

FAILED 1-26-99
RECONSIDERATION WAS SPREAD ON
THE MINUTES 1-26-99

Submitted by: Assemblymember Bell
Prepared by: Assembly Office
For Reading: December 15, 1998

ANCHORAGE, ALASKA

AR NO. 98-409

Not reconsidered 2-2-99

WHEREAS, the Assembly approved the 1999 budget for the Municipality on November 24, 1998 in accordance with Article XIII of the Municipal Charter; and

WHEREAS, the Assembly has recommended a direct cost revision to the 1999 budget.

NOW, THEREFORE, the Anchorage Assembly resolves:

Section 1: That the 1999 budget as amended and adopted on November 24, 1998 is hereby revised.

Section 2: That the following fund appropriation revisions are approved:

	1999 Approved Budget	Revision	Revised Budget
0101 Areawide General	\$ 82,771,340	\$ (1,789,440)	\$ 80,981,900
0102 City SA	139,210		139,210
0104 Chugiak Fire SA	564,020		564,020
0105 Glen Alps SA	148,070		148,070
0106 Girdwood Valley SA	714,890		714,890
0108 SA 35 - Former Borough Roads/ Drainage	3,540		3,540
0111 Birchtree/Elmore LRSA	133,460		133,460
0112 Campbell Airstrip LRSA	39,500		39,500
0113 Valli-Vue Estates LRSA	71,530		71,530
0114 Skyranch Estates LRSA	20,720		20,720
0115 Upper Grover LRSA	7,230		7,230
0116 Ravenwood LRSA	8,060		8,060
0117 Mt. Park LRSA	18,060		18,060
0118 Mt. Park/Robin Hill LRSA	61,980		61,980
0119 Eagle River Rural Road SA	3,386,470		3,386,470
0121 Eaglewood CRSA	29,160		29,160
0122 Gateway CRSA	430		430
0123 Lakehill LRSA	24,420		24,420
0124 Totem LRSA	14,240		14,240
0129 Eagle River SA	181,570		181,570

	1999 Approved Budget	Revision	Revised Budget
0131 Anchorage Fire SA	\$ 26,909,380		\$ 26,909,380
0141 Anchorage Roads/Drainage SA	47,270,720	108,560)	47,162,160
0142 Talus West LRSA	28,410		28,410
0143 Upper O'Malley LRSA	282,790		282,790
0144 Bear Valley LRSA	18,200		18,200
0145 Rabbit Creek View LRSA	28,340		28,340
0146 Villages Scenic Parkway LRSA	5,900		5,900
0147 Sequoia Estates LRSA	14,330		14,330
0148 Rockhill LRSA	22,280		22,280
0149 South Goldenview LRSA	81,300		81,300
0151 Anchorage Metropolitan Police SA	56,514,980		56,514,980
0161 Anchorage Park/Recreation SA	14,436,060	(102,000)	14,334,060
0162 Eagle River/Chugiak Parks and Recreation SA	1,122,220		1,122,220
0181 Anchorage Building Safety SA	4,512,370		4,512,370
Total General Funds		\$ (2,000,000)	\$ 237,585,180
Fund			
No. SPECIAL REVENUE			
0221 Heritage Land Bank	\$ 623,630	\$ 0	\$ 623,630
0313 Police/Fire Retiree Medical Liability	486,740	0	486,740
Total Special Revenue Funds	1,110,370	\$ 0	\$ 1,110,370
Fund			
No. INTERNAL SERVICE			
0601 Equipment Maintenance	\$ 10,530	\$ 0	\$ 10,530
0602 Self-Insurance	628,390		628,390
0607 Management Information Systems	(11,700)		(11,700)
Total Internal Service Funds	\$ 627,220	\$ 0	\$ 627,220
TOTAL ALL FUNDS	\$ 241,322,770	\$ (2,000,000)	\$ 239,322,770

Section 3: That the following total departmental appropriation revisions are approved:



MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

NO. 50-99

Meeting Date:

January 5, 1999

From: Assemblymember Bell

Subject: A RESOLUTION PROVIDING FOR A REVISION TO THE 1999 GENERAL GOVERNMENT OPERATING BUDGET

In view of the current reduction in oil prices and the impact it will ultimately have on local governments, it is prudent that we address ways to continue to provide adequate services to the public with less money from other sources. As elected public officials representing the people of Anchorage, it is our duty to find innovative ways to continue to provide the necessary public services without continuing to increase the burden on taxpayers. Although this is an enormous responsibility, the Municipality could achieve this goal for the betterment of government with careful and thorough planning, review, and analysis.

During the 1999 General Government Operating Budget process, an amendment was submitted to reduce the overall budget by \$2,000,000. The intent was to provide some up-front tax relief to the citizens of Anchorage based on an evaluation of year-end lapsed funds. Over a three-year period and using only funds 0101 (Areawide General) and 0151 (Anchorage Metropolitan Police Service Area), the average annual lapse was \$4.3 million. If we compare the revised Budgets for the years' 1995-1997 and review the lapses at year end, a \$2,000,000 budget reduction (at minimum) for each of these years could have been realized without any disruption in service and could have provided a savings to the taxpayers. A substantial amount of funding, as shown below, would still have remained in the Municipality's treasury (in these two funds) despite this budget reduction.

	<u>1995</u>	<u>1996</u>	<u>1997</u>
Total Budget	\$ 231,727,130	\$ 241,101,580	\$ 251,085,978
End-of-Year Lapse (Funds 0101 and 0151)	\$ 3,709,539	\$ 3,402,543	\$ 5,840,814
Less \$2M Reduction	<u>2,000,000</u>	<u>2,000,000</u>	<u>2,000,000</u>
End-of-Year Lapse Balance	\$ 1,709,539	\$ 1,402,543	\$ 3,840,814

In my opinion, the consistent savings at year-end is evidence that there is room to reduce each year's budget, provide a tax dollar savings to the citizens of Anchorage, and still leave the Municipality in a position to absorb reductions in other revenue sources.

In 1997, the Administration reviewed a recommendation that department budgets be reduced based on the prior years' lapses over a three-year period. During the preparation of the 1998 proposed budget, the Administration included a reduction in department budgets based on reductions on prior years' lapses before submitting the budget to the Assembly for approval. This exercise resulted in an estimated property tax reduction of \$1.8 million (see attached).

Continued analysis of the above two funds and other funds could provide tax relief, avoid accruing unnecessarily large fund balances, and still allow the Municipality to contend with decreases in revenues from other sources.

Although the Municipality has in place a limitation on the amount taxes collected, there is still some leeway for additional tax relief for our citizens. The Assembly needs to provide guidance in appropriating funds to ensure that the necessary services are provided, and with the lowest increase in taxes possible.

The attached resolution, if approved, would reduce the 1999 General Government Operating Budget \$2,000,000 by revising fund and departmental appropriations based on a three-year average of lapsed funds. As mentioned above, this analysis includes funds 0101 and 0151 only and also excludes the Internal Service Funds which are part of the Finance, Management Information Systems, and Property and Facility Management Department budgets. Since the 1998 reductions based on prior years lapses produced no actual reductions in service, this scenario would more than likely remain the same if the budget was reduced for 1999.

Your support and approval of this budget revision is encouraged to provide an immediate savings to the taxpayers, and position the Municipality in the direction of finding innovative ways of saving dollars and continuing services as we prepare for the upcoming changes in the level of support from other funding sources.

Respectfully submitted,


Bob Bell
Assemblymember

Prepared by:


Elvi Gray-Jackson
Policy and Budget Analyst

Reviewed by:


Greg Moyer, Director
Assembly Office

	1999		
	Approved		Revised
	Budget	Revision	Budget
93			
94			
95			
96			
97	Assembly	\$ 2,314,710	(75,930) \$ 2,238,780
98	Equal Rights Commission	446,860	(24,320) 422,540
99	Internal Audit	476,150	(30,290) 445,860
100	Office of the Mayor	851,940	(7,950) 843,990
101	Municipal Attorney	4,244,940	(87,560) 4,157,380
102	Municipal Manager	1,587,330	(31,570) 1,555,760
103	Executive Manager	844,100	(26,410) 817,690
104	Finance	7,909,660	(436,560) 7,473,100
105	Management Information Systems	1,597,310	(23,030) 1,574,280
106	Community Planning & Development	2,787,610	(133,260) 2,654,350
107	Property and Facility Management	11,245,140	(161,630) 11,083,510
108	Purchasing	1,075,040	(185,280) 889,760
109	Employee Relations	2,947,510	(27,020) 2,920,490
110	Health and Human Services	10,085,620	(261,680) 9,823,940
111	Fire	32,438,380	32,438,380
112	Police	47,433,640	47,433,640
113	Cultural & Recreational Services	22,946,990	(204,710) 22,742,280
114	Public Transportation Department	9,914,550	(174,240) 9,740,310
115	Public Works	59,464,330	(108,560) 59,355,770
116	Non-Departmental	10,842,280	10,842,280
117			
118	Subtotal	\$ 231,454,090	\$ (2,000,000) \$ 229,454,090
119	INTERNAL SERVICE FUNDS		
120			
121	Finance	\$ 5,379,180	\$ 5,379,180
122	Management Information Systems	11,853,270	11,853,270
123	Property and Facility Management	8,328,080	8,328,080
124			
125	Subtotal	\$ 25,560,530	\$ 0 \$ 25,560,530
126			
127	GRAND TOTAL	\$ 257,014,620	\$ (2,000,000) \$ 255,014,620
128			
129	PASSED AND APPROVED by the Anchorage Assembly this day of		
130	, 1999.		
131			
132		Chair	
133	ATTEST:		
134			
135			
136	Municipal Clerk		

1998 GENERAL GOVERNMENT OPERATING BUDGET

Reductions Based on Prior Years Lapses

	Direct Costs			Estimated Property Tax Reduction
	<u>Reduction in Costs Only</u>	<u>Actual Reduction</u>	<u>Total</u>	
Assembly	\$ 40,080	\$	\$ 40,080	\$ 40,080
Equal Rights	8,800		8,800	8,800
Audit	4,500		4,500	4,500
Mayor	10,490		10,490	6,300
Attorney		34,090	34,090	34,090
Emp. Rel.	36,850	59,190	96,040	72,000
Manager	8,540		8,540	5,300
Finance	113,710	151,730	265,440	173,580
MISD	137,930		137,930	102,070
CP&D	44,040		44,040	44,040
P&FM	129,290		129,290	128,000
Purchasing	10,900		10,900	8,070
Ops. Mgr.	6,560		6,560	3,300
H&HS		150,100	150,100	150,100
Fire	131,030		131,030	131,030
Police	246,880		246,880	246,880
C&RS	222,420		222,420	222,420
Pub. Trans.	58,050		58,050	58,050
Pub. Works	387,810		387,810	383,850
Non-Dept.	0		0	0
	<u>\$ 1,597,880</u>	<u>\$ 395,110</u>	<u>\$ 1,992,990</u>	<u>\$ 1,822,460</u>