

**MUNICIPALITY OF ANCHORAGE
BUDGET ADVISORY COMMISSION**

**1997
REPORT TO THE ASSEMBLY**

NOVEMBER 4, 1997

Commissioners:

C. Eric Britten, Chair
Dorothy Anagick, Thomas Boyle, Cheryl Frasca,
Richard L. Morrison, Paul W. Paslay, Eric Peterson,
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BUDGET ADVISORY COMMISSION
Municipality of Anchorage
Office of Management and Budget
P.O. Box 196650
Anchorage, AK 99519-6650

October 30, 1997

Hon. Mark Begich, Chairman
Anchorage Municipal Assembly
P.O. Box 196650
Anchorage, AK 99519-6650

Re: Letter of Transmittal, 1997 Report To The Assembly

Dear Mr. Begich:

The accompanying report addresses the Commission's views on both current and future Municipal fiscal issues.

The Commission appreciates the opportunity it will have to discuss the report with the Assembly at a work session scheduled for Tuesday, November 4, 1997. In the event you have any questions prior to the work session, please contact either myself (Bus: 263-5611, Res: 277-3236), or Gene Dusek in the Office of Management and Budget (343-4490)

Sincerely



Eric Britten
Chair

Attachment

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**1998 Operating Budget
Comments and Recommendations**

Even though municipal spending continues to come in under the tax cap, this should not lull the Assembly or Administration into not carefully scrutinizing each and every dollar in the budget.

Overall spending

While the proposed budget is \$5 million below the tax cap, it still represents **\$10 million in increased spending**. Of this, **\$6 million is for new or expanded services**, as summarized below (Appendix A further details these totals):

Reductions

"Automatic" changes

One-time items	-\$2,331,200
Salary/benefit adjustments	-555,460
Voter approved debt savings	-2,848,870
Sub-total	-\$5,735,530

Current service level reductions

Current program reductions	-\$1,597,880
Unfunded service levels	-423,290
Sub-total	-\$2,021,170

Total reductions **-\$7,756,700**

Spending

"Automatic" increases

Voter approved debt cost	\$1,755,790
Inflation	1,005,110
Full-year funding	1,290,500
Sub-total	\$4,051,400

New/expanded services

New or expanded	\$4,171,190
Miscellaneous increases/decreases	1,799,950
Sub-total	\$5,971,140

Total spending increases **\$10,022,540**

Net difference **+\$2,265,840**

The good news is that these increases are offset by \$7.8 million in reductions. However, **even though the \$2.3 million net difference is a "small" amount, the full \$10 million in increased spending should be**

carefully scrutinized by the Assembly because it increases the burden on taxpayers. This early scrutiny is especially important because many of these additional costs will carry into future year budgets, only further compounding need to increase property taxes. This, plus the uncertainty surrounding the future level of state revenues to local governments, means local **government decision-makers must carefully evaluate every dollar spent because every dollar in increased spending means another dollar taken from the pocketbooks of Anchorage property taxpayers**—even when the Municipality stays under the tax cap.

Limited information to make informed evaluation

The Assembly has asked the Budget Advisory Commission to comment on specific budget items. To say the least, it is difficult as volunteers because of our limited time and resources. Further contributing to this challenge is that the budget documents provided to BAC members only highlight incremental changes from one year to the next with little, if any, justification for a program's base budget.

Public Works Department
In-House Anchorage Recycled Asphalt Program \$264,000

The Street Maintenance Operations' program's work measures indicate that in 1997 the RAP program did 10 linear miles. With the additional funds requested, it indicates it will do 20 miles. The budget documents, however, do not include information on the program's current funding level (i.e. how much it is currently spending to do 10 miles).

The challenge to offer meaningful comment on the proposed budget is further complicated by the lack of information on the effectiveness of current programs. In recent years the BAC has stressed the need for measures by which taxpayers, program managers, and elected officials can evaluate a program's effectiveness. Unfortunately, little progress has been made. Instead, the detail provided in the budget is on "inputs," or the amount of money a program costs. Token effort is made in listing performance and work measure information which appear to be "word processing exercises" rather than meaningful information that ties together a program's goals and whether or not they are being achieved. Without qualitative information, citizens, including the BAC, are unable to undertake a thoughtful analysis of what the Municipality should continue to do, or not do, and the value citizens are getting for the tax dollars they pay.

The BAC continues to recommend the Municipality develop qualitative measures that evaluate program outcomes so citizens

Contracting with the Private Sector

In the past the BAC has encouraged the municipality to pursue opportunities to contract with the private sector for delivery of services when a cost savings or increased productivity can be realized. The BAC takes note of the following request which appears to be going in the reverse:

Street Maintenance
In-House Recycled Asphalt Program \$264,000

The BAC recommends the Assembly review this decision, including the analysis which indicates a cost-savings by doing the program in-house to ensure that all costs borne by the Municipality are reflected.

Vehicle Replacement

Fire Department
Replace two Battalion Chief vehicles \$70,000

The tendency for governments to replace equipment "because it is old" is not a sufficient justification to increase the amount of taxes collected. OMB indicated the reason these vehicles need to be replaced is because the chiefs have to go to every fire and the two vehicles being replaced are "old." More appropriate justification should be information about each vehicle's service record and reliability, which was not easily obtainable. While the dollar amount may be small, all expenditures require accountability.

Department Budget Comparison

DEPARTMENT OPERATING BUDGET COMPARISON 1993-1998

Department	1993	1994	1995	1996	1997 <i>Proposed</i>	1997 Revised	1998 Proposed
Assembly	2,087,810	2,279,400	2,051,910	2,156,860	2,092,020	2,206,980	2,179,150
Equal Rights	400,120	403,840	391,930	439,790	446,050	448,190	418,760
Internal Audit	472,590	472,320	460,930	469,740	472,120	474,600	459,160
Mayor	878,910	802,060	757,740	801,550	818,790	821,990	844,230
Municipal Att'y.	3,170,730	3,776,330	3,474,150	3,598,150	3,888,020	4,006,240	4,082,530
Employee Rel.	2,316,660	2,703,560	2,690,280	2,771,250	2,580,150	2,737,190	2,895,210
Muni. Manager	1,663,390	1,702,870	1,992,610	1,893,820	1,645,990	1,613,080	1,590,950
Finance	14,595,530	14,375,190	14,065,610	13,619,540	13,703,000	13,827,990	13,622,070
MISD	10,127,040	9,956,330	9,507,830	9,840,680	10,703,090	10,730,940	12,122,140
Planning & Dev.	2,208,600	2,224,050	2,324,270	2,078,350	2,492,880	2,604,680	2,455,540
Prop. & Facility Management	16,252,880	16,735,280	16,935,010	18,190,340	18,733,240	18,605,180	19,204,340
Purchasing	904,480	895,930	891,200	879,620	892,860	897,500	884,740
Operations Manager			535,070	621,940	732,380	735,960	766,290
Health & Human Services	11,459,770	11,494,340	10,781,700	10,422,110	9,770,630	9,928,150	9,836,220
Fire	27,585,120	27,939,080	28,608,410	30,689,850	28,889,800	29,338,410	29,001,720
Police	37,701,340	38,667,540	39,069,830	42,210,230	44,727,950	45,793,940	44,985,680
Cultural & Rec. Services	19,007,820	18,549,550	18,743,030	19,781,100	19,988,110	20,250,080	21,170,730
Public Transportat'n	8,963,990	8,950,930	9,378,270	9,510,590	9,692,860	9,839,970	9,807,920
Public Works	46,625,720	47,269,890	49,468,560	52,378,120	55,253,210	55,510,250	56,877,870
Non-Dep't.	8,599,360	8,625,470	8,898,950	9,373,500	9,593,370	10,730,360	10,162,270
TOTAL	215,022,860	217,823,960	221,027,290	231,727,130	237,116,520	241,101,580	243,367,420

Bold type indicates funding increase over previous year.

Shaded line indicates funding increase every year on chart.

How Much Is the 1998 Budget Increasing Municipal Spending?

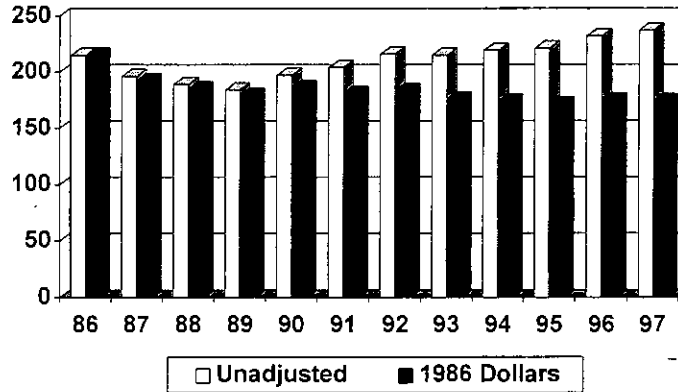
Each year when the Municipal Operating Budget is presented by the Administration, one of the immediate focal points is whether spending will increase over the previous year. The annual answer seems relatively simple. The spending plan historically comes in just a few million dollars under the amount allowed by the tax limit calculation (see Appendix B). So, assuming the population has increased, the Consumer Price Index has gone up, there has been some new construction, and there is some new debt service, the answer is usually "yes".

Year	Tax Cap	Property Taxes Assessed
1998	145,693,070	140,659,500
1997	138,607,610	136,381,780
1996	131,007,140	128,636,100
1995	124,254,550	120,761,070
1994	118,907,610	117,329,870

Interestingly enough, however, when viewed in an historical perspective, we find that, although more dollars are going to be spent each year, when the operating budget is adjusted for inflation, spending increases are either minimal or nonexistent. The Administration proposes to spend \$243,367,420 to operate the Municipality in 1998 versus 1997 revised spending of \$241,101,580. This represents an increase of 0.9%. Assuming the CPI increases 0.9% or more during 1997, the 1998 Operating Budget will represent no real increase in spending.

ANCHORAGE OPERATING BUDGET 1986-1997

IN BUDGET YEAR DOLLARS AND IN 1986 DOLLARS



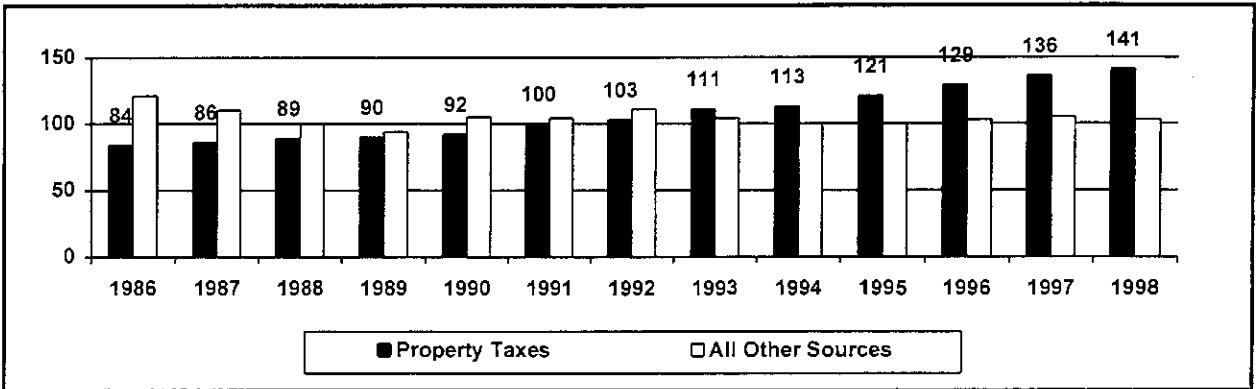
Anchorage Operating Budget, 1986-1997, In Annual and In Real Dollars

The Anchorage Consumer Price Index for the first half of 1997 increased a mere 0.3%. For the year ending June 30, 1997, the increase was 1.6%.

How Will We Fund The Operating Budget?

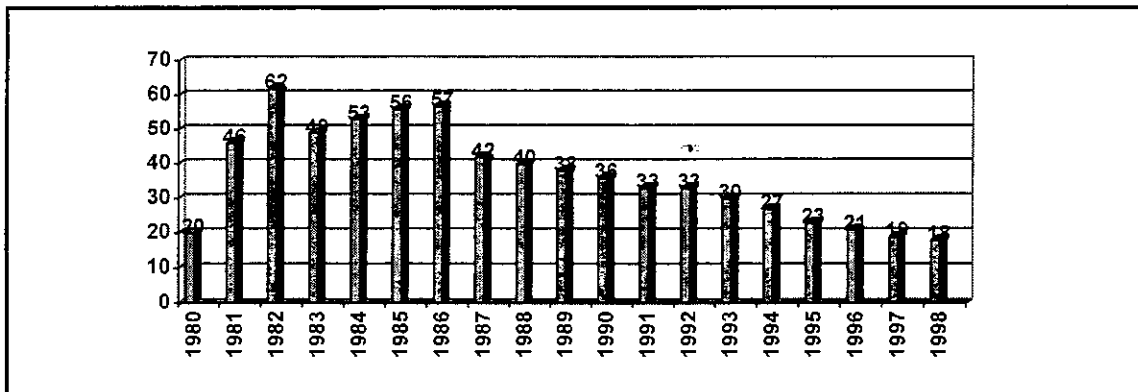
Traditionally, Anchorage's Operating Budget is funded by two primary sources: (1) property taxes, and (2) other sources. Other sources consist of revenue generated by :

- Federal Revenues: payments in lieu of taxes, grants, mass transit allocations and other miscellaneous payments
- State Revenues: municipal assistance, tax equalization payments, and others
- Local Allocated Revenues: local taxes (auto, tobacco, aircraft, lodging, etc.), utility distributions (primarily from ATU), interest, etc.
- Local Program Revenues: licenses, fees, permits, fines, etc.

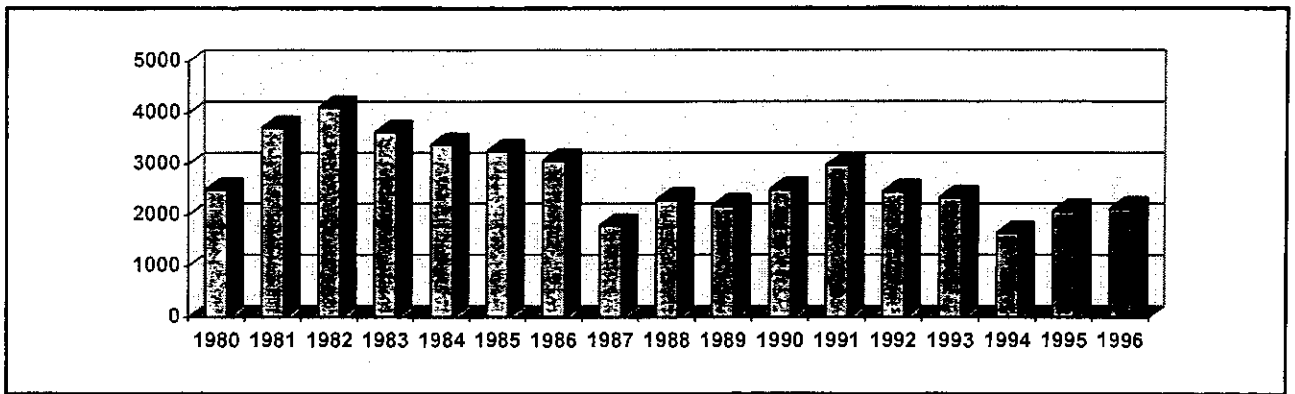


Anchorage Operating Budget Sources of Revenue, 1986-1998
Data Labels Indicate Property Tax Revenues

Since 1986, we have seen a steady decrease in what at one time was the single major source of municipal revenue, Municipal Assistance and Revenue Sharing (now renamed Revenue Sharing for Safe Communities Program).



Anchorage Municipal Assistance & Revenue Sharing, 1980-1998
In millions of dollars



State of Alaska Total Unrestricted Revenue, 1980-1996
In Millions of Dollars

As Municipal Assistance and Revenue Sharing, now Safe Communities, revenues have decreased, the gap has always been funded through increases in local property taxes. The chart on the previous page clearly shows the correlation.

Heightened interest was placed upon rising property taxes when Proposition One on the municipal ballot passed in April. The initiative, driven by special interest groups, amended the Municipal Charter to require a supermajority to approve any sales tax placed on the local ballot. Many observers believe that this amendment has effectively closed the door to initiating a sales tax in Anchorage.

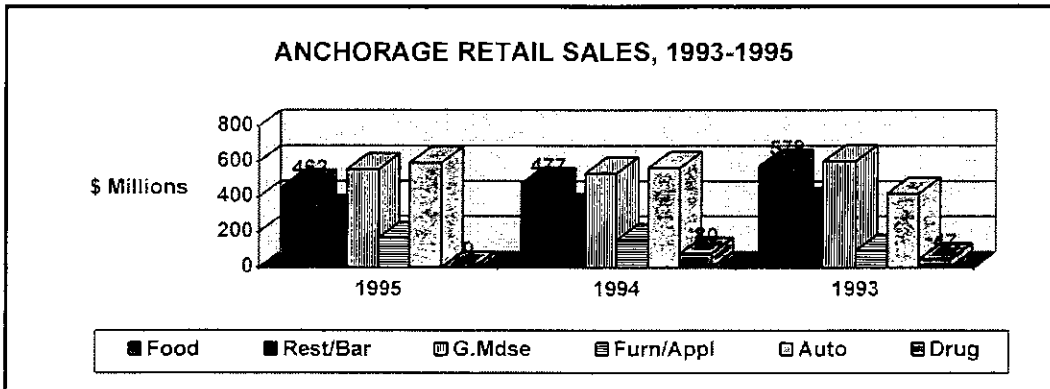
Sales Tax Exercise

In December of 1996, the Commission took a brief look at the effects that a sales tax might have upon the amount of property taxes paid in Anchorage.

Estimated annual retail sales were obtained:

Year	Total Retail Sales	Food	Restaurants and bars	General Mdse.	Furniture and Appliances	Autos	Drugs
1995	3,124,301	462,446	319,179	557,335	166,534	594,133	N/A
1994	2,987,096	476,710	327,030	535,835	156,261	565,075	79,738
1993	2,816,016	577,624	362,466	604,134	95,615	421,236	46,746

Figures are in thousands of dollars
Source: Sales and Marketing Management Magazine



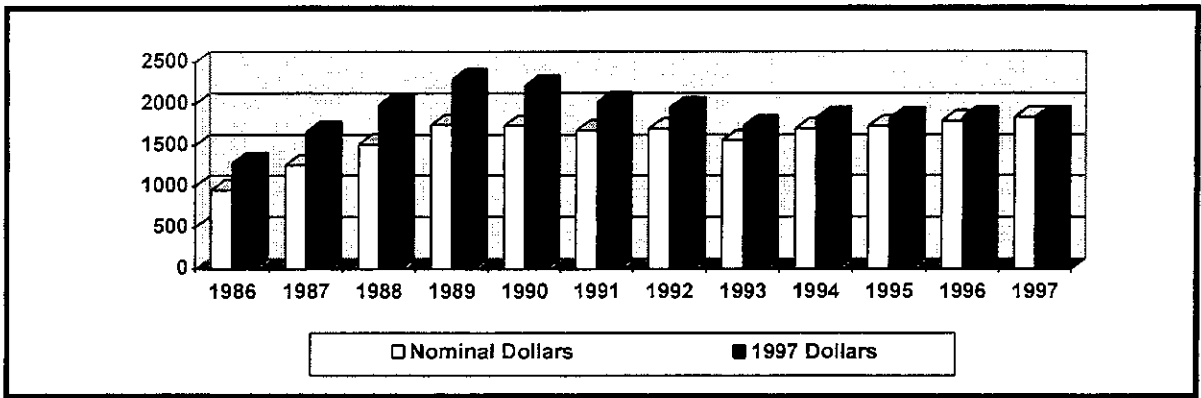
Then some basic assumptions were made:

1. Total Retail Sales for 1995 were \$3,124,301,000.
2. Total Food and drug retail sales for 1995 were \$600,000,000.
3. Operating budget revenue raised from property taxes in 1995 was \$121,000,000.
4. Total Retail Sales, less food and medicine sales (items that might normally be excluded from a general sales tax), in 1995 were \$2,524,301,000.

A general sales tax could generate the following revenues at the following rates:

1%	2%	3%	4%	5%
25,243,010	50,486,000	75,729,000	100,972,000	126,215,000

A 3% sales tax, applied under the tax cap, would, then, reduce the revenue required from property taxes by \$75,729,000. Revenue required from property taxes would then drop to \$45,271,000, a reduction of 62%. Taxes on a \$100,000 home would then decrease from \$1,730 to \$1,090.



Anchorage Property Tax on a \$100,000 home, 1986-1997

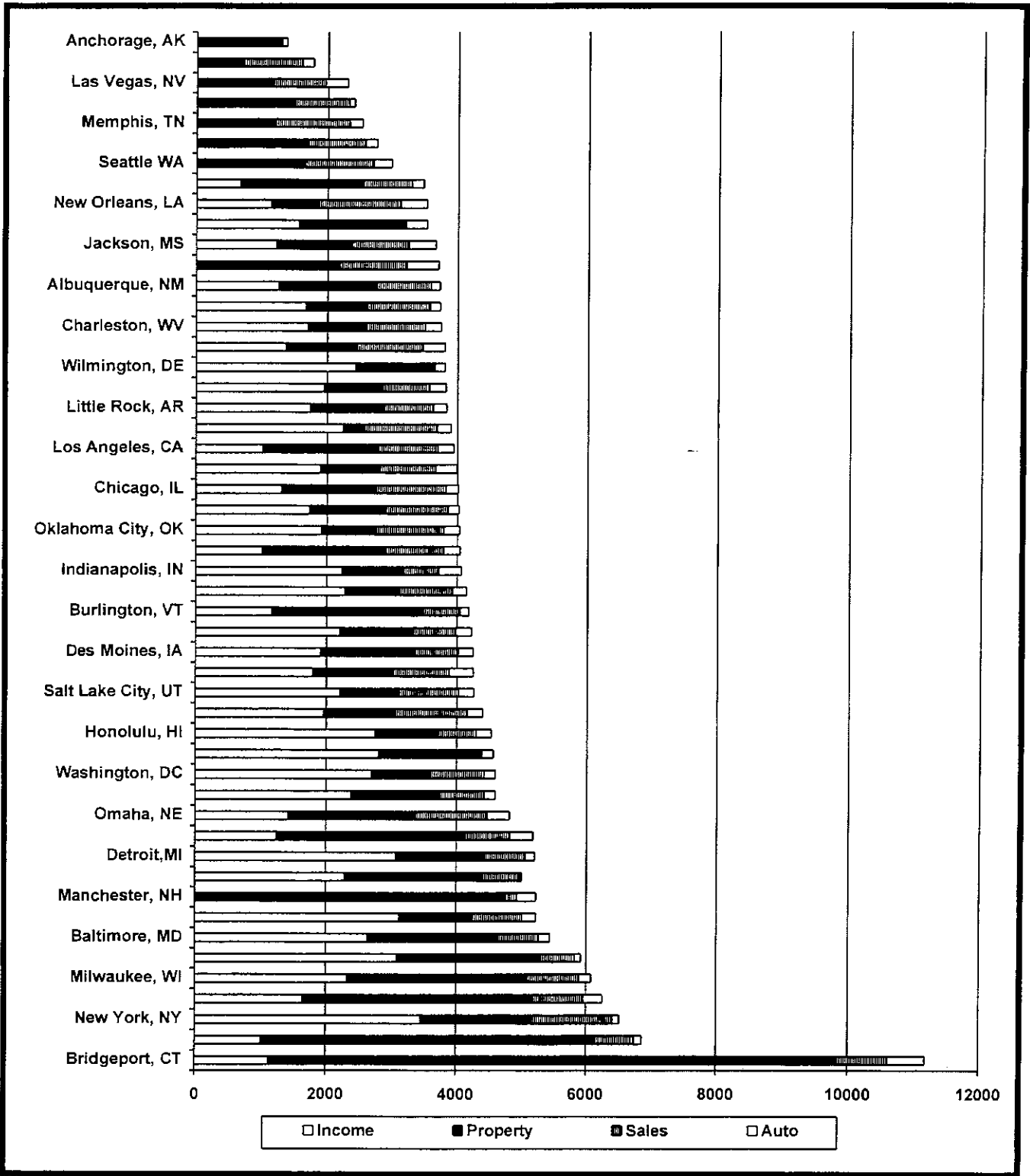
The question that now seems to be asked more and more is how much more will Anchorage property taxpayers pay before they begin to balk. The graphs on the following two pages show a big part of the local taxation picture. The first shows how much of a tax burden residents of the largest cities in each of the fifty states face. The chart includes local and state income, property, sales and automobile taxes. Clearly, Anchorage residents remain the least taxed of all when considering the total tax picture.

The second graph compares Anchorage property taxes to the property taxes paid in the same cross section of U.S. cities. Anchorage falls below both the median and the average property tax paid in all listed cities.

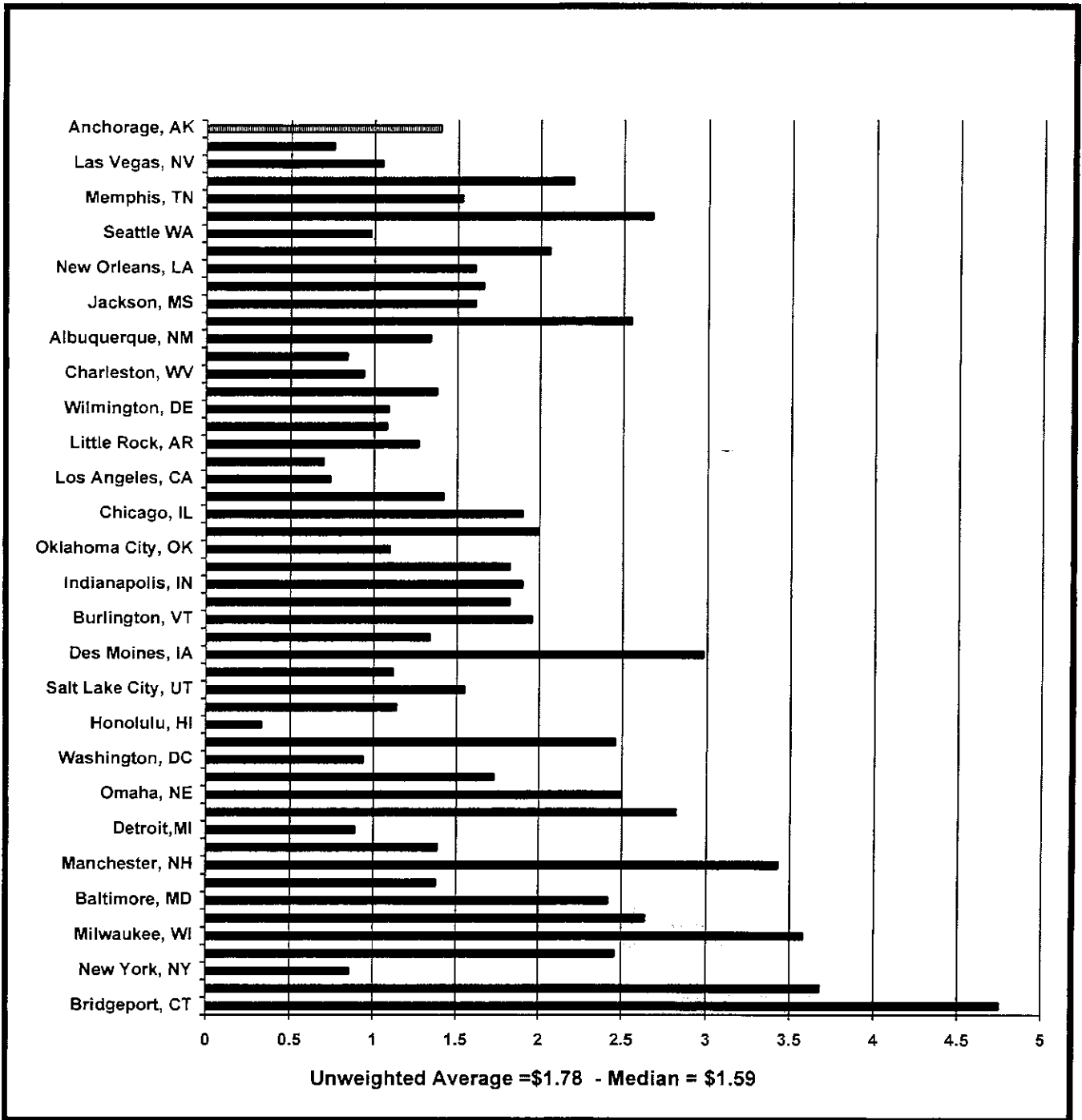
See Appendix C for more statistics.

The two graphs indicate that Anchorage residents don't pay many taxes when compared with tax burdens borne by the residents of the cities shown. On top of that, if the Permanent Fund Dividend is taken into the overall tax picture, Anchorage residents fare even better. If there are two or more qualifying residents in a household, the Dividend may well cover the property tax bill, leaving their total tax burden nil.

The remaining question, then, may well be: should property taxes fund such a large percentage of the operating budget? We have just seen the effect a general sales tax would have on property taxes. Other alternative sources are discussed later in this report.



Estimated Burden of Major Taxes For A Family of Four, 1995
 \$50,000 Household Income - Largest City in Each State
 (Intervening city names omitted due to space constraints)



Residential Property Tax Rates - Largest City In Each State, 1995
 Chart Shows Effective Rate Per \$100 of Valuation

Sources Of Revenue

As mentioned in the **Trends** Section of this report, Property Taxes have increasingly been the vehicle utilized in the Municipality to bridge the widening gap between revenue from all other sources and planned annual spending.

Total Program Local Revenues

A report generated by the Office of Management and Budget in July 1997 (see Appendix D) illustrates that Municipal revenues generated from all sources other than property taxes have virtually been level for the past five years.

In January 1996, The Municipal Manager issued a Memorandum (see Appendix E) to all Level I supervisory personnel within the Municipality asking each Department to scrutinize their user fees, permit fees, fines and/or fares. He noted:

"If State revenues continue to decrease, we must look at alternatives to increasing property taxes. We should do this also to lessen the burden on Anchorage property tax payers as we continue our efforts to make Anchorage a safer and more livable city. Two such alternatives are increasing operating efficiencies or decreasing services. Another is to have the persons directly benefiting from the services pay more of the costs through increased or new user fees, permit fees, fines and fares."

Despite this apparent thorough review and reassessment, very little additional revenue was realized in 1997 from these areas. Note the figures in bold type in the chart on the following page:

Revenue Source	1996	1997	Change
State Revenues	23,084,080	21,785,340	(1,298,740)
Local Allocated Revenues	35,626,090	38,368,930	2,742,840
Total Program Local Revenues	20,683,890	21,479,170	795,280
Intragovernmental Revenues	14,037,880	15,238,160	1,200,280
Fund Balance Applied	8,900,240	7,084,920	(1,815,320)
Property Taxes	128,636,100	136,381,780	7,745,680

Total program local revenues in 1998 are expected to increase **\$680,640** while property taxes are projected to increase **\$4,277,720**.

The conclusion is that program local revenues have done little to stem the tide of increasing property taxes.

Visitor Tax Rates

One relatively untapped source of revenue for the Municipality are visitor taxes. In a comparison with other selected cities across the lower 48, Anchorage collects relatively few visitor taxes (see Appendix F).

The Visitor's Bureau claims that it is the lack of these taxes that helps them attract meetings and conventions to Anchorage. Despite this claim, visitor taxes should be carefully considered as revenue alternatives. Of particular note is the absence of any sort of tax or fee on rental cars.

Utility Distributions

Of recent note is the disagreement between the Administration and the Anchorage Telephone Utility regarding the amount of that utility's distribution to the Municipality for 1998. ATU has contributed millions of dollars each year to the city's general fund. Their 1997 distribution was \$8.3 million.

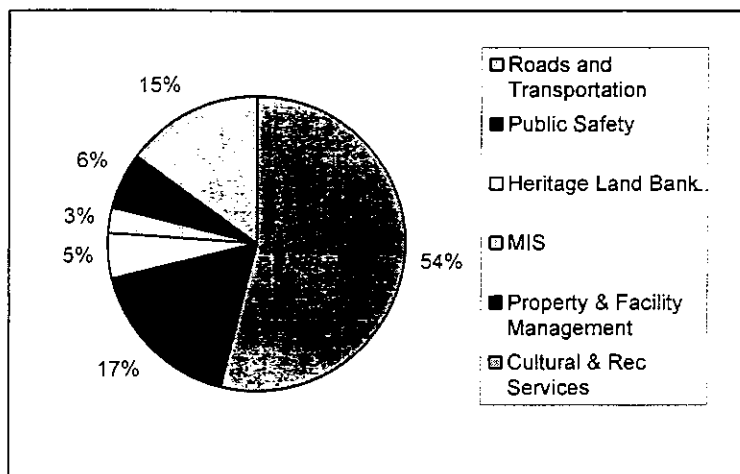
Recently, federal communications laws were changed to allow and encourage free market competition in the communications industry. Here in Anchorage, both AT&T and GCI have entered the local telephone service arena. This new competition will limit the ability of the telephone utility to profit as much as it has in the past from local residential and commercial

telephone service revenues. The future stability and predictability of the utility's revenue distribution to the Municipality is uncertain. Any reduction in distributions will again impact property tax payers.

The Commission has supported proposed sale of ATU each time the question has been placed before the electorate. The ability of the utility to successfully compete in a free market is questionable. While the utility may not be worth as much to a potential buyer in 1998 as it was years ago, very possibly it will be worth more now than it will be several years in the future. **Again, the Commission supports any serious initiative to sell the utility.**

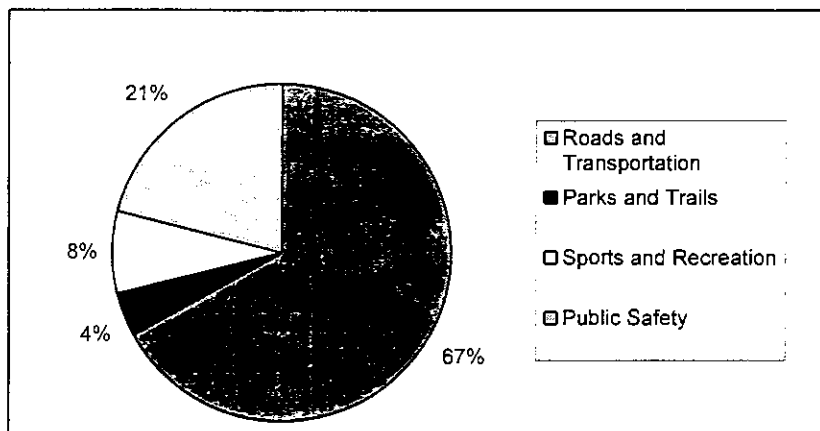
The Commission further questions the advisability of continuing to depend upon distributions from ATU as a portion of general fund revenues. Rather, distributions should be considered windfalls each year, and used to defease long term Municipal debt, as was the windfall this year due to the transition in payment dates from State Revenue Sharing to the new Safe Communities Program.

Bonding represents a major source of burden to the individual property owner; for this reason, this is an area of considerable interest to the Commission. The proposed Capital Improvement Budget for 1998 totals nearly \$65 million, allocated by functional category as shown below:



CIB Distribution by Functional Category (All Funding Sources)

Of the total CIB, \$40,642,000, or 62.7%, is to be funded through general obligation bonds, with the lion's share allocated to improvements in roads and transportation. Bond propositions by project type are shown in the following chart:



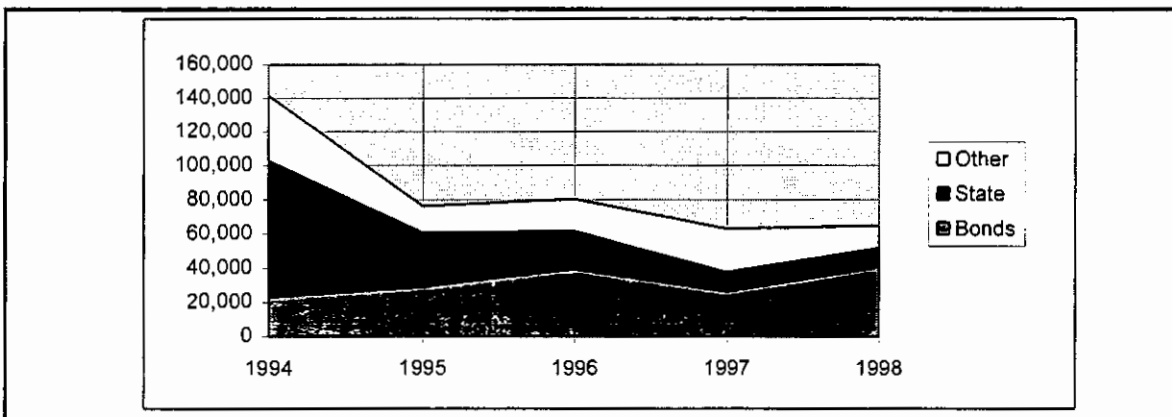
1998 Bond Propositions by Type of Project

The key bond projects proposed in the 1998 Capital Improvement Budget are summarized below by department:

- Fire Department
 - Jewel Lake/Sand Lake Fire Station Replacement
 - Eagle River Aerial Pumper Truck
- Police Department
 - Police In-Car Computer System
 - APD Construction Projects
- Public Works
 - 15th Ave. Safety Improvements -- Ingra to Sitka
 - 68th Ave. Upgrade -- Lake Otis to Abbott Loop Rd.
 - Local Road RID Reconstruction Projects
 - Recycled Asphalt Pavement (RAP) Upgrades
- Cultural and Recreational Services
 - South Anchorage Sports Fields
 - East Anchorage Ballfields
 - Kosinski Ballfields
 - Outdoor Ice Rink Covering
 - Coastal Trail Rehabilitation
 - Fish Creek Trail Rehabilitation
- Non-Departmental
 - Emergency Operations and Training Center Facility and Equipment

The aerial pumper truck for Eagle River carries a significant O&M cost that could have implications for taxes and the tax cap in the out years. This is an essential item of equipment, but the possible tax implications from O&M costs should be fully understood.

It is instructive to compare major sources of funding for capital funding requested since 1994.



Capital Funding Requested: 94-98

The previous chart clearly illustrates the increased emphasis on local, voter-approved bonds as a source of funding for the Capital Improvement Budget. This increase in local G.O. bonding translates directly into an increased burden on individual property owners. A broader look at tax supported debt per capita for the period 1988-1997 reflects a similar upward trend and reinforces the concern.

Fiscal Year	Population	Tax Supported Debt*	Tax Supported Debt Per Capita
1988	218,979	342,595,000	1565
1989	221,870	320,167,941	1443
1990	226,338	345,345,579	1526
1991	235,893	330,417,189	1389
1992	245,095	372,645,556	1551
1993	251,805	368,677,361	1478
1994	255,422	412,960,770	1663
1995	253,614	395,307,681	1533
1996	254,269	500,636,340	1969
1997	254,849	518,016,340	2032

* Includes ASD G.O. Bond Debt

Tax Supported Debt Per Capita: 1988-1997

A comparison of voter approved G.O. bond propositions, 1987-1997, and proposed 1998 bond funding is shown below:

	Roads & Transit	Property & Facility Management	Public Safety	Cultural & Recreational Services	Total
1987	\$11.5		\$2.0		\$13.5
1988		0	0		
1989	14.7	0	0		14.7
1990	11.0		6.9	0	17.9
1991	15.0	0		5.0	20.0
1992					
1993	18.0	0		0	18.0
1994	12.7	0			12.7
1995	18.0	0.8	2.8	5.7	27.3
1996	15.0	0	2.6	0	17.6
1997	19.3	0	2.8	5.1	27.2
1998*	27.2	0	8.5	4.9	40.6
Total	135.9	0.8	17.1	15.8	169.6

* Figures for 1987-1997 are for voter-approved bonds. Figures for 1998 are only proposed.

G.O. Bond Propositions: 1987-1998 (\$\$\$ millions)

Bearing in mind that the table compares apples and oranges (i.e., voter approved bonds for 1988-1997, and proposed bonds for 1998), it nevertheless emphasizes the increased reliance on local funding. A more thorough comparison, reflecting bond proposals vs., bonds approved for the same period is shown in the table at Appendix G.

While it is clear that we must continue to effect capital improvements to the city's services and infrastructure, it is also clear that the burden of these improvements is being shouldered increasingly by property owners and less and less by revenues received from State Municipal Assistance and Revenue Sharing. Moreover, it is clear that we can expect this trend to continue and, probably, to increase at a significant rate. The passage of Proposition One in 1997, requiring a super majority to pass additional taxes, significantly decreases the likelihood that any of this burden will be eased by the institution of a sales tax. However, as the tax burden on individual property owners becomes more onerous, voters may increasingly refuse to pass essential bond measures. **With this eventuality in mind, it is imperative that we continue to look for additional sources of tax revenue to finance needed capital improvements and general operating funds.**

Public Employees' Retirement System

The Inclusion of Overtime in Retirement Benefit Calculation

Recently, all Anchorage Municipal Employees were placed on the State of Alaska's Public Employees' Retirement System. In addition to covering state employees, the use of the system is widespread through out the state by school districts, cities, towns, villages, and boroughs. Over 150 government groups (see Appendix H) subscribe to the P.E.R.S. program on behalf of their employees.

One extremely controversial provision in the program is that in addition to base wages, overtime compensation paid to an employee during their last years of service prior to retirement is also included in the retirement benefit calculation.

Earlier this year, Senate Bill No. 150 was sponsored by the Senate Finance Committee (see Appendix I). The bill sought to eliminate the use of overtime pay in the retirement benefit calculation for all P.E.R.S. participants. The bill passed both the Senate and the House, but was vetoed by the Governor. In his veto letter (see Appendix I), the Governor stated:

"While the legislation seeks to address legislative concern about manipulation of overtime to increase retirement benefits, our analysis indicates these problems are not widespread. At most, the problems may occur in isolated incidents."

There is concern that some Anchorage Municipal employees may manipulate overtime to increase their retirement benefits. Certainly the concern is widespread enough and of significant importance to cause both the House and Senate to pass the bill.

Representative Cowdery introduced House Bill No. 188 (see Appendix I) in March 1997. This bill, which also seeks to eliminate overtime compensation from P.E.R.S. retirement benefit calculations, is active and has not yet been voted upon. **The Commission recommends that the Anchorage Assembly support House Bill No. 188.**

Municipal-School District Services Consolidation

Last year in its report to the Assembly, the Commission wrote:

In the regular municipal election held on October 2, 1990, Proposition 10, titled 'Advisory Vote - Consolidation of Functions' asked the voters:

Shall the Municipality of Anchorage and the Anchorage School District proceed immediately to eliminate duplication of functions of the Anchorage School District noninherent to the K-12 classroom, subject to legal and contractual restrictions?

Seventy-seven percent of the voters voted "YES".

Over the past twenty-five years, no fewer than four studies have examined this question. While the outcomes of each study have varied widely, each study has recommended, or recommended further study of, consolidation of various dual functions existing both within the Municipal government and the School District.

Any body focused on conservation of funds in a time of declining revenues must consider consolidation of some services. Yet, the Commission is not aware of any progress being made in this arena.

The MOA/ASD Consolidation Task Force reported that "consolidation of MOA and ASD construction functions does not appear cost effective at this time". Subsequently, the ASD retained its Physical Plant Department separate and apart from MOA Property and Facilities Management.

The Municipal Budget Advisory Commission only delved into this issue because of the involvement of the Municipality. Still, it appears to the Commission that consolidation of some joint functions between the MOA and the ASD would make fiscal sense.

Unfortunately, the scenario that was played out this year regarding the School District's RFP for computer hardware and software underscores the determination of the School District to retain its autonomy. MISD is applauded for responding to the ASD RFP and thereby supporting the concept of consolidation. Unfortunately, ASD selected the only submitted software package that is incompatible with the Municipality's hardware.

Without complete cooperation from both the Municipality and School District, and a sincere desire on both sides at all levels to attempt consolidation, it may well be that no progress will be made in this area.

The Commission reaffirms its belief that any body focused on conservation of funds in a time of declining revenues must consider consolidation of some services.

1997 Voter Initiatives

On the April 15, 1997 Municipal ballot, two voter initiatives were passed by the Anchorage electorate.

Proposition One amended the Municipal Charter to require a 60% approval of any sales tax that might be put before the voters of the Municipality.

Proposition Three required that only sworn Anchorage Police Officers could issue parking citations. This eliminated the ability of the Anchorage Parking Authority to write tickets. Ticket revenue was being used to pay off parking garage bonds on both the Fourth Avenue and the Sixth Avenue parking garages.

The Commission had publicly opposed passage of both initiatives (see Appendix J) prior to the election. Articles written by the Commission appeared both in the Anchorage Daily News and The Voice of The Times.

It will be interesting to see what effect Proposition One will have on the ability of the Municipality to tap new sources of revenue as property taxes continue to climb.

Some of the negative financial effects of Proposition Three were offset when the Municipality received a \$12.2 million windfall as a result of the passage of SB29 by the State Legislature, the new Revenue Sharing for Safe Cities Program that replaced state revenue sharing (see Appendix K). \$4,820,000 of the sum was used to defease bonds on the Sixth Avenue parking garage. Other negative fiscal ramifications from passage of the proposition will linger (see Appendix J).

Measuring Program Effectiveness

In its 1996 and 1997 reports, the BAC commented on the benchmarks municipal departments use to describe program activity for the upcoming fiscal year. Each year the BAC recommended the focus be shifted to measuring the "outcomes," or results, of department services instead of the current emphasis on program activities.

To advance such efforts, this past year BAC representatives worked with several Assembly members on the Budget Reforming Committee. The committee's report included examples of quality-related information that other local governments include in their budget. This category of information achieves two goals:

1. *Enables decisions to be based on a program or service's cost-effectiveness.*

Outcome, or performance, measures provides decision-makers with the information by which they can better weigh a program's cost against its benefits; and

2. *Enables taxpayers to better evaluate the return on their tax dollar.*

By knowing how effectively services are being provided, taxpayers are better able to determine if they are getting an adequate "bang for their buck." Current budget information only tells taxpayers the number of "bangs" they are getting for their tax dollar.

Example: Milwaukee and Anchorage Fire Department Outcomes

To appreciate the quality of the information different measures tell, the Budget Reforming Committee highlighted information in the City of Milwaukee Fire Department's budget as a good example of qualitative information about a municipal service's performance:

Milwaukee Fire Department

Fire Department's Mission

To protect people and property within the city. The department responds to the needs of citizens by providing rapid, professional, and humanitarian services essential to the health, safety, and well-being of the city.

Performance Objective #1:

Reduce the three-year average number of fire deaths from 19.3 in 1990-1992 to fewer than 10 by 2000-2002.

Performance Objective #2:

To reduce personal injury and property loss by increasing the percentage of calls responded to within five minutes from 91% in 1993 to 95% in 1996.

The department's performance objectives directly relate to how well the department is achieving its mission. Each provides information on how well the fire department is protecting Milwaukee's people and property. They also provide taxpayers with a benchmark against which to measure the department's future progress.

Anchorage Fire Department

For comparison, the following performance information is presented in Anchorage's budget for the Fire Department's Fire and Rescue Operations:

Fire Department's Mission:

To minimize the loss of life and property within the Municipality of Anchorage by delivering high quality, cost effective and progressive fire suppression, rescue and emergency medical services to the public.

1997 Performance Objectives

- Responded to and arrived at all emergencies in Anchorage and Eagle River areas in 4.5 minutes or less.
- Responded to requests for emergency services in an average of 6.5 minutes in Girdwood and Chugiak areas.
- Provided automatic defibrillator services in Anchorage and Eagle River areas in an average of 4.5 minutes.
- Conducted pre-fire inspections.
- Responded to and conducted CO alarm inspections

1997 Work Measures

— Total responses to emergency services	17,634
— Fire cause/origin investigations	1,650
— Pre-fire plan inspections	46

While the Anchorage Fire Department's mission is to minimize the loss of life and property, none of the above objectives or work measures report how well it is achieving its mission. They do not tell us the number of lives or amount of property saved. These objectives and measures are about quantity of service, and not quality.

Once again, the **Budget Advisory Commission urges the Mayor and Assembly to turn to program results and outcomes as the basis for decisions that allocate public dollars.**

(Appendix L includes additional information about the measures for the Milwaukee and Anchorage Fire Departments.)

“User-Friendly” Budget

Budget Reformatting Committee

An issue raised by the Assembly at a work session was the usefulness of the information included in the Municipality’s budget documents.

To follow-up the discussion, the Assembly formed the Budget Reformatting Committee on which BAC members participated. The purpose was to identify kinds of budget information that would be helpful to both decision-makers, such as the Assembly, and citizens.

In addition to providing detailed financial information, it was agreed that a budget needs to:

- Clearly explain municipal revenues and expenditures; and
- Provide information about the organization, structure, positions, goals, objectives, and achievements of municipal departments and programs.

To identify potential models, the committee reviewed budget formats used by a number of cities use. A summary of the kinds of budget information that the committee believed could be informative and adapted to Anchorage’s budget are included in Appendix M.

APPENDIX A

INCREASED SPENDING IN THE 1998 OPERATING BUDGET

Appendix : 1998 General Government Operating Budget

	One Time Requirements	Salary/Ben Adj	Non PS Inflation	Reduction in Budgeted Costs	Full Year Addtl Costs	Misc Incs and Decs	Voter Approved Debt Savings	Voter Approved Debt Increases	New or Expanded Service	Unfunded Current Service Level	Total
Assembly	-55,000	-18,780	27,260	-40,080					58,770		-27,830
Equal Rights Commission		-22,010	1,380	-8,800							-29,430
Internal Audit		-11,490	550	-4,500							-15,440
Mayor		27,450	5,280	-10,490							22,240
Attorney	-40,700	-31,020	9,000		179,350					-34,090	82,540
Employee Relations	-90,000	-11,370	8,870	-36,850					150,000	-59,190	-38,540
Municipal Manager		-20,050	6,460	-8,540							-22,130
Finance		-4,060	24,840	-113,710					38,740	-95,380	-149,570
Management Info Systems	-430	73,460	-137,930			1,281,530	-112,420		286,890		1,391,100
Community Planning	-182,500	-59,300	6,060	-44,040					130,640		-149,140
Property/Facility Mgmt	-34,400	-111,190	158,040	-129,290	81,400	396,000			222,350		582,910
Purchasing		-5,090	3,230	-10,900							-12,760
Operations Manager		830	2,160	-6,560				28,900	5,000		30,330
Health/Human Services		-84,020	108,800				-37,690		99,260	-178,280	-91,930
Fire	-143,730	54,960	64,910	-131,030		9,720	-598,520	312,000	95,000		-336,690
Police	-1,282,370	11,180	-13,700	-246,880	587,030	50,190	-757,510	137,000	716,800		-798,260
Cultural and Rec Services	-57,500	79,880	106,680	-222,420				408,850	605,160		920,650
Public Transportation		-49,260	76,360	-58,050			-1,000				-31,950
Public Works	-380,000	-301,690	335,690	-387,810	11,390	-396,170		853,910	1,632,300		1,367,620
Non-departmental	-65,000		-220		431,330	262,120	-1,341,730	15,130	130,280		-568,090
Total	-2,331,630	-481,570	793,720	-1,459,950	1,290,500	1,603,390	-2,848,870	1,755,790	4,171,190	-366,940	2,125,630

APPENDIX B

1998 TAX LIMIT CALCULATION

**1998 General Government Operating Budget
APPENDIX L
TAX LIMIT CALCULATION**

1997 TAXES		
Real/Personal/MUSA		\$ 136,381,780
Payment in Lieu of Taxes (State/Federal)		504,780
Auto Taxes		5,847,130
Tobacco Tax		5,524,980
Aircraft Tax		206,000
1997 Total Taxes		<u>\$ 148,464,670</u>
Less Taxes to Pay Judgments		(167,830)
Less Taxes to Pay Debt Service		(24,315,130)
		<u>\$ 123,981,710</u>
 ADJUSTMENT FACTORS		
Population 5 Year Average	1.20%	
Change in Consumer Price Index	1.50%	
Total	<u>2.70%</u>	<u>3,347,510</u>
Base Taxes Allowed		<u>\$ 127,329,220</u>
 PLUS EXCLUSIONS		
Tax on New Construction (a)		2,984,280
Tax to Pay 1998 Debt Service		24,828,220 ^(b)
Voter-Approved New/Expanded Services		0
Voter-Approved Special Taxes		0
Judgments		0
		<u>0</u>
TAX LIMITATION		<u>\$ 155,141,720</u>
 LESS: PAYMENT IN LIEU OF TAXES (1998 Estimate)		 (504,780)
AUTOMOBILE TAXES (1998 Estimate)		(3,758,870)
TOBACCO TAX (1998 Estimate)		(4,979,000)
AIRCRAFT TAX (1998 Estimate)		(206,000)
 1998 MAXIMUM PROPERTY TAX ALLOWED		 <u>\$ 145,693,070</u>
PROPERTY TAXES IN 1998 PROPOSED BUDGET		<u>140,659,500</u>
AMOUNT UNDER/(OVER) TAX CAP		<u><u>\$ 5,033,570</u></u>

- (a) Assumes new construction of \$274,290,973 x 1997 average mill rate (10.88) = \$2,984,280
 (b) With SB 29 one-time revenues related reductions.

APPENDIX C

**ESTIMATED TAX BURDEN IN
U.S. CITIES RANKED
BY PROPERTY TAX AND BY
TOTAL TAXES PAID**

**ESTIMATED BURDEN OF MAJOR TAXES FOR A FAMILY OF FOUR. 1995
(RANKED BY PROPERTY TAX)**

\$50,000

RANK	CITY	ST	TAXES BY TYPE				TOTAL	
			INCOME	PROPERTY	SALES	AUTO	AMOUNT	PERCENT
1	Bridgeport,	CT	1,123	8,712	767	573	11,175	22.4%
2	Newark,	NJ	1,005	5,132	607	116	6,860	13.7%
3	Manchester,	NH	0	4,746	188	292	5,226	10.5%
4	Portland,	ME	1,644	3,530	785	293	6,252	12.5%
5	Providence,	RI	1,242	2,879	709	350	5,180	10.4%
6	Milwaukee,	WI	2,327	2,743	825	180	6,075	12.2%
7	Burlington,	VR	1,160	2,318	572	132	4,182	8.4%
8	Philadelphia,	PA	3,095	2,205	528	96	5,924	11.8%
9	Sioux Falls,	SD	0	2,165	1,043	494	3,702	7.4%
10	Boston,	MA	2,289	2,119	569	234	5,211	10.4%
11	Baltimore,	MD	2,639	2,007	624	176	5,446	10.9%
12	Omaha,	NE	1,424	1,936	1,111	345	4,816	9.6%
13	Phoenix,	AZ	1,012	1,882	894	260	4,048	8.1%
14	Fargo,	ND	669	1,869	745	177	3,460	6.9%
15	Los Angeles,	CA	1,015	1,751	928	248	3,942	7.9%
16	New York City,	NY	3,453	1,707	1,252	102	6,514	13.0%
17	Houston,	TX	0	1,688	889	181	2,758	5.5%
18	Seattle,	WA	0	1,649	1,049	280	2,978	6.0%
19	Billings,	MT	1,562	1,600	31	323	3,516	7.0%
20	Portland,	OR	2,800	1,584	0	177	4,561	9.1%
21	Jacksonville,	FL	0	1,494	828	87	2,409	4.8%
22	Albuquerque,	NM	1,261	1,481	835	146	3,723	7.4%
23	Chicago,	IL	1,308	1,447	1,070	192	4,017	8.0%
24	Des Moines,	IA	1,908	1,430	683	230	4,251	8.5%
25	Detroit,	MI	3,074	1,352	642	137	5,205	10.4%
26	Columbus,	OH	2,377	1,351	692	174	4,594	9.2%
27	ANCHORAGE,	AK	0	1,294	0	78	1,372	2.7%
28	Virginia Beach	VA	1,792	1,230	859	375	4,256	8.5%
29	Wilmington,	DE	2,437	1,213	0	158	3,808	7.6%
30	Memphis,	TN	0	1,185	1,147	197	2,529	5.1%
31	Atlanta,	GA	1,735	1,167	954	171	4,027	8.1%
32	Jackson,	Ms	1,223	1,148	866	417	3,654	7.3%
33	Las Vegas,	NV	0	1,143	811	347	2,301	4.6%
34	Little Rock,	AR	1,743	1,123	755	211	3,832	7.7%
35	Minneapolis,	MN	2,203	1,117	664	242	4,226	8.5%
36	Louisville,	KY	3,124	1,116	776	210	5,226	10.5%
37	Wichita,	KS	1,370	1,082	1,000	353	3,805	7.6%
38	Charlotte,	NC	1,959	1,081	1,127	228	4,395	8.8%
39	Honolulu,	HI	2,750	967	583	225	4,525	9.1%
40	Denver,	CO	1,673	938	955	161	3,727	7.5%
41	Indianapolis,	IN	2,229	927	559	355	4,070	8.1%
42	Columbia,	SC	1,902	916	845	329	3,992	8.0%
43	Charleston,	WV	1,697	899	892	259	3,747	7.5%
44	Washington,	DC	2,695	885	837	175	4,592	9.2%
45	Salt Lake City,	UT	2,208	884	937	233	4,262	8.5%
46	Kansas City,	MO	1,948	883	731	260	3,822	7.6%
47	Boise City,	ID	2,276	840	816	211	4,143	8.3%
48	Oklahoma City,	OK	1,921	813	1,060	244	4,038	8.1%
49	Cheyenne,	WY	0	717	887	173	1,777	3.6%
50	New Orleans,	LA	1,135	703	1,280	396	3,514	7.0%
51	Birmingham,	AL	2,248	327	1,112	212	3,899	7.8%
	AVERAGE	(1)	\$1,833	\$1,713	\$855	\$239	\$4,305	8.6%
	MEDIAN		\$1,697	\$1,351	\$825	\$225	\$4,048	8.1%

(1) Based on cities actually levying tax.

C-1

ESTIMATED BURDEN OF MAJOR TAXES FOR A FAMILY OF FOUR, 1995
(RANKED BY PROPERTY TAX)
\$75,000

RANK	CITY	ST	TAXES BY TYPE				TOTAL	
			INCOME	PROPERTY	SALES	AUTO	AMOUNT	PERCENT
1	Bridgeport,	CT	3,039	13,068	1,232	1,483	18,822	25.1%
2	Newark,	NJ	1,812	7,802	995	227	10,836	14.4%
3	Manchester,	NH	0	7,119	282	750	8,151	10.9%
4	Portland,	ME	3,400	5,295	1,177	665	10,537	14.0%
5	Providence,	RI	2,448	4,319	1,160	890	8,817	11.8%
6	Milwaukee,	WI	3,970	4,172	1,237	351	9,730	13.0%
7	Burlington,	VR	2,329	3,477	929	258	6,993	9.3%
8	Boston,	MA	4,003	3,380	854	580	8,817	11.8%
9	Philadelphia,	PA	4,522	3,307	890	187	8,906	11.9%
10	Sioux Falls,	SD	0	3,247	1,532	1,419	6,198	8.3%
11	Baltimore,	MD	4,274	3,010	932	342	8,558	11.4%
12	Omaha,	NE	2,847	2,904	1,625	863	8,239	11.0%
13	Phoenix,	AZ	1,760	2,823	1,440	689	6,712	8.9%
14	Fargo,	ND	1,368	2,804	1,195	307	5,674	7.6%
15	Los Angeles,	CA	2,633	2,663	1,508	636	7,440	9.9%
16	Houston,	TX	0	2,566	1,447	353	4,366	5.8%
17	New York City,	NY	6,499	2,561	1,991	192	11,243	15.0%
18	Jacksonville,	FL	0	2,516	1,324	169	4,009	5.3%
19	Seattle,	WA	0	2,474	1,573	699	4,746	6.3%
20	Billings,	MT	2,909	2,399	46	830	6,184	8.2%
21	Chicago,	IL	2,011	2,383	1,589	374	6,357	8.5%
22	Portland,	OR	4,782	2,377	0	343	7,502	10.0%
23	Albuquerque,	NM	2,631	2,261	1,252	270	6,414	8.6%
24	Des Moines,	IA	3,251	2,251	1,096	479	7,077	9.4%
25	Atlanta,	GA	2,953	2,125	1,516	487	7,081	9.4%
26	Minneapolis,	MN	3,955	2,040	1,088	712	7,795	10.4%
27	Detroit,	MI	4,872	2,028	1,048	286	8,234	11.0%
28	Columbus,	OH	4,050	2,026	1,119	340	7,535	10.0%
29	ANCHORAGE	AK	0	1,942	0	153	2,095	2.8%
30	Virginia Beach,	VA	3,018	1,845	1,288	1,016	7,167	9.6%
31	Jackson,	MS	2,297	1,842	1,343	1,179	6,661	8.9%
32	Wilmington,	DE	4,248	1,819	0	307	6,374	8.5%
33	Memphis,	TN	150	1,778	1,834	386	4,148	5.5%
34	Las Vegas,	NV	0	1,715	1,217	834	3,766	5.0%
35	Little Rock,	AR	3,189	1,684	1,210	501	6,584	8.8%
36	Louisville,	KY	4,876	1,674	1,248	544	8,342	11.1%
37	New Orleans,	LA	1,775	1,659	1,900	784	6,118	8.2%
38	Columbia,	SC	3,372	1,650	1,267	925	7,214	9.6%
39	Wichita,	KS	2,729	1,624	1,500	973	6,826	9.1%
40	Charlotte,	NC	3,397	1,621	1,733	537	7,288	9.7%
41	Boise City,	ID	4,061	1,611	1,224	411	7,307	9.7%
42	Honolulu,	HI	4,753	1,521	932	437	7,643	10.2%
43	Washington,	DC	4,723	1,471	1,340	342	7,876	10.5%
44	Denver,	CO	2,790	1,406	1,433	313	5,942	7.9%
45	Indianapolis,	IN	3,401	1,401	899	1,170	6,871	9.2%
46	Charleston,	WV	3,230	1,349	1,409	647	6,635	8.8%
47	Salt Lake City,	UT	3,629	1,326	1,491	584	7,030	9.4%
48	Kansas City,	MO	3,113	1,325	1,187	629	6,254	8.3%
49	Oklahoma City,	OK	3,382	1,270	1,590	647	6,889	9.2%
50	Cheyenne,	WY	0	1,075	1,415	409	2,899	3.9%
51	Birmingham,	AL	3,248	630	1,668	519	6,065	8.1%
	AVERAGE (1)		\$3,220	\$2,640	\$1,331	\$577	\$7,195	9.6%
	MEDIAN		\$3,039	\$2,040	\$1,248	\$519	\$7,030	9.4%

(1) Based on cities actually levying tax.

ESTIMATED BURDEN OF MAJOR TAXES FOR A FAMILY OF FOUR, 1995
(RANKED BY PROPERTY TAX)
\$100,000

RANK	CITY	ST	TAXES BY TYPE				TOTAL	
			INCOME	PROPERTY	SALES	AUTO	AMOUNT	PERCENT
1	Bridgeport,	CT	4,456	16,553	1,649	1,757	24,415	24.4%
2	Newark,	NJ	3,218	9,938	1,327	227	14,710	14.7%
3	Manchester,	NH	30	9,018	376	868	10,292	10.3%
4	Portland,	ME	5,204	6,707	1,570	827	14,308	14.3%
5	Providence,	RI	3,983	5,470	1,547	1,054	12,054	12.1%
6	Milwaukee,	WI	5,589	5,314	1,650	352	12,905	12.9%
7	Burlington,	VT	3,761	4,404	1,239	259	9,663	9.7%
8	Boston,	MA	5,350	4,389	1,139	667	11,545	11.5%
9	Philadelphia,	PA	6,018	4,189	1,187	188	11,582	11.6%
10	Sioux Falls,	SD	0	4,113	2,054	1,713	7,880	7.9%
11	Baltimore,	MD	5,924	3,813	1,243	344	11,324	11.3%
12	Omaha,	NE	4,377	3,678	2,180	1,007	11,242	11.2%
13	Phoenix,	AZ	2,638	3,576	1,919	827	8,960	9.0%
14	Fargo,	ND	2,200	3,552	1,593	328	7,673	7.7%
15	Los Angeles,	CA	4,685	3,393	2,013	751	10,842	10.8%
16	Jacksonville,	FL	0	3,334	1,773	180	5,287	5.3%
17	Houston,	TX	0	3,269	1,930	354	5,553	5.6%
18	New York City,	NY	9,152	3,244	2,655	194	15,245	15.2%
19	Seattle,	WA	0	3,134	2,098	814	6,046	6.0%
20	Chicago,	IL	2,723	3,131	2,125	375	8,354	8.4%
21	Billings,	MT	4,379	3,039	62	975	8,455	8.5%
22	Portland,	OR	6,777	3,011	0	344	10,132	10.1%
23	Des Moines,	IA	4,617	2,908	1,461	504	9,490	9.5%
24	Atlanta,	GA	4,189	2,891	2,021	601	9,702	9.7%
25	Albuquerque,	NM	4,222	2,886	1,669	271	9,048	9.0%
26	Minneapolis,	MN	5,721	2,779	1,450	834	10,784	10.8%
27	Detroit,	MI	6,662	2,569	1,397	287	10,915	10.9%
28	Columbus,	OH	6,034	2,567	1,492	341	10,434	10.4%
29	ANCHORAGE	AK	0	2,460	0	153	2,613	2.6%
30	New Orleans,	LA	2,385	2,424	2,541	1,112	8,462	8.5%
31	Jackson,	MS	3,395	2,397	1,790	1,454	9,036	9.0%
32	Virginia Beach,	VA	4,288	2,337	1,717	1,229	9,571	9.6%
33	Wilmington,	DE	6,178	2,304	0	308	8,790	8.8%
34	Boise City,	ID	5,866	2,283	1,632	412	10,193	10.2%
35	Memphis,	TN	300	2,252	2,445	387	5,384	5.4%
36	Columbia,	SC	4,863	2,237	1,690	1,139	9,929	9.9%
37	Las Vegas,	NV	0	2,172	1,622	938	4,732	4.7%
38	Little Rock,	AR	4,705	2,133	1,614	574	9,026	9.0%
39	Louisville,	KY	6,664	2,120	1,664	646	11,094	11.1%
40	Wichita,	KS	4,154	2,057	2,000	1,157	9,368	9.4%
41	Charlotte,	NC	4,848	2,054	2,311	609	9,822	9.8%
42	Honolulu,	HI	6,783	1,964	1,242	438	10,427	10.4%
43	Washington	DC	6,842	1,941	1,788	376	10,947	10.9%
44	Denver,	CO	3,911	1,782	1,911	314	7,918	7.9%
45	Indianapolis,	IN	4,587	1,781	1,203	1,296	8,867	8.9%
46	Charleston,	WV	4,855	1,708	1,878	755	9,196	9.2%
47	Salt Lake City,	UT	5,027	1,680	1,988	682	9,377	9.4%
48	Kansas City,	MO	4,416	1,678	1,583	756	8,433	8.4%
49	Oklahoma City,	OK	4,919	1,635	2,119	784	9,457	9.5%
50	Cheyenne,	WY	0	1,361	1,887	607	3,855	3.9%
51	Birmingham,	AL	4,445	872	2,225	600	8,142	8.1%
	AVERAGE		\$4,667	\$3,382	\$1,775	\$666	\$9,676	9.7%
	MEDIAN		\$4,445	\$2,779	\$1,664	\$607	\$9,490	9.5%

(1) Based on cities actually levying tax.

**ESTIMATED BURDEN OF MAJOR TAXES FOR A FAMILY OF FOUR. 1995
(RANKED BY TOTAL TAXES)
\$50,000**

RANK	CITY	ST	TAXES BY TYPE				TOTAL	
			INCOME	PROPERTY	SALES	AUTO	AMOUNT	PERCENT
1	Bridgeport,	CT	1,123	8,712	767	573	11,175	22.4%
2	Newark,	NJ	1,005	5,132	607	116	6,860	13.7%
3	New York City,	NY	3,453	1,707	1,252	102	6,514	13.0%
4	Portland,	ME	1,644	3,530	785	293	6,252	12.5%
5	Milwaukee,	WI	2,327	2,743	825	180	6,075	12.2%
6	Philadelphia,	PA	3,095	2,205	528	96	5,924	11.8%
7	Baltimore,	MD	2,639	2,007	624	176	5,446	10.9%
8	Louisville,	KY	3,124	1,116	776	210	5,226	10.5%
9	Manchester,	NH	0	4,746	188	292	5,226	10.5%
10	Boston,	MA	2,289	2,119	569	234	5,211	10.4%
11	Detroit,	MI	3,074	1,352	642	137	5,205	10.4%
12	Providence,	RI	1,242	2,879	709	350	5,180	10.4%
13	Omaha,	NE	1,424	1,936	1,111	345	4,816	9.6%
14	Columbus,	OH	2,377	1,351	692	174	4,594	9.2%
15	Washington,	DC	2,695	885	837	175	4,592	9.2%
16	Portland,	OR	2,800	1,584	0	177	4,561	9.1%
17	Honolulu,	HI	2,750	967	583	225	4,525	9.1%
18	Charlotte,	NC	1,959	1,081	1,127	228	4,395	8.8%
19	Salt Lake City,	UT	2,208	884	937	233	4,262	8.5%
20	Virginia Beach	VA	1,792	1,230	859	375	4,256	8.5%
21	Des Moines,	IA	1,908	1,430	683	230	4,251	8.5%
22	Minneapolis,	MN	2,203	1,117	664	242	4,226	8.5%
23	Burlington,	VR	1,160	2,318	572	132	4,182	8.4%
24	Boise City,	ID	2,276	840	816	211	4,143	8.3%
25	Indianapolis,	IN	2,229	927	559	355	4,070	8.1%
26	Phoenix,	AZ	1,012	1,882	894	260	4,048	8.1%
27	Oklahoma City,	OK	1,921	813	1,060	244	4,038	8.1%
28	Atlanta,	GA	1,735	1,167	954	171	4,027	8.1%
29	Chicago,	IL	1,308	1,447	1,070	192	4,017	8.0%
30	Columbia,	SC	1,902	916	845	329	3,992	8.0%
31	Los Angeles,	CA	1,015	1,751	928	248	3,942	7.9%
32	Birmingham,	AL	2,248	327	1,112	212	3,899	7.8%
33	Little Rock,	AR	1,743	1,123	755	211	3,832	7.7%
34	Kansas City,	MO	1,948	883	731	260	3,822	7.6%
35	Wilmington,	DE	2,437	1,213	0	158	3,808	7.6%
36	Wichita,	KS	1,370	1,082	1,000	353	3,805	7.6%
37	Charleston,	WV	1,697	899	892	259	3,747	7.5%
38	Denver,	CO	1,673	938	955	161	3,727	7.5%
39	Albuquerque,	NM	1,261	1,481	835	146	3,723	7.4%
40	Sioux Falls,	SD	0	2,165	1,043	494	3,702	7.4%
41	Jackson,	Ms	1,223	1,148	866	417	3,654	7.3%
42	Billings,	MT	1,562	1,600	31	323	3,516	7.0%
43	New Orleans,	LA	1,135	703	1,280	396	3,514	7.0%
44	Fargo,	ND	669	1,869	745	177	3,460	6.9%
45	Seattle,	WA	0	1,649	1,049	280	2,978	6.0%
46	Houston,	TX	0	1,688	889	181	2,758	5.5%
47	Memphis,	TN	0	1,185	1,147	197	2,529	5.1%
48	Jacksonville,	FL	0	1,494	828	87	2,409	4.8%
49	Las Vegas,	NV	0	1,143	811	347	2,301	4.6%
50	Cheyenne,	WY	0	717	887	173	1,777	3.6%
51	ANCHORAGE,	AK	0	1,294	0	78	1,372	2.7%
	AVERAGE	(1)	\$1,833	\$1,713	\$855	\$239	\$4,305	8.6%
	MEDIAN		\$1,697	\$1,351	\$825	\$225	\$4,048	8.1%

(1) Based on cities actually levying tax.

ESTIMATED BURDEN OF MAJOR TAXES FOR A FAMILY OF FOUR, 1995
(RANKED BY TOTAL TAXES)
\$75,000

RANK	CITY	ST	TAXES BY TYPE				TOTAL	
			INCOME	PROPERTY	SALES	AUTO	AMOUNT	PERCENT
1	Bridgeport,	CT	3,039	13,068	1,232	1,483	18,822	25.1%
2	New York City,	NY	6,499	2,561	1,991	192	11,243	15.0%
3	Newark,	NJ	1,812	7,802	995	227	10,836	14.4%
4	Portland,	ME	3,400	5,295	1,177	665	10,537	14.0%
5	Milwaukee,	WI	3,970	4,172	1,237	351	9,730	13.0%
6	Philadelphia,	PA	4,522	3,307	890	187	8,906	11.9%
7	Providence,	RI	2,448	4,319	1,160	890	8,817	11.8%
B.	Boston,	MA	4,003	3,380	854	580	8,817	11.8%
9	Baltimore,	MD	4,274	3,010	932	342	8,558	11.4%
10	Louisville,	KY	4,876	1,674	1,248	544	8,342	11.1%
11	Omaha,	NE	2,847	2,904	1,625	863	8,239	11.0%
12	Detroit,	MI	4,872	2,028	1,048	286	8,234	11.0%
13	Manchester,	NH	0	7,119	282	750	8,151	10.9%
14	Washington,	DC	4,723	1,471	1,340	342	7,876	10.5%
15	Minneapolis,	MN	3,955	2,040	1,088	712	7,795	10.4%
16	Honolulu,	HI	4,753	1,521	932	437	7,643	10.2%
17	Columbus,	OH	4,050	2,026	1,119	340	7,535	10.0%
18	Portland,	OR	4,782	2,377	0	343	7,502	10.0%
19	Los Angeles,	CA	2,633	2,663	1,508	636	7,440	9.9%
20	Boise City,	ID	4,061	1,611	1,224	411	7,307	9.7%
21	Charlotte,	NC	3,397	1,621	1,733	537	7,288	9.7%
22	Columbia,	SC	3,372	1,650	1,267	925	7,214	9.6%
23	Virginia Beach,	VA	3,018	1,845	1,288	1,016	7,167	9.6%
24	Atlanta,	GA	2,953	2,125	1,516	487	7,081	9.4%
25	Des Moines,	IA	3,251	2,251	1,096	479	7,077	9.4%
26	Salt Lake City,	UT	3,629	1,326	1,491	584	7,030	9.4%
27	Burlington,	VT	2,329	3,477	929	258	6,993	9.3%
28	Oklahoma City,	OK	3,382	1,270	1,590	647	6,889	9.2%
29	Indianapolis,	IN	3,401	1,401	899	1,170	6,871	9.2%
30	Wichita,	KS	2,729	1,624	1,500	973	6,826	9.1%
31	Phoenix,	AZ	1,760	2,823	1,440	689	6,712	8.9%
32	Jackson,	MS	2,297	1,842	1,343	1,179	6,661	8.9%
33	Charleston,	WV	3,230	1,349	1,409	647	6,635	8.8%
34	Little Rock,	AR	3,189	1,684	1,210	501	6,584	8.8%
35	Albuquerque,	NM	2,631	2,261	1,252	270	6,414	8.6%
36	Wilmington,	DE	4,248	1,819	0	307	6,374	8.5%
37	Chicago,	IL	2,011	2,383	1,589	374	6,357	8.5%
38	Kansas City,	MO	3,113	1,325	1,187	629	6,254	8.3%
39	Sioux Falls,	SD	0	3,247	1,532	1,419	6,198	8.3%
40	Billings,	MT	2,909	2,399	46	830	6,184	8.2%
41	New Orleans,	LA	1,775	1,659	1,900	784	6,118	8.2%
42	Birmingham,	AL	3,248	630	1,668	519	6,065	8.1%
43	Denver,	CO	2,790	1,406	1,433	313	5,942	7.9%
44	Fargo,	ND	1,368	2,804	1,195	307	5,674	7.6%
45	Seattle,	WA	0	2,474	1,573	699	4,746	6.3%
46	Houston,	TX	0	2,566	1,447	353	4,366	5.8%
47	Memphis,	TN	150	1,778	1,834	386	4,148	5.5%
48	Jacksonville,	FL	0	2,516	1,324	169	4,009	5.3%
49	Las Vegas,	NV	0	1,715	1,217	834	3,766	5.0%
50	Cheyenne,	WY	0	1,075	1,415	409	2,899	3.9%
51	ANCHORAGE	AK	0	1,942	0	153	2,095	2.8%
	AVERAGE (1)		\$3,220	\$2,640	\$1,331	\$577	\$7,195	9.6%
	MEDIAN		\$3,039	\$2,040	\$1,248	\$519	\$7,030	9.4%

(1) Based on cities actually levying tax.

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ESTIMATED BURDEN OF MAJOR TAXES FOR A FAMILY OF FOUR, 1995
(RANKED BY TOTAL TAXES)
\$100,000

RANK	CITY	ST	TAXES BY TYPE				TOTAL	
			INCOME	PROPERTY	SALES	AUTO	AMOUNT	PERCENT
1	Bridgeport,	CT	4,456	16,553	1,649	1,757	24,415	24.4%
2	New York City,	NY	9,152	3,244	2,655	194	15,245	15.2%
3	Newark,	NJ	3,218	9,938	1,327	227	14,710	14.7%
4	Portland,	ME	5,204	6,707	1,570	827	14,308	14.3%
5	Milwaukee,	WI	5,589	5,314	1,650	352	12,905	12.9%
6	Providence,	RI	3,983	5,470	1,547	1,054	12,054	12.1%
7	Philadelphia,	PA	6,018	4,189	1,187	188	11,582	11.6%
8	Boston,	MA	5,350	4,389	1,139	667	11,545	11.5%
9	Baltimore,	MD	5,924	3,813	1,243	344	11,324	11.3%
10	Omaha,	NE	4,377	3,678	2,180	1,007	11,242	11.2%
11	Louisville,	KY	6,664	2,120	1,664	646	11,094	11.1%
12	Washington,	DC	6,842	1,941	1,788	376	10,947	10.9%
13	Detroit,	MI	6,662	2,569	1,397	287	10,915	10.9%
14	Los Angeles,	CA	4,685	3,393	2,013	751	10,842	10.8%
15	Minneapolis,	MN	5,721	2,779	1,450	834	10,784	10.8%
16	Columbus,	OH	6,034	2,567	1,492	-341	10,434	10.4%
17	Honolulu,	HI	6,783	1,964	1,242	438	10,427	10.4%
18	Manchester,	NH	30	9,018	376	868	10,292	10.3%
19	Boise City,	ID	5,866	2,283	1,632	412	10,193	10.2%
20	Portland,	OR	6,777	3,011	0	344	10,132	10.1%
21	Columbia,	SC	4,863	2,237	1,690	1,139	9,929	9.9%
22	Charlotte,	NC	4,848	2,054	2,311	609	9,822	9.8%
23	Atlanta,	GA	4,189	2,891	2,021	601	9,702	9.7%
24	Burlington,	VT	3,761	4,404	1,239	259	9,663	9.7%
25	Virginia Beach,	VA	4,288	2,337	1,717	1,229	9,571	9.6%
26	Des Moines,	IA	4,617	2,908	1,461	504	9,490	9.5%
27	Oklahoma City,	OK	4,919	1,635	2,119	784	9,457	9.5%
28	Salt Lake City,	UT	5,027	1,680	1,988	682	9,377	9.4%
29	Wichita,	KS	4,154	2,057	2,000	1,157	9,368	9.4%
30	Charleston,	WV	4,855	1,708	1,878	755	9,196	9.2%
31	Albuquerque,	NM	4,222	2,886	1,669	271	9,048	9.0%
32	Jackson,	MS	3,395	2,397	1,790	1,454	9,036	9.0%
33	Little Rock,	AR	4,705	2,133	1,614	574	9,026	9.0%
34	Phoenix,	AZ	2,638	3,576	1,919	827	8,960	9.0%
35	Indianapolis,	IN	4,587	1,781	1,203	1,296	8,867	8.9%
36	Wilmington,	DE	6,178	2,304	0	308	8,790	8.8%
37	New Orleans,	LA	2,385	2,424	2,541	1,112	8,462	8.5%
38	Billings,	MT	4,379	3,039	62	975	8,455	8.5%
39	Kansas City,	MO	4,416	1,678	1,583	756	8,433	8.4%
40	Chicago,	IL	2,723	3,131	2,125	375	8,354	8.4%
41	Birmingham,	AL	4,445	872	2,225	600	8,142	8.1%
42	Denver,	CO	3,911	1,782	1,911	314	7,918	7.9%
43	Sioux Falls,	SD	0	4,113	2,054	1,713	7,880	7.9%
44	Fargo,	ND	2,200	3,552	1,593	328	7,673	7.7%
45	Seattle,	WA	0	3,134	2,098	814	6,046	6.0%
46	Houston,	TX	0	3,269	1,930	354	5,553	5.6%
47	Memphis,	TN	300	2,252	2,445	387	5,384	5.4%
48	Jacksonville,	FL	0	3,334	1,773	180	5,287	5.3%
49	Las Vegas,	NV	0	2,172	1,622	938	4,732	4.7%
50	Cheyenne,	WY	0	1,361	1,887	607	3,855	3.9%
51	Anchorage,	AK	0	2,460	0	153	2,613	2.6%
	AVERAGE (1)		\$4,667	\$3,382	\$1,775	\$666	\$9,676	9.7%
	MEDIAN		\$4,445	\$2,779	\$1,664	\$607	\$9,490	9.5%

(1) Based on cities actually levying tax.

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APPENDIX D

ANCHORAGE MUNICIPAL REVENUE HISTORY, 1987-1996

REVENUE HISTORY											
Acct	Description	1996 Actual	1995 Actual	1994 Actual	1993 Actual	1992 Actual	1991 Actual	1990 Actual	1989 Actual	1988 Actual	1987 Actual
9001	Real Property Taxes	181,072,034	169,055,370	159,651,404	140,691,190	146,508,807	130,459,015	127,440,270	124,427,806	123,551,029	127,057,404
9002	Personal Property Taxes	26,745,755	25,059,824	25,818,198	22,362,131	24,087,371	23,448,107	25,944,750	21,631,836	20,095,534	17,992,168
9003	P&I on Delinquent Taxes	1,578,643	1,554,242	1,543,751	1,776,634	1,537,345	2,117,780	2,639,308	3,403,496	3,330,296	3,405,583
9004	Tax Cost Recoveries	69,610	76,633	82,476	42,337	48,669	73,946	63,485	68,613	8,528	69,869
9005	Muni Util Svc Assessment	8,969,495	8,612,578	7,986,823	7,236,498	7,774,558	7,875,844	8,007,163	7,794,575	10,525,659	8,169,781
9006	Auto Tax (Prev Acct #9356)	4,175,289	4,160,864	4,176,519	3,534,000	3,510,462	3,533,995	3,396,689	3,007,088	3,088,549	3,060,227
9007	Delinquent Taxes				0	0	0	0	0	0	0
9008	Collection Svc Fees				0	0	0	0	0	0	0
9009	1.25% MUSA	1,439,387	1,423,882	1,369,296	1,272,531	1,191,603	1,221,231	1,167,346	1,219,562	0	0
9011	Tobacco Tax	5,524,983	3,669,760	3,390,176	2,736,500	2,790,597	2,414,708	1,295,291	0	0	0
9012	P&I Tobacco Tax	25,826	34,727	31,626	5,326	6,631	32,061				
9013	Aircraft Tax	205,995	166,019								
9021	Franchises		700,000	742,428	750,765	828,716	779,625	746,449	656,766	605,344	660,370
9022	Pymt in Lieu of Taxes	203,440	192,435	198,331	173,367	1,597,957	1,464,841	90,483	91,600	85,213	77,082
9023	Hotel/Motel Taxes	8,428,788	8,302,464	8,187,323	6,354,260	6,253,585	5,817,384	5,149,511	4,517,087	3,910,143	3,477,589
9024	P&I on Hotel/Motel Taxes	24,140	23,974	20,604	28,776	17,893	21,018	93,125	7,489	13,851	13,694
9111	Pibg Mech Sheet Metal Lic	41,035	43,729	39,620	44,365	46,780	41,788	49,835	47,515	31,360	48,650
9112	Taxi Cab Permits	181,175		144,860	155,825	158,200	159,500	150,525	164,325	167,035	171,660
9113	Pibg Mech Sheet Metal Exams	2,635	2,890	2,518	2,755	1,736	2,335	1,970	1,560	1,840	3,124
9114	Chauffeur Licenses	35,210		3,885	4,950	5,810	7,510	8,375	8,435	10,885	8,610
9115	Taxi Cab Permit Revision	4,615	9,838	5,210	6,530	6,094	6,625	11,410	8,375	11,585	8,400
9116	Local Business Licenses	185,900	117,942	110,344	105,275	56,053	57,501	50,740	49,250	53,657	53,310
9117	Chauffeur License Renewal	495	5,725	16,996	20,310	21,825	21,595	21,920	21,775	19,370	20,680
9118	Bicycle Licenses				0	0	0	0	6	51	39
9131	Plan Checking Fees	1,081,405	1,012,658	894,910	1,300,388	821,701	735,055	572,460	362,461	270,956	258,231
9132	Building Permits	1,421,457	1,356,296	1,149,796	1,679,753	1,146,579	1,049,664	771,168	486,027	380,360	351,562
9133	Electrical Permit Fees	375,120	391,563	383,931	395,404	288,350	262,945	252,770	195,094	166,407	199,623
9134	Gas & Plumbing Permits	452,980	449,514	417,285	450,324	358,101	367,486	324,560	217,925	195,342	232,871
9135	Sign Permits	19,511	16,918	19,988	14,307	10,266	8,705	12,413	10,800	19,630	25,439
9136	Constr & ROW Permits	291,210	246,363	299,948	326,951	173,092	138,611	136,028	109,016	93,402	86,005
9137	Elevator Inspection Fees	104,800	103,960	100,441	99,634	92,034	85,148	81,563	85,938	82,900	100,486
9138	Mobile Home Park Licenses	17,295	18,223	20,800	25,894	21,006	19,623	21,838	10,745	12,224	32,481
9139	Land Use Permits	93,849	83,763	88,310	100,156	63,068	56,476	33,146	21,077	23,174	29,911
9141	Amusement Surcharge	108,618	204,673	211,416	0	0	0	65,415	93,056	88,126	84,548
9142	Landscape Plan Review	22,032	19,559	15,997	18,351	10,135	7,704	7,177	5,857	4,523	10,242
9143	Parking & Access Agr Fee	1,765	570	450	180	656	550	1,647	591	416	0
9144	Hazardous Waste Fees				116,093	124,982	56,150	55,800	38,797	7,950	0
9145	ACPA Ticket Surcharge				0	0	0	159,272	102,879	0	0
9151	Emission Certificate	1,413,637	1,500,884	1,494,160							
9191	Animal Licenses	210,728	115,044	147,645	148,973	105,442	102,387	62,530	69,466	56,051	64,135
9199	Miscellaneous Permits	52,657	36,060	29,746	36,618	37,661	65,743	32,416	24,076	19,709	31,437
9211	Court Fines & Forfeitures	376,374	398,210	396,172	1,878,356	1,721,546	1,699,382	1,396,839	1,403,735	1,633,056	1,526,426
9212	Failure to Appear Warrant	330,387	332,010	429,014	0	0	0	0	62	0	0
9213	Library Book Fines	190,004	248,150	217,752	203,034	174,600	157,726	140,816	126,284	116,109	92,730
9214	APD Counter Fines	744,131	557,744	569,455							
9215	Other Fines & Forfeitures	723,226	721,870	481,577	49,170	22,257	41,805	40,796	24,030	23,401	49,587
9216	Pre-Trial Diversion Cost	51,678	48,743	61,816	60,824	40,907	21,150	17,450	14,915	22,260	25,616
9217	Susp Impos Sentence Cost			1,000	150	0	0	0	0	0	0
9218	Zoning Enforcement Fines	7,631	863	50							
9219	I&M Enforcement Fines	7,414	961								
9221	Administrative Fines, Civ	64,882									

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REVENUE HISTORY												
	Acct	Description	1996 Actual	1995 Actual	1994 Actual	1993 Actual	1992 Actual	1991 Actual	1990 Actual	1989 Actual	1988 Actual	1987 Actual
	9222	Photo Radar	450,566									
	9237	Nat'l Endowment Humanities				0	0	0	0	0	0	0
	9311	Federal Revenue Sharing				0	0	0	0	0	0	0
Fed	9312	Federal In Lieu of Tax	301,342	267,992	283,519	280,199	339,710	339,479	337,525	358,154	351,073	366,151
Fed	9324	Mass Transit	353,514	674,752	762,198	760,197	761,428	700,000	726,907	746,000	712,000	623,089
	9326	Fed Hwy Admin Grts				0	0	0	0	0	0	0
	9327	UMTA Tech Studes				0	0	0	0	0	0	0
Fed	9331	Other Federal Grt Revenue	54,256	64,011	49,452	42,421	55,573	94,152	72,922	55,325	50,396	50,812
State	9342	Municipal Assistance	13,960,226	14,885,464	17,429,999	18,811,477	20,317,380	21,121,316	23,486,049	25,162,328	25,205,617	29,509,362
State	9344	Raw Fish Shared Revenue	134,516	151,160	85,441	234,615	93,280	150,584	211,574	360,017	160,682	99,201
State	9346	Health Facilities	637,384	698,282	754,738	869,564	934,707	1,029,680	1,026,994	1,044,005	2,158,889	1,301,916
State	9347	Liquor Licenses	369,325	365,500	544,425	360,600	361,050	358,525	142,550	432,800	433,636	418,626
State	9348	Amusement Shared Revenue	12,492	22,965	23,042	23,275	25,996	20,205	36,824	41,232	21,883	29,802
State	9349	Road Maintenance	611,450	670,087	705,569	824,854	895,693	978,797	988,238	1,022,519	1,173,390	1,197,560
	9352	Public Transit Ops				0	0	0	0	0	0	0
State	9355	Electric Co-op Allocation	808,343	763,974	741,193	729,236	695,801	692,339	680,298	664,404	638,705	678,338
	9356	Senior Citizens Tax Credits		1,187,620	757,037	1,470,937	0	0	0	0	0	0
Fed	9357	National Forest Allocation	3,344	2,077	2,866	9,519	0	2,836	2,634	7,796	0	2,450
State	9362	State Shared Revenue	5,212,113	5,829,749	6,276,537	8,189,402	9,335,309	10,414,379	10,322,963	10,566,223	16,109,109	10,691,344
State	9363	SOA Traffic Signal Reimb	1,271,600	1,271,600	1,251,600	1,311,600	1,311,600	1,311,600	1,311,600	1,218,800	0	0
State	9364	State Ash Fallout Reimb.		6,000		174,000	0	0	0	0	0	0
	9365	Miller Reach Fire Reimb--Equip	257,737									
	9366	Miller Reach Fire Reimb -- Sal	196,821									
	9371	Comm Health Svcs				0	0	0	0	0	0	0
Fed	9376	Civil Defense	42,000	10,000	30,500	20,000	25,000	20,000	35,000	20,000	0	14,415
	9395	Other Agencies				0	0	0	0	0	0	0
	9396	Transportation of Elderly				0	0	0	0	0	0	0
	9411	Platting Fees	171,155	165,242	161,668	176,887	146,968	146,322	78,496	75,433	51,184	71,900
	9412	Zoning Fees	81,255	84,063	74,579	60,993	56,961	60,495	43,795	30,581	27,115	40,601
	9413	Sale of Publications	47,294	48,255	37,030	35,972	43,154	41,701	45,136	40,988	17,462	22,431
	9414	Research Contracts				0	0	5				
	9415	Misc Map Sales	9,712	8,014	6,318	10,058	8,871	9,025	5,861	5,575	11,216	9,248
	9416	Re-zoning Fees	950	832	575	675	857	1,682	1,316	925	1,163	1,958
	9417	Conditional Use Inspections				0	0	0	0	0	0	0
	9418	Emission Certificate				1,551,021	1,446,515	1,345,885	1,226,234	1,135,190	1,162,267	1,217,013
	9419	Emission Insp Test Fee	15,600	10,000	8,660	10,200	11,160	14,700	17,630	13,050	15,410	23,505
	9421	Junk Removal Fees				0	0	0	0	0	0	0
	9422	Home Health				0	0	0	0	0	0	0
	9423	Family Planning Fees	119,787	128,931	133,272	108,458	111,430	93,991	88,392	80,684	83,762	75,613
	9424	Community Health Fees	1,398	51,382	169	120	3,234	0	0	0	0	0
	9425	Dispensary Fees	133,999	100,789	88,103	96,072	84,987	73,302	76,446	46,911	46,188	56,270
	9426	Sanitary Inspection Fees	858,939	814,701	901,723	817,909	728,291	612,040	601,941	585,075	587,383	547,323
	9427	Clinic Fees	38,427	50,357	54,072							
	9428	Cook Inlet Air Pollution	11,945	11,566	14,170	17,155	17,765	16,301	13,065	10,920	1,200	0
	9431	Public Transit Fees	79,956	134,029	139,676	127,770	121,578	97,413	79,924	92,748	92,018	74,707
	9432	Reimb Workorders				0	0	0	0	0	200	0
	9433	State Maint. Agreement		103,896	75,131	0	0	0	0	0	0	0
	9433	Transit Advertising Fees (new)	170,846									
	9434	Ak St Hwy RR Xing Contract				0	0	0	0	0	820	0
	9436	Transit Charter Fees	19,796	24,413	10,402	0	4,509	0	4,389	1,061	44,634	38,965
	9437	Transit Token Sales	100,452	92,787	100,966	105,654	135,870	154,012	137,942	134,420	121,020	165,836
	9438	Transit Bus Pass Sales	604,758	531,933	530,478	538,942	499,625	405,972	347,180	279,322	266,691	273,688

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REVENUE HISTORY											
Acct	Description	1996 Actual	1995 Actual	1994 Actual	1993 Actual	1992 Actual	1991 Actual	1990 Actual	1989 Actual	1988 Actual	1987 Actual
9439	Transit Fare Box Receipts	1,020,963	1,002,128	974,255	1,030,411	956,211	786,768	775,653	674,558	640,868	644,028
9441	Recreational Activities	428,913	505,307	368,121	485,067	439,445	410,314	351,808	309,090	269,978	277,133
9442	Landscaping Fees		273,120	253,637	0	0	0	0	0	0	32
9442	Sport & Park Activities (new)	347,772									
9443	Swim Fees	788,599	904,777	1,157,032	1,098,329	965,353	889,492	862,933	668,975	735,070	672,556
9444	Camping Fees	115,570	114,205	126,246							
9445	Cemetery Fees				111,648	104,276	82,809	68,882	56,312	56,138	49,079
9446	Ski Fees				15,077	14,336	11,931	15,275	8,811	5,701	7,110
9447	Golf Fees				118,272	119,776	115,246	43,099	47,467	47,093	52,832
9448	Camper Park Fees				133,697	102,273	85,935	91,878	73,714	76,679	74,622
9448	Library Fees (Acct# eff 94)	236	530	3,867							
9449	Museum Admission Fees	436,700	446,875	442,897	0	0	0	0	0	0	8
9451	Ambulance Service Fees	2,061,761	2,183,261	1,903,707	1,664,260	1,357,261	1,299,908	1,130,810	834,296	830,119	1,085,948
9452	Fire & Rescue Oper Fees		1,060		29,316	15,981	23,027	21,423	25,476	5,056	16,862
9453	Fire Alarm Fees	42,153	74,539	75,566	45,257	12,000	12,000	13,200	13,200	13,500	13,200
9454	State Fire Trng Center				0	0	0	0	0	0	0
9455	Special Recreation Fees	112,313	113,174	120,797	(250)	0	0	0	0	0	0
9456	Admission Fees				417,105	422,598	359,922	284,694	172,640	116,906	0
9457	Typewriter Use Fees				3,526	5,237	4,643	5,111	2,448	0	0
9461	St of Ak Hwy Maint				0	0	0	0	0	33,900	0
9462	Subdivision Inspec Fees		127,167	113,905	204,313	119,918	88,197	49,177	71,820	9,854	107,355
9462	Cemetery Fees (new)	178,945									
9463	Mapping Fees	38,009	32,443	34,154	35,915	40,346	30,433	22,340	21,107	49,328	19,413
9464	Demolition Services	1,767	8,672	915	1,875	9,000	3,033	7,972	8,567	0	0
9466	Training/Seminar Fees	50		400	0	11,456	8,640	0	755	288	380
9467	Address Fees				11,139	7,491	7,596	5,412	7,484	5,354	1,343
9468	Computer Time Fees				0	368	22,935	36,096	37,155	736	0
9471	Building Rentals				57,349	37,834	39,413	39,486	33,381	27,977	11,925
9473	Tickets/Novelty				0	0	0	0	0	2	0
9474	Equipment Rentals				0	0	0	0	0	0	0
9475	Other Revenues				4,440	4,440	5,917	0	4,440	0	0
9476	Scoreboard Revenue				0	0	0	0	0	26,526	112,013
9478	Parking Authority Income		395,246	412,400	573,509	904,612	1,197,889	678,270	881,385	763,478	0
State	9481 State of Alaska 911	989,429	815,102	852,278	52,457	55,817	35,563	47,355	31,527	33,017	33,563
	9482 DWI Impound/Admin Fees	206,588	134,140	48,372							
	9483 Police Services	160	6,651		0	0	3,765	14,043	0	2,275	578
	9484 Animal Center Fees	281,143	281,703	280,937	249,590	207,484	204,058	219,701	187,424	193,610	227,410
	9485 Defensive Driving Fees				0	43,078	51,195	36,610	21,860	0	0
	9486 Animal Drop-off Fees	6,052	8,143	7,499	9,023	11,501	13,873	18,739	12,384	0	0
	9487 Incarceration Fees	171,763	99,364								
	9491 Address Fees	9,872	9,598	8,257	390	0	0	0	0	0	0
	9492 School Dist Service Fees	291,802	468,499	509,629	438,346	482,463	461,483	392,365	390,545	355,510	284,735
	9493 Micro-Fische Fees	2,545	3,490	4,968	7,931	10,265	10,215	17,406	15,323	18,423	20,966
	9494 Clinic Fees		84,921	88,512	38,442	54,983	36,405	34,513	28,545	27,259	32,917
	9494 Copier Fees (new)	80,417									
	9495 Parking Auth Svc Fees	3,439	5,032	4,395	3,783	41,074	113,712	325,627	122,674	86,379	98,682
	9496 Typewriter Use Fees			262							
	9496 Parking Auth Income (new)	371,389									
	9497 Computer Time Fees	1,784	3,228	907							
	9498 Unbilled Rev			75	0	18	0	0	0	0	0
	9499 Reimbursed Costs	1,103,334	834,493	970,004	615,881	932,852	571,132	637,144	728,421	1,829,651	2,020,866
	9512 Residential Collection				0	0	0	0	0	0	0

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REVENUE HISTORY											
Acct	Description	1996 Actual	1995 Actual	1994 Actual	1993 Actual	1992 Actual	1991 Actual	1990 Actual	1989 Actual	1988 Actual	1987 Actual
9532	Misc Non-operative Income			(800)	0	3,127	5,334	8,152	5,516	2,846	27,379
9533	Gain/Loss Sale of Prop.				0	0	0	0	309,954	565,046	0
9562	Other Revenue				0	412	116				
9565	Late Charges				0	4,275					
9595	Registration Fees				0	0	0				
9601	Contrib From other Funds	40,927	2,539,286	3,158,685	1,144,858	618,432	324,948	448,002	1,075,993	4,463,839	1,503,774
9602	Utility Revenue Distrib	8,100,000	5,500,000	4,000,000	3,000,000	2,500,000	2,500,000	4,000,000	2,200,000	5,000,000	7,000,000
9603	Utility Revenue Dist -- Other	801,000									
9608	Unrestricted Contributions		10,000		500	80	0	0	0	4,661	0
9609	Restricted Contributions				22	655	0	0	0	0	0
9612	Loan From Other Funds				0	19,564	0	1,610,900	0	450,000	0
9613	Loan Recovery	18,860	5,173	4,088	3,772	8,626	7,319	8,376	16,254	5,973	12,523
9614	Contrib / Interest GO Bonds				0	0	0	1,547,937	1,544,040	0	0
9615	Contr of Int from Bonds	1,251,497	1,869,940	1,253,412	810,017	959,956	1,183,343				
9624	Contrib Fr State Grants				0	0	0	0	0	0	0
9625	Cobra Insurance				0	0	457				
9633	Weekly Disab. Contribution				0	0	0	0	0	0	10
9672	Prior Yr Expense Recovery	214,214	228,013	171,629	122,423	192,586	303,927	27,243	10,217	595	8,851
9673	Insurance Recoveries				17,000	0	308,390	0	0	0	0
9695	APDEA GG Employer Contrib				0	0	0	0	0	0	0
9711	Assessment Collections	646,412	402,631	506,613	705,697	936,202	805,443	835,584	762,601	954,959	1,120,806
9712	P&I on Assessments	272,470	287,498	368,877	432,675	493,005	545,638	664,304	731,235	717,868	686,842
9721	Bond Sale Proceeds				0	0	0	0	0	0	0
9723	Loan Proceeds			225,155	2,191,294	0	125,405				
9724	Proceeds-Refunding Bonds		23,447,127	13,275,000	0	750,151	0	0	0	0	34,401,336
9731	Lease & Rental Revenue	396,866	360,133	436,993	429,484	540,209	460,128	385,855	2,326,338	814,841	742,930
9732	Lease State Land Conveyance	29,380	33,014	32,040	32,040	34,700	29,968	49,994	43,649	49,583	53,233
9733	Building Rental	64,088	76,800	64,675							
9735	Amusement Surcharge	110,541	69,467	56,658	74,519	90,773	87,834				
9736	Arena Loan Surcharge	252,643	245,240	188,159	207,013	212,510	185,062	39,573	0	0	0
9737	ACPA Loan Surcharge	122,864	155,426	167,699	130,773	161,040	150,539				
9741	State Land Sales	348,721	310,907	600,884	836,389	283,880	240,882	371,081	234,461	759,515	450,549
9742	Other Property Sales	336,656	1,002,878	915,274	159,504	461,155	145,635	146,448	133,798	64,943	168,574
9743	Gain/Loss Sale Property			300,000	0	0	0	0	257,800	100	0
9744	Land Sales	601,816	563,697		492,450	120,000	0	12,250	11,800	1,141	1,377,636
9745	Gain Sale of Investments				0	0	0	0	0	0	208,399
9752	Parking Garages & Lots	59,066	58,526	56,964	57,116	76,078	74,681	80,580	78,701	67,334	62,218
9755	Arena Contract Revenue				0	0	0	40,332	0	0	0
9761	Short Term Int/Cash Pools	5,481,776	5,556,512	3,046,336	2,187,487	3,436,376	4,627,210	4,304,474	4,413,981	5,115,859	4,688,431
9762	Other Short Term Interest	1,084,475	1,163,771	813,162	584,499	686,160	1,034,075	344,163	1,022,181	800,670	704,208
9763	State Land Sale Interest	117,470	87,594	323,994	224,513	536,489	272,700	342,588	336,671	188,843	498,693
9764	Int Charge to Constr				0	0	0	0	0	0	0
9765	Other Interest Income	587,337	368,715		0	6,987	0	0	0	0	4,300,000
9767	Unrealized Gains & Losses		(18,488)								
9771	Lease Fees				0	0	0	0	0	0	230
9781	Loussac Foundation				0	0	0	0	0	20	0
9782	Lost Book Sales	39,420	10,687	12,284	13,987	14,380	11,998	11,758	9,467	8,119	7,306
9783	Library Fees				2,199	1,321	1,710	2,269	739	2,018	8,681
9784	Beverage Revenue				0	12	0	0	0	0	0
9785	Sale of Books	37,902	49,050	43,586	58,186	33,263	18,279	25,485	6,464	4,621	0
9789	Claims & Judgements				80,076	122,221	112,010	540	1,379,566	0	0
9791	Cash Over/Short	(133)	(1,321)	(2,472)	1,163	136	(1,914)	(445)	(222)	(318)	(2,503)

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REVENUE HISTORY											
Acct	Description	1996 Actual	1995 Actual	1994 Actual	1993 Actual	1992 Actual	1991 Actual	1990 Actual	1989 Actual	1988 Actual	1987 Actual
9792	Sale of Blue Books			68	0	0	0	0	0	46	12
9793	Liquor License		300	650	1,444	1,660	950	950	1,675	1,500	1,362
9794	Appeal Receipts	4,195	969	5,577	5,033	2,936	5,469	1,640	3,458	5,049	20,360
9795	Sale Contractor Specs	31,368	8,477	10,965	8,687	9,754	128,905	8,093	13,607	11,637	15,518
9796	Advertising Fees Transit		7,500	7,990	58,515	47,781	49,956	20,456	21,295	29,560	54,638
9797	Copier Fees		175	271	6,078	92,597	77,825	64,616	51,778	54,781	62,687
9797	Sale of Title 9 Traf Code (new)	120									
9798	Misc Revenues	186,857	144,412	139,726	238,427	129,394	43,507	72,249	30,903	119,986	80,607
9799	Amort-Contributed Plant	50,998		179,038	0	0	0	332,666	0	22	0
9799	Fund-Balance Appropriated		76,805		0	140	185,562	0	0	0	936,031
9822	Fire Training Center	25,500			8,500	8,500	14,500	18,500	15,000	20,500	11,493
9824	State CIP Grants				0	0	0	0	7,222	0	0
9825	Other State Grant Revenue	236,307			0	8,500	0	0	0	0	0
9998	2% Subdivision Deposits				75	0	0	0	0	0	0
	Sub-Total	304,865,620	313,867,700	292,114,330	253,761,180	261,333,147	245,794,697	244,728,209	237,310,402	244,817,850	280,180,064
Less	School District Taxes										
9001	Real Property Taxes	(73,742,600)	(68,315,220)	(61,071,730)	(56,582,100)	(53,547,320)	(47,083,590)	(47,709,190)	(52,087,560)	(52,699,150)	(65,370,350)
9002	Personal Property Taxes	(9,988,300)	(8,459,200)	(8,196,770)	(8,374,790)	(7,389,230)	(7,186,360)	(6,970,910)	(7,567,960)	(8,623,977)	
9005	Muni Util Svc Assessment	(4,013,050)	(3,754,460)	(3,186,960)	(3,116,020)	(3,187,210)	(3,093,500)	(3,043,550)	(3,228,900)	(4,559,040)	
9009	1.25% MUSA								(626,430)		
	Total School Tax	(87,743,950)	(80,528,880)	(72,455,460)	(68,072,910)	(64,123,760)	(57,363,450)	(57,723,650)	(63,510,850)	(65,882,167)	(65,370,350)
		217,121,670	233,338,820	219,658,870	185,688,270	197,209,387	188,431,247	187,004,559	173,799,552	178,935,683	214,809,714
Less											
9721	Bond Sale Proceeds	0			0	0	0	0	0	0	0
9724	Land Sale Proceeds	0	(23,447,127)	(13,275,000)	0	750,151	0	0	0	0	(34,401,336)
	Grand Total	217,121,670	209,891,693	206,383,870	185,688,270	197,959,538	188,431,247	187,004,559	173,799,552	178,935,683	180,408,378
						(See Note)	(See Note)	(See Note)			
											(1) Unable to determine account breakout.
						Note: 14th Month Information					

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APPENDIX E

**JANUARY 24, 1996 MEMORANDUM
FROM MUNICIPAL MANAGER
REGARDING USER FEES, PERMIT
FEES, FINES AND FARES**

MUNICIPALITY OF ANCHORAGE

MEMORANDUM

DATE: January 24, 1996
TO: Level I (Except Utilities)
FROM: Larry D. Crawford, Municipal Manager *LLC*
SUBJECT: User Fees, Permit Fees, Fines and Fares

In 1986 the Municipality of Anchorage received \$55.7 million in State Revenue Sharing and Municipal Assistance revenues for the purpose of funding its operating budget. In 1996 the Municipality will receive only \$21.0 million assuming no further reduction is made during the 1996 State legislative session. This represents a 62% drop in State assistance in a ten year period. As the State revenues to Anchorage decreased, the property taxes paid by Anchorage residents have increased. This increased reliance on local tax revenues over the past decade represents a form of tax shifting from the State to the local level.

The Governor's proposed budget recently submitted to the State Legislature includes a \$2.3 million annual reduction in State operating budget revenues to the Municipality of Anchorage. This represents a 10.7% cut in State revenues to Anchorage compared to a 1.4% cut in the overall State operating budget. Some legislators are calling for even more severe cuts.

If State revenues continue to decrease, we must look at alternatives to increasing property taxes. We should do this also to lessen the burden on Anchorage property tax payers as we continue our efforts to make Anchorage a safer and more livable city. Two such alternatives are increasing operating efficiencies or decreasing services. Another is to have the persons directly benefiting from the services pay more of the costs through increased or new user fees, permit fees, fines and fares.

In anticipation of State revenue shortfalls for 1996 as well as looking forward to our 1997 operating budget, I would like for each department to conduct a complete review of current and potential new user fees, permit fees, fines and fares. Take a good, hard look at new or increased fees and charges in areas where programs are not self-sufficient and user fees (including permit fees and fines) are appropriate.

The scope of your review should include:

- Inventory each current user fee, permit fee, fine and fare collected by your department, including authorization for the revenue and when the current fee/fine amount was established.
- Determine whether the fee/fine fully covers the total costs (direct and indirect costs, including intragovernmental charges) of the program/ service being provided.

If it does not, evaluate whether the fee/fine should be increased to fully cover or at least cover a larger portion of the total costs of the program/service.

Please be critical in your examination, considering evidence of community support/opposition in view of any possible program/service reduction or elimination.

- Determine which current fees/fines could be increased, the basis for the increase, and the impact of the increase.
- Explore innovative ways to create new user fees, permit fees, and fines revenues; and identify, where appropriate, the potential establishment of such new revenues.

The purpose of this exercise is to continue, where possible, services to the public at an acceptable level while decreasing required tax support. The information being requested is for analytical purposes only at this point. The potential new fees/fines and increases in existing fees/fines identified by you does not necessarily mean that those changes will be implemented. These proposals can be used in evaluating trade-offs between program/service reductions and increased or new fees/fines when deciding how to deal with any State revenue shortfalls in 1996 as well as in preparing the 1997 operating budget.

Please complete one of the attached forms for each (1) current fee/fine that could be increased and (2) new fee/fine that could be established. The forms should be submitted to the Office of Management and Budget (OMB) by March 1, 1996.

Information developed during a similar review in 1994 in preparation of the 1995 budget can provide a good starting point. Contact your OMB budget analyst if you need a copy of the previously prepared material.

If you have any questions, please contact Gene Dusek or your OMB budget analyst.

POTENTIAL USER FEE, PERMIT FEE, OR FINE REVENUE INCREASE

Department: _____ Budget Unit(s) _____

Revenue Account: _____ - _____
(number) (title)

Authorization (Municipal Code, Ordinance, etc.) for this Revenue: _____

Current Fee/Fine Amount: \$ _____ per _____

When was the current fee amount established? _____

Potential Fee Amount: \$ _____ per _____

Projected Change in Annual Revenues if Fee/Fine Amount is Increased (this account only):

At Potential Fee/Fine \$ _____

At Current Fee/Fine - _____

INCREASE \$ _____

Why could the fee amount be increased? On what basis was the potential fee amount determined?

What Population group or groups are the sources?

POTENTIAL NEW USER FEE, PERMIT FEE OR FINE REVENUE

Department: _____ Budget Unit _____

Revenue Source:

Potential Fee/Fine Amount: \$ _____ per _____

Anticipated amount of annual total revenues: \$ _____

Why is this new fee/fine being considered? On what basis was the fee/fine amount determined?
What population groups or groups are the sources?

What problems, if any, are anticipated if this new revenue source is established?

Will there be a budget expenditure increase required as a result of this revenue? If yes, what and how much?

1996 USER FEES, PERMIT FEES, FINES AND FARES
Department Proposed Changes

<u>Dept. Fee Title</u>	<u>Fee Acct.</u>	<u>Current Fee</u>	<u>New / Revised Fee</u>	<u>Estimated Additional Revenue</u>	<u>Justification</u>
MUNICIPAL MANAGER					
					Application fee for easements and land exchanges
					Permits for personal firewood harvest
COMMUNITY PLANNING & DEVELOPMENT					
Zoning Fees (Rezoning)	9412	500 to 1,500	650 to 1,900	15,125	Rate of inflation since 1986 is 24%. Fees could easily be increased that amount.
Zoning Fees (Variance)	9412	350	450	8,900	Rate of inflation since 1986 is 24%. Fees could easily be increased that amount.
Zoning Fees (Amended Application)	9412	100	125	550	Rate of inflation since 1986 is 24%. Fees could easily be increased that amount.
Zoning Fees (Public Hearing)	9412	350	450	0	Rate of inflation since 1986 is 24%. Fees could easily be increased that amount. No applications were processed in 1995.
Zoning Fees (Site Plan Review)	9412	350 to 500	450 to 650	1,525	Rate of inflation since 1986 is 24%. Fees could easily be increased that amount.
Platting Fees (Subdivision Application)	9412	350 and up	400 and up	26,216	Rate of inflation since 1991 is 12%. Fees could easily be increased that amount.
Platting Fees (Vacation Application)	9411	100 or 500	125 to 650	2,100	Rate of inflation since 1991 is 12%. Fees could easily be increased that amount.
Platting Fees (Variance)	9411	100 to 350	125 or 400	300	Rate of inflation since 1991 is 12%. Fees could easily be increased that amount.
Platting Fees (Final Plat)	9411	350	400	5,100	Rate of inflation since 1991 is 12%. Fees could easily be increased that amount.

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<u>Dept.</u>	<u>Fee Title</u>	<u>Fee Acct.</u>	<u>Current Fee</u>	<u>New / Revised Fee</u>	<u>Estimated Additional Revenue</u>	<u>Justification</u>
	Platting Fees (Minor Amendment)	9411	100	125	300	Rate of inflation since 1991 is 12%. Fees could easily be increased that amount.
	Platting Fees (Short Plat Appeal)	9411	200	225	25	This fee is infrequently needed. Appeals are rarely filed.
	Zoning Fees (Wastewater)	9412	500 to 1,500	650 to 1,900	450	This fee is infrequently needed. Appeals are rarely filed. No applications under this fee were filed in 1995.
	Zoning Fees (Wetland Application)	9412	500 to 1,500	650 to 1,900	0	Rate of inflation since 1986 is 24%. Fees could easily be increased that amount. No applications made for several years.
	Zoning Fees (Resched-uling)	9412	250	325	450	Rate of inflation since 1987 is 23%. Fees could easily be increased that amount.
	Map Sales	9415	15	5	(1,900)	Lowering price may increase sales. Map sheets become dated as zoning changes are approved by the Assembly
	Zoning Fees (Wetland Permit)	9412	50	100	950	Rate of inflation since 1987 is 23%. Fees could easily be increased that amount.
	Zoning Fees (CBD Point Check)	9412	100	125	50	Rate of inflation since 1987 is 23%. Fees could easily be increased that amount.
	Zoning Fees (Site Landscape)	9412	50	100	0	Rate of inflation since 1987 is 23%. Fees could easily be increased that amount.
	Zoning Fees (Arterial Landscape)	9412	50	100	0	Rate of inflation since 1987 is 23%. Fees could easily be increased that amount.
	Zoning Fees (Underground Utility)	9412	50 to 100	75 to 125	0	This fee is infrequently needed. No underground utility variance applications were filed in 1995.

E-6

<u>Dept.</u>	<u>Fee Title</u>	<u>Fee Acct.</u>	<u>Current Fee</u>	<u>New / Revised Fee</u>	<u>Estimated Additional Revenue</u>	<u>Justification</u>
PURCHASING						
	Project Specs	9795	10% over print cost	20% over print cost	20,000	Current fee was based on cost of printing and postage only. Potential increase takes into account all overhead involved.
OPERATIONS MANAGER						
	Taxicab & Limo Permits	9112	825	1000	32,375	Nearly 100% increase in the value of taxicab permits and lease fees over the last 12 years with no increase in fees. Current fee does not cover costs to administer drug and alcohol testing.
	Taxicab Permit Revision	9115	35	100	750	Presently grouped with other changes to the permit. Transferring a permit should be separated out as it involves much more time and paperwork to complete than the other procedures.
	Citation Appeal Application		New	35	1,260	\$35 is charged for filing an appeal of denial or revocation of a chauffeur's license. Same amount should be charged for filing an appeal of a citation. Fee will also eliminate frivolous appeal hearing requests.
HEALTH & HUMAN SERVICES						
	Sanitary Inspection	9426	25 to 530	30 to 660	120,000	Current fees are not covering costs. Also growth in CPI from 1986 thru 1994 was 25.2%. This increase will cover 75% of program costs.
	Sanitary Inspection	9426	300	400	2,500	Conditional Certificates of Health Authority Approval are currently charged same fee as one with no conditions. Conditional approvals require a second staff review and therefore should be charged a higher fee.
	Animal Center (Boarding)	9215	7 to 9	8 to 10	4,000	Current fee does not cover cost for boarding. The proposed rates would be a step toward full recovery.
	Animal Center (Euthanasia)	9215	5	10	3,800	Current fee is token amount only. Proposed fee wills till be insufficient and should be reconsidered again within 3 years.

E-7

<u>Dept.</u>	<u>Fee Title</u>	<u>Fee Acct.</u>	<u>Current Fee</u>	<u>New / Revised Fee</u>	<u>Estimated Additional Revenue</u>	<u>Justification</u>
	Child/Adult Care Licensing	9426	25 to 300	100 to 1000	18,550	Current fees have not been increased for 10 years. Amounts are based on other MOA fees such as food service permit and plan review fees.
	Food Facility Reinspection		New	60 + 10% of permit fee	10,500	Charged for each inspection of a food facility in excess of 4 per calendar year to cover overtime work by sanitarians.
	On-Site Wastewater Disposal		New	25	295,000*	On-site budget is currently paid by all tax payers, including those receiving no benefit. Would also allow the transfer of multi-family and commercial systems regulation from the State to the MOA without the need for operating funds. *\$300,000 revenue is offset by \$5,000 in expenses for supplies and postage. It is anticipated that H&HS and Treasury will be able to absorb the extra duties into their regular work load, so no personnel dollars will be required. When the on-site fee was briefly in place a few years ago, the department incurred about \$50,000 in start up costs. These were one-time expenditures and will not have to be reincurred.
	On-Site Well Driller		New	250	2,000	Updated AO regulating domestic water wells is being completed. It will include the permitting of well drillers consistent with current permitting of septic system installers and tank pumpers.
FIRE DEPARTMENT						
	Ambulance Dispatch	9451	3 or 6,000	8 or 24,000	18,000	Typical EMS communication costs to range between \$8 and \$18 per transaction. Increase fee paid by Transcare (private ambulance service.)
	Use Fee for Training Ctr		20 to 600	50 to 700	2,000	Daily and weekly rates for using the Fire Training Center

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<u>Dept. Fee Title</u>	<u>Fee Acct.</u>	<u>Current Fee</u>	<u>New / Revised Fee</u>	<u>Estimated Additional Revenue</u>	<u>Justification</u>
CULTURAL & RECREATIONAL SERVICES					
Museum Admission Fees	9449	3 to 4	4 to 5	100,000	Comparison with other museums.
Library Book Fines	9213	0.15	0.25	90,612	Encourage the prompt return of materials.
Room Rental	9733	25 and 35	35 and 50	7,240	Charges for the Public Conference Room, Assembly Chambers and Wilda Marston Theater are less than other MOA facilities and commercially available meeting sites. Proposed fee is a return to that originally set upon opening of Loussac.
Copier Fees	9494	0.15	0.25	22,545	Current fee does not cover the operations costs of the copy machines.
Concession Fee	9442	25 + % of gross	25 + % of gross - minimum 25	500	Set minimum for revenue for Sports and Parks Activities concessions each day.
Ice Rink Fee	9442	5 to 20	10 to 40	6,000	Help recover a portion of utility increases in water and electricity.
Picnic Area (Alcohol)	9442	25	50	1,000	Proposed fee would be consistent with the indoor surcharge for activities approved for alcohol consumption. Help recover more of the costs incurred.
Golf Fees	9442	35 to 250	50 to 300	2,000	Increase family golf passes and establish a fee for senior families.
Athletic Fields	9442	5 to 30	10 to 50	1,650	As demand on field space continues to increase the new fee should promote a closer review of team needs for field usage. Increase would also offset additional park maintenance including irrigation, increased mowing and bleachers.

EA

<u>Dept.</u>	<u>Fee Title</u>	<u>Fee Acct.</u>	<u>Current Fee</u>	<u>New / Revised Fee</u>	<u>Estimated Additional Revenue</u>	<u>Justification</u>
	Room Rentals	9441 and 9442	22 to 35	25 to 40	13,500	Additional \$5 per hour increase at Spenard & Fairview Rec Ctrs, Kincaid and Russian Jack Chalet will help offset increases in utilities, supply and labor costs.
	Special Event Fee	9442	30 to 50	50 to 100	1,000	Restructure of the special event fee would fall in line with the picnic shelter fee.
	User Fees (classroom for >100 people)	9441	35	50	250	When staff at Fairview & Spenard Rec Ctrs set up classroom style for more than 100 people, it is a lot more time consuming than for 50 people or less.
	Summer Playground	9441	25 and 35	35 and 45	14,960	Fee has not been increased since 1990. Increase will be appropriate at this time.
	Summer Camps	9441	92.50	100	12,000	Fee has not been increased since other youth orgs have had significant increases.
	Swim Fees	9443	2.75 to 4.25	3	9,000	This category of fees is the least used. Majority are pass holders. Adult fee is lowered to attract more users. Others have minor increase.
	Non-Resident Library Fee		New	35	19,920	3795 registered borrowers live outside the MOA and pay no local tax to support the library budget.
	Art Print Rental		New	5	0*	*\$5,500 revenue received for checking out art prints would just cover the cost to the library to repair, maintain and increase the art print collection.
	Research Services		New	60	1,370*	Rate will match that being charged by UAA for a similar research service. *Revenue of \$2400 is offset by \$1030 cost for a part-time librarian.
	Proctoring of Exams		New	15 or 20	170*	People involved in correspondence education are directed to seek proctoring of their exams at their local library. Providing this service for free diverts time from other priority library activities. *Revenue of \$790 is offset by \$620 cost for a part-time librarian and postage.

E-10

<u>Dept.</u>	<u>Fee Title</u>	<u>Fee Acct.</u>	<u>Current Fee</u>	<u>New / Revised Fee</u>	<u>Estimated Additional Revenue</u>	<u>Justification</u>
	Non-State Lending Fee		New	15	5,800*	As the costs to process interlibrary loans continue to rise, many libraries are beginning to charge for use of their materials by other libraries. *Revenue of \$7,500 is offset by \$1,700 for book keeping, invoices and postage.
	Document Delivery Fees		New	varies	0*	Rate will match that being charged by UAA for a similar service of having articles delivered directly to homes and offices. *\$1,000 in revenue is expected to just cover cost.
	Swim Admission		New	1	minor	Charge a minimal amount for adults to accompany children in the pool.
	Locker Fee		New	5	500	Users have requested monthly locker rental.
	Computer Lab Fee		New	2	5,000	New fee, new activity.
	Registration Fee		New	1 + supplies	200	Currently no fee for activities such as dances, cooking classes, arts & crafts etc.
	Ceramics Kiln		New	10	100	Requested by customers.
	Wally Ball Use		New	5 to 20 max	200	Wally ball equipment now used in racquetball court. Current fees don't have a maximum but for wallyball you have the potential for up to 20 players in the court.
	Multi-Activity Fee		New	3	1,000	Creates a fee for multi activity daily use that is already established in punch card fees.
	Public Shower Use		New	2	100	Charge for individuals who only want to take a shower at Rec Centers.
	Basic Pool		New	35	1,050	Charge for class providing general information regarding all aspects of pool operations.
	Lifesaving Certification		New	35 to 160 + books	10,350	Newly developed Red Cross course - part of the learn to swim programs.

E-11

<u>Dept.</u>	<u>Fee Title</u>	<u>Fee Acct.</u>	<u>Current Fee</u>	<u>New / Revised Fee</u>	<u>Estimated Additional Revenue</u>	<u>Justification</u>
	Combination Room / Timing Building Fees		New	40 and 15	1,000	To encourage the rental of the main room area of Kincaid Center. Also establish a charge for the use of the timing facility in the recently completed stadium area.

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APPENDIX F

VISITOR TAX RATES FOR SELECTED CITIES

VISITOR TAX RATES For Selected Cities

CITY	HOTEL/ LODGING TAX	RESTAURANT TAX	GASOLINE TAX PER GALLON	AUTO RENTAL % RATE	\$ SURCHARGE FEE	OFF AIRPORT TAX	AIR FEDERAL CHARGE	PFC
Anaheim*	13.00%	7.75%	\$ 0.366	7.75%			10%	
ANCHORAGE	8.00%	0.00%	\$ 0.263	0.00%	\$0	0%	10%	\$0
Atlanta	13.00%	6.00%	\$ 0.256	4.00%		8%	10%	
Atlantic City	12.00%	6.00%	\$ 0.286	6.00%		10%	10%	
Austin	13.00%	8.00%	\$ 0.381	10.00%		8%	10%	\$ 3.00
Baltimore	12.00%	5.00%	\$ 0.416	11.50%			10%	\$ 3.00
Boston	9.70%	5.00%	\$ 0.390	5.00%	\$0.30/rental		10%	\$ 3.00
Charlotte	12.00%	7.00%	\$ 0.404	4.00%		5%	10%	
Chicago	14.86%	8.75%	\$ 0.481	12.00%	\$2.75/rental		10%	\$ 3.00
Cincinnati	10.00%	5.50%	\$ 0.391	5.00%	\$4.00/rental	5%	10%	
Cleveland	14.50%	7.00%	\$ 0.391	7.00%	\$4.00/rental		10%	\$ 3.00
Columbus	15.75%	6.75%	\$ 0.391	6.00%	\$4.00/rental		10%	\$ 3.00
Dallas	13.00%	8.25%	\$ 0.381	10.00%		8%	10%	\$ 3.00
Daytona	10.00%	6.00%	\$ 0.417	6.00%	\$2.05/day		10%	\$ 3.00
Denver	11.80%	7.80%	\$ 0.401	11.00%	\$2.98		10%	\$ 3.00
Detroit	14.00%	6.00%	\$ 0.331	4.00%			10%	\$ 3.00
Ft. Lauderdale	9.00%	6.00%	\$ 0.437	6.00%	\$2.05/day	\$3.10	10%	
Honolulu	9.00%	4.00%	\$ 0.341	4.00%	\$2.00/day		10%	
Houston	15.00%	8.25%	\$ 0.381	10.00%		6%	10%	
Indianapolis	10.00%	6.00%	\$ 0.331	5.00%		7%	10%	\$ 3.00
Jacksonville	10.50%	6.50%	\$ 0.407	6.00%	\$2.05/day	6%	10%	\$ 3.00
Kansas City	11.98%	8.23%	\$ 0.311	7.00%			10%	
Knoxville	13.25%	8.25%	\$ 0.381	8.00%		10%	10%	\$ 3.00
Las Vegas	8.00%	7.00%	\$ 0.416	12.50%		8%	10%	\$ 3.00
Los Angeles	14.00%	8.25%	\$ 0.371	6.00%		8%	10%	\$ 3.00
Memphis	13.25%	8.25%	\$ 0.381	8.00%		8%	10%	\$ 3.00
Miami	12.50%	8.50%	\$ 0.302	7.00%	\$2.05/day		10%	\$ 3.00
Minneapolis*	12.00%	10.00%	\$ 0.381	12.70%	\$1.75		10%	\$ 3.00
Nashville	12.25%	8.25%	\$ 0.381	10.00%			10%	\$ 3.00
New Orleans*	11.00%	9.50%	\$ 0.384	8.75%	\$2.00/day	5%	10%	\$ 3.00
New York*	13.25%	8.25%	\$ 0.261	8.25%	5%/rental		10%	\$ 3.00
Norfolk	10.50%	10.00%	\$ 0.356	8.00%		7%	10%	

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OCT 30 '96 17:44 ALASKAN GOURMET INC

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VISITOR TAX RATES For Selected Cities

CITY	HOTEL/ LODGING TAX	RESTAURANT TAX	GASOLINE TAX PER GALLON	AUTO RENTAL % RATE	\$ SURCHARGE FEE	OFF AIRPORT TAX	AIR FEDERAL CHARGE	PFC
Oakland	10.00%	8.25%	\$ 0.444	8.25%			10%	
Orlando	11.00%	6.00%	\$ 0.410	6.00%	\$2.05/day	8%	10%	\$ 3.00
Philadelphia	13.00%	7.00%	\$ 0.301	9.00%	\$2.00/day		10%	\$ 3.00
Phoenix	10.35%	6.80%	\$ 0.361	10.00%	\$1.50/day	7%	10%	
Pittsburgh	11.00%	6.00%	\$ 0.301	9.00%	\$2.00/day	8%	10%	
Portland <i>OR</i>	9.00%	0.00%	\$ 0.451	6.50%		4%	10%	\$ 3.00
Raleigh	12.00%	7.00%	\$ 0.404	4.00%		10%	10%	
Reno	9.00%	7.00%	\$ 0.416	12.50%		7%	10%	\$ 3.00
Riverside	11.00%	7.75%	\$ 0.439	7.75%			10%	
Sacramento	11.50%	7.75%	\$ 0.439	6.00%			10%	\$ 3.00
San Antonio	13.00%	8.25%	\$ 0.381	10.00%		6%	10%	
San Diego	10.50%	7.00%	\$ 0.439	8.00%		7%	10%	
San Francisco	12.00%	8.50%	\$ 0.446	6.00%	\$2.00/day	7%	10%	
San Jose	10.00%	8.25%	\$ 0.444	8.00%		8%	10%	\$ 3.00
Seattle	15.20%	8.20%	\$ 0.411	11.50%		4%	10%	\$ 3.00
St. Louis	13.85%	8.10%	\$ 0.311	4.23%			10%	\$ 3.00
Tampa	10.50%	6.50%	\$ 0.417	8.00%	\$2.05/day	10%	10%	\$ 3.00
Washington, DC*	13.00%	10.00%	\$ 0.381	8.00%	\$1.25/day	4%	10%	\$ 3.00
West Palm Beach	10.00%	8.00%	\$ 0.467	6.00%	\$2.05/day	8%	10%	\$ 3.00

FOOTNOTES

HOTEL/LODGING TAXES

Anaheim	Tax increases 2% as of 7/1/95
Minneapolis	Tax is 2% less for establishments under 50 rooms
New Orleans	\$1-\$3 additional surcharge fee
New York City	Additional \$2.00 hotel fee per night
Washington, D.C.	\$1.50 hotel occupancy tax per night

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Office of Government Programs
703 838-1666
(Anchorage added)

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APPENDIX G

GENERAL OBLIGATION BOND PROPOSALS/APPROVALS

General Obligation Bond Proposals/Approvals

1986-1998

(in \$ millions)

General Obligation Bond Type	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	TOTAL '86-'97	1998 Proposed
School District														
Proposed				29.7		51.9		176.9	174.9		90.1*	25.5	549.1	???
Approved				29.7		24.4		19.3	174.9		51.1	25.5	324.9	
Total % Approved				100%		47%		11%	100%		57%	100%	59%	???
Utilities (AWWU, ML&P, SWS)														
Proposed	23.0	6.0											29.0	
Approved	23.0	6.0											29.0	
Total % Approved	100%	100%											100%	
Roads & Transportation														
Proposed	11.0	11.5	11.0	20.2	11.0	15.0		18.0	12.7	18.0	15.0	20.1	163.5	27.2
Approved	10.0	11.5	0.0	14.7	11.0	15.0		18.0	12.7	18.0	15.0	19.3	145.2	TBD
Total % Approved	91%	100%	0%	73%	100%	100%		100%	100%	100%	100%	96%	89%	TBD
Property & Facility Management														
Proposed			2.2	1.7		4.5		3.0	3.4	0.8	13.6		29.1	
Approved			0.0	0.0		0.0		0.0	0.0	0.8	0.0		0.8	
Total % Approved			0%	0%		0%		0%	0%	100%	0%		3%	
Public Safety														
Proposed	5.5	2.0	3.4	2.4	6.9					2.8	2.6	5.0*	30.5	8.5
Approved	5.5	2.0	0.0	0.0	6.9					2.8	2.6	2.8	22.5	TBD
Total % Approved	100%	100%	0%	0%	100%					100%	100%	55%	74%	TBD
Cultural & Recreational Svcs														
Proposed					1.2	5.0		2.2		5.7	8.4	5.1	27.6	4.9
Approved					0.0	5.0		0.0		5.7	0.0	5.1	15.8	TBD
Total % Approved					0%	100%		0%		100%	0%	100%	57%	TBD
Port & Merrill Field														
Proposed		9.5											9.5	
Approved		7.5											7.5	
Total % Approved		79%											79%	
TOTAL														
Proposed	39.5	29.0	16.6	54.0	19.1	76.4	n/a	200.1	191.0	27.3	129.6	55.6	838.2	40.6
Approved	38.5	27.0	0.0	44.4	17.9	44.4	n/a	37.3	187.6	27.3	68.7	52.7	545.7	TBD
Total % Approved	97%	93%	0%	82%	94%	58%	n/a	19%	98%	100%	53%	95%	65%	TBD

* includes redirection of bonds approved in previous years

TBD=To Be Determined

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APPENDIX H

LIST OF EMPLOYERS PARTICIPATING IN P.E.R.S.

Note: The accompanying rates and dollar amounts indicate the potential savings by employer from the amounts budgeted for FY98 PERS contributions due to the fund's excess balance .

The amounts do not indicate potential savings by employer if overtime earnings were to be removed from the benefit formula.

FY98 Employer Savings Analysis

Employer	Original Employer Rate	Revised Employer Rate	Difference	Annual Salary per FY96 Actuarial Val	Savings
Southwest Region S.D.	0.00%	0.00%	0.00%	1,994,367.00	0.00
Annette Island S.D.	0.00%	0.00%	0.00%	772,111.00	0.00
Bering Straits S.D.	0.00%	0.00%	0.00%	5,035,440.00	0.00
Chatham S.D.	3.97%	3.97%	0.00%	601,798.00	0.00
AK Municipal League	27.67%	23.90%	-3.77%	488,049.00	18,399.45
Valdez, City of	7.91%	4.01%	-3.90%	4,869,417.00	189,907.26
Juneau Borough S.D.	11.30%	7.40%	-3.90%	7,064,455.00	275,513.75
Mat-Su Borough	10.49%	6.59%	-3.90%	5,926,960.00	231,151.44
Mat-Su S.D.	10.49%	6.59%	-3.90%	14,017,608.00	546,686.71
Anchorage S.D.	12.33%	8.43%	-3.90%	52,706,488.00	2,055,553.03
Copper River S.D.	5.33%	1.43%	-3.90%	875,672.00	34,151.21
Haines, City of	11.78%	7.88%	-3.90%	875,144.00	34,130.62
Kenai, City of	6.88%	2.98%	-3.90%	4,017,591.00	156,686.05
Fairbanks Borough	0.00%	0.00%	0.00%	11,508,486.00	0.00
Fairbanks S.D.	8.60%	6.19%	-2.41%	18,385,539.00	443,091.49
Denali Borough S.D.	5.63%	5.63%	0.00%	584,835.00	0.00
City & Borough of Sitka	14.94%	11.04%	-3.90%	4,914,371.00	191,660.47
Chugach Regional S.D.	0.51%	0.00%	-0.51%	341,653.00	1,742.43
Ketchikan Borough	9.52%	7.02%	-2.50%	2,020,299.00	50,507.48
Soldotna, City of	11.23%	7.54%	-3.69%	1,879,524.00	69,354.44
Iditarod S.D.	6.58%	5.00%	-1.58%	1,591,227.00	25,141.39
Kuspuk S.D.	7.06%	5.89%	-1.17%	1,256,867.00	14,705.34
Juneau, City of	10.72%	6.82%	-3.90%	20,052,588.00	782,050.93
Kodiak, City of	3.89%	0.00%	-3.89%	4,197,836.00	163,295.82
Fairbanks, City of	20.31%	16.41%	-3.90%	8,629,438.00	336,548.08
Fbks Utility Sys	20.31%	16.41%	-3.90%	6,249,702.00	243,738.38
Wasilla, City of	11.26%	7.36%	-3.90%	1,539,336.00	60,034.10
Skagway, City of	10.02%	6.12%	-3.90%	643,874.00	25,111.09
Sitka S.D.	9.95%	6.05%	-3.90%	1,314,274.00	51,256.69
Palmer, City of	8.09%	5.93%	-2.16%	1,525,606.00	32,953.09
Wrangell, City of	11.86%	7.96%	-3.90%	2,015,055.00	78,587.15
Bethel, City of	0.00%	0.00%	0.00%	2,590,930.00	0.00
Valdez S.D.	12.92%	9.02%	-3.90%	1,611,235.00	62,838.17
Hoonah S.D.	29.69%	25.79%	-3.90%	451,692.00	17,615.99
Nome, City of	3.91%	0.01%	-3.90%	1,766,684.00	68,900.68
Kotzebue, City of	0.00%	0.00%	0.00%	1,740,160.00	0.00
Galena S.D.	0.00%	0.00%	0.00%	292,292.00	0.00
Petersburg, City of	13.62%	9.72%	-3.90%	3,127,662.00	121,978.82
Bristol Bay Borough	8.38%	6.18%	-2.20%	1,822,404.00	40,092.89
North Slope Borough	7.29%	4.15%	-3.14%	53,828,775.00	1,690,223.54
Wrangell S.D.	10.54%	6.64%	-3.90%	714,275.00	27,856.73
Cordova, City of	6.37%	5.12%	-1.25%	1,651,632.00	20,645.40
Nome S.D.	5.00%	2.64%	-2.36%	898,064.00	21,194.31
King Cove, City of	9.30%	5.40%	-3.90%	817,586.00	31,885.85
Ak Housing Fin Corp	8.65%	5.38%	-3.27%	12,303,747.00	402,332.53

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FY98 Employer Savings Analysis

Employer	Original Employer Rate	Revised Employer Rate	Difference	Annual Salary per FY96 Actuarial Val	Savings
Lower Yukon S.D.	0.00%	0.00%	0.00%	3,904,043.00	0.00
Northwest Arctic S.D.	0.00%	0.00%	0.00%	5,912,924.00	0.00
Southeast Islands S.D.	13.20%	9.30%	-3.90%	815,182.00	31,792.10
Pribilof S.D.	6.24%	2.34%	-3.90%	653,592.00	25,490.09
Lower Kuskokwim S.D.	0.00%	0.00%	0.00%	11,668,633.00	0.00
Kodiak S.D.	9.31%	5.41%	-3.90%	3,126,609.00	121,937.75
Yukon Flats S.D.	0.00%	0.00%	0.00%	1,547,653.00	0.00
Yukon Koyukuk S.D.	0.00%	0.00%	0.00%	1,636,187.00	0.00
North Slope S.D.	6.87%	2.97%	-3.90%	10,471,919.00	408,404.84
Aleutian Region S.D.	0.00%	0.00%	0.00%	131,775.00	0.00
Cordova Comm Hosp	11.81%	7.91%	-3.90%	1,389,032.00	54,172.25
Lake & Penn S.D.	3.98%	0.97%	-3.01%	2,111,948.00	63,569.63
Sitka Community Hosp	7.30%	5.58%	-1.72%	2,381,070.00	40,954.40
Tanana S.D.	13.09%	9.19%	-3.90%	239,860.00	9,354.54
SE Reg Resource Ctr	10.70%	6.80%	-3.90%	681,034.00	26,560.33
Hydaburg S.D.	7.19%	4.32%	-2.87%	212,846.00	6,108.68
Tanana, City of	0.00%	0.00%	0.00%	370,446.00	0.00
N.Pac Fish Mgt Council	0.00%	0.00%	0.00%	416,182.00	0.00
Barrow, City of	6.80%	3.24%	-3.56%	1,121,586.00	39,928.46
Saint Paul, City of	7.02%	3.12%	-3.90%	1,568,664.00	61,177.90
Municipality of Anch (All Others)	10.95%	7.05%	-3.90%	79,805,000.00	3,112,395.00
Municipality of Anch (Police/Fire)	11.06%	7.16%	-3.90%	2,201,000.00	85,839.00
Kodiak, City of	10.81%	6.91%	-3.90%	2,897,407.00	112,998.87
Nome Public Utilities	0.00%	0.00%	0.00%	765,981.00	0.00
Sand Point, City of	7.45%	3.55%	-3.90%	505,487.00	19,713.99
Ketchikan S.D.	14.52%	10.62%	-3.90%	2,425,086.00	94,578.35
Dillingham, City of	6.64%	6.09%	-0.55%	1,551,022.00	8,530.62
Unalaska, City of	9.29%	5.39%	-3.90%	6,098,360.00	237,836.04
Kenai Pen Borough	12.01%	8.11%	-3.90%	8,558,923.00	333,798.00
Ketchikan, City of	19.38%	15.48%	-3.90%	6,273,790.00	244,677.81
Seward, City of	8.61%	4.71%	-3.90%	3,077,045.00	120,004.76
Fort Yukon, City of	0.00%	0.00%	0.00%	196,319.00	0.00
Bristol Bay S.D.	12.47%	8.57%	-3.90%	675,264.00	26,335.30
Cordova S.D.	15.28%	11.38%	-3.90%	483,166.00	18,843.47
Craig, City of	11.08%	7.18%	-3.90%	700,245.00	27,309.56
Petersburg Gen Hosp	13.62%	9.72%	-3.90%	1,125,682.00	43,901.60
Kenai Peninsula S.D.	11.43%	7.53%	-3.90%	11,983,431.00	467,353.81
North Pole, City of	11.14%	7.24%	-3.90%	1,173,965.00	45,784.64
Galena, City of	0.00%	0.00%	0.00%	731,330.00	0.00
Nenana, City of	9.03%	5.13%	-3.90%	240,110.00	9,364.29
Haines Borough	11.98%	8.08%	-3.90%	346,901.00	13,529.14
Nenana S.D.	0.00%	0.00%	0.00%	115,403.00	0.00
Unalakleet, City of	No active employees				
Saxman, City of	30.36%	26.46%	-3.90%	16,762.00	653.72
Hoonah, City of	0.00%	0.00%	0.00%	381,863.00	0.00

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FY98 Employer Savings Analysis

Employer	Original Employer Rate	Revised Employer Rate	Difference	Annual Salary per FY96 Actuarial Val	Savings
Pelican, City of	5.80%	5.80%	0.00%	203,588.00	0.00
Whittier, City of	0.55%	0.00%	-0.55%	399,978.00	2,199.88
Anch Parking Auth	6.77%	3.79%	-2.98%	1,043,890.00	31,107.92
Craig S.D.	8.91%	5.01%	-3.90%	418,676.00	16,328.36
Dillingham S.D.	6.52%	6.52%	0.00%	708,640.00	0.00
Thorne Bay, City of	9.91%	6.01%	-3.90%	359,408.00	14,016.91
Akutan, City of	6.58%	6.58%	0.00%	164,741.00	0.00
Unalaska S.D.	8.96%	5.06%	-3.90%	707,284.00	27,584.08
Kashunamiut S.D.	5.88%	1.98%	-3.90%	636,688.00	24,830.83
Seward General Hosp	23.72%	19.92%	-3.80%	1,296,480.00	49,266.24
Wainwright, City of	No active employees				
Saint Mary's, City of	11.05%	7.15%	-3.90%	371,515.00	14,489.09
Homer, City of	8.08%	5.00%	-3.08%	3,081,810.00	94,919.75
Ruby, City of	0.00%	0.00%	0.00%	29,133.00	0.00
Emmonak, City of	No active employees				
Special Ed Svc Agency	4.92%	1.02%	-3.90%	387,118.00	15,097.60
Bartlett Memorial Hosp	8.93%	5.63%	-3.30%	9,571,737.00	315,867.32
Northwest Arctic Boro	7.15%	3.25%	-3.90%	629,399.00	24,546.56
Saint Mary's S.D.	0.00%	0.00%	0.00%	197,360.00	0.00
Selawik, City of	2.41%	2.41%	0.00%	32,939.00	0.00
Bristol Bay House Auth	3.32%	0.00%	-3.32%	606,311.00	20,129.53
Copper River Housing	14.06%	10.35%	-3.71%	177,798.00	6,596.31
Skayway City S.D.	16.72%	14.09%	-2.63%	165,499.00	4,352.62
Hooper Bay, City of	No active employees				
Klawock, City of	11.56%	11.56%	0.00%	369,912.00	0.00
Petersburg S.D.	13.62%	9.72%	-3.90%	626,052.00	24,416.03
Bristol Bay Svc Area	13.24%	9.40%	-3.84%	45,697.00	1,754.76
Aleutians East Borough	8.48%	4.58%	-3.90%	398,670.00	15,548.13
Kivalina City Council	0.00%	0.00%	0.00%	26,248.00	0.00
Bering Straits CRS Area	14.61%	10.71%	-3.90%	74,226.00	2,894.81
Shishmaref, City of	15.44%	11.54%	-3.90%	16,335.00	637.07
Adak, City of	No active employees				
Huslia, City of	18.74%	14.84%	-3.90%	60,464.00	2,358.10
Mountain Village, City of	No active employees				
Kaltag, City of	0.00%	0.00%	0.00%	20,565.00	0.00
Lower Kalskag, City of	25.02%	21.12%	-3.90%	48,398.00	1,887.52
Haines S.D.	6.41%	2.51%	-3.90%	543,335.00	21,190.07
Noorvik, City of	9.90%	6.00%	-3.90%	135,450.00	5,282.55
Elim, City of	16.04%	12.14%	-3.90%	15,583.00	607.74
Atka, City of	0.00%	0.00%	0.00%	7,655.00	0.00
Aleutian E. S.D.	11.77%	7.87%	-3.90%	845,747.00	32,984.13
Aleutian W. CRSA	11.28%	7.38%	-3.90%	40,915.00	1,595.69
Delta/Greely S.D.	8.67%	4.77%	-3.90%	960,913.00	37,475.61
Lake & Peninsula Borough	16.75%	12.85%	-3.90%	173,031.00	6,748.21
Yakutat, City of	2.03%	0.00%	-2.03%	420,522.00	8,536.60

FY98 Employer Savings Analysis

Employer	Original Employer Rate	Revised Employer Rate	Difference	Annual Salary per FY96 Actuarial Val	Savings
Unalakleet, City of	6.40%	6.40%	0.00%	230,386.00	0.00
Diomedea Joint Utilities	No active employees				
Klawock S.D.	10.07%	6.17%	-3.90%	253,239.00	9,876.32
Old Harbor, City of	29.58%	25.68%	-3.90%	11,080.00	432.12
Grayling, City of	No active employees				
Mekoruk, City of	19.18%	15.28%	-3.90%	16,764.00	653.80
Alaska Gateway S.D.	6.00%	2.10%	-3.90%	988,002.00	38,532.08
St. George, City of	23.57%	23.57%	0.00%	507,815.00	0.00
Pelican S.D.	10.11%	6.87%	-3.24%	131,363.00	4,256.16
Denali Borough	21.06%	17.17%	-3.89%	63,980.00	2,488.82
Allakaket, City of	7.40%	4.36%	-3.04%	119,296.00	3,626.60
Katchemak, City of	5.90%	5.90%	0.00%	16,807.00	0.00
Nuiqsut, City of	No active employees				
Cook Inlet RHA	10.23%	7.96%	-2.27%	672,838.00	15,273.42
Interior RHA	6.34%	6.34%	0.00%	120,667.00	0.00
Yakutat S.D.	8.41%	4.65%	-3.76%	312,696.00	11,757.37
Kake S.D.	9.11%	5.21%	-3.90%	249,397.00	9,726.48
Quinhagak, City of	8.27%	5.48%	-2.79%	14,811.00	413.23
Aleutian Housing Auth	11.44%	7.54%	-3.90%	243,195.00	9,484.61
Marshall, City of	10.69%	6.79%	-3.90%	75,133.00	2,930.19
Anch Telephone Utility	10.36%	6.71%	-3.65%	11,288,259.00	412,021.45
Bering Straits Housing	New employer				0.00
Egegik, City of	New employer				0.00
Pt. Hope, City of	New employer				0.00
Anaktuvuk Pass, City of	New employer				0.00
Ilisaqvik College	New employer				0.00
Total Savings					15,877,144.41

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APPENDIX I

- 1. HOUSE BILL NO. 188**
- 2. SENATE BILL 150**
- 3. GOVERNOR'S VETO LETTER
OF HCS CSSB 150**

A-1

0-LS0699\A

HOUSE BILL NO. 188

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTIETH LEGISLATURE - FIRST SESSION

BY REPRESENTATIVE COWDERY

Introduced: 3/12/97

Referred: State Affairs, Finance

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to calculation of compensation for the public employees'
2 retirement system."

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

4 * Section 1. AS 39.35.680(8) is amended to read:

5 (8) "compensation" means the total remuneration earned by an
6 employee for personal services rendered to an employer, including employee
7 contributions under AS 39.35.160, cost-of-living differentials only as provided in
8 AS 39.35.675, payments for leave that is actually used by the employee, the amount
9 by which the employee's wages are reduced under AS 39.30.150(c), and any amount
10 deferred under an employer-sponsored deferred compensation plan, but does not
11 include retirement benefits, severance pay or other separation bonuses, welfare
12 benefits, per diem, expense allowances, workers' compensation payments, overtime
13 pay, or payments for leave not used by the employee whether those leave payments
14 are scheduled payments, lump-sum payments, donations, or cash-ins;

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1 * Sec. 2. The amendment made by this Act applies to employees first hired on or after the
2 effective date of this Act.

B-1

0-LS0688\H.a

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**HOUSE CS FOR CS FOR SENATE BILL NO. 150(FIN) am H
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTIETH LEGISLATURE - FIRST SESSION**

BY THE HOUSE FINANCE COMMITTEE

**Amended: 5/11/97
Offered: 5/8/97**

Sponsor(s): SENATE FINANCE COMMITTEE

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to moving expenses of state employees, to compensatory time for
2 state employees, and to calculation of compensation for the public employees'
3 retirement system."

4 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

5 * Section 1. AS 23.40.075, as amended by sec. 10, ch. 107, SLA 1996, is amended to
6 read:

7 **Sec. 23.40.075. Items not subject to bargaining.** The parties may not
8 negotiate terms contrary to the

9 (1) reemployment rights for injured state employees under
10 AS 39.25.158;

11 (2) reemployment rights of the organized militia under AS 26.05.075;

12 (3) limitations on payment of a state employee's moving expenses
13 under AS 39.20.450;

14 (4) requirements concerning compensatory time under

I-3

AS 39.20.460:

(5) authority of the Department of Health and Social Services under AS 47.27.035 to assign Alaska temporary assistance program participants to a work activity considered appropriate by the Department of Health and Social Services; or

(6) [(4)] authority for agencies to create temporary positions under AS 47.27.055(c).

* Sec. 2. AS 39.20 is amended by adding new sections to read:

Article 5. Moving Expenses and Compensatory Time Restriction.

Sec. 39.20.450. Restriction on payment of moving expenses for certain state employees. (a) The state may not pay the moving expenses of a state employee in the classified service who transfers voluntarily from one location to another unless the payment complies with this section.

(b) The state may pay the moving expenses of a state employee in the classified service who transfers voluntarily from one location to another if the employee intends to stay in the location to which the employee is moving for at least five years and if the employee signs an agreement to repay the state for the entire moving expenses, plus interest as required by regulation, if the employee moves or leaves state service before the end of five years. In the case of certified peace officers employed by the Department of Public Safety, the commissioner of public safety may shorten, in advance in writing, the time that a certified peace officer is required to stay in the new location to avoid the repayment obligation under this section and may waive a moving expense repayment required by this subsection if the commissioner makes a written finding that the employee's relocation is in the best interest of the state. This subsection does not require repayment if the employee moves or leaves state service before the end of five years because

(1) of a certified medical necessity of the employee or the spouse or a dependent of the employee;

(2) the state involuntarily transfers the employee; or

(3) the employee accepts a promotion offered by

(A) the department or agency that paid the employee's initial moving expenses; or

1 (B) another state department or agency.

2 (c) The Department of Administration shall adopt regulations to implement this
3 section.

4 (d) In this section, "transfers voluntarily" means a transfer, either at the request
5 of the employee or the employer, that the employee is free to decline without incurring
6 adverse consequences regarding the employee's compensation, terms, conditions, or
7 privileges of employment.

8 **Sec. 39.20.460. Restrictions on compensatory time.** A state employee who
9 is eligible to be paid overtime may not receive compensatory time for overtime hours
10 worked unless receipt of the compensatory time is in accordance with the terms of a
11 written agreement, approved by the employee's appointing authority, and, for an
12 employee who is covered by a collective bargaining agreement under AS 23.40, the
13 terms for receipt of the compensatory time are consistent with the terms of the
14 agreement.

15 * **Sec. 3.** AS 39.35.680(8) is amended to read:

16 (8) "compensation"

17 (A) means the total remuneration earned by an employee for
18 personal services rendered to an employer, including employee contributions
19 under AS 39.35.160, cost-of-living differentials only as provided in
20 AS 39.35.675, payments for leave that is actually used by the employee, the
21 amount by which the employee's wages are reduced under AS 39.30.150(c),
22 and any amount deferred under an employer-sponsored deferred compensation
23 plan;

24 (B) includes, for noncertificated employees of municipal
25 school districts, regional educational attendance areas and seasonal state
26 employees, overtime pay; [,] but

27 (C) does not include retirement benefits, severance pay or other
28 separation bonuses, welfare benefits, per diem, expense allowances, workers'
29 compensation payments, overtime pay except as provided in (B) of this
30 paragraph, or payments for leave not used by the employee whether those
31 leave payments are scheduled payments, lump-sum payments, donations, or

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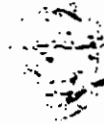
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I-6

TONY KNOWLES
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

P.O. Box 110001
Juneau, Alaska 99811-0001
(907) 465-3500
Fax (907) 465-3532

C-1

June 20, 1997

The Honorable Mike Miller
Senate President
Alaska State Legislature
State Capitol
Juneau, AK 99801-1182

Dear President Miller:

Under the authority of art. II, sec. 15 of the Alaska Constitution, I have vetoed the following bill:

HCS CSSB 150(FIN) am H

"An Act relating to moving expenses of state employees, to compensatory time for state employees, and to calculation of compensation for the public employees' retirement system."

Implementation of this bill would create inequities among state employees and require complex changes to the state's payroll and retirement systems that do not appear to be justified by cost savings, efficiencies, or other tangible benefits.

This legislation would prevent us from managing the state's workforce to maximum efficiency by producing higher administration costs, more cumbersome bureaucracy, and greater difficulty recruiting and retaining employees in already difficult areas of state government.

While the legislation seeks to curb travel costs associated with transfers and to address legislative concern about manipulation of overtime to increase retirement benefits, our analysis indicates these problems are not widespread. At most, the problems may occur in isolated incidents.

I-7

C-2

The Honorable Mike Miller

June 20, 1997

Page 2

In fact, one of the problems this bill is designed to remedy is employees voluntarily moving to areas with high geographic pay differentials for the final years of employment to increase their retirement benefits. This problem was addressed in 1986 changes to the retirement system. Employees hired after July 1986 must earn at least half their credited service in the higher geographic differential area in order to count that service toward higher benefits. These changes appear to be working to their intended purpose.

If our experience demonstrates that problems or abuses actually exist in the areas covered by this bill, we will take administrative actions to correct them and, where necessary, pursue changes to our collective bargaining agreements. My Administration stands ready to work with the legislature to identify and remedy any such problems.

Sincerely,



Tony Knowles
Governor

I-8

APPENDIX J

COMMISSION POSITIONS ON PROPOSITIONS ONE AND THREE

FINANCIAL IMPACT OF PROPOSITION THREE

**BUDGET ADVISORY COMMISSION
MUNICIPALITY OF ANCHORAGE
OFFICE OF MANAGEMENT & BUDGET
P. O. BOX 196650
ANCHORAGE, AK 99519-6650**

April 7, 1997

Hon. Mark Begich, Chair
Anchorage Municipal Assembly
P.O. Box 196650
Anchorage, AK 99519-6650

Re: Propositions One and Three on April 15, 1997 Municipal Ballot

Dear Mr. Begich:

I forwarded a letter to you on March 14 outlining the Commission's perspectives on ballot Proposition One. During the ensuing weeks, the Commission has also discussed its concern regarding Proposition Three. While the Commission appreciates the independent spirit of Alaskans, it cannot sit idly by and watch this same independence promote fiscally irresponsible measures in our community.

The Commission applauds the Municipality's efforts to inform the public regarding the implications that passage of Proposition Three would engender. To the same end, the Commission has asked the Voice of The Times to print the attached perspective. It reflects the Commission's thoughts on both Propositions One and Three. We trust that the Assembly shares our concerns.

Please let me know if you have any questions or comments.

Sincerely,

Eric Britten
Chair

**BUDGET ADVISORY COMMISSION
MUNICIPALITY OF ANCHORAGE
OFFICE OF MANAGEMENT & BUDGET
P.O. BOX 196650
ANCHORAGE, AK 99519-6650**

April 7, 1997

Mr. Dennis Fradley, Editor
The Anchorage Times
P.O. Box 100040
Anchorage, AK 99510

By FAX: 264-8794

Dear Mr. Fradley:

The Municipal Budget Advisory Commission appreciates the independent spirit of Alaskans. At the same time, the Commission believes that perhaps this same spirit may lead to questionable focus on community issues from time to time. Such is the case with Propositions One and Three that will appear on the April 15 ballot here in Anchorage.

Accompanying this letter is a short article the Commission would like to submit for publication in "Voice of The Times" between now and next Tuesday.

If you have questions or comments, I may be contacted at 263-5611 during working hours. Thank you for your consideration.

Sincerely,

Eric Britten
Chair

Psssst Have I Got A Deal For You!
by Eric Britten

For just \$299.95 a month, you can drive this brand new luxury automobile. Now, just relax. This won't hurt a bit. Take two tablets daily and watch your excess pounds melt away. Call this toll-free number and you too will soon be on your way to making millions. Recognize these come-ons?

I'd like to add two more to this list. (1) Proposition One on next week's ballot is about imposing a sales tax, and (2) Proposition Three will make your parking cares go away. Both these pitches are designed to anger, inflame and upset you. Do they? The proponents of both initiatives hope so. That's because you might consider voting for these initiatives if you base your decision on your emotions. If you look at the facts, both Proposition One and Proposition Three aren't at all what they seem to be.

Proposition One is not about a sales tax. It's about the democratic process. Our system is founded on the principal that the majority rules. Just recall some of the close political races that we've witnessed recently. Some candidates have eked out a win by just a few votes. We all support that. So, why will we allow some special interest groups to fan our emotional flames and convince us that we need to amend our city charter to require a supermajority in a single circumstance? We just need to step back and recognize that someone's trying to tamper with the system that's worked well for all of us for a long time.

Proposition Three is just as ridiculous. Basically, you're being asked to shoot the messenger. The Parking Authority doesn't make the parking ordinances. They only enforce them. If you believe the parking regulations are wrong, work to have them changed.

Passage of Proposition Three would also have serious fiscal implications. Anchorage's bond rating would suffer. That's going to cost all of us more as Anchorage will have to offer higher interest rates on its future bond issues. Not only will that happen, but then we'll all belly up to the taxpayer's counter to pay off Parking Authority bonds with more property tax dollars. On top of that, we'll have police officers writing citations instead of chasing the bad guys.

We're all emotional creatures. But do yourself and our city a great deed. Pocket your emotion on Tuesday and vote with your common sense. Check "NO" next to Propositions One and Three on your ballot.

**BUDGET ADVISORY COMMISSION
MUNICIPALITY OF ANCHORAGE
OFFICE OF MANAGEMENT & BUDGET
P.O. BOX 196650
ANCHORAGE, AK 99519-6650**

March 14, 1997

Hon. Mark Begich
Anchorage Municipal Assembly
P.O. Box 196650
Anchorage, AK 99519-6650

Re: Proposition 1 on the April 15, 1997 Municipal Ballot

Dear Mr. Begich:

The initiative that will appear on the Municipal Elections ballot next month known as Proposition 1 has caused a tremendous amount of concern among the members of this Commission. We have elected to write a position statement regarding this proposal. You will find it accompanying this letter.

As the statement reads, our major concerns are twofold:

1. It would be irresponsible for today's voters to make it more difficult to pass a tax initiative in the future. Who knows what the future may hold and what the Municipality's fiscal situation may require or dictate in years hence?
2. As the Commission's 1996 Report To The Assembly indicated, property taxes have been steadily increasing over the past twelve years to make up for dwindling revenues in other areas. Very possibly, the Municipality may face a property taxpayer revolt at some point and may need any number of viable alternatives to raise revenue from other sources.

Please let me know if you have any questions regarding the Commission's position on this issue.

Sincerely,

Eric Britten
Chairperson

PROPOSITION 1: A POOR CHOICE FOR ANCHORAGE

By Eric Britten, Chair
Anchorage Municipal Budget Advisory Commission

There will be a Municipal sales tax proposition on the April ballot. Does that surprise you? Surely you would have heard about something as controversial as a sales tax proposal. No, you haven't been asleep. It was supposed to be on last year's ballot, but didn't make it because of legal challenges.

Don't get too excited. This proposition doesn't seek to impose a sales tax on the Municipality. It does attempt to change the rules for imposing one by amending the Municipal Charter. The Charter currently requires that more than 50% of those voting on the issue approve a sales tax. The proposition on the April ballot will seek to increase that to 60% of the voters.

The issue is not whether we need a sales tax now. It is not whether property taxes alone should fund the city's increasing revenue gap. It is not whether Anchorage spends too much each year. It is not a question of how efficiently the city is run. The issue simply is that this ballot proposition will tie the hands of citizens and leaders at a future time when circumstances may clearly dictate that we need or want to pass a sales tax initiative.

Here are some facts to remember while you read this article. Anchorage's revenues from state Municipal Assistance and Revenue Sharing have dropped from \$55 million in 1986 to just under \$20 million this year. That's a decrease of nearly 65%. To compensate for this and other revenue losses, Anchorage property taxes have been increased from \$84 million to \$134 million over the past twelve years. That's a 60% increase, and the tax base is not much larger now than it was in 1986. It doesn't take a budget analyst to see that property taxes are viewed as the only viable alternative source of revenue right now, and it explains why property taxes have been going up at an alarming rate. At some point, property owners are going to say "no" to further increases.

Should future voters so elect, a sales tax applied under the tax cap could reduce the tax burden now shouldered single-handedly by property taxpayers. It could be a way for us to collect some revenue from seasonal workers who take their money and leave the state. It could be a way for our visitors to help us pay for some of the services we provide for them. A sales tax could be a lot of things as the fiscal profile of our community changes over the coming years.

Nobody's saying we need a sales tax now. The question is if we should take it upon ourselves now to make that call for the future. Who knows what's in store? Anchorage may never need a sales tax. But, it is irresponsible for us to make it more difficult for voters in future times to elect that option.

Clearly, sales taxes are controversial. Different groups support them and fight them for various reasons. But, as an issue like this works its way through our political process, various limitations, caps, and exemptions are proposed to accommodate the needs of those different constituencies. If a sales tax becomes a real issue in Anchorage, everyone will have a chance

to be heard before voters mark their ballots. The final outcome should acknowledge the views of those who will be most affected by the change at that time, not by shortsighted special interests in the past.

Considering all this, does it make sense to change a Charter that has proven to be a valuable and practical foundation for our city over the years? Don't be misled by the special interest groups who are the proponents of this year's initiative. A vote for Proposition 1 in April will be a vote to keep increasing property taxes and will seriously limit options for future citizens and leaders.

1998 General Government Operating Budget
PROPOSITION NO. 3 IMPACT

	<u>Direct Costs</u>	<u>Revenues</u>	<u>Property Tax</u>
<u>1998 Budget</u>			
Non-Dept. (Parking Garage Lease) *	\$ 1,341,730	\$ 0	\$ 1,341,730
Law	140,530	102,000	38,530
Police	200,000	600,000	(400,000)
Total 1998	<u>\$ 1,682,260</u>	<u>\$ 702,000</u>	\$ 980,260
1997 Supplemental	<u>(1,026,020)</u>		<u>1,026,020*</u>
INCREASE IN 1998 BUDGET/PROPERTY TAXES DUE TO PROPOSITION #3	<u>\$ 656,240</u>		<u>\$ 2,006,280</u>

* The use of one-time SB 29 monies as part of the Mayor's Safe Communities Financial Plan eliminated this cost in the 1998 Proposed Budget. However, had it not been for Proposition #3, those SB 29 monies could have been used elsewhere in the budget to reduce the budget/property taxes.

** less fund balance available to fund 1998 budget

APPENDIX K

**SB 29 WINDFALL AND AR NO. 97-
163**

Submitted by: Mayor Mystrom, and Assembly Members
Joe Murdy and George Wuerch

Prepared by: Office of Management and Budget
For Reading: July 1, 1997

ANCHORAGE, ALASKA
AR NO. 97-163

1 A RESOLUTION OF THE ANCHORAGE ASSEMBLY ACCEPTING AND APPROPRIATING
2 TWELVE MILLION ONE HUNDRED ELEVEN THOUSAND FOUR HUNDRED NINETY THREE
3 DOLLARS (\$12,111,493) FROM THE STATE DEPARTMENT OF COMMUNITY AND REGIONAL
4 AFFAIRS TO THE STATE CATEGORICAL GRANTS FUND (0231) AND APPROPRIATING ONE
5 HUNDRED NINE THOUSAND ONE HUNDRED FIFTY SEVEN DOLLARS (\$109,157) OF STATE
6 CATEGORICAL GRANTS FUND (0231) PROJECTED INTEREST EARNINGS FOR THE SAFE
7 COMMUNITIES PROGRAM IN ORDER TO ACCOMMODATE A CHANGE IN PAYMENT
8 SCHEDULE AND ASSURE THE ABILITY TO PROVIDE CONTINUED FINANCIAL SUPPORT
9 FOR PUBLIC SAFETY PROGRAMS WHILE REDUCING THE IMPACT ON PROPERTY
10 TAXPAYERS
11

12
13 WHEREAS, with the passage of Senate Bill 29 by the State Legislature and
14 signature by the Governor, the current Municipal Assistance program has been replaced by a new
15 Revenue Sharing for Safe Communities program; and
16

17 WHEREAS, the first payment under the Revenue Sharing for Safe Communities
18 program will be received by the Municipality of Anchorage on July 31, 1997 or about six months
19 earlier than a payment under the Municipal Assistance program would have been received; and
20

21 WHEREAS, the Municipality of Anchorage will receive both a Municipal Assistance
22 payment (February 1, 1997) and a Revenue Sharing for Safe Communities payment
23 (July 31, 1997) during its 1997 fiscal year; and
24

25 WHEREAS, for the Municipality of Anchorage, this change in payment schedule
26 means that the July 31, 1997 Revenue Sharing for Safe Communities payment will result in a
27 \$12,111,493 one-time unbudgeted revenue for 1997; and
28

29 WHEREAS, by applying the \$12.1 million one-time payment to debt, we generate
30 over \$19 million over the next 10 years which will assure the ability to provide continued financial
31 support for public safety programs while reducing the impact on property taxpayers; and
32

33 WHEREAS, the Anchorage Municipal Assembly finds the items proposed herein for
34 funding are of the highest priority and therefore limits this revenue to these items; and
35

36 WHEREAS, the Revenue Sharing for Safe Communities monies received by the
37 Municipality of Anchorage will earn interest revenues estimated to be at least \$109,157 until they
38 are expended.
39
40
41
42
43

1 NOW, THEREFORE, THE ANCHORAGE ASSEMBLY HEREBY RESOLVES;

2
3 Section 1. That these one-time revenues be used to assure the ability to provide
4 continued financial support for public safety programs while reducing the impact on property
5 taxpayers.
6

7 Section 2. That these one-time revenues be used to pay-off debt or be used in lieu
8 of new debt identified in the Assembly Memorandum accompanying this Assembly Resolution.
9

10 Section 3. That the sum of twelve million, one hundred eleven thousand, four
11 hundred ninety three dollars (\$12,111,493) be appropriated from the State Department of
12 Community and Regional Affairs to the State Categorical Grant Fund (0231) for the Safe
13 Communities Program.
14

15 Section 4. That the sum of one hundred nine thousand, one hundred fifty seven
16 dollars (\$109,157) of State Categorical Grants Fund (0231) projected interest earnings be
17 appropriated for the Safe Communities Program.
18

19 Section 5. This resolution shall take effect immediately upon passage and approval
20 by the Anchorage Assembly.
21

22
23 PASSED AND APPROVED by the Anchorage Assembly this ____ day of

24 _____, 1997.
25
26
27

28 _____
29 Chair
30

31 ATTEST:
32
33
34

35 _____
36 Municipal Clerk

37 Departmental Appropriation:
38 Non-Departmental \$12,220,650
39
40
41
42
43
44
45
46
47



MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

No. AM 603-97

Meeting Date: July 1, 1997

1 FROM: Mayor

2
3 SUBJECT: Senate Bill 29 - Revenue Sharing for Safe Communities - One-Time Revenue
4 Appropriation Resulting from a Change in Payment Schedule
5

6 With the passage of SB29 during the 1997 State legislative session and signature by the Governor,
7 the former **Municipal Assistance** program has been replaced by the new **Revenue Sharing for**
8 **Safe Communities** program.
9

10 CHANGE IN PAYMENT SCHEDULE/TIMING OF RECEIPT OF REVENUES

11
12 The old Municipal Assistance program revenues were distributed February 1 following the legislative
13 session. The new Revenue Sharing for Safe Communities program changes the payment schedule
14 such that these revenues will now be distributed six months earlier (i.e., July 31).
15

16 The first payment under the Revenue Sharing for Safe Communities program will be distributed on
17 July 31, 1997. For those Alaska communities on a calendar fiscal year, in their 1997 fiscal year
18 (January 1 - December 31, 1997) they will receive both a Municipal Assistance payment (February 1,
19 1997) and a Revenue Sharing for Safe Communities payment (July 31, 1997). For Anchorage this
20 change in the timing of disbursements means that the July 31, 1997 Revenue Sharing for Safe
21 Communities payment will result in a \$12.1 million one-time unbudgeted revenue for 1997. The
22 Revenue Sharing for Safe Communities funding that will be appropriated during the 1998 State
23 legislative session will then be part of our 1998 budget.
24

25 ADMINISTRATION RECOMMENDATION FOR USE OF THE \$12.1 MILLION ONE-TIME 26 REVENUES, RESULTING FROM A CHANGE IN PAYMENT SCHEDULE

27
28 The Administration recommends that the \$12.1 million one-time revenues (to be received on
29 July 31, 1997) be used to pay-off or defease existing debt or to eliminate or reduce the need
30 for new debt (see Attachment A). In so doing, we generate over \$19 million over the next 10
31 years which will assure the ability to provide continued financial support for public safety
32 programs while reducing the impact on property taxpayers.
33

34 Four criteria were considered in making a recommendation:

- 35
- 36 • provide the best return to Anchorage taxpayers (generally the debt at the highest interest rate)
 - 37 • provide benefits to taxpayers currently living in Anchorage (precluded debt with long maturity
 - 38 periods because the annual savings would be relatively small and far into the future)
 - 39 • provide benefits to all areas of the Municipality
 - 40 • provide for expenditure reductions in the future rather than using one-time revenues to pay for
 - 41 items which add continuing costs

Attachment A represents a 10-year, \$19 million plan which will assure the ability to provide continued financial support for public safety programs while reducing the impact on property taxpayers. Debt to be reduced includes:


- Police bonds (this benefits all areas of the Municipality except Girdwood)
- Anchorage Fire Service Area debt (this benefits all of the Municipality except Girdwood and Chugiak)
- Areawide (Fund 0101) debt, including EMS (this benefits all areas of the Municipality)
- Girdwood fire bonds (this benefits Girdwood in proportion to the Police and Anchorage Fire Service Area bonds being paid)
- Chugiak Fire Service Area apparatus funding (this benefits Chugiak in proportion to the Anchorage Fire Service Area bonds being paid)
- 6th & G Parking Garage bonds (this benefits all areas of the Municipality. As a result of Proposition #3 the City is currently obligated to pay the bonds from local property taxes and an additional burden has been placed on the Anchorage Police Department to provide parking enforcement. Defeating the parking garage bonds will eliminate the need for property taxes to pay the debt service and it will help to offset the additional burden placed on the Anchorage Police Department)

* * * * *

The supplemental appropriations required to pay off the debt are included in the attached Assembly Resolution. Once approved by the Assembly, the budgeted expenditure and property tax associated with the items listed in Attachment A will then be eliminated as part of the Proposed 1998 General Government Operating Budget.


Concurrence:

Prepared by:


 Larry D. Crawford
 Municipal Manager


 Eugene A. Dusek, Director
 Office of Management and Budget

Respectfully submitted,


 Rick Mystrom
 Mayor

DEBT TO BE REDUCED

DEBT TO BE REDUCED		RESULTANT PROPERTY TAX REDUCTIONS										
Description	Amount Required	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	GRAND TOTAL
Debase Series 1992 Police Bonds	\$ 227,330	\$ 172,508	\$ 3,868	\$ 3,868	\$ 3,868	\$ 68,868	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 252,980
Debase Series 1993 Police Bonds	1,416,140	278,850	469,295	444,820	399,570	0	0	0	0	0	0	1,592,535
Eliminate Need for 1996 Police Bonds	900,000	154,132	154,132	154,132	154,132	154,132	154,132	154,132	0	0	0	1,078,924
Payoff Lease/Purchase of E-911 Equip	879,030	152,020	152,020	152,020	152,020	152,020	152,020	152,020	39,167			1,103,307
Eliminate Need for 1997 EMS Bonds to Replace/Refurbish 4 Ambulances	300,000	51,377	51,377	51,377	51,377	51,377	51,377	51,377	0	0	0	359,639
Eliminate Need for Loan (Certificates of Participation) for AFD Tiburon System (will primarily benefit EMS) per '97 CIB	450,000	112,419	107,363	101,994	96,295	48,148	0	0	0	0	0	466,219
Debase Series 1992 EMS Bonds	708,120	154,948	158,738	155,300	151,525	153,628	0	0	0	0	0	774,139
Debase Series 1995 EMS Bonds	940,980	48,165	48,165	48,165	48,165	48,165	213,165	215,328	214,828	220,763	220,763	1,325,672
Eliminate Need for 1996 EMS Bonds	450,000	77,066	77,066	77,066	77,066	77,066	77,066	77,066	0	0	0	539,462
Debase Series 1992 Anchorage Fire Bonds	1,041,660	262,218	256,418	222,580	220,093	243,685	0	0	0	0	0	1,204,994
Debase 6th & G Parking Garage Bonds	4,820,000*	1,341,730**	1,341,730	1,341,730	1,341,730	1,341,730	1,341,730	1,341,730	1,341,730	1,341,730	0	10,733,840
Eliminate Need for Part of 1997 Girdwood Fire Bonds (to compensate for Police and Anchorage Fire reductions)	56,660	4,741	4,741	4,741	4,741	4,741	4,741	4,741	4,741	4,741	4,741	47,410
Contribute to Chuglak Fire Service Area to avoid incurring future debt for the purchase of Fire Apparatus (to compensate for Anchorage Fire reduction)	30,730	0	0	0	0	0	0	0	0	0	0	0
TOTAL	\$ 12,220,650	\$ 2,810,174	\$ 2,824,913	\$ 2,757,793	\$ 2,700,582	\$ 2,343,560	\$ 1,994,231	\$ 1,996,394	\$ 1,600,466	\$ 225,504	\$ 225,504	\$ 19,479,121 ***

* The \$4.8 million would be combined with \$2.5 million of Anchorage Parking Authority funds to debase the 6th & G Parking Garage Bonds. Some portion of any future net revenues generated by the 6th & G Garage could then be used to help reduce the current property tax subsidy of the 5th & C Garage.

** 1.30 times debt service coverage

*** An additional \$47,410 will be saved beyond the year 2007

125

ONE-TIME REVENUES FROM SB29 WILL ALLOW THE MUNICIPALITY TO PAY OFF (or avoid incurring) \$12.2 MILLION OF DEBT AND WILL ASSURE THE ABILITY TO PROVIDE CONTINUED FINANCIAL SUPPORT FOR PUBLIC SAFETY PROGRAMS WHILE REDUCING THE IMPACT ON PROPERTY TAXPAYERS. Debt to be reduced/avoided includes:

- 3 Police Service Area bonds
- 4 EMS (Areawide) bonds
- 2 Fire Service Area bonds (Anchorage and Girdwood)
- Future purchase of fire apparatus for Chugiak Fire Service Area
- Fire Dept. Tiburon system COP's (Cert. of participation)
- E-911 Equipment Lease
- 6th & G Parking garage bonds

BY PAYING THE DEBT ITEMS LISTED ABOVE, THE MUNICIPALITY WILL BE ABLE TO CONTINUE TO FUND 1998 INCREASES IN NEWLY PROGRAMMED PUBLIC SAFETY SERVICES WITHOUT INCREASING PROPERTY TAXES FOR THESE SERVICES, such as:

- MOA cost of recently awarded grant for prisoner transport and subpoena svcs. (\$338,000)
- Increasing Municipal cost in 1998 of Community policing COPS grant (i.e., Mtn. View) due to expire 9/98 (\$190,000). 1999 and beyond MOA portion increases \$460,000 over 1997.
- Contractual typing services suggested by recent Police Mgmt audit (\$320,000)
- MOA match to federal grant to hire 6 additional sworn police officers (\$325,000)
- Full year additional cost of new positions added in Police/Law Depts. to support increases in police staffing (\$640,000)
- Police Overtime necessitated by passage of Proposition #3 (\$600,000)
- Police and Fire debt service net increase for previously voter approved bonds (\$450,000) -- these costs will be eliminated with the proposed use of the SB29 one-time funding.

NOTE: For the public safety services highlighted above, the one-time revenues generated by passage of SB29 in 1997 will be of lasting benefit starting in 1998 and continuing many years beyond. The shifting of applied property tax revenues from funding public safety-related debt to funding public safety services is long-term in nature.

APPENDIX L

PROGRAM MEASURES MILWAUKEE AND ANCHORAGE FIRE DEPARTMENTS

FIRE DEPARTMENT

EXECUTIVE SUMMARY

- MISSION:** To protect people and property within the city. The department responds to the needs of citizens by providing rapid, professional, and humanitarian services essential to the health, safety, and well-being of the city.
- STRATEGIC ISSUES:** Socio-economic conditions in the city that increase the number of calls for service place a burden on the department that threatens its ability to provide timely fire suppression, emergency medical, and other emergency services.
- Timely provision of fire suppression, emergency medical, and other emergency services help make the city a desirable place to live, work, and conduct business.
- Loss of firefighters to other jurisdictions is costly to the department both in terms of losing experienced personnel as well as training new recruits.
- INITIATIVES FOR 1996:** Continue the FOCUS (Firefighters Out Creating Urban Safety) program.
- Continue to provide citizen information and education programs designed to prevent and minimize the effects of fire and other trauma.
- Increase utilization of technology to assist in providing more effective and efficient services.
- Provide Haz-Mat response services on a state funded regional basis.
-

BACKGROUND

The Fire Department concentrates its efforts on protecting life and property from the effects of fire and other trauma. To meet these threats, the department operates 36 fire houses. The city's fire houses are geographically distributed throughout the city and organized into 6 battalions. Staffing consists of 37 engine companies, 15 ladder companies, 5 paramedic units, 5 rescue squads and 1 snorkel company. Three of the engine companies double as paramedic units and others double as special teams; Dive Rescue, Hazardous Materials, and Heavy Urban Rescue Team (HURT). With these resources the department provides fire suppression, emergency medical, and other specialized emergency responses.

The department also operates an Instruction and Training Bureau which provides recruit and in-service training and conducts and coordinates all of the department's public education programs. The

department allocates almost 14% of its resources to citizen education and outreach programs that prevent and minimize the effects of fire and other trauma.

OBJECTIVES AND ACTIVITIES

Objective 1 – Reduce the three-year average number of fire deaths from 19.3 in 1990-1992 to fewer than 10 by 2000-2002.

In 1996, the Fire Department will dedicate approximately \$9.3 million to citizen education and information programs designed to prevent fires and minimize the effects of fire and other trauma.

FOCUS: The largest portion of this allocation, approximately \$6.8 million, will be dedicated to the FOCUS (Firefighters Out Creating Urban Safety) fire prevention program. This program features firefighters going door to door in high fire incidence

FIRE DEPARTMENT

areas to install smoke detectors, replace smoke detector batteries, and distribute fire safety information. Smoke detectors and batteries for the program are donated by the private sector. Since the program's inception in 1991, 7,118 smoke detectors have been installed, 5,299 batteries have been replaced, and 18,118 homes have been visited.

In 1995, the department expanded its FOCUS program to include a third target area as well as revisiting previously targeted areas. The department will continue to revisit all three areas in 1996.

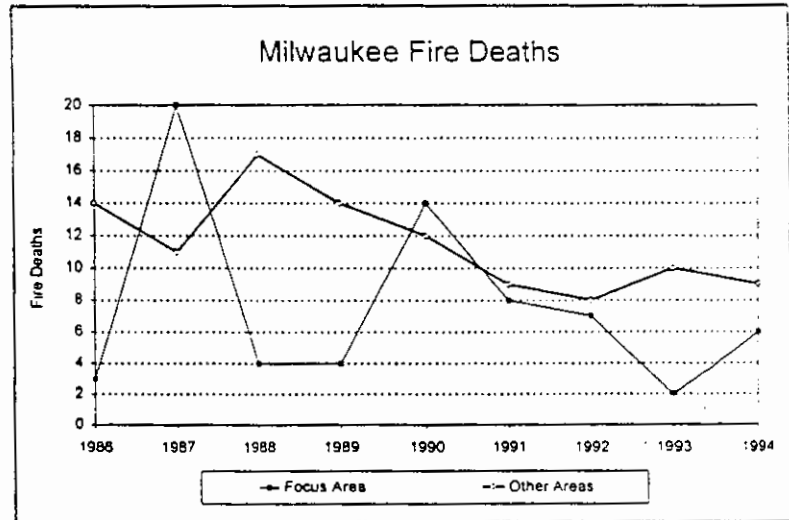
As illustrated in Figure 1, since the FOCUS program began in 1991, the number of fire deaths in the city has declined. The chart may also appear to indicate that deaths in the FOCUS areas have leveled-off in 1994, however, four of the six FOCUS area fatalities occurred in the same fire on December 26th. It should also be noted that in none of the six FOCUS area fatalities were FOCUS program firefighters able to gain access to the involved units.

Urban River Safety Program: The 1996 budget continues the Fire Department's participation in the Urban River Safety Program. This program, which began in 1995, teaches children about the dangers of playing in or near ditches and waterways. The program is a cooperative effort with the State Department of Natural Resources, the Milwaukee Metropolitan Sewage District, the Milwaukee Public Schools, and other city agencies.

Elder Safe Program: Another new program for 1996, that was also started in 1995, is the Elder Safe Program. The program is a combined effort of the Fire Department, Police Department, Health Department, Red Cross, and the Housing Authority. The purpose of the Elder Safe Program is to educate the city's elderly population on how to handle medical emergencies, fire safety, personal safety, and health maintenance. The Fire Department's participation includes a review of the services they provide, how and when to call, what information to give the dispatcher, and what to do until help arrives.

In addition to the new programs listed above, the department will continue to provide other

Figure 1

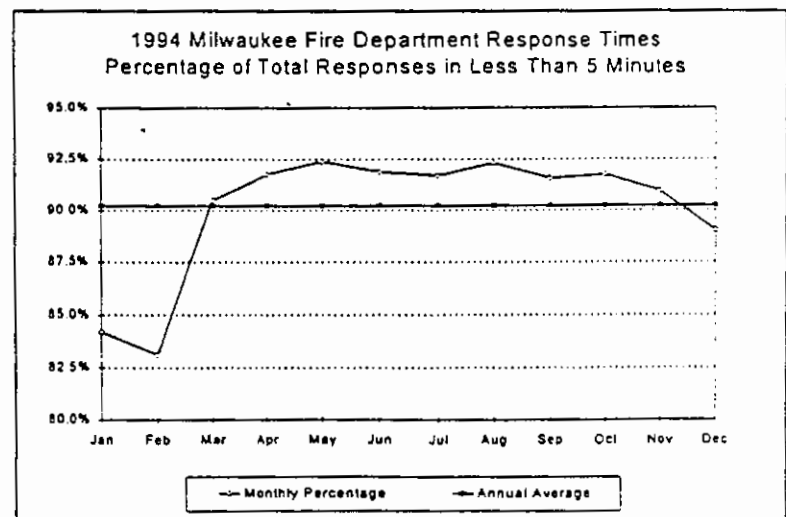


fire prevention programs that have proven to be effective in reducing the incidence of fire and fire deaths. Included in these programs are the Extinguisher Program, Survive Alive House, Sesame Street, and the Juvenile Fire Setter Program.

Objective 2 – To reduce personal injury and property loss by increasing the percentage of calls responded to within five minutes from 91% in 1993 to 95% by 1996.

The 1996 budget provides \$58.6 million for emergency response services. Timely response to requests reduces the effects of fire, lessens the impact of medical emergencies, and minimizes the impact of other emergencies. The following chart, Figure 2, indicates

Figure 2



Property Tax Supplemented Funds

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that while the 1994 annual average response time shows little progress toward the department's objective, this is at least in part attributable to bad weather conditions in the early part of the year. The department is committed to achieving its objective of responding to 95% of calls within five minutes and will continue to use computer aided dispatch and other technological developments to meet this goal.

OPTICOM: An initiative aimed directly at improving response times and employee and citizen safety is the OPTICOM system. This is an intersection control device that allows emergency vehicles to control traffic lights so that passage through the intersection will occur during a green light. The 1996 budget for OPTICOM includes \$147,000 and represents the fourth year of this ten year project. Funding for this project is included in the Traffic Engineering capital budget to facilitate coordination with their traffic control improvement program.

HURT: In 1996, the department will combine the technical rescue (rope team) and the tunnel rescue teams into one unit. The new team will be called the Heavy Urban Rescue Team (HURT) and will provide rescue skills and technical expertise to all emergencies below ground, in confined spaces, or in elevated places. Combining these functions into one team builds expertise in more individuals, which in turn strengthens the departments ability to deal with these types of emergencies.

Regional Haz-Mat Team: In 1995, the State of Wisconsin designated the department as the provider of a regional Haz-Mat Team. This team will respond to hazardous materials spills in Milwaukee, Waukesha, Ozaukee, Washington, and part of Jefferson County. The state will pay the city \$300,000 for the provision of

this service. Included in the department's 1996 budget is \$215,000 for the provision of these services. The supply account includes \$127,000 for protective clothing and materials. The equipment rent account includes \$87,000 for installment payments on a response vehicle. In addition, \$86,000 is included in the Insurance Fund - Miscellaneous Special Purpose Account for the purchase of liability insurance. Participation in this program enhances the department's ability to respond to hazardous material spills at no additional cost to the city.

Retention Of Employees: Two related on-going problems that continue to affect the department include the loss of trained personnel to other jurisdictions and the recruitment of city residents. In 1995, the department initiated a Cadet Program to attract recruits with roots in the community. This program continues into 1996 and is being evaluated to determine if it should be continued. The department is also considering the use of pre-employment contracts and residency bonus points on qualifying exams to deal with these problems.

Capital Improvements: The Fire Department Capital Improvements Program for 1996 includes five projects totaling \$1,027,000. Of this amount, \$500,000 will be used to complete a new fire house for Engine #36 (25th and West Capitol Drive).

Also included is \$290,000 for the repair of the training tower, \$100,000 for an on-going ventilation and toilet separation program, \$100,000 for land acquisition for a new fire house for Engine #35 in the vicinity of Hawley and Bluemound, and \$37,000 for the renovation of classroom space at the training academy.

1998 PROGRAM PLAN

DEPARTMENT: FIRE
PROGRAM: Fire/Rescue Operations

DIVISION: FIRE & RESCUE OPERATIONS

PURPOSE:

Operate 11 fire stations staffed with full-time firefighters, 1 station and a facility staffed by auxiliaries, and 4 stations staffed by volunteers to provide an acceptable level of fire and rescue services to the people of Anchorage, Eagle River, South Fork, Chugiak and Girdwood.

1997 PERFORMANCES:

- Responded to and arrived at all emergencies in Anchorage and Eagle River areas in 4.5 minutes or less.
- Responded to requests for emergency services in an average of 6.5 minutes in Girdwood and Chugiak areas.
- Provided automatic defibrillator services in Anchorage and Eagle River areas in an average of 4.5 minutes.
- Conducted pre-fire inspections.
- Responded to and conducted CO alarm inspections.

1998 PERFORMANCE OBJECTIVES:

- Respond to and arrive at all emergencies in Anchorage and Eagle River areas in 4.5 minutes or less.
- Respond to requests for emergency services in an average 4.5 minutes in Girdwood and Chugiak areas.
- Provide automatic defibrillator services in Anchorage and Eagle River areas in an average of 4.5 minutes.
- Conduct pre-fire inspections.
- Respond to and conduct CO alarm inspections.

RESOURCES:

	1996 REVISED			1997 REVISED			1998 BUDGET		
	FT	PT	T	FT	PT	T	FT	PT	T
PERSONNEL:	196	0	0	196	0	0	196	0	0
PERSONAL SERVICES			\$17,008,270			\$15,738,150			\$15,705,190
SUPPLIES			376,810			383,250			384,070
OTHER SERVICES			3,118,840			3,194,620			3,163,030
DEBT SERVICE			413,730			426,640			344,120
CAPITAL OUTLAY			390,030			420,400			493,700
TOTAL DIRECT COST:			\$21,307,680			\$20,163,060			\$20,090,110
PROGRAM REVENUES:			\$ 25,500			\$ 26,000			\$ 26,000

WORK MEASURES:

- Total responses to emergency services	17,554	17,634	18,920
- Fire cause/origin investigations	1,600	1,650	1,650
- Pre-fire plan inspections	45	46	46

39 SERVICE LEVELS ARE FUNDED FOR THE DEPARTMENT. THIS PROGRAM HAS LEVELS:
1, 2, 12, 13, 16, 32, 33, 35, 36, 38, 39

APPENDIX M

BUDGET REFORMATTING: POSITIVE ISSUES FROM OTHER CITIES

BUDGET REFORMATTING COMMITTEE

HIGHLIGHTS FROM OTHER BUDGETS AND ISSUES OF CONCERN WITH MOA BUDGET

POSITIVE ISSUES INCLUDED IN BUDGETS FROM OTHER CITIES

<u>CITY</u>	<u>ISSUE</u>
Milwaukee	<p>Objectives (measures, goals) and outcomes in setting directions These goals make sense because they are specific, measurable, and outcome-oriented. Instead of simply courting up activities, departments set goals based on quality of service received by the public. This could be an important tool for deciding city priorities and directions.</p>
Honolulu	<p>Program management in personnel areas such as resignations and promotions. This should show trends and potential problems in individual departments by documenting staff changes each year.</p> <p>FTE Information Whenever possible, the budget should list the full-time equivalent staff associated with the activity.</p> <p>Organization chart information (names and position levels) Each department's budget should include an organizational chart with names of incumbents of key positions and salary ranges.</p>
Indianapolis	<p>Significant events The budget should list major accomplishments in the previous year and goals for the next year.</p> <p>Resources and requirements breakdown by divisions Each division's budget should show both the sources of funds and the costs of each program.</p>
Rockford	<p>Bar graph of performance history Graphic representations should be included whenever possible to make the budget easier to use.</p> <p>Analysis of revenue streams and trends Whenever possible, the budget should show multiple years of history for all aspects of income, expense, and FTEs.</p> <p>Organization chart (number of positions and services in sub-areas)</p> <p>Positions and pay, cost of equipment Breakdown budget detail in as many ways as possible. Using employee positions is one clearly understandable way.</p>

- Charlotte **Breakdown of how is much spent by program**
Breakdown of cost by program, similar to current service level listing used by Anchorage are valuable for determining policy direction from the Assembly.
- St. Paul **Organization chart (indicating name of incumbent)**

ISSUES OF CONCERN WITH MOA BUDGET

1. **Need more detail in budget document (in print and/or computer accessible format).**
A more detailed budget could be accomplished through World Wide Web or other electronic means. Budget document should include both detail and summary information, so lay users can dig below the surface of broad categories to the details.
2. **Provide the bigger picture when referencing performance measures.**
The purpose of performance measures is to provide quantifiable goals for success of programs. Measures should be related to outcomes, such as ambulance run times, crime rates, or surveys of customer satisfaction
3. **Keep page orientation consistent throughout entire document.**
4. **Identify three to four years of history (include a breakdown by division).**
5. **Stretch goals (indicate what can we do better).**
Performance measures and other goals should be used as a policy tool to provide direction and improvement to the Municipality.
6. **Organization charts (include position and representation such as executive, nonrep, or union).**
7. **Provide graphic user interface with use of mouse and access through the World Wide Web.**

NOTE: Please see attached examples of relevant budget issues from other cities

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