

First Quarter Revisions 2011 General Government Operating Budget

Budget & Finance Committee
April 15, 2011

MAYOR DAN SULLIVAN



Municipality of Anchorage

Guidance to Departments

- Limit amendments to:
 - Costs unanticipated last fall
 - Priority initiatives
- Fine tune / update revenues



Priority: Public Safety

- Fire Department
 - \$1.8M for 29 positions -Federal grant/local funds
 - \$349k for 6 EMS positions for Medic #7 (Sand Lake)
 - \$17k for Chugiak Fire EMS training
- Police Department
 - \$882k for 28-person Academy, training
- Municipal Attorney
 - \$84k for Domestic Violence Prosecutor
- Health & Human Services
 - \$54k increase for new Animal Control contract
 - \$113k increase for new CSP/Emergency Shelter contract
- M & O
 - \$250k to retrofit storage for homeless camp property



Increased Cost of Doing Business / Priorities

- Unanticipated increases
 - Workers Comp increase + \$1.8M
 - Transit increased fuel cost + \$227k
 - APDES (stormwater) compliance + \$340k
- Obligations
 - Police/Fire Medical Trust subsidy + \$539k
 - 2011 voter approved bonds / O&M + \$708k
- Priority initiative
 - Efficiency RFP + \$300k



Updated Revenues: Down \$1.9 million

| | Change from 2011 Approved |
|----------------------------------------------|---------------------------|
| <u>Non-Property Taxes – Up \$412k</u> | |
| Hotel-motel room tax | Up \$1.1M |
| Auto tax | Down \$60k |
| Tobacco tax | Down \$700k |
| Motor vehicle rental tax | Up \$71.5k |
| <u>Other Revenue – Down \$2.4M</u> | |
| MOA Trust Fund contribution | Up \$100k |
| MUSA / MESA / Dividends | Down \$819k |
| Traffic & court fines | Down \$675k |
| Investment earnings | Down \$ 657k |
| Fire plan review fees | Down \$300k |



Fund Balance

line #

| | | | |
|---|----------------------------|----|------------|
| 1 | Balance as of Dec 31, 2010 | \$ | 55,532,561 |
|---|----------------------------|----|------------|

Set aside for 2011:

| | | | |
|---|--------------------------------|----|--------------|
| 2 | Accounting adjustments* | \$ | (2,634,735) |
| 3 | 8.25% Bond Rating Reserve | \$ | (27,140,811) |
| 4 | 3% Operating Emergency Reserve | \$ | (9,869,386) |
| 5 | TAPS Settlement Reserve | \$ | (4,623,013) |

| | | | |
|---|-----------------------------------|----|------------|
| 6 | Unreserved Fund Balance Remaining | \$ | 11,264,616 |
|---|-----------------------------------|----|------------|

Use balance to meet liabilities incurred by prior administration:

| | | | |
|----|---------------------------------|-----------|------------------|
| 7 | Pay off ML&P land purchase loan | \$ | (3,096,782) |
| 8 | Reeve Blvd remediation | \$ | (750,000) |
| 9 | Kincaid Park remediation | \$ | (700,000) |
| 10 | Balance Remaining | \$ | 6,717,834 |

For Tax Relief

Use to reduce
property tax amount
that otherwise would
need to collect

* Adjustments are amounts reserved for inventories, pre-pays, and LT loans



Municipality of Anchorage

2011 Tax Limit Calculation

(aka "Tax Cap")

line #

| | | | |
|----|-------------------------------------------------------------------------------------------------------------------------|--------------------|--------------------|
| 34 | Limit on ALL TAXES that can be collected | \$ 262,594,412 | \$ 277,530,184 |
| 35 | | | |
| 36 | <u>Step 5: To determine limit on property taxes, back out other taxes</u> | | |
| 37 | Payment in Lieu of Taxes (State & Federal) | (919,000) | (919,000) |
| 38 | Automobile Tax | (4,984,000) | (5,040,000) |
| 39 | Tobacco Tax | (16,300,000) | (21,300,000) |
| 40 | Aircraft Tax | (210,000) | (210,000) |
| 41 | Motor Vehicle Rental Tax | (4,271,327) | (4,753,653) |
| 42 | MUSA/MESA | (6,328,914) | (13,187,332) |
| 43 | Step 5 Total | (33,013,241) | (45,409,985) |
| 44 | | | |
| 45 | Limit on PROPERTY TAXES that can be collected | \$ 229,581,171 | \$ 232,120,199 |
| 46 | | | |
| 47 | <u>Step 6: Determine property taxes to be collected if different than Limit on Property Taxes that can be collected</u> | | |
| 48 | Property taxes to be collected based on spending decisions minus other available revenue. | | |
| 49 | | | |
| 50 | Property taxes TO BE COLLECTED | \$221,394,860 | \$225,635,199 |
| 51 | | | |
| 52 | Amount below limit on property taxes that can be collected | (8,186,311) | (6,485,000) |

Line numbers refer to lines on actual tax limit calculation (page 9 of packet)



Municipality of Anchorage

Impact on Property Tax Payers

| (in million\$) | 2010 | 2011 | Change | % Change |
|----------------|----------------|----------------|-----------------|-------------|
| MOA | \$237.3 | \$241.2 | + \$ 3.9 | 1.6% |
| ASD | \$233.9 | \$237.6 | + \$ 3.7 | 1.6% |
| Total | \$471.2 | \$478.8 | + \$ 7.6 | 1.6% |

Mill Levies

| Average Mill Rate | 2010 | 2011 | Difference |
|-------------------|--------------|--------------|---------------|
| MOA | 7.54 | 7.67 | + 0.13 |
| ASD | 7.44 | 7.52* | + 0.08 |
| Total | 14.98 | 15.19 | + 0.21 |

2011: Annual tax increase of \$21.00/\$100,000 assessed value

*ASD 2011 mill levy amount corrected from 7.56 to 7.52



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