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**CITY OF ANCHORAGE**

**1962**

**BUDGET**



Prepared by  
**THE OFFICE OF THE CITY MANAGER**  
for  
**THE CITY COUNCIL**  
Anchorage, Alaska

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## ADDENDUM TO 1962 BUDGET

The 1962 Budget for the City of Anchorage, as presented to the City Council, is hereby amended and modified by and to the extent indicated in the following addendum:

- 1) Substitute a Civil Defense Budget of \$30,000 with a \$15,000 credit for matching funds making a net budget of \$15,000 for the budget of \$5,500 as it appears on page 85 of 1962 proposed budget.
- 2) Account 1209, City Attorney at page 51: Increase code 1209.11, salaries, by \$1,000.00 and adjust code 1209.13, accrued leave and totals accordingly.
- 3) Municipal Light and Power, code 3902 at page 173: Reduce code 3902 from \$39,600 to \$33,000 and adjust totals accordingly.
- 4) Water Utility, code 4751 at page 192: Increase account 4751 by \$10,390 to \$88,290 to adjust for error in accounting and adjust affected totals accordingly.
- 5) Community Promotion, account 1212 on page 59: Reduce code 1212.22 from \$4,000 to \$3,000 and adjust totals accordingly.
- 6) Electrical Utility Fund, code 3373.008 at page 178: Reduce code 3373.008 by \$44,000 to \$7,900 and adjust affected totals accordingly.
- 7) Street Drainage, account 1242 at page 110: Reduce code 1242.1 by \$4,000 to \$31,070 and adjust affected totals accordingly.
- 8) Health Department, account 1250 at page 118: Increase code 1250.22 from \$52,500 to \$64,500 and offset with a credit of \$12,000 for rental of Health Center Building. Adjust totals accordingly.
- 9) Telephone Utility, code 2662 on page 153: Increase estimated amount in code 2662 from \$224,720 to \$224,770.

This addendum was formally adopted by Council at a special meeting held Thursday, December 28, 1961. Each item in the addendum was separately adopted and the minutes of that meeting so indicate.

THE CITY OF ANCHORAGE

1962

BUDGET

MAYOR

George Sharrock

COUNCILMEN

Roy V. Nigh  
William A. Besser  
Joseph A. Yesenski  
Harry J. Pursell

Dr. Robert D. Livie  
Frank Feeman, Jr.  
Frank W. Harris  
E. N. Courtney



# CITY OF ANCHORAGE

ALL AMERICA CITY - 1956

POST OFFICE BOX 400  
ANCHORAGE, ALASKA

Please USE AIR MAIL

November 17, 1961

The Mayor and Members of City Council  
City of Anchorage  
City Hall  
Anchorage, Alaska

Gentlemen:

In accordance with the City Charter, I present for your consideration the City Manager's budget proposal for 1962.

The principal events for 1961 were the completion of the Port facilities and the Public Safety Building. The Public Works Department completed 30 projects and partially completed 14, for a total cost of \$1,560,000. We added 10 miles of sanitary sewers, 2 miles of storm sewers, 10 miles of water mains, 53 fire hydrants, 644 water connections, 801 sewer connections, and completed the extension to South Bragaw Street.

Major projects to be finished in 1962 are the Water Filtration Plant, Fire Station Three, and Merrill Field Tower. No new major construction is contemplated for 1962, although a relatively small amount of work will be set forth in the 1962 Capital Budget, which will be presented to Council in the near future.

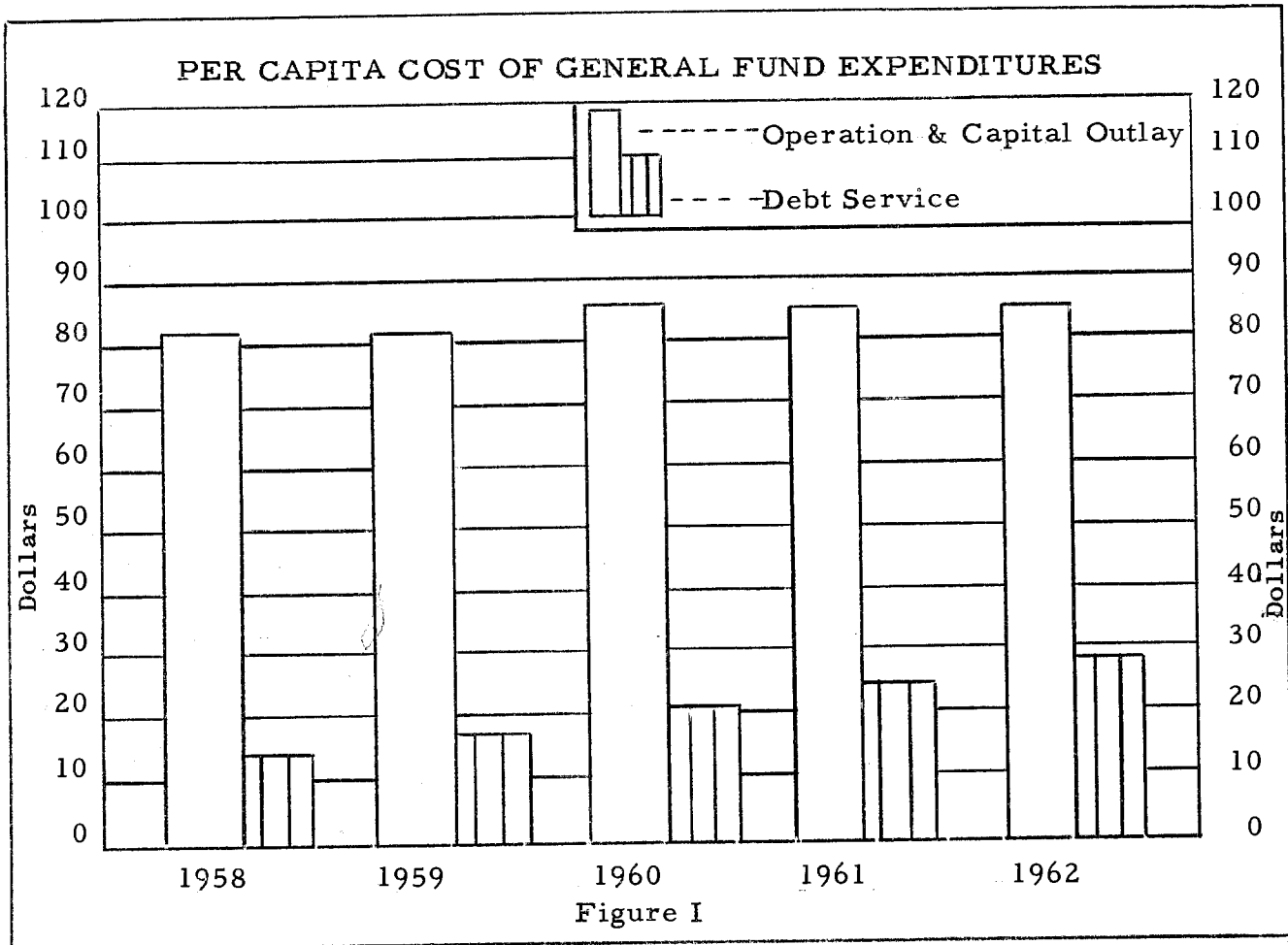
In general, this Budget is prepared on an austerity basis. In the General Fund particularly, many desirable improvements in public service have been shelved due to lack of funds.

## GENERAL FUND

For 1962, the General Fund budget is estimated at \$5,081,690, as compared to \$5,023,942 for 1961, an increase of \$57,748, or approximately 1%. Despite a debt service increase of \$195,853, we have "held the line," so that the present 11-mill tax rate can be continued in 1962.

Using an estimated population of 45,000, the per capita cost of Anchorage City government is \$113, of which \$28 is for debt service and \$85 for oper-

ation and capital outlay. Ten years ago (1952) the cost was \$121, divided \$10 for debt service and \$111 for operation. A graphic tabulation of per capita cost for the last five years follows:



### GENERAL FUND REVENUES

The general property tax will again be the largest revenue producer for 1962, as shown in the following tabulation:

	1961	1962
Property tax	45%	43%
City-owned utilities	26%	26%
Service charges	13%	15%
Licenses and permits	12%	12%
Other revenues	4%	4%

The estimated assessed value of taxable property within the City is \$200,000,000, computed at 70% of current market value. The estimated tax revenue will be \$2,200,000 at 11 mills.

The three municipally owned utilities (telephone, electrical, and water) furnish the next largest source of revenue. The estimated total is \$1,284,030, of which \$414,020 is for payments in lieu of taxes and \$870,010 from contributions or "dividends." Our utilities provide revenue equivalent to 6.4 mills of property tax. In addition, the utilities share in the cost of services rendered to them by General Fund departments.

Detailed explanations of revenue accounts appear on pages 5 through 22.

### GENERAL FUND EXPENDITURES

As was the case in 1961, the principal increase in expenditures will be in debt service, which rises from \$1,063,227 to \$1,259,080, an increase of \$195,853. Increases are also noted in Public Safety, Highways, and Service Departments. Decreases are noted for General Government, Sanitation, and Miscellaneous categories. No provision is made for any new major capital project. Graphs on the following pages show the division of the expenditure dollar. Beginning on page 24 and ending on page 147, you will find the details of the expenditure accounts. Each department has set forth its work program, with statistical information showing activities in the various work categories.

### UTILITY FUNDS

#### TELEPHONE UTILITY:

The rate increase, effective August 1, 1961, together with station growth, causes the operating revenues to rise from \$2,523,000 to \$3,166,700. Also, we shall be able to budget enough funds in 1962 to finance \$483,000 of construction from current revenue. You will recall that for 1961, we were able to budget only \$210,000 from current revenue. Due to failure of the \$4,000,000 revenue bond issue in the October election, no other funds are available for construction. Therefore, the shortage of lines in the Fairfax and Federal exchanges will continue indefinitely.

The increased revenue will also enable us to improve our maintenance program. Certain improvements in the management of the utility are now in process, and should result in better utilization of available resources.

The detailed budget begins on page 149 and ends on page 168.

## ELECTRICAL UTILITY:

Operating revenue is estimated to increase from \$2,573,273 to \$2,743,700. The negotiation of a power purchase agreement with Chugach Electric Association will buy about three years time toward the day when additional power must be available. We must continue to search for a solution to the perplexing problem of additional power sources. Perhaps the various studies and proposals now in process will bear fruit in the near future. \$536,000 has been budgeted for construction. The utility is debt free, and all current construction is financed on a pay-as-you-go basis.

The detailed budget begins on page 169 and ends on page 187.

## WATER UTILITY:

We estimate that operating revenues will increase from \$910,700 to \$1,034,850, due largely to the rate increase effective September 1, 1961. However, to balance the budget, we had to use \$55,000 of accumulated surplus.

The recent change in policy to require water improvements to be constructed under special assessment procedures should be of considerable benefit to the utility in the future. This method requires that property owners benefited repay their share of the capital cost on a current basis, rather than at the time of hook-up, which may be years after the lines are constructed.

The impact of the debt service and operating expenses of the new filtration plant will be felt in 1962. It is probable that an additional rate increase may be necessary to defray these charges, as the plant, in itself, adds nothing to the income of the utility.

The detailed budget begins on page 189 and ends on page 196.

## PORT OF ANCHORAGE:

The Port appears in the Budget book for the first time, as the facility was not activated until April, 1961. For 1962, the budget is predicated on 85,000 tons, whereas the 1961 revised budget was based on 31,000 tons. We estimate revenues for 1962 at \$428,930, compared to \$224,786 for 1961.

We estimate that \$226,050 will be available for interest on outstanding revenue bonds. Since the total interest burden will be \$372,000, the balance of \$145,950 will be paid from balances remaining in the Construction fund.

The detailed budget begins on page 197 and ends on page 204.

\* \* \* \* \*

The raw material for this Budget has been prepared by the various City department heads, who have been extremely co-operative in facing the problem of fitting their programs to the resources available. The preparation of the Budget has been accomplished by the Controller and his staff. Marie Richardson of the Manager's office and Eva Snyder of the Light and Power Department deserve credit for typing the document.

The Charter requires that Council conduct a public hearing not less than one week prior to final adoption. The Charter sets December 22 as the deadline for adoption. Consequently, the public hearing should be set for the regular meeting of December 12. If the Budget is not adopted prior to December 29, this proposal automatically becomes the 1962 Budget. All department heads and the writer are available at any time for discussion.

Respectfully submitted,

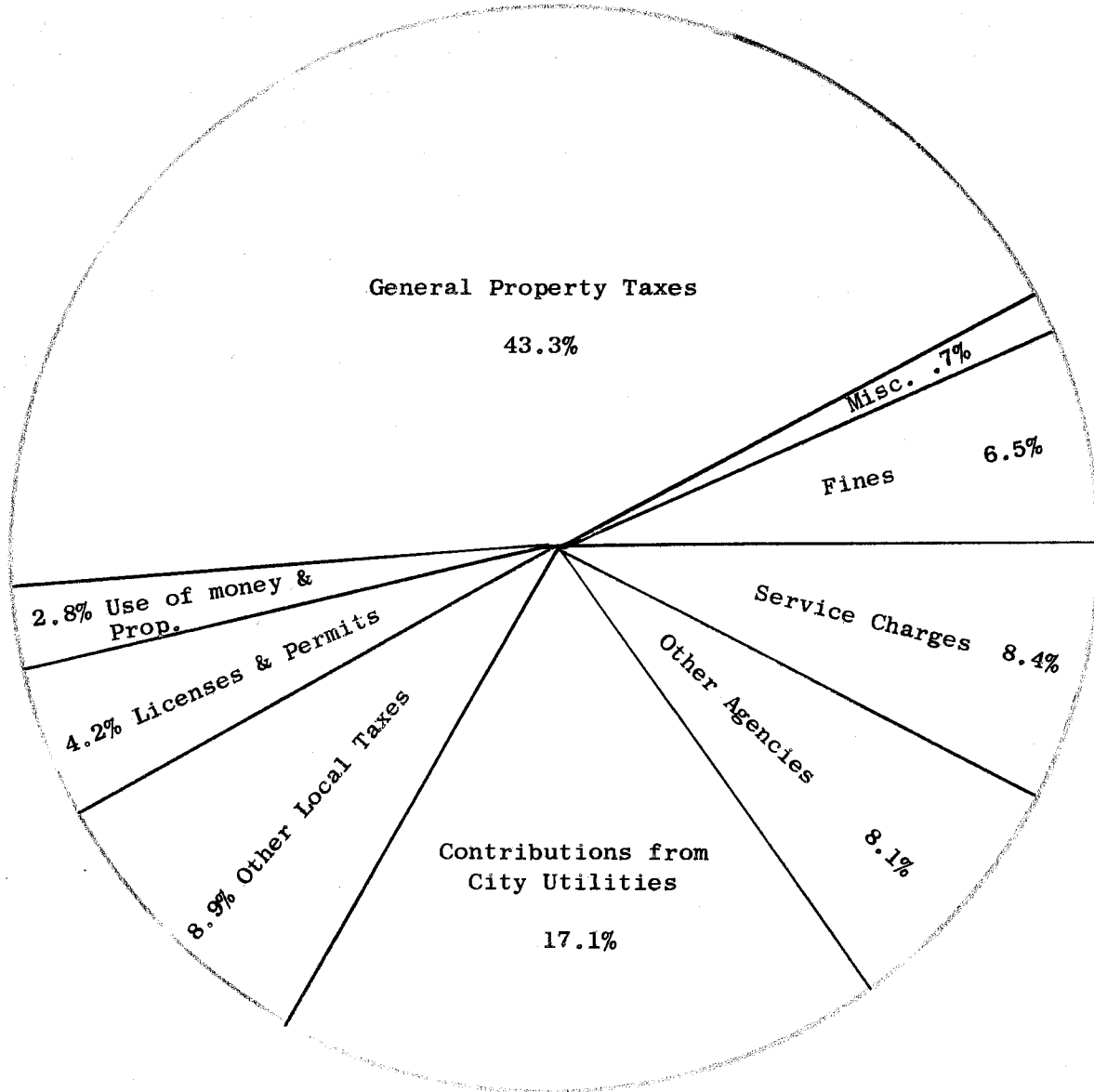
*C. A. Hostetler*  
C. A. Hostetler  
City Manager



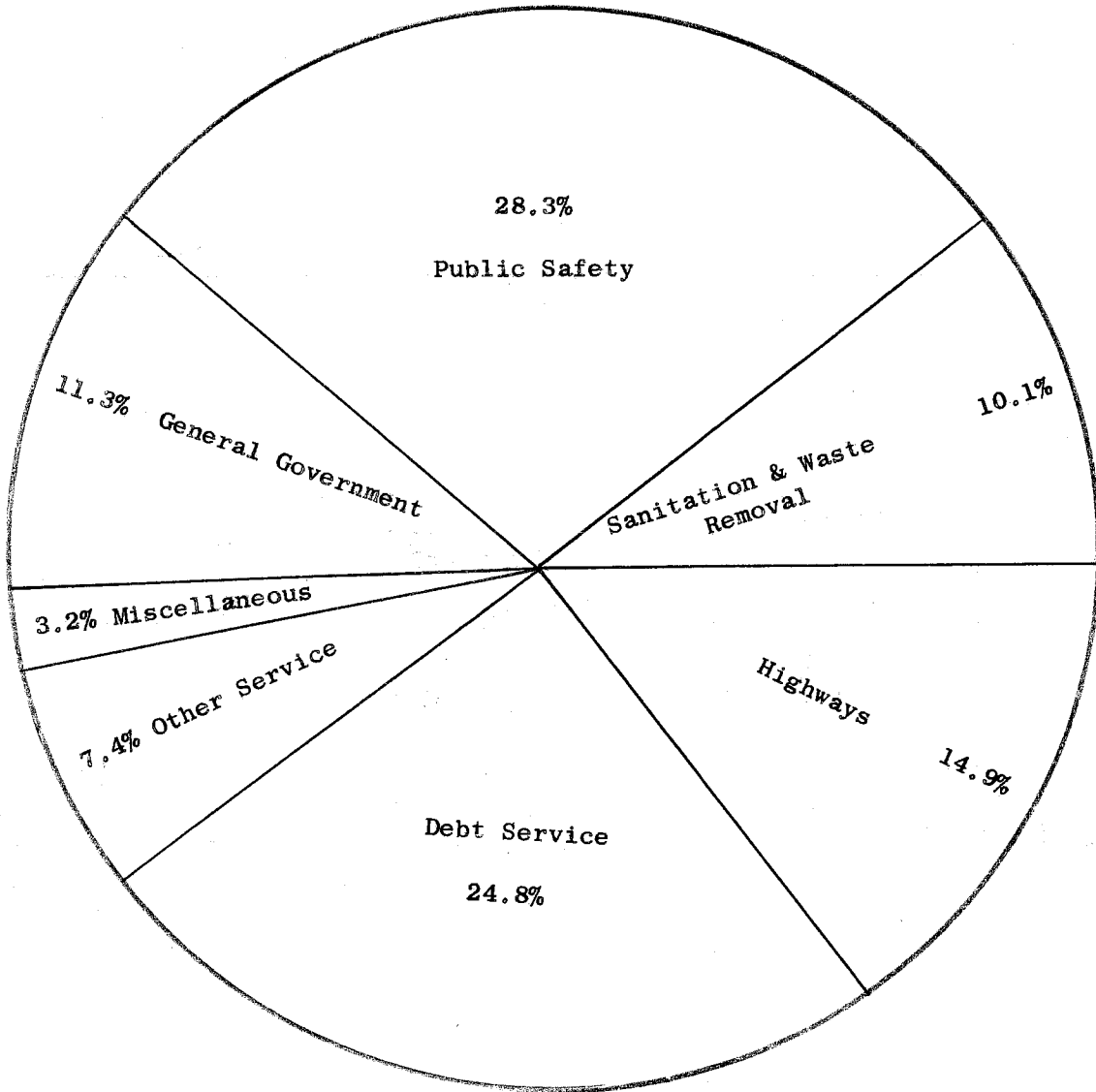
1962

GENERAL FUND

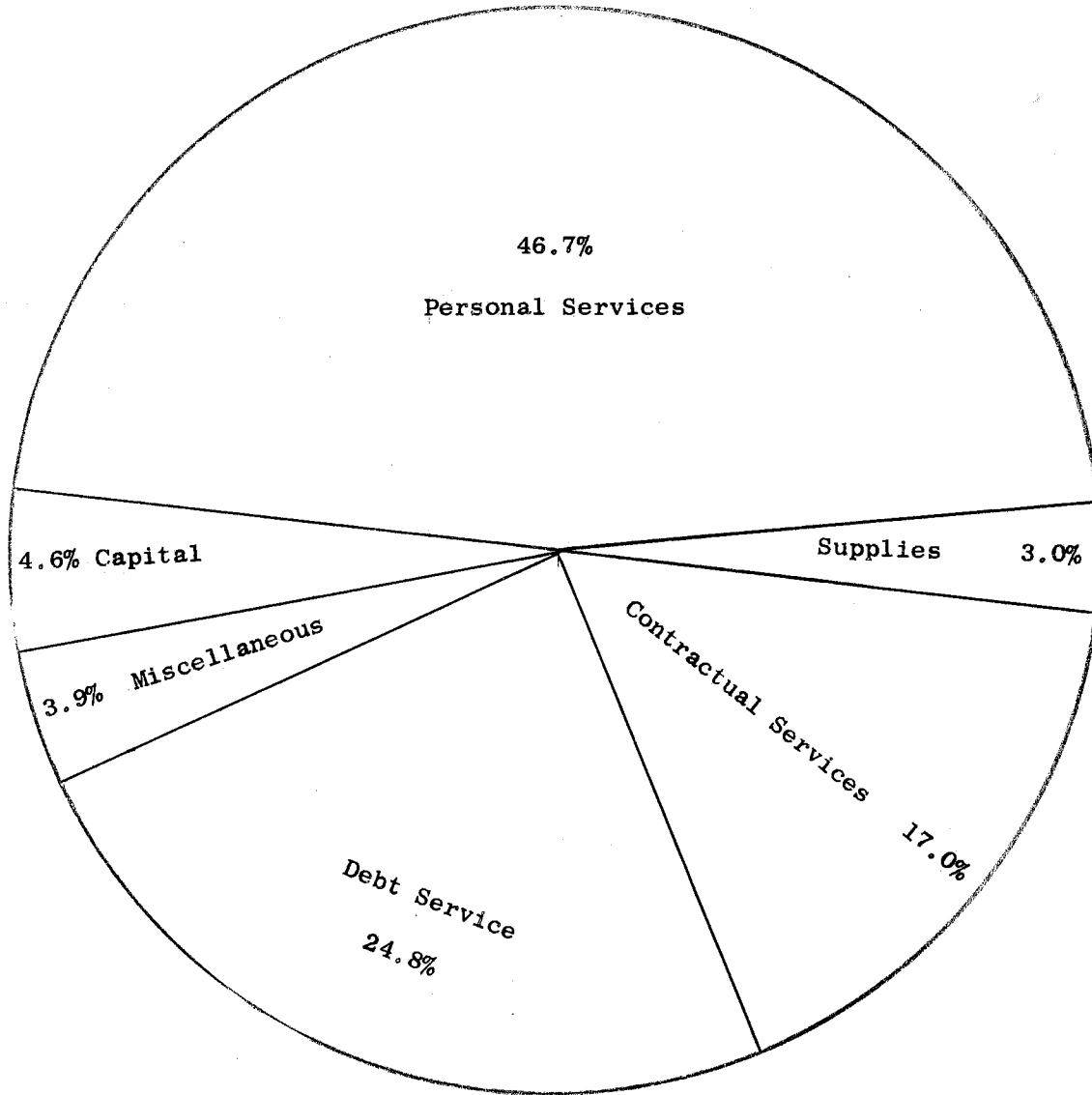
SOURCES OF REVENUE

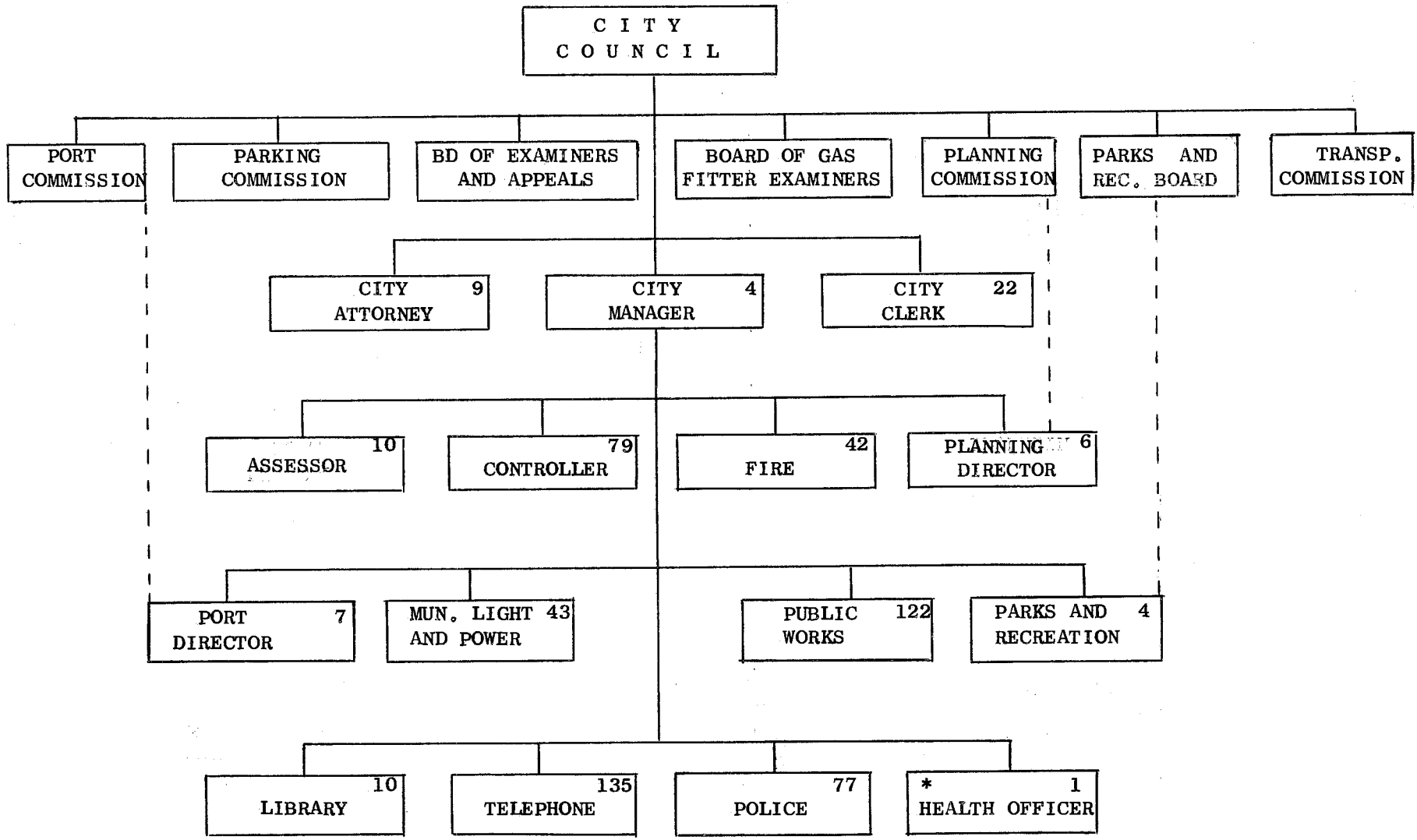


1962 GENERAL FUND  
EXPENDITURE APPROPRIATIONS  
BY FUNCTION



1962 GENERAL FUND  
EXPENDITURE APPROPRIATIONS  
BY TYPE





\* Public health and related services contracted with State.

— Signified liaison relationship.

Total Personnel Authorized - 570

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