

# 2012 Proposed General Government Operating Budget

Assembly Work Session  
October 21, 2011

MAYOR DAN SULLIVAN



Municipality of Anchorage

# 2012 Continuation Level

<u>Spending</u>	(in million\$)
Salaries	\$6.6
Benefits	\$5.8
Non-labor	\$1.0
Debt Service	\$6.1
<b>Continuation Spending Increases</b>	<b>\$19.5</b>
<u>Continuation Revenue</u>	
<u>If</u> Taxed to Cap	\$4.6
Non-Property Taxes	\$4.5
Fund Balance	- \$4.7
<b>Continuation Revenue</b>	<b>\$4.4</b>
<b>Gap Between Spending &amp; Revenue</b>	<b>- \$15.1</b>



# Mayor's Budget Guidance

- Examine spending—scrub the numbers
  - Analyze prior year actuals compared to amount budgeted to identify consistent lapses
  - Analyze vacant but funded positions
- Reductions should minimize impact on services delivered directly to citizens



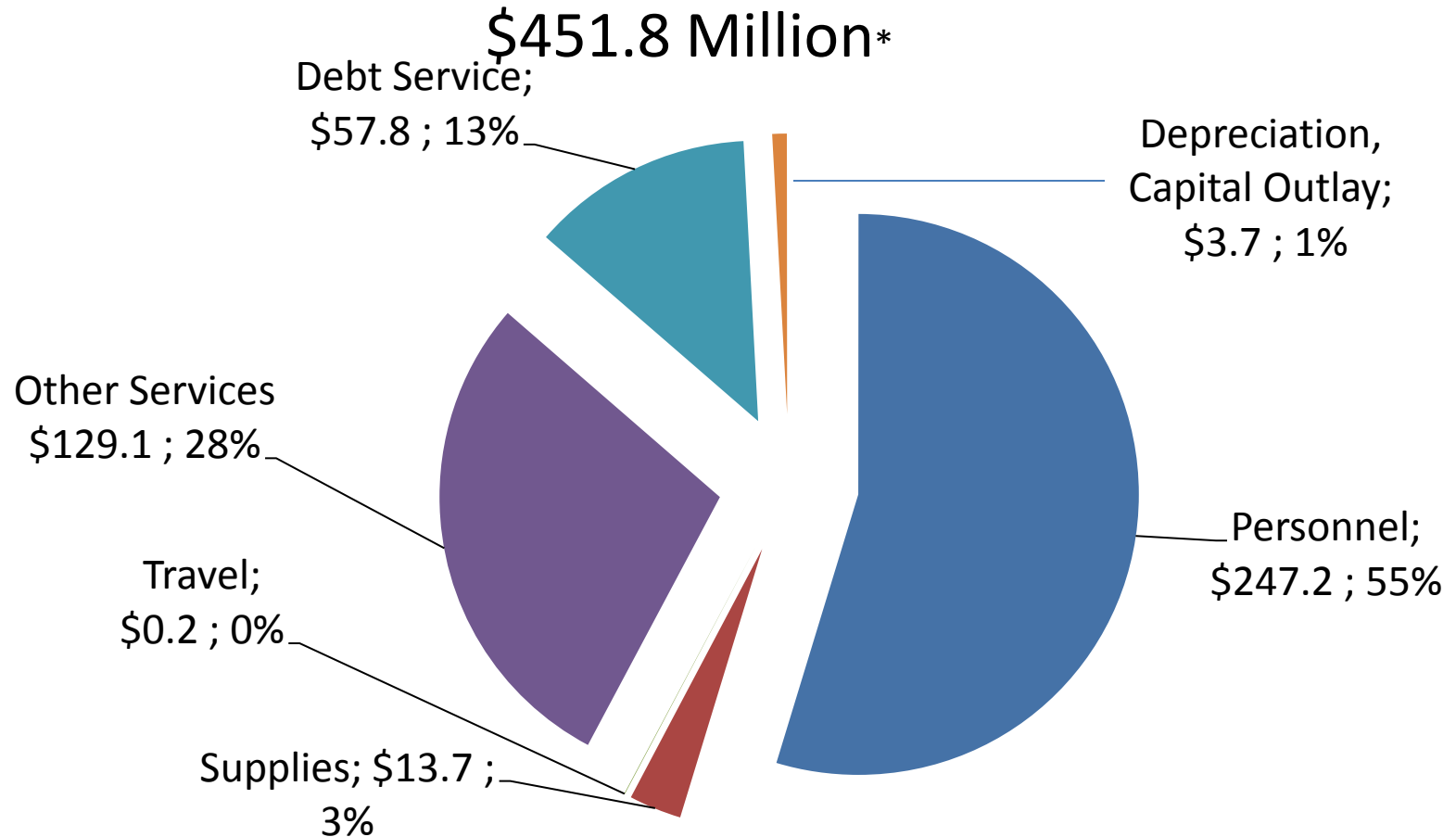
# 2012 Proposed Compared to Continuation

(in million\$)	2012 Continuation	2012 Proposed	Difference
Salary, Benefits	\$255.7	\$247.2	- \$8.5
Supplies	\$13.7	\$13.7	-
Travel	\$0.2	\$0.2	-
Other Services	\$131.3	\$129.1	- \$2.2
Debt Service	\$57.8	\$57.8	-
Depreciation	\$2.8	\$2.8	-
Capital Outlay	\$1.2	\$0.9	- \$0.3
<b>Total*</b>	<b>\$462.7</b>	<b>\$451.8</b>	<b>- \$10.9</b>

\*Totals differ slightly from budget amounts due to rounding



# 2012 Budget by Expenditure Categories

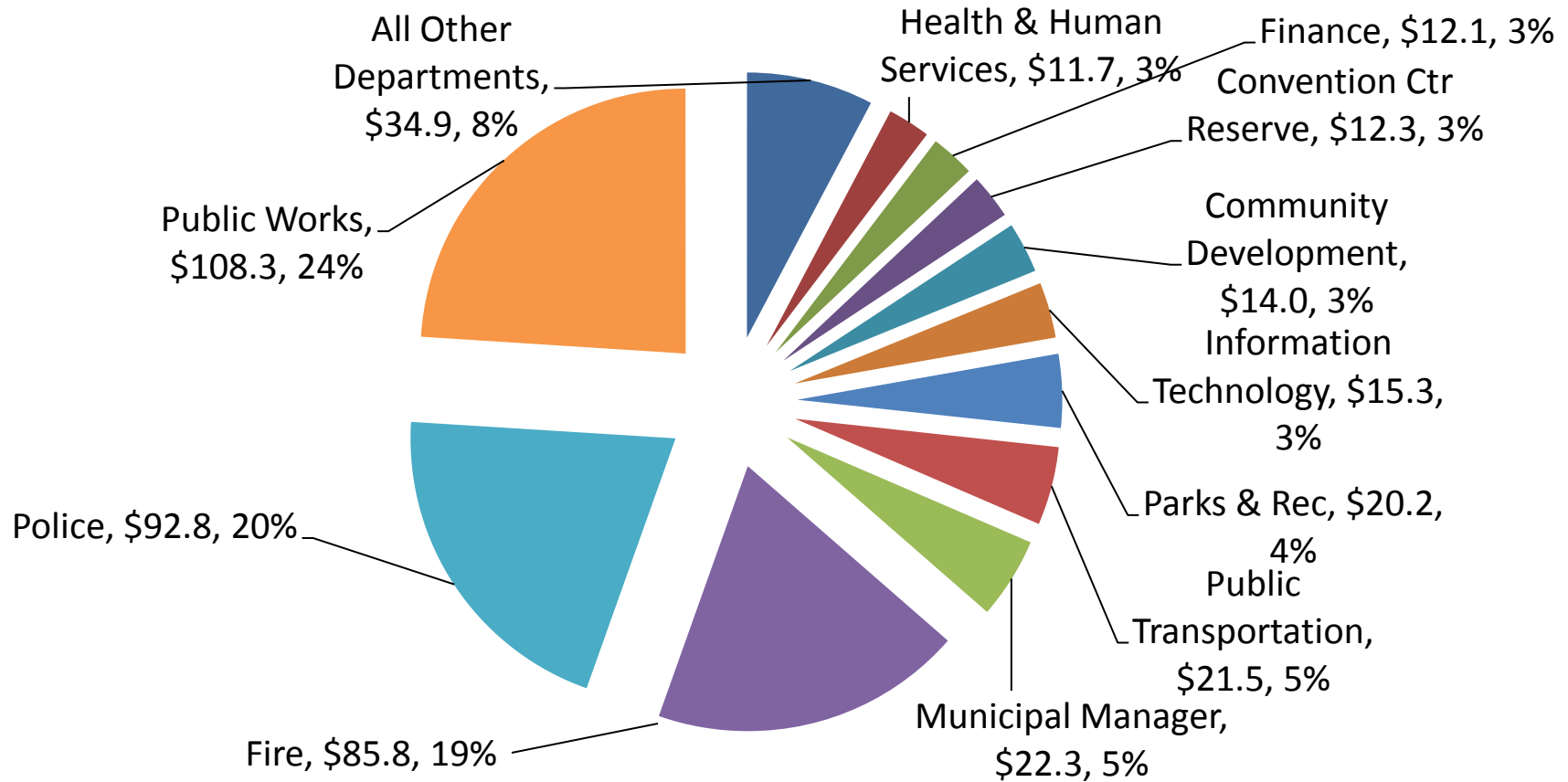


\*Total differs slightly from budget amounts due to rounding



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# 2012 Budget by Department



\*All Other Departments includes Real Estate, Library, Municipal Attorney, Assembly, Mayor, ER, Purchasing, OMB, Equal Rights Commission, CFO, Internal Audit



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# 2012 Budget Highlights

## Savings

- Leave cash-out calculation adjustment - \$6.5 M
- Position and non-labor scrub - \$4.2 M
- Overtime savings - \$1.2 M

## Spending

- Full year cost 29 SAFER positions, 30 Recruit + \$3.5 M  
Police Academy, Medic 7 (Sand Lake)
- Voter approved O&M + \$1.2 M



# Leave Cash-Out Adjustment

- Significant savings with no impact on services
- Budget for two categories of leave:
  - Leave taken (budgeted in salaries)
  - Leave that will be cashed-out (budgeted in benefits)
- Past budget calculation combined cost of leave taken and cashed-out
  - Result: amount to pay leave costs over budgeted
- New 2012 methodology uses a 3-year average of amount actually cashed-out





# Budget “Scrub” Savings

- Change in Positions: \$3 M Savings

Full Time	Part Time	Seasonal	Temp	Total
-34	- 8	+ 19	+ 3	- 20

Filled Positions Impacted: 3 Full Time; 2 Part Time

- Non-Labor Based on 3 Year Actuals: \$1.2 M Savings



# Department Budgets



# Anchorage Fire Department

2012 Budget	\$85.8 M 19% of budget	387 FT/2PT Positions
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- Increased cost of salaries and benefits + \$2.8 M
- 29 SAFER grant positions full-year funding + \$1.7 M
- Medic #7 (Sand Lake) full-year staffing + \$451 k
- Leave cash-out adjustment + \$994 k
- Overtime savings due to increased staff - \$ 1.2 M
- Police/Fire Retirement Trust contribution - \$ 1.1 M
- Vacant position scrub - \$206 k



# Anchorage Police Department

**2012 Budget**

**\$92.8 M**  
**20% of budget**

**544 FT Positions**

- Increased cost of salaries and benefits + \$4.4 M
- Leave cash-out adjustment - \$3.9 M
- Police Academy year-round funding + \$1.3 M
- Police/Fire Retirement Trust - \$1.2 M
- Police/Fire Medical Trust + \$540 k
- Vacant position scrub - \$802 k



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# Public Works

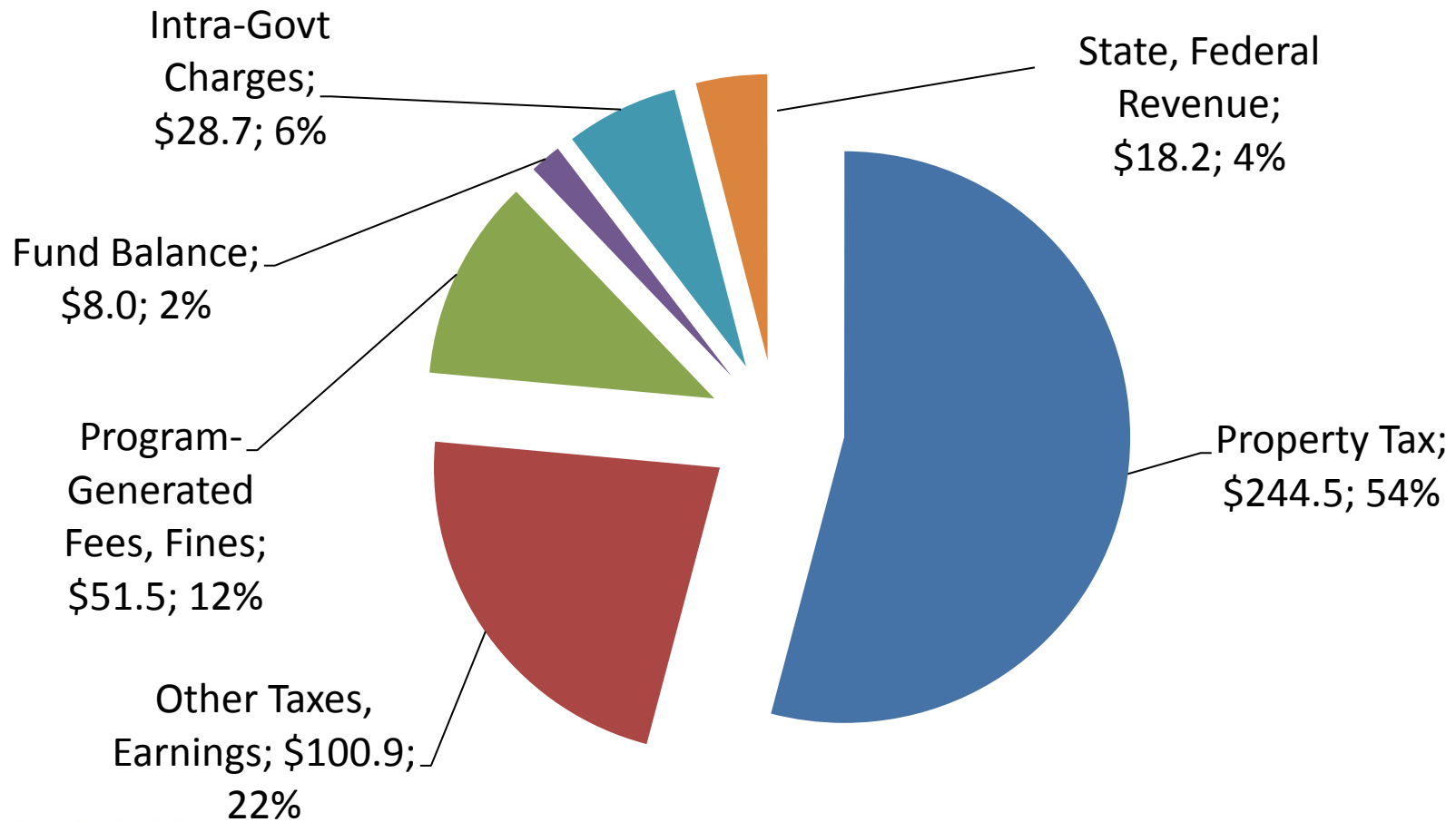
2012 Budget	\$108.3 M 24% of budget	240 FT/2 PT/ 19 Temp
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- Salary and benefit increase + \$1.1 M
- Debt service + \$5.3 M
- Voter approved O&M + \$484 k
- Leave cash-out adjustment - \$884 k
- Non-labor scrub - \$780 k
- Vacant position scrub -\$ 603 k
- Charge equipment costs to capital projects; turn in unused equipment - \$383 k



# 2012 Revenue by Category

(in million\$)



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# 2012 Projected Revenue Changes

(in million\$)	2011 Revised	2012	Difference
Property Taxes*	\$240.8	\$244.5	+ \$3.7
Other Taxes/Investment Earnings	\$94.7	\$100.9	+ \$6.2
State/Federal	\$18.7	\$18.2	- \$ 0.5
Program-Generated Revenue	\$52.6	\$51.5	- \$1.1
Fund Balance	\$9.0	\$8.0	- \$1.0
Intra-Governmental Charges (IGCs)	\$27.3	\$28.7	+\$1.4
<b>Total**</b>	<b>\$443.1</b>	<b>\$451.8</b>	<b>+ \$8.7</b>

\*Includes Service Areas which aren't subject to Tax Cap; non-service area taxes increase \$3.1M)

\*\*Totals differ slightly from budget amounts due to rounding



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# 2012 Revenue: Current Year

## Leave Cash Out Savings

- Leave cash-out over budgeted in current year
  - Estimated savings of \$4.1 million
- Revenue source to support 2012 proposed budget





# 2012 Preliminary Tax Limit Calculation

Line		2011 Revised	2012 Proposed	Difference
38				
39	Limit on ALL TAXES that can be collected	\$ 277,530,184	\$ 286,981,383	\$ 9,451,199
40				
41	<u>Step 5: To determine limit on property taxes, back out other taxes</u>			
42	Payment in Lieu of Taxes (State & Federal)	(919,000)	(780,000)	(139,000)
43	Automobile Tax	(5,040,000)	(8,800,000)	3,760,000
44	Tobacco Tax	(21,300,000)	(20,950,000)	(350,000)
45	Aircraft Tax	(210,000)	(210,000)	-
46	Motor Vehicle Rental Tax	(4,753,653)	(5,174,208)	420,555
47	MUSA/MESA	(13,187,332)	(21,120,375)	7,933,043
48	Step 5 Total	(45,409,985)	(57,034,583)	11,624,598
49				
50	Limit on PROPERTY TAXES that can be collected	\$ 232,120,199	\$ 229,946,800	\$ (2,173,399)
51				
52	<u>Step 6: Determine property taxes to be collected if different than Limit on Property Taxes that can be collected</u>			
53	Property taxes to be collected based on spending decisions minus other available revenue.			
54				
55	Property taxes TO BE COLLECTED	\$ 225,307,034	\$ 228,420,331	\$ 3,113,297
56				
57	Amount below limit on property taxes that can be collected ("under the cap")	(6,813,165)	(1,526,469)	

Line numbers refer to lines on attached full tax limit calculation (page 21)



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# Estimated Impact on Property Tax Payers\*

(Mill rate will be finalized in April 2012)

	2011	2012	Change
Total Property Taxes	\$240.8 M	\$244.5 M	+ 1.4%
Tax/\$100k Assessed Value	\$766	\$773	+ \$7

\*Does not include property taxes to be collected for Anchorage School District



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## Anchorage's City Budget

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### Welcome Anchorage



#### Message From Mayor Dan Sullivan

Welcome to the Municipality of Anchorage's new city budget website. The site's goal is to not only provide information about the budget and its development process, but also to solicit your comments on budget priorities for the upcoming 2012 budget.

[read more](#)

### Budget News

#### Mayor Releases 2012 Proposed Budget

POSTED: SEP 30 2011 - 8:45 AM

### Citizen Tax Saving Suggestion

#### Employee Suggests Way to Save

SUBMITTED: WEDNESDAY, SEPTEMBER 14, 2011

Arla, accounts payable (ap) employee, makes white copies of the interoffice routing slips, and sends invoices to many offices, including Maintenance & Operations where I am located. The real saver is that I return all the slips and

[read more](#)

### Proposed Budget

#### Mayor's 2012 Proposed

### Budget Newsletter

Email \*

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### Poll

**If it became necessary to raise additional revenues, which would you find MOST ACCEPTABLE?**

- ☐ Increase user fees and fines
- ☐ Increase property taxes
- ☐ Increase room tax
- ☐ Increase vehicle registration tax
- ☐ Add sales tax
- ☐ Add seasonal sales tax
- ☐ Add alcohol excise tax



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# Assembly Budget Guidance

## (AR 2011-231)

	Assembly Guidance	Proposed Budget
Expenditure growth	1.8%	1.9%
Expenditures in dollars	\$451.2 M	\$451.8 M

### Savings from Current Initiatives

- e-Pal (KRONOS)
- ERP
- M&O Operations
- Analysis of budgeted/vacant positions

### Timeframe

\$275k in 2012/1 Q  
2013 / 2014  
2012 1Q / 2013  
Done

