

Submitted by: Assembly Budget & Finance
Committee Chair Starr
Assembly Vice Chair Hall
Assembly Member Trombley

CLERK'S OFFICE
AMENDED AND APPROVED

Date: 9-27-11

Reviewed by: Assembly Counsel
For reading: August 30, 2011

**ANCHORAGE, ALASKA
AR NO. 2011-231**

**A RESOLUTION OF THE ANCHORAGE ASSEMBLY ESTABLISHING FISCAL GUIDELINES
FOR PROPOSED EXPENDITURES IN THE 2012 MUNICIPAL OPERATING AND CAPITAL
SPENDING PLANS.**

WHEREAS, by Charter, the responsibility to approve Operating and Capital Budgets for the Municipality of Anchorage rests with the Anchorage Assembly; and

WHEREAS, timely adoption of the Operating Budget for Fiscal Year (FY) 2012 requires final Assembly action in December 2011; and

WHEREAS, by Charter and ordinance, the responsibility to submit timely preliminary revenue forecasts and proposed budgetary information rests with the Mayor; and

WHEREAS, the Budget and Finance Committee recommends the adoption of findings and assumption guidelines to assist in timely Assembly approval of the Operating and Capital Budgets for Fiscal Year 2012;

NOW, THEREFORE, the Anchorage Assembly makes these findings and adopts the following assumption guidelines:

1. Given the current revenue structure, which is heavily dependent on real property taxes and uncertain levels of State and Federal support, the ability of this municipality's residents to financially support government services is at or near its maximum capacity.
2. The current FY 2011 government operating expenditure limit of \$443,211,855 represents a fair and adequate balance to meet the fiscal and service needs of the residents of the Municipality of Anchorage.
3. General Obligation Bonded indebtedness of the Municipality of Anchorage is currently \$1,193,555,000.00, inclusive of Anchorage School District debt, and exclusive of municipal utility debt.
4. This General Obligation Bonded indebtedness costs the Municipality \$90.4 Million annually in debt service expense. Fiscal Year 2011 property tax revenues total \$478 Million, which includes the Anchorage School District. Approximately 19 cents of every tax dollar collected in FY 2011 will go to service debt.

SUBJECT to the FOREGOING FINDINGS, the ASSEMBLY FURTHER RESOLVES as follows:

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2 1. For Fiscal Year 2012, the Assembly shall make every effort to ensure the level of
3 municipal spending authorized by Assembly action on behalf of municipal residents
4 will not exceed the annual spending reflected and approved by the Assembly in the
5 revised Operating Budget for FY 2011, plus a budget growth adjustment of no
6 greater than 1.8%. Total expenditures for 2012 under the FY 2012 Operating
7 Budget shall not exceed \$451,189,700
8

9 ~~2. For FY 2012, the Capital expenditure programs shall presume no new voter-~~
10 ~~approved bond debt.~~
11

12 2[3]. The Assembly recommends spending constraint policies and budget balancing
13 strategies to include consideration and implementation of these measures:
14

- 15 • Implementation of efficiency initiatives to include:
16 • Kronos system payroll automation ;
17 • ERP management project program overhaul;
18 • Findings from the CH2M Hill consultant study;
19 • Review and analysis of vacancy factor and "funded but unfilled" staffing
20 positions.
21

22 3[4]. A financial plan of strategic incremental municipal debt reduction through direct
23 legislative appropriations is necessary as a viable alternative to current practice,
24 which now operates to the detriment of future budget years. Long term
25 planning dialogues, focused on municipal capital debt reduction through direct
26 legislative appropriations, will be initiated with State elected officials including
27 Governor Parnell, to establish a financial model for incremental municipal debt
28 reduction beginning FY 2012.
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30 PASSED AND APPROVED by the Anchorage Assembly this 27th day of
31 September, 2011.

32 Debbie Ossander
33 Chair

34 ATTEST:

35
36 Paula S. Dineen
37

38 Municipal Clerk