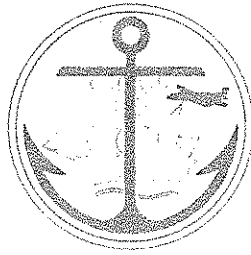


Municipality
of
Anchorage



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GEORGE M. SULLIVAN,
MAYOR

OFFICE OF THE MAYOR

December 17, 1979

Members of the Assembly/Citizens of Anchorage:

I am pleased to present the Municipal Budget for 1980.

The emphasis for 1980 will be the continued development of a responsive, cost-effective local government committed to preserving the quality of life that has continued to make Anchorage a fine place to reside.

The primary theme is to continue to hold the line on government expenditures. Except for voter mandated increases and programs/services that will utilize funding other than local property taxes, the objective for the 1980 general government operating budget has been to limit overall expenditures to a level no higher than that required to continue 1979 programs/services at 1980 prices. In some cases, reductions have been made below this level. High priority programs/services such as Street Maintenance and Public Transit have been expanded. Other programs have generally been maintained at or below their current level.

We are not growing at the hectic pace of the mid '70s, but we are still growing. Instead of looking back, we need to look at where we will be going in the near future. Out-of-state bankers and investors continue to predict that our prospects for growth appear favorable. There will continue to be increased world-wide demands for the many resources found in Alaska. Our State is still viewed as the last frontier for new economic opportunities and Anchorage is the financial and economic center of the State. Economic growth and proper development will be actively encouraged. The recently created Economic Development Director position, the Port of Anchorage marketing study, and the voter-approved increase in the Hotel-Motel Tax and its potential for year-round tourism and business expansion are important steps in that direction. In addition, programs such as the recently awarded \$12 million capital improvements grants from the State Legislature will create jobs and encourage economic development. With the State revenue surplus estimated to be over two billion dollars, Anchorage can expect an equitable share in potential benefits.

I have adopted nine major goals for my Administration. A copy of these goals follows this message. Five of these goals specifically address improving the economic outlook of the community and the fiscal outlook of Anchorage local government as well as optimizing the efficiency and effectiveness of the government.

During the two month review process between the Administration and the Assembly subsequent to the submission of the Preliminary 1980 Budget to the Assembly in early October, we continued our analysis of projected revenues and expenditures. As a result, a number of revisions increasing non-property tax revenues and reducing expenditures have been incorporated in the Approved 1980 Budget. In addition, the voters approved creation of three Limited Road Service Areas in the October 2nd election. Also, we converted Transit and Solid Waste to enterprise accounting and revised the budgeting and accounting treatment of special assessment funds.

Several changes to the preliminary 1980 Budget were also made by the Assembly. The Administration is prepared to accommodate these changes, but we do have some concern regarding the reduction of the amount available for salary increases during 1980. Five of our labor agreements are up for renegotiation during 1980; and with the inflation that all of us are experiencing, we are concerned whether sufficient funding will be available to accommodate the salary increases.

GENERAL GOVERNMENT BUDGET

The tax-supported general government 1980 operating budget reflects an increase of 6.4% over that of 1979. However, were it not for voter-mandated increases in programs and services, the increase would be 4.0% which is a relatively modest rise considering the inflationary increases on costs that all of us are experiencing.

As you may recall, our 1979 Budget reflected significant reductions from 1978. These reductions were largely made possible by the increased efficiency and effectiveness resulting from Municipal unification and the initiation of a comprehensive Resource Management Program incorporating many private industry methods and techniques. Prior to 1978, resulting economics were overshadowed by the rapid growth of local governmental services required to meet the demand of the increasing population brought about by the Trans-Alaska Pipeline boom. We must and will continue our efforts to ensure that the people of Anchorage receive the maximum service for each tax dollar. However, dramatic reductions such as those made in the 1979 Budget cannot continue without cutting into existing needed programs and services. A public opinion survey conducted earlier this year shows that

Anchorage residents want to protect the quality of life in their Municipality. Only one of the thirty-six programs and services polled received less than 50% support from the respondents to our survey.

The 1980 Budget provides modest spending increases in those high priority areas which will continue to protect our quality of life. To the extent possible, such as an increase in road maintenance services, these increases will be accommodated by contracting out the work rather than hiring more Municipal employees. We will continue to evaluate the services currently provided by our local government with the possibility of contracting out more services in the future.

MUNICIPAL UTILITIES BUDGET

Our Municipal Utilities for several years have been confronted with meeting high growth demands with reactionary planning. As our economy stabilizes, our attention will shift towards managing the utilities as a business and implementing short and long-range planning. Our posture in 1980 will be to closely monitor our operating expenses and cash flow requirements in order to maximize our long-range financial viability.

CAPITAL IMPROVEMENT BUDGET

The 1980 Capital Improvement Budget is a comprehensive package emphasizing those programs afforded high priority by Anchorage residents. In particular, the 1980 Capital Improvement Budget calls for acceleration of our roads and drainage improvement projects as well as the construction of a new headquarters library. The 1980-1985 Capital Improvement Program is necessary for Anchorage's continued growth.

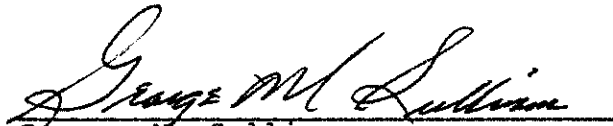
During 1979, the Municipality maintained a favorable debt/revenue ratio which has enabled us to sustain our favorable bond ratings. In the case of the Telephone Utility, the bond rating has recently improved from BAA to A. The national financial institutions have shown confidence in our fiscal stability through their increased bidding on our general obligation and revenue bond sales conducted this year. These conditions should enable the Municipality to continue to maintain its debt payments at a reasonable level while financing projects necessary for continued growth.

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We are continuing to take a planned, organized approach in containing the costs of local government while being responsive to the demands of the Anchorage taxpayers. A Zero Base Budget pilot program was conducted in the Fire Department in

preparing the 1979 Budget. For the 1980 Budget, Zero Base Budgeting has been expanded to the Police Department, the Department of Transportation, the Planning Department, and the Data Processing Division. The Zero Base Budget concept will be expanded to additional Municipal departments for the 1981 Budget. This budget provides for certain commitments that will make Anchorage even more efficient and productive in the future. Centralization of many Municipal offices in the Hill Building will provide for increased convenience to the public as well as increased efficiency. Enhancement of our data processing capabilities will provide the potential for improved management controls over operations and improved productivity through the application of computer technology to additional areas of Municipal operations. The executive level reorganization implemented during 1979 has resulted in an improved management structure to help maximize productivity. The newly developed Municipal Performance Planning Process will assist in defining and evaluating the role and contributions of each individual manager toward group accomplishment. These are several of the steps we have taken to ensure the Anchorage taxpayers continue to receive the maximum service for each dollar expenditure.

Respectfully,


George M. Sullivan
Mayor

MAYOR'S GOALS

MISSION STATEMENT

To guide and assist community and economic development and to provide only those municipal services and capital improvements that are necessary and/or desirable for the growth, health and well being of our community and its citizens.

MAYOR'S GOALS

The goals of this administration are presented in the succeeding pages. They are listed in alphabetical order below:

1. Citizen Participation
2. Citizen Pride
3. Community Development and Support
4. Courtesy to the Public
5. Economic Development
6. Fiscal Responsibility
7. Human Development
8. Legislative and Fiscal Support
from the State and Federal Governments
9. Organizational Effectiveness

1. CITIZEN PARTICIPATION

Goal - Increase the effectiveness of citizen participation in the establishment of community goals and municipal activities.

Intent - It is the intent of this goal that the Municipality continue to actively encourage broadly based citizen participation in the planning, delivery, and evaluation of services; and the decision making processes of local government.

2. CITIZEN PRIDE

Goal - Increase citizen pride in our community

Intent - It is the intent of this goal that the Municipality will undertake and contribute to those activities which will enhance citizen pride in our community and sustain a friendly atmosphere, including but not limited to the maintenance of a clean, attractive community.

3. COMMUNITY DEVELOPMENT AND SERVICES

Goal - Guide the development of a high quality physical environment consistent with population and economic growth, available natural resources, and the social, technological and economic needs of the community; and provide those services necessary to support growth and maintain the quality of our physical environment.

Intent - It is the intent of this goal that the Municipality will:

- Foster an appropriate balance between the economic needs of the overall community relative to a viable central business district, other major economic centers, and the specific needs of the outlying residential areas;
- Provide the basic framework within which orderly and cost-effective community growth and development can take place based upon the principles established in the Comprehensive Development Plan, and;

- Provide in the most effective manner those services which are necessary to the health and well-being of our community, are deemed highly desirable by the public, and which support community development policies and plans. These services should include:

Comprehensive Planning - Provide plans to guide the orderly development of our community consistent with environmental, economic and social resources and needs.

Environmental Protection - Maintain and enhance the quality of our environment in order to protect the health and well-being of our residents and guard against unnecessary degradation which could result from population growth and urban development.

Facilities - Plan for, provide and maintain essential community facilities, including schools and major government buildings, consistent with planned urban growth and fiscal resources.

Housing - Improve the availability and accessibility of safe, decent and affordable housing throughout the community.

Land Use - Foster land use policies that facilitate an optimum mix and distribution of residential, commercial and industrial growth.

Leisure - Provide an opportunity for individuals to participate in cultural and leisure-time activities and pursue performing and visual arts, educational, historical and recreational interests.

Open Space, Greenways, and Parks - Improve the availability and distribution of open space and parks in order to enhance community livability and recreational opportunities.

Public Health - Promote the well being and health of each citizen through preventive and protective action, education and health awareness coordination, and leadership.

Public Safety - Provide the plans and programs that prevent crime and increase awareness as to the responsibility of the individual in and to an urban society.

Transportation - Plan for, provide and maintain cost-effective and environmentally sound transportation systems which facilitate the movement of people and goods, provide residents with safe public roads and streets, and provide sufficient parking. The transportation system should be designed to further support economic and population growth including sound neighborhood and community development.

Utilities - Plan for, provide, and maintain cost-effective telephone, telecommunications, electric, sewer, and water systems which support, as identified in the Comprehensive Plan, planned community development.

4. COURTESY TO THE PUBLIC

Goal - Assure the understanding by all municipal employees that they should respond in a timely fashion and use the utmost courtesy in their dealings with the public.

Intent - It is the intent of this goal that municipal management practices and policies create an understanding among municipal employees that they will exhibit a professional and businesslike attitude of courtesy and responsiveness in their dealings with the public.

5. ECONOMIC DEVELOPMENT

Goal - Increase, in an orderly manner, the level of economic activity and development.

Intent - It is the intent of this goal that new enterprises and continued development of existing enterprises be encouraged along with appropriate protection of the environment and quality of life. The focus should be on enterprises which provide for long term employment and economic growth and which defray the associated cost of development.

It is the further intent of this goal that the municipality shall; where possible and within financial, legal and contractual requirements; encourage local business activity by contracting out services to the private sector, minimize the level of taxation and regulation required of business enterprises, work to increase employment opportunities; and periodically reexamine taxation and assessment policies to ensure that they compliment the economic development goals and policies.

6. FISCAL RESPONSIBILITY

Goal - Assure a high degree of fiscal responsibility within the municipal government while providing essential services and facilities to the citizens.

Intent - It is the intent of this goal that the Municipality will:

- Integrate fiscal and community development plans to ensure the effective provision of critical services and facilities as identified in the municipal capital improvement program and fiscal outlook document;
- Undertake the activities which maintain and enhance a high regard for the fiscal integrity of the municipality by the financial community;
- Operate the utilities in a manner consistent with sound fiscal objectives, community development policies, and appropriate business practices in the industry;
- Maintain an appropriate balance between the cost and benefits of public services and facilities and the relative effectiveness of municipal programs;
- Establish priorities, in part to be identified through a yearly community survey of needs and desires for public services, to ensure the appropriate provision of municipal programs and services within available resources;

- Maintain an effective financial reporting system to enable the Municipality to manage and control its fiscal affairs.

7. HUMAN DEVELOPMENT

Goal - Ensure the citizens of the Municipality the right to equal opportunities in housing, public accommodations, and employment.

Intent - It is the intent of this goal that municipal policies and practices provide equal employment opportunities and help remove any barriers to the attainment of basic social and economic support needs of the community's citizens.

8. LEGISLATIVE AND FISCAL SUPPORT FROM STATE AND FEDERAL GOVERNMENTS

Goal - Gain appropriate legislative and administrative assistance from state and federal governments, including an optimum share of fiscal support, while continuing to maintain local control over municipal affairs.

Intent - It is the intent of this goal that the Municipality continue to undertake the necessary activities required to communicate local legislative, fiscal, and administrative priorities to our legislators, and state and federal administrative personnel in Juneau and Washington D.C., in order that the Municipality receive equitable legislative and administrative treatment. It is further the intent of this goal that only those grant funded programs that are consistent with the Municipality's priorities and policies, and that do not create an adverse fiscal impact will be participated in by the Municipality.

9. ORGANIZATIONAL EFFECTIVENESS

Goal - Increase productivity through management practices and systems which emphasize the establishment of program objectives and encourage the accomplishment and measurement of these objectives.

Intent - It is the intent of this goal that the Municipality encourage the development and maintenance of an exceptional management climate which emphasizes the establishment and achievement of program objectives in accordance with the Municipality's goals.