearing



- | | |
|------------------------------|--|
| April 14th | 2020 1Q Budget Introduced to Assembly |
| April 17th | Assembly Worksession |
| April 24th | Second Worksession (Assembly Amendments) |
| April 28th | Public Hearing & Approve |
| May 1st | Treasury receives mill rates to prepare tax notices |