



MUNICIPALITY OF ANCHORAGE

ASSEMBLY INFORMATION MEMORANDUM

AIM No. 122-2020

Meeting Date: September 15, 2020

Subject: July 2020 Expenditure Reports for General Government Departments

The following is the status of department spending through July 31, 2020.

Budget to Actuals – General Government Departments:

At the end of July (58.4% through the fiscal year, with 57.0% labor posted), departments have spent 48.0% of the total budget. A further breakdown of expenditures and encumbrances shows that 56.5% of the labor budget is spent while 49.9% in non-labor is spent or encumbered.

The following departments have positive or negative variances of five percent or more (<53.4% or >63.4%) from the percent through the year (58.4%).

Chief Fiscal Officer – is 27.7% spent due to the administration of the ML&P sale, Pay for Success, and Stormwater facility projects that are to be spent later in the year.

Equal Rights Commission – is 51.8% spent due to a position vacancy through mid-March. The position is now filled.

Health – is 41.4% spent due to a lag time in the monthly payments to some major contracts. The department encumbers several large contracts at the beginning of the year that will be spent down throughout the year and the variance is expected to fall in line as the year progresses.

Human Resources – is 39.3% spent due to the contribution to worker's compensation fund for recovery settlements that has not been processed yet. The department is projected to be fully spent by year-end.

Information Technology – is 32.6% spent due to major contracts to be paid later in the year.

Internal Audit – is 49.7% spent due to vacancies between March and June. During this time, employees from the department were assigned to assist at the Emergency Operations Center.

Library – is 49.5% spent due to vacancies and projects that are to be completed later in the year.

Maintenance & Operations – is 32.3% spent due to the timing of summer activities which will bring an increase in expenses for aggregates, repair and maintenance supplies, rental equipment, and contractual services. Expenditure activity should increase closer to year-to-date budget levels as summer construction season progresses. Additionally, Anchorage

1 Roads and Drainage Service Area (ARDSA) debt service expenditures are at 28.6% year-to-
2 date.

3
4 Mayor – is 44.1% spent due to a delay in awarding and processing community grants and in
5 awarding a professional services contract.

6
7 Parks & Recreation – is 41.4% spent due to unfilled budgeted positions that the department is
8 in the process of filling or reclassifying, a closure of a facilities, and precautionary spending
9 reductions in preparation of unknown COVID-19 challenges and expenses.

10
11 Project Management & Engineering – is 48.8% spent due to contractual services expenses
12 and summer seasonal hires that normally increase during summer construction season.
13 Expect expenditures to catch up to year-to-date budget percentage as construction season
14 progresses.

15
16 Public Transportation – is 47.7% spent due to delays in invoicing/procurement activity.

17
18 Public Works Administration – is 30.7% spent due to computer and office equipment
19 replacement orders being deferred due to most of the staff working from home, resulting in
20 lower than normal year-to-date expenditures.

21
22 Traffic Engineering – is 52.6% spent due to contractual services and summer seasonal hires
23 that are typically low prior to summer construction season. Expect expenditure activity to
24 increase closer to year-to-date budget levels as the summer construction season progresses
25 and as maintenance and repair activities commence.

26
27 Convention Center – is 13.1% spent due to timing of incremental payments throughout the year
28 to vendors under Use Agreements and Management Agreements, with the bulk of activity
29 expected to post November/December.

30
31 TANS Expense – is 16.5% spent due to timing of payments. The 2020 payment is expected
32 to post in December.

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34 Prepared by: Office of Management & Budget (OMB)
35 Concur: Lance Wilber, Director, OMB
36 Concur: William D. Falsey, Municipal Manager
37 Respectfully submitted: Ethan A. Berkowitz, Mayor