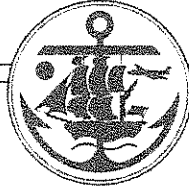
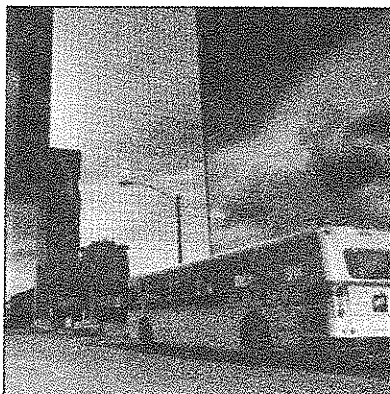
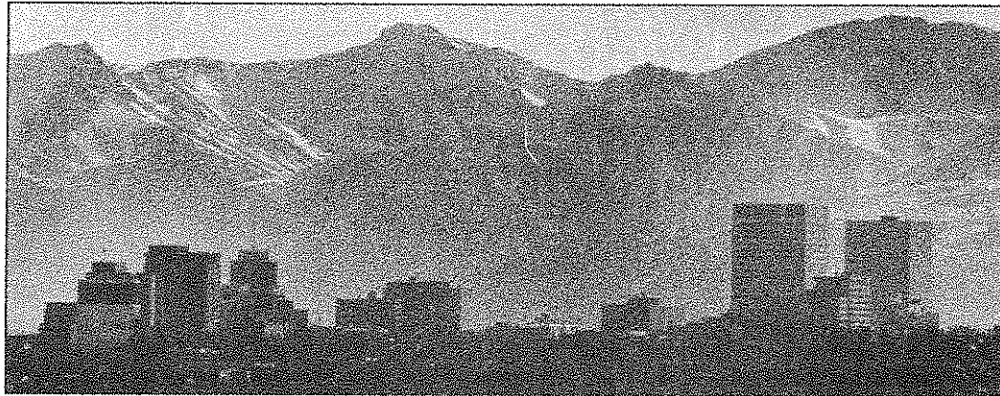


# 1985 Approved General Government Operating Budget



**Municipality of Anchorage**  
Tony Knowles, Mayor



PETER RAISKUMS

1985 APPROVED  
GENERAL GOVERNMENT  
OPERATING BUDGET



MUNICIPALITY OF ANCHORAGE  
Tony Knowles, Mayor

**1985 APPROVED GENERAL GOVERNMENT OPERATING BUDGET  
MUNICIPALITY OF ANCHORAGE  
Tony Knowles, Mayor**

**ASSEMBLY**

Jane Angvik, Chairman

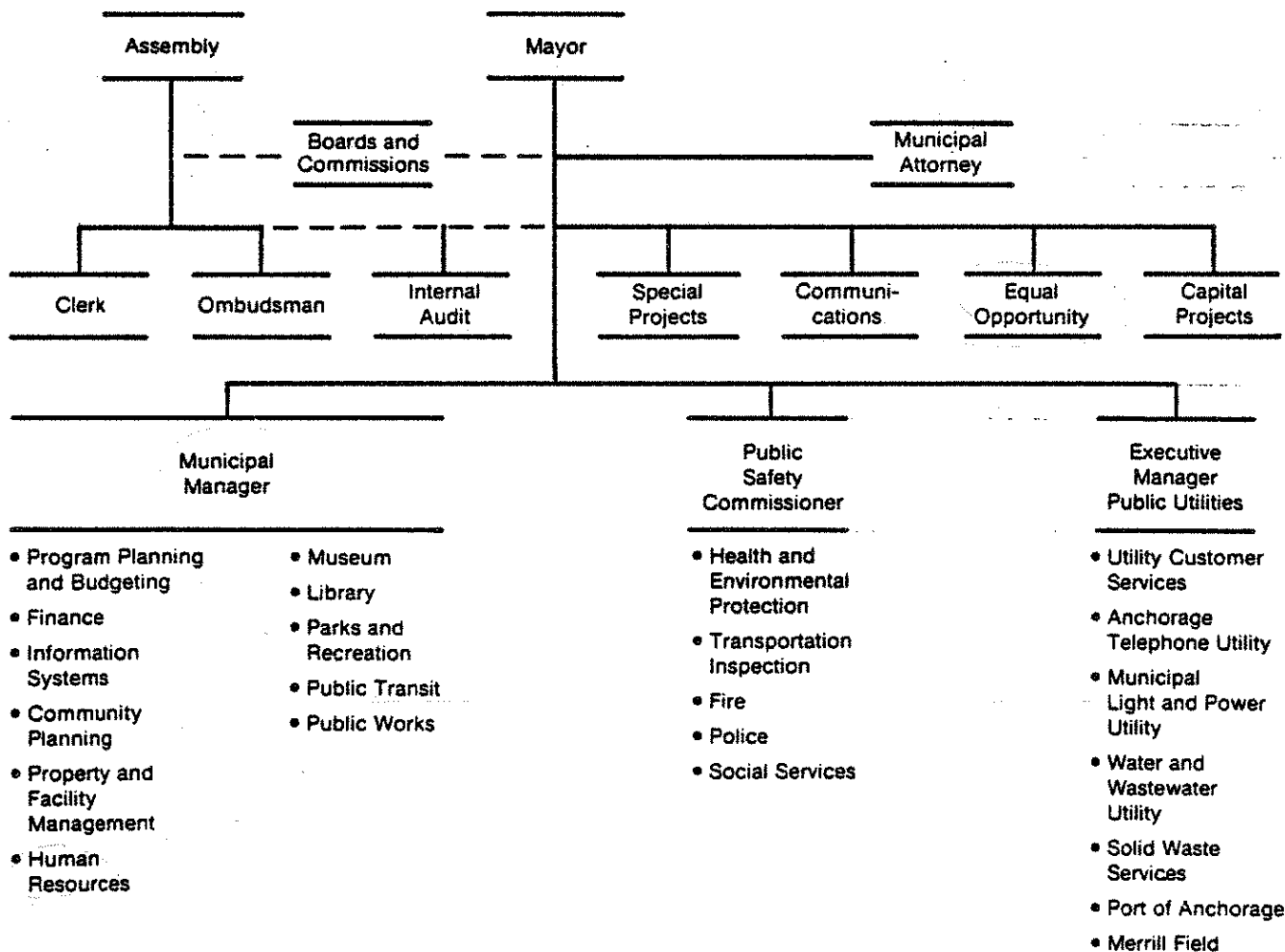
Paul Baer	Heather Flynn	Don Smith
Larry Baker	Carol Maser	Dave Walsh
Dana Brockway	Rick Mystrom	John Wood
	Gerry O'Connor	

**ASSEMBLY-APPOINTED STAFF**

Ruby Smith ..... Municipal Clerk  
Mike Mills ..... Ombudsman

**EXECUTIVE MANAGERS**

Bob Smith	Municipal Manager
John Franklin	Commissioner of Public Safety
John Harshman	Executive Manager of Public Utilities
Jerry Wertzbaugher	Municipal Attorney



**Note:** This organizational structure is the basis for the 1985 General Government Operating Budget as approved on December 4, 1984. As this volume was being published, several organizational changes were pending approval by the Municipal Assembly.

# 1985 Approved General Government Operating Budget

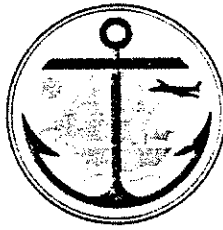
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# Municipality of Anchorage



POUCH 6-650  
ANCHORAGE, ALASKA 99502-0650  
(907) 264-4431

TONY KNOWLES,  
MAYOR

## OFFICE OF THE MAYOR

To the Assembly and the Residents of Anchorage:

Anchorage is a special place to live. Our economic health is strong. Personal income is the highest in the nation, and the cost of living has dropped, making the individual's purchasing power better than ever. Our economy has turned from a boom-bust cycle, dependent on decisions made far from Anchorage, to one which shows diversity and a growing vitality.

Our neighborhoods are strong. Residents have a keen sense of pride in and commitment to their neighborhoods. Citizen participation in determining the development and improvement of neighborhoods is at an all-time high.

Municipal government must be strong, too, if it is to deliver essential services to neighborhoods and to ensure the continued safety and economic well-being of each Anchorage resident.


The 1985 general government operating budget continues a strong commitment to transportation, public safety, and neighborhood development. About two-thirds of the \$207 million operating budget will be spent in the areas of transportation, transit, police, fire, health and social services, public works, and planning.

In addition, the budget includes funding for new facilities that will come on line by the end of 1985, such as the Headquarters Library and the Police Headquarters Building; and full-year funding for facilities that became operational during 1984, including the Spenard Recreation Center, Dempsey-Anderson Ice Rink, and the South Anchorage Fire Station.

The capital improvement budget emphasizes the accelerated roads program, traffic safety improvements, completion of the Police Headquarters Building, and recreational developments.

The utilities budget for 1985 reflects the overall goals of continuing to improve service to the consumer with more efficient, more reliable, and better service while keeping rates at a minimum. Major emphasis is placed on the orderly expansion and upgrading of existing facilities, as well as the introduction of new facilities as required.

I'm pleased with the direction these budgets represent. They emphasize the basic services necessary to keep Anchorage on a healthy course well into the next decade.

  
Tony Knowles,  
Mayor

AMENDED AND APPROVED  
 DATE 12-4-84

Submitted by: Chairman of the Assembly  
 at the request of the Mayor  
 Prepared by: Office of Program Planning  
 and Budgeting  
 For Reading: November 13, 1984

ANCHORAGE, ALASKA  
 AO NO. 84-227(S) Amended

AN ORDINANCE ADOPTING THE 1985 GENERAL GOVERNMENT OPERATING BUDGET FOR THE MUNICIPALITY OF ANCHORAGE AND APPROPRIATING FUNDS FOR SAID BUDGET.

WHEREAS, the Mayor has presented his recommended 1985 General Government Operating Budget for the Municipality of Anchorage to the Assembly in accordance with Article XIII of the Municipal Charter; and

WHEREAS, the Assembly reviewed the budget as presented and made various changes therein; and

WHEREAS, on November 13, 1984 and on November 20, 1984 duly advertised public hearings were held in accordance with Article XIII, Section 13.04 of the Municipal Charter; and

WHEREAS, the 1985 funds are now ready for appropriation by ordinance;

NOW, THEREFORE, the Assembly hereby ordains:

1. That the 1985 General Government Operating Budget as recommended by the Mayor and revised by the Assembly is hereby adopted for the Municipality of Anchorage.

2. That the amounts set forth in the Budget as revised by the Assembly for the respective departments/agencies and/or funds shall be, and hereby are appropriations for the 1985 fiscal year.

3. The General Government Operating Budget appropriations by fund are as follows:

<u>FUND NO.</u>	<u>GENERAL FUNDS</u>	<u>AMOUNT</u>
0101	Areawide General	\$ 68,843,290
0102	City Service Area	2,071,820
0104	Chugiak Fire Service Area	242,130
0105	Glen Alps Service Area	108,590
0106	Girdwood Valley Service Area	337,760
0108	Service Area 35 Non-Assessable Debt Service Area	1,368,670
0111	Birchtree/Elmore Limited Road Service Area	65,950
0112	Campbell Airstrip Limited Road Service Area	32,250
0113	Valli-Vue Estates Limited Road Service Area	52,920
0114	Skyranch Estates Limited Road Service Area	13,720
0115	Upper Grover Limited Road Service Area	6,260
0116	Ravenwood Limited Road Service Area	6,680
0117	Mt. Park Estates Limited Road Service Area	17,340
0118	Mt. Park/Robin Hill Limited Road Service Area	28,550
0119	Eagle River/Chugiak/Birchwood Rural Road Service Area	949,370
0131	Anchorage Fire Protection Service Area	24,617,080
0141	Anchorage Roads & Drainage Service Area	22,148,680

Assembly Ordinance

Page Two

0142	Talus West Limited Road Service Area	\$ 28,000
0143	Upper O'Malley Limited Road Service Area	130,810
0145	Rabbit Creek View/Heights Limited Road Service Area	29,370
0149	South Goldenview Limited Road Service Area	55,450
0151	Anchorage Police Service Area	39,398,960
0161	Anchorage Parks & Recreation Service Area	13,257,660
0162	Eagle River/Chugiak Parks and Recreation Service Area	709,870
0181	Anchorage Building Safety Service Area	<u>4,751,220</u>

Total General Funds \$179,272,400

<u>FUND NO.</u>	<u>TAX-SUPPORTED ENTERPRISE FUNDS</u>	<u>AMOUNT</u>
0586	Sports Arena	\$ 386,790
	Total Tax-Supported Enterprise Funds	\$ 386,790

<u>FUND NO.</u>	<u>SPECIAL ASSESSMENT FUNDS</u>	<u>AMOUNT</u>
0896	Service Area 35 Roads & Drainage Bonded Indebtedness Retirement Service Area	\$ 377,320
0897	City Service Area Roads & Drainage Bonded Indebtedness Retirement Service Area	978,670
0898	Anchorage Roads and Drainage Bonded Indebtedness Retirement Service Area	2,730,310
	Total Assessment Funds	\$ 4,086,300

Total Tax-Supported Funds \$183,745,490

<u>FUND NO.</u>	<u>SPECIAL REVENUE FUNDS</u>	<u>AMOUNT</u>
0221	Land Trust	\$ 1,769,330
	Total Special Revenue Funds	\$ 1,769,330

<u>FUND NO.</u>	<u>INTERNAL SERVICE FUNDS</u>	<u>AMOUNT</u>
0601	Equipment Maintenance	\$ 1,415,360
	Total Internal Service Funds	\$ 1,415,360

TOTAL OPERATING FUNDS \$186,930,180



4. Appropriations for the following operating departments and/or agencies are hereby established:

<u>DEPARTMENT/ OR AGENCY NUMBER</u>	<u>DEPARTMENT/AGENCY</u>	<u>AMOUNT</u>
1000	Assembly	\$ 1,349,670
1050	Equal Rights Commission	449,680
1060	Internal Audit	427,390
1100	Office of the Mayor	3,515,040
1150	Municipal Attorney	2,400,380
1200	Municipal Manager	1,724,970
1300	Finance	7,794,170
1400	Information Systems	10,128,050
1500	Community Planning	3,792,800
1600	Property and Facility Management	19,061,100
1700	Capital Projects	979,350
1800	Human Resources	1,865,030
2010	Office of Public Safety	432,220
2000	Health & Environmental Protection	7,455,610
2700	Transportation Inspection	166,050
3000	Fire	27,689,860
4000	Police	34,349,980
5200	Museum	1,093,170
5300	Library	8,331,580
5400	Parks and Recreation	11,273,400
5900	Social Services	2,834,800
6000	Public Transit	9,580,900
7000	Public Works	47,820,880
9000	Non-Departmental	2,780,340

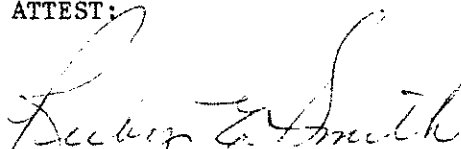
5. This ordinance shall take effect January 1, 1985.

PASSED AND APPROVED by the Assembly this 4th day of December, 1984.

Chairman



ATTEST:



Municipal Clerk

APPROVED  
Date: 1-29-85

Submitted by: Chairman of the Assembly  
at the Request of the  
Mayor  
Prepared by: Department of Management  
and Budget  
For Reading: January 29, 1985

ANCHORAGE, ALASKA

AR No. 85-17

A RESOLUTION OF THE MUNICIPALITY OF ANCHORAGE PROVIDING FOR A COMMENTARY TO  
THE 1985 APPROVED GENERAL GOVERNMENT OPERATING BUDGET

Whereas, AO 84-208(S-A), as amended, provides guidance concerning  
the implementation of the tax limit; and

Whereas, said ordinance requires a determination of the Assembly  
specifying those transition programs and projects not subject to tax limi-  
tation criteria of Charter 14.03 prior to and through the first full year  
of operation, and provides that such determination be so indicated by a  
commentary included in the approved budget document.

NOW, THEREFORE, the Assembly of Anchorage resolves:

Section 1. That the operations and maintenance costs of the  
Anchorage Museum of History and Art and the Z.J. Loussac Public Library are  
not subject to tax limitation criteria of Charter 14.03 prior to and  
through the first full year of operation.

Section 2. That this resolution shall take effect immediately upon  
passage and approval.

PASSED AND APPROVED by the Anchorage Assembly, this 29th day of  
January, 1985.

Joe Angrek  
Chairman

Attest:  
Lucy E. Smith  
Municipal Clerk

GOVERNMENT FINANCE OFFICERS ASSOCIATION  
AWARD FOR DISTINGUISHED BUDGET PRESENTATION  
TO THE  
MUNICIPALITY OF ANCHORAGE, ALASKA  
FOR ITS  
ANNUAL BUDGET FOR FISCAL YEAR BEGINNING JANUARY 1, 1984

The Government Finance Officers Association for the United States and Canada (GFOA) presented an Award for Distinguished Budget Presentation to the Municipality of Anchorage for its annual budget for the fiscal year beginning January 1, 1984.

In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications medium.

The award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

## HOW TO USE THIS BUDGET DOCUMENT

This budget document is designed to provide concise and readable information about the 1985 approved budget for general government operations in the Municipality of Anchorage, Alaska. It displays the major programs and plans for 1985 and summarizes anticipated revenues and expenditures.

The document is divided into the following five major sections:

- The **Introduction**, which includes the Assembly Ordinance approving the budget and appropriating funds for it, the Guide to the Budget, and a Community Profile. The Guide outlines the basic budgeting principles followed by the Municipality, explains how a budget is prepared and compiled, and shows how to read through the budget document. The Community Profile highlights various economic, environmental, and programmatic characteristics of Anchorage. In this part are statistics on population; land and housing trends; average income, employment, and inflation; and aspects of service delivery, such as transit ridership and fire and police requests for service.
- The **Budget Overview** includes general summaries of expenditures, revenues, property taxes, and mill levies.
- The **Department Detail** includes several forms for each department which offer information on how the department is organized; major highlights of its proposed budget; and a program and resource plan for each division or program in the department. Service level information which was included in the 1985 proposed budget document for discussion purposes is not included in the approved budget volume.
- The **Appendices** include summaries and detailed analyses of expenditures, revenues, mill levies, and personnel. A glossary of terms is also included.
- The **Fiscal Trends Report** includes a six-year projection of general government expenditures and revenues. The projections are based on the expenditures and revenues included in the approved operating budget, plus expenditures and revenues anticipated for currently approved capital projects which will come on line during the six-year period being analyzed. Assumptions regarding inflation, population, and property valuation trends are reflected in the projections. This report updates the original report which was included in the proposed budget document. Readers may wish to refer to the original report for a complete fiscal analysis.

Further information about the general government operating budget may be obtained by calling the budget office at (907) 264-4427; by visiting the office in the Municipal Hill Building, 632 West 6th Avenue, Room 806, Anchorage; or by writing to the Municipality of Anchorage, Box 6-650, Anchorage, Alaska 99502-0650.

# GUIDE TO THE BUDGET

## I. INTRODUCTION

### **The Budget Is a Financial and Program Plan**

The operating budget outlines the financial and program plan for the coming fiscal year (budget year) for the Municipality of Anchorage. It summarizes planned expenditures and revenues for each department/agency--excluding the Public Utilities--and explains what will be accomplished with the money, personnel, equipment, and supplies that are requested.

### **Budgets Are Plans, and Plans Can Change**

A budget is a plan prepared at a point in time. The most current information on prices, population trends, and public wants and needs is used to plan for the budget year. However, budgets cannot predict all contingencies. Changes in community priorities, the economy, and the profile of the community can all create pressures to change the planned programs for municipal operations.

### **Budgets Are Complex and Confusing**

Budgets can be very complex and confusing to the lay person who does not deal with budgets on a daily basis. The terminology, such as "appropriations," "intragovernmental charges," "service areas," and "zero-base budgeting," is foreign to most people. The various schedules and summaries in the typical budget document may not be easily read and understood. The interrelationships of the various summaries may not be apparent to the casual reader.

### **Why This Guide?**

This guide is an attempt to explain the operating budget process and how to read the various forms contained in the operating budget document. It is hoped that this guide will help you find needed information, to be better informed, and to be better able to make educated decisions regarding the operating budget.

## How to Use This Guide

This guide is organized into four main sections:

- Section I, Introduction, explains the purposes of this guide.
- Section II, General Budget Principles, outlines the major governing budget policies recognized by the Municipality. These include the service area concept, balanced budget, tax limitation, and appropriation guidelines. Readers who are new to the Municipality or who are reviewing an operating budget for the first time should find this section helpful.
- Section III, How a Budget is Prepared and Compiled, explains the budgeting process used by general government departments each year as they develop their next year's operating budget. Included in this section is an explanation of the zero-base budgeting process used by the Municipality.
- Section IV, How to Use the Budget Document, is perhaps the most important section in this guide, since it leads the reader step-by-step through the actual budget document. The interrelationships of the various forms are explained, to help the reader compare or relate one schedule or form to another.

A Glossary of Terms is included in **Appendix V** of the budget document. You may wish to refer to the glossary when encountering an unfamiliar word or term.

## II. GENERAL BUDGET PRINCIPLES

### You Get What You Pay For

The Municipality operates under a **service area concept**, which means that residents of particular areas have voted on whether to receive a particular service from the Municipality, and to pay taxes for the services received. Some services provided by the Municipality must be offered on an **areawide** basis. These include education, planning and zoning, property appraisal, and the assessment and collection of taxes. Other services require the vote of the people--these include road maintenance, fire and police protection, and parks and recreation.

When a budget is prepared, service area expenditures and revenues are budgeted in **unique funds**. A fund is an accounting entity designed to isolate the expenses and revenues of a particular program or service--somewhat like a personal checking or savings account. Only expenses and revenues that pertain to the unique service area are reflected in a particular fund. Some of the major funds budgeted by the Municipality are:

- Police Service Area. All expenses and revenues associated with providing Police services are budgeted in this fund.

- Roads and Drainage. There are 21 separate funds for budgeting the various roads and drainage service areas! The major one--and the one most Anchorage residents are familiar with--is the Anchorage Roads and Drainage Service Area, often referred to as ARDSA.

There are also funds set up for the various fire and parks and recreation service areas, and also a few which are set up to account for particular facilities (the Sullivan Sports Arena, for example), particular revenues (the Heritage Land Bank), or particular expenses (Self-Insurance funds).

### Revenues Equal Expenses--The Balanced Budget Concept

The general government operating budget for the Municipality of Anchorage is a **balanced budget**. The balanced budget concept means that sufficient revenues must be available to pay for the planned expenditures. Revenue sources include fees and charges for service, state and federal shared revenues, property taxes, and other local revenues, such as interest earnings, assessments, licenses, and permits. One of the most critical tasks in preparing a budget is the estimation of future revenue receipts, since expenses that can be budgeted are completely dependent on the amount of revenue available to spend.

### Taxes and Mill Levies

Property taxes are an **ad valorem tax**, which means taxpayers pay a flat rate per dollar value of taxable property. The flat rate is called a **mill levy** or **mill rate**, which means \$1.00 of tax per \$1,000 of assessed value. Therefore, if you are taxed 5 mills for education, and your house is assessed at \$100,000, you pay \$5 per \$1,000 of assessed value, or \$500 in taxes. This all leads to the next budget principle, the tax limitation.

### Tax Limitation

On October 4, 1983, the voters of Anchorage passed an amendment to the charter known as the **tax limitation**. The measure limits the taxes the Municipality can levy, with certain exceptions, to the amount levied in the previous year, increased by annual inflation and five-year average population growth. The charter amendment limits tax increases, but does not limit expenditures if there are sufficient revenues to pay for them. The tax limitation has changed the budget process somewhat, since taxes cannot always be increased to balance the budget.

### One for You and Two for Me--Appropriations

No expenditure can be made by municipal agencies without an **appropriation**. An appropriation is a unit of funding provided for by the Assembly in the municipal budget. The Assembly appropriates the operating budget by department direct cost (see page 11 of this guide) and by fund function cost (see page 6). Appropriations for general government operations that have not been spent at the end of the fiscal year do not carry over into the next fiscal year.

### III. HOW AN OPERATING BUDGET IS PREPARED AND COMPILED

#### What's in Store for Us Next Year?

The budget process begins early each year with a **preliminary planning phase**. Departments review their major programs and responsibilities, assess what needs to be done during the current year, and begin making plans for the next year (the budget year). Some of the factors that are considered by departments during this preliminary planning phase are:

- New facilities that will open and that will require staff, supplies, and other expenses to operate and maintain them.
- New responsibilities or programs that will be required due to changes in federal, state, or local laws.
- New programs or changes in programs required to meet changes in the needs or wants of the public served.
- Programs that can be eliminated, because they are no longer required or desired.

Another critical element of this initial planning phase is the projecting of expenses and probable revenues. Both the balanced budget concept and the tax limitation law make it important that early predictions are made of both expenditures and revenues. A first step in that process is calculating a **maintenance level** for each department. The maintenance level is a projection of what it will cost in the budget year to continue existing programs at the same level of activity as the current year. Normally, this entails predicting what inflation rate will occur during the year. Other factors that must be considered in developing a maintenance level are union agreements (wages and employee benefit packages) and principal and interest payments on bonds sold by the Municipality (debt service).

The maintenance level and any new requirements are compared to the **allowable budget**--the level of funding that can be supported by the probable revenues. An estimate is made of the tax limit, and other sources of revenues, to determine how much money is available. Each department is then given guidance for developing a proposed budget, including a dollar amount (the **authorized funding level**) and general directions regarding the inclusion of new programs or elimination of programs no longer needed.

#### Zero-Base Budgeting

Departments prepare their budget using **zero-base budgeting (ZBB)** concepts. ZBB is a planning and budgeting tool which helps departments identify what needs to be done, what resources (personnel, supplies, contracts, etc.) are required to do the job, and what the impact would be of not doing the job. Each budget manager develops one or more **service levels**--units of work or a particular action.

Budget managers develop a budget for each service level, preparing various budget worksheet forms. Personnel positions must be estimated at what each position will cost in the budget year. Supplies, contracts, travel, equipment



and other expenditures must also be estimated. If the service level involves a unit of work which is supported by fees (such as building inspection or swim program fees), the revenues must be estimated as well.

The budget managers submit their service levels to their department director, who must then make the decisions on what will be requested for funding.

Department directors rank the service levels prepared by each budget manager in their department. The most critical service level is ranked number one, and all other service levels are ranked in descending order of priority. Department directors consider such issues as legal requirements, the Mayor's goals and objectives, and public demands when developing their ranking of service levels.

A cumulative total of the budget costs of service levels is kept as the department director ranks the levels. A funding line is drawn at the service level which brings the cumulative total budget cost up to the authorized funding level. Service levels above this line form the department director's requested budget. Service levels below the line become levels not requested.

#### Budget Review Phase

Department budgets are next reviewed by the Executive Managers and the Mayor. In some cases, unfunded service levels in one department which the Mayor feels are very critical are funded, and funded levels in another department are deleted to keep the overall budget within the allowed limit.

#### Intragovernmental Charges

When the department budgets and the funding level are finalized, the budgets are entered into the municipal computer, and the intragovernmental charges are calculated.

Intragovernmental charges are allocations of overhead (indirect) costs between a servicer budget and a requestor budget. Some organizations in the Municipality offer services to other organizations, similar to a contract arrangement. For example, the Facility Maintenance unit repairs and maintains all facilities occupied by general government units. All costs involved in facility maintenance are budgeted in the Facility Maintenance unit and then charged out to the occupants of the facilities, based on square footage occupied.

By using an intragovernmental charge system, the full cost of a program--including the overhead costs--ends up in the budget responsible for the program. Thus, a taxpayer pays taxes on the whole police program, which includes the facility maintenance costs of the police building.

#### Calculation of Function Cost

After the intragovernmental charges are calculated, the budget can be summarized by service area. Each budget unit is assigned to a specific service area (or fund).

The net cost (**function cost**) of the unit--direct costs plus intragovernmental charges from others less intragovernmental charges to others--is the cost of the service area.

For example:

Police Patrol Direct Cost Budget	=	\$10,000,000
Intragovernmental Charges from Others	=	1,000,000
Intragovernmental Charges to Others	=	<u>(2,000,000)</u>
<b>Function Cost</b>	=	<u><u>\$ 9,000,000</u></u>

All of the function costs for each service area (fund) are added up. The total becomes the recommended appropriation for that fund.

#### Preparation of Revenue Budget

The other side of the balanced budget is revenues. Some revenues are earned by departments. These are **program revenues**. Some examples of program revenues are: bus fares, building permits and inspection fees, swim fees, and library fines. These program revenues are estimated by the departments when they prepare their service levels.

Other revenues are earned or received by the Municipality as a whole. These are **allocated revenues**. Some examples of allocated revenues are: shared funds received from the state and from the federal government, and interest.

These revenues are allocated to the various service areas (funds) as the budget is developed. The distribution of all revenues can be found in Appendix F of the operating budget document.

#### Calculation of Tax Requirement

Once the function cost of each service area is calculated, and the program revenues and allocated revenues for each fund are added up, the tax requirement can be calculated:

**Tax Requirement = Function Cost Less Program Revenues Less Allocated Revenues.**

For example:

Police Service Area Function Cost	=	\$ 9,000,000
Program Revenues for Police	=	(2,000,000)
Allocated Revenues for Police	=	<u>(5,000,000)</u>
<b>Tax Requirement for Police</b>	=	<u><u>\$ 2,000,000</u></u>

## Calculation of Mill Levies

As explained earlier, a mill is \$1 of tax per \$1,000 of assessed value. Therefore, to calculate mill levies, the tax requirement and the estimated assessed valuation of each service area must be known. Once these are determined, the mill levy is computed as follows:

$$\text{Tax Requirement} \frac{\cdot}{\cdot} \text{Assessed Valuation} \times 1,000 = \text{Mill Levy}$$

For example in the Police Service Area:

$$\text{Tax Requirement} = \$ 2,000,000$$

$$\text{Assessed Value} = \$10,000,000,000$$

$$\$2,000,000 \div \$10,000,000,000 \times 1,000 = 0.2 \text{ mills.}$$

Appendix L of the budget document summarizes the mill levies by fund.

## IV. HOW TO USE THE BUDGET DOCUMENT

The charts presented in the budget document are the outcome of the various steps described in the preceding sections. The charts include summaries of departments' direct costs, personnel, and program plans; summaries of mill levies; revenue information; assessed value estimates; and other analyses or summaries to help you understand the proposed budget.

### How the Budget Document is Organized

The 1985 Approved Budget document is organized into five major sections:

- The **Introduction**, which includes the Assembly Ordinance approving the budget and appropriating funds for it, this guide, and a **Community Profile**. The **Community Profile** section highlights various economic, environmental, and programmatic characteristics of Anchorage. In this part are statistics on population; land use and housing trends; average income, employment, and inflation; and aspects of service delivery, such as transit ridership, community schools participants, requests for police and fire service, and telephone lines.
- The **Budget Overview** section includes summaries of expenditures, revenues, property taxes, and mill levies. The detailed information from which these summaries are prepared is found in the Department Detail section and in the Appendices. The **Budget Overview** section is explained more fully beginning on page 14 of this guide.
- The **Department Detail** section includes, for each department, information on how the department is organized; the major highlights of the department's proposed budget; a program plan for each division or program in the department; a resource plan which summarizes the expenditures, revenues, and personnel requested; and a reconciliation which

shows the changes between the present year's budget and the proposed budget for the coming year. Also included in the 1985 Proposed Budget for discussion purposes but not in the Approved Budget document, was the Department Ranking of Service Levels, which showed what services were requested and how much each service level would cost, along with the number of personnel positions requested.

- The **Appendices** contain detailed summaries of expenditures, revenues, assessed valuation, and mill levies. This section also includes a reconciliation of all departments' budgets, a personnel summary, and a glossary of terms.
- The **Fiscal Trends Report** includes an update of the six-year projection of general government expenditures and revenues which appeared in the proposed budget document.

The following pages explain how to use the operating budget document, starting from the detail--the Department Ranking Sheets, which are contained in the 1985 Proposed Budget document--up to the summary level, the Budget Overview.

### How to Read the Department Detail Section

The **Department Detail** section is the core of the budget document. This is the section that is studied most carefully by Assembly members and other reviewers of the budget. This portion of the guide will lead the reader step-by-step through the charts for a department, and will explain how these charts are related and how they are summarized.

### Department Ranking of Service Levels (1985 Proposed Budget Document Only)

The **Ranking Worksheet** is the keystone of a department's proposed budget. Since the service levels prepared by budget managers are the lowest level at which the budget is prepared, a review of the ranking sheets gives a good, basic understanding of the budget priorities of the department.

The Ranking Worksheet (contained in the 1985 Proposed Budget document only) is a two-page report. The left page (figure 1) shows the following information:

- **Department Rank**--indicates department director's priority ranking of service levels.
- **Budget Unit Number and Title**--indicates organization's number and title.
- **Service Level**--indicates which service level is being summarized for the particular organization.
- **New Program**--indicates that the level of service is a new service requested for funding in the budget year. New programs are indicated as such; all remaining service levels are existing programs.

1985 PROPOSED OPERATING BUDGET

1985 RANKING OF SERVICE LEVELS

DEPARTMENT : 4000 POLICE

DEPT RANK	BUDGET UNIT NUMBER	TITLE	SERVICE LEVEL	DESCRIPTION OF SERVICE LEVEL
01	4620	PATROL	01	Three lieutenants, six sergeants, 12 corporals, and 114 officers respond to 113,650 requests for emergency and non-emergency police services on a 24-hour basis, maintaining an average emergency response time of 3.6 minutes.
		TAX SUPPORTED REVENUE SUPPORTED \$50,000		
02	4430	COMMUNICATIONS	01	One sergeant and 28 communications clerks receive 627,450 requests for service and notify appropriate agency or dispatch police officers to resolve 60 percent of all requests within six minutes and maintain continuous radio communication with all field units.
		TAX SUPPORTED REVENUE SUPPORTED \$22,700		
03	4420	RECORDS	01	One records supervisor and 27 police clerks respond to 73 percent of requests for service; process 82 percent of police reports; retrieve 67 percent of documents requested; and process 50 percent of license and permit applications.
		TAX SUPPORTED REVENUE SUPPORTED \$12,500		
04	4450	PROPERTY & EVIDENCE	01	One property and evidence specialist and one cadet process 11,000 information and 1,500 supply requests.
		TAX SUPPORTED REVENUE SUPPORTED \$30,000		
05	4110	POLICE ADMINISTRATION	01	One chief, one captain, one principal office associate, and one senior police clerk promulgate policy; establish and maintain standards of performance; direct and support the affairs of the Police department to effect enforcement of laws for the protection of life and property and preservation of the public peace.
		TAX SUPPORTED		

Service levels which reflect new programs or an expansion in an existing program are indicated as "New Program." All other service levels are existing programs.

RANKING WORKSHEET  
Left Page  
Figure 1

- Source of Funding--indicates whether the service level is funded by program revenues (with the amount indicated), taxes, or intragovernmental charges (IGC supported). Organizations that are IGC supported are ones that charge out their costs to other organizations for which they perform a service (see the section in this guide on intragovernmental charges, page 10). In many cases the receiving organization is supported by taxes, so the ultimate source of funding for a service provided by an intragovernmental charge organization may be taxes.
- Description of Service Level--indicates the positions (by type) that are requested and what will be accomplished if the service level is funded.

The right page of the Ranking Worksheet (figure 2) summarizes the personnel and financial resources associated with each requested service level.

The information displayed includes:

- Personnel--indicates how many full-time (FT), part-time (PT), and temporary (TP) employees are requested for the service level.

1985 PROPOSED OPERATING BUDGET

1985 RANKING OF SERVICE LEVELS

DEPARTMENT : POLICE

PERSONNEL			1000	2000	3000	4000	5000	DEPT TOTALS
FT	PT	TP	PERSONAL SERVICES	SUPPLIES	OTHER CHARGES	DEBT SERVICE	CAPITAL OUTLAY	
135	0	0	10,937,740	38,390	613,780	397,580	320,660	12,308,150
29	0	0	1,867,230	2,970	198,850	0	36,870	2,105,920
28	0	0	1,366,030	15,440	19,240	0	0	1,400,710
2	0	0	113,580	6,990	3,280	0	0	123,850
4	0	0	320,910	3,390	48,960	0	4,870	378,130

RANKING WORKSHEET  
Right Page  
Figure 2

- **Personal Services**--indicates the total expenses related to salaries budgeted in the service level. These expenses include salaries and wages, overtime, shift differential pay, employee benefits costs, and meal and other allowances.
- **Supplies**--indicates the total expenses budgeted in the service level for office, operating, and repair and maintenance supplies.
- **Other Charges**--indicates other purchased expenses budgeted in the service level, such as contracts, travel expenses, dues, subscriptions, and tuition, required to perform the work.
- **Debt Service**--indicates principal and interest on bonds and long-term payments on loans.
- **Capital Outlay**--indicates office equipment and machinery required to perform the work.
- **Department Total**--is the sum of all of the expenses budgeted in the service level.

At the end of the department's Ranking Worksheet is the total for all categories of positions and expenses. These are the total positions and direct costs proposed for the department.

## Program Plan

<b>PROGRAM PLAN 1985 APPROVED BUDGET</b>		
<b>DEPARTMENT: POLICE</b>		
DIVISION/PROGRAM	DIRECT COSTS	POSITIONS
<b>POLICE ADMINISTRATION</b>	\$ 2,319,790	9FT
<ul style="list-style-type: none"> <li>— Provide leadership, direction, and administrative support for the department.</li> <li>— Manage fiscal, materiel, and facility resources.</li> <li>— Provide short- and long-range planning for effective police services</li> </ul>		
<b>SERVICES</b>	6,971,180	108FT
<ul style="list-style-type: none"> <li>— Provide command supervision of support functions.</li> <li>— Investigate allegations of employee misconduct.</li> <li>— Provide personnel services.</li> <li>— Provide initial and proficiency training in law enforcement skills.</li> <li>— Promote crime prevention and media relations.</li> <li>— Maintain criminal history information.</li> <li>— Provide 24-hour telephone and radio communications</li> <li>— Process property, evidence, and photographs.</li> </ul>		
<b>OPERATIONS</b>	25,059,010	290FT
<ul style="list-style-type: none"> <li>— Maintain an average three-minute response time to emergency requests for police services.</li> <li>— Provide initial and follow-up investigation of reported criminal offenses to identify and apprehend offenders</li> <li>— Enforce criminal and traffic laws to promote safety and reduce injuries and property losses.</li> </ul>		
	<u>\$ 34,349,980</u>	<u>407FT</u>

**PROGRAM PLAN  
Figure 3**

The Program Plan (figure 3) highlights by division and, in some cases, by program in a division, what will be accomplished in the budget year. The form also shows the total direct costs and positions budgeted in the division.

## Resource Plan

The Resource Plan (figure 4) gives the total direct costs and positions budgeted by division. It then displays the intragovernmental charges received by the department from other departments and the intragovernmental charges made by the department to others. As explained on page 6 of this guide, the total department direct costs plus intragovernmental charges from others less intragovernmental charges to others equals the department's function cost. The total program revenues budgeted by the department are displayed. The net program cost of the department is function cost less program revenues.

For comparison to the approved budget, budget figures for the year just completed are also shown.

The lower half of the Resource Plan shows, by division, the breakout of the budget by expense category--personal services, supplies, other charges, debt service, and capital outlay.

RESOURCE PLAN 1985 APPROVED BUDGET						
DEPARTMENT: POLICE						
1984/1985 RESOURCE COMPARISON						
Division/Title	FINANCIAL RESOURCES		PERSONNEL RESOURCES			
	1984 REVISSED	1985 APPROVED	1984 REVISSED		1985 APPROVED	
			FT	TEMP	TOTAL	TOTAL
Administration	692,260	2,319,790	8	0	8	9
Services	6,611,820	8,971,180	107	0	107	108
Operations	24,291,480	25,059,010	292	0	292	290
<b>Direct Organizational Cost</b>	<b>31,595,560</b>	<b>34,349,980</b>	<b>407</b>	<b>0</b>	<b>407</b>	<b>407</b>
Add Intragovernmental Charges	31,292,610	35,210,470				
<b>Total Department Cost</b>	<b>62,888,170</b>	<b>69,560,450</b>				
Less Intragovernmental Charges	25,756,050	30,161,490				
<b>Function Cost</b>	<b>37,132,120</b>	<b>39,398,960</b>				
Less Program Revenues	1,354,070	1,617,940				
<b>Net Program Cost</b>	<b>35,778,050</b>	<b>37,781,020</b>				

RESOURCE PLAN  
Figure 4

1985 APPROVED RESOURCES BY CATEGORY OF EXPENSE						
Division/Title	PERSONAL SERVICES	SUPPLIES	OTHER SERVICES	DEBT SERVICE	CAPITAL OUTLAY	DIRECT COST TOTAL
Administration	723,410	194,670	1,395,790	0	5,720	2,319,790
Services	6,291,740	117,070	497,570	0	64,800	6,971,180
Operations	23,237,350	128,210	669,030	397,580	396,840	25,059,010
<b>Department Total</b>	<b>30,252,500</b>	<b>440,150</b>	<b>2,792,390</b>	<b>397,580</b>	<b>467,360</b>	<b>34,349,980</b>

### Department Summary

The Department Summary (figure 5) states the major highlights and program changes in the department's approved budget. The resources section summarizes the total direct cost, program revenues, and personnel positions approved. The approved direct costs, are the department's appropriation for the budget year.

### Department Reconciliation

The Department Reconciliation (figure 6) form shows how the department's approved budget differs from the preceding year's budget. The amount required to continue existing programs is the department's maintenance level increase. See page 4 of this guide for an explanation of maintenance level.



## DEPARTMENT SUMMARY



**Department** POLICE

### Mission

To provide effective and efficient police service within the 110-square-mile Anchorage Police Service Area to protect life and property, preserve the public peace, and assist the community with crime prevention programs.

### Major Program Highlights

- The Computer Assisted Dispatch and Law Enforcement Information Systems, to be in operation in 1985, will enhance response capability to emergency requests for Police service and increase officer and community safety.
- The new Police radio system will be operational on a higher frequency in 1985 providing reliable and more effective communication with and between 300 mobile held units and the Communications Center.
- Police operations will be transferred to the new Headquarters facility at Tudor and Bragaw in October 1985 while Anchorage police presence will be maintained downtown by a sub-station at the present Public Safety Building.
- Approximately 845,750 telephone calls (1.6 per minute) will be received and processed in 1985 generated by a 1985 projected population of 220,148 in the 110-square-mile Anchorage Police Service Area.
- Police responses to requests for service in 1985 are expected to reach 127,000 (one every four minutes).

### Resources

	1984	1985
Direct Costs	\$ 31,595,560	\$ 34,349,980
Program Revenues	\$ 1,354,070	\$ 1,617,940
Personnel	407FT	407FT

DEPARTMENT SUMMARY  
Figure 5

DEPARTMENT RECONCILIATION  
Figure 6

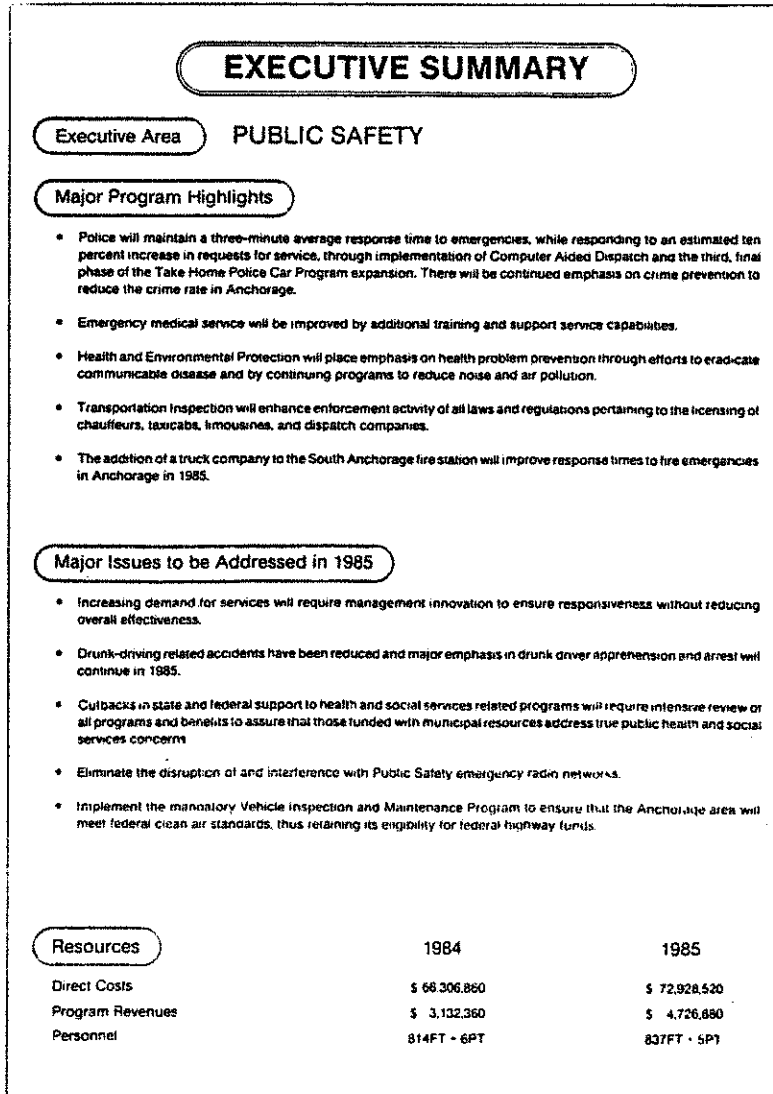
### RECONCILIATION FROM 1984 REVISED TO 1985 APPROVED BUDGET

DEPARTMENT: POLICE

	DIRECT COSTS	POSITIONS
<b>1984 REVISED BUDGET:</b>	\$31,595,560	407FT
<b>AMOUNT REQUIRED TO CONTINUE EXISTING PROGRAMS IN 1985:</b>	1,887,110	
<b>REDUCTIONS IN EXISTING PROGRAMS:</b>		
— None		
<b>EXPANSIONS IN EXISTING PROGRAMS:</b>		
— Full-year funding for seven positions (Sexual Assault Unit) which were funded for seven months in 1984.	308,530	
— Full-year funding for nine officers (Traffic Safety/Enforcement) which were funded for seven months in 1984	404,470	
— Full-year funding for five police clerks which were funded for seven months in 1984.	154,310	
<b>NEW PROGRAMS:</b>		
— None		
<b>OTHER (MISCELLANEOUS INCREASES/DECREASES):</b>		
— None		
<b>1985 APPROVED BUDGET:</b>	\$34,349,980	407FT

## Executive Summary

EXECUTIVE  
SUMMARY  
Figure 7



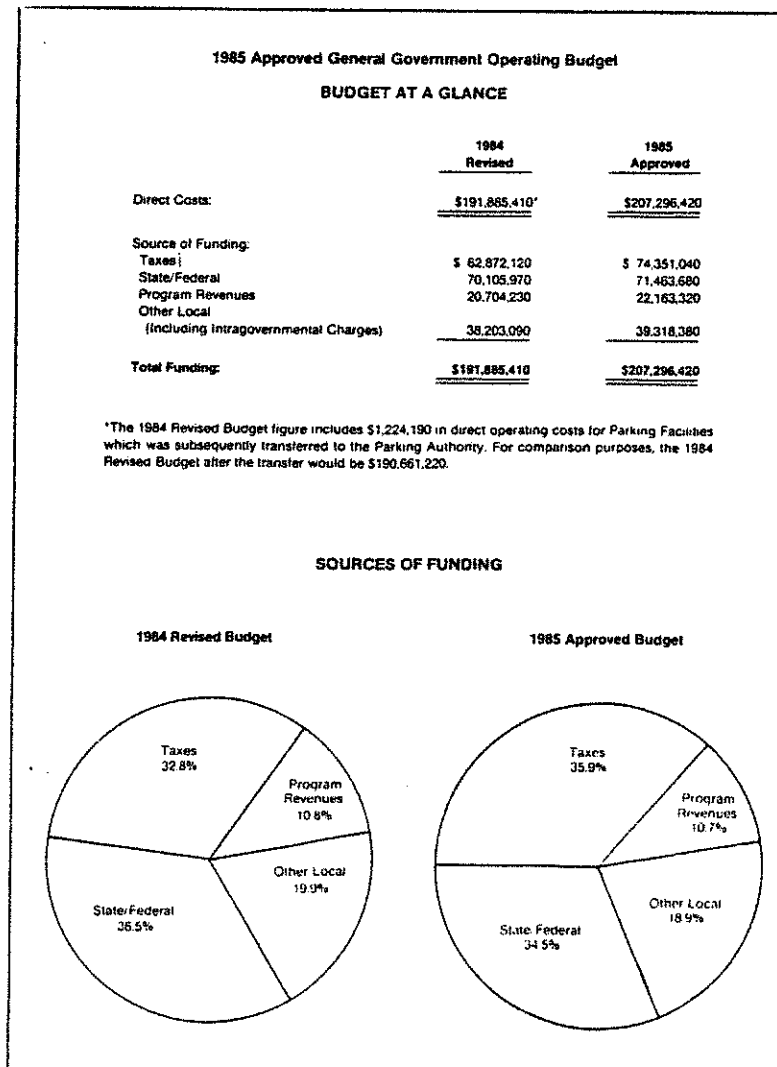
The department detail section is organized by executive area: Assembly/Administration, Municipal Manager, Public Safety, and a Miscellaneous category.

An Executive Summary form (figure 7), which summarizes the direct costs, program revenues, and positions for all the departments in the area is included for the two major executive areas: Municipal Manager and Public Safety. The Executive Summary form also highlights the major program changes and goals for the approved budget in the form of major issues statements.

### How to Read the Budget Overview Section

The Budget Overview section includes summaries of expenditures, revenues, property taxes, and mill levies. The information that is summarized can be found in more detail in either the Department Detail section or Appendices, as explained below for each summary. This portion of the guide leads the reader through the Budget Overview section, and explains where the detailed information is located.

## Budget at a Glance



**BUDGET AT A GLANCE**  
Figure 8

Figure 8 summarizes the total direct cost budget and total sources of funding by major category. It compares the approved budget with the preceding year's revised budget amounts. Direct costs reflected here are the sum of the direct costs of all departments included in the Department Detail section. Sources of funding can be found in more detail in Appendix G, Summary of All Revenue Accounts.

### Direct Cost Appropriations by Department

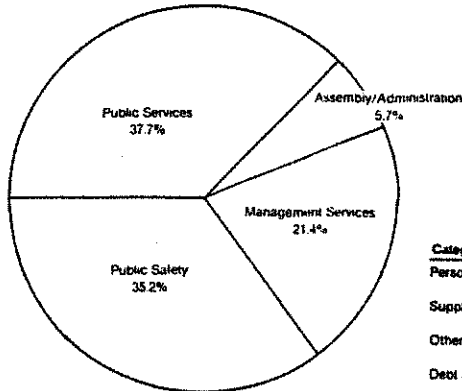
Figure 9 summarizes the approved budget direct costs by department and by functional area. The department totals can also be found on the Department Summary form in the Department Detail section.

**1985 Approved General Government Operating Budget  
DIRECT COST APPROPRIATIONS BY DEPARTMENT**

ASSEMBLY/ ADMINISTRATION	MUNICIPAL MANAGER	PUBLIC SAFETY
	<b>Management Services</b>	<b>Public Services</b>
Assembly ..... \$ 1,348,670	Municipal Manager OPPB/Admn Support ..... \$ 1,724,970	Museum ..... \$ 1,093,170
Equal Rights Commission ..... 449,690	Finance ..... 7,794,170	Library ..... 8,331,590
Internal Audit ..... 427,390	Information Systems ..... 10,128,050	Parks & Recreation ..... 11,273,400
Office of the Mayor ..... 3,515,040	Community Planning ..... 3,792,800	Public Transit ..... 9,580,900
Municipal Attorney ..... 2,400,380	Property & Facility Management ..... 19,061,100	Public Works ..... 47,620,880
Capital Projects ..... 979,350	Human Resources .. 1,865,000	
Non-Departmental ... 2,780,340		
<b>Total</b> ..... <b>\$11,801,650</b>	<b>\$44,366,120</b>	<b>\$78,098,930</b>

**DIRECT COST APPROPRIATIONS  
BY DEPARTMENT  
Figure 9**

**DIRECT COST SUMMARY BY FUNCTIONAL AREA**



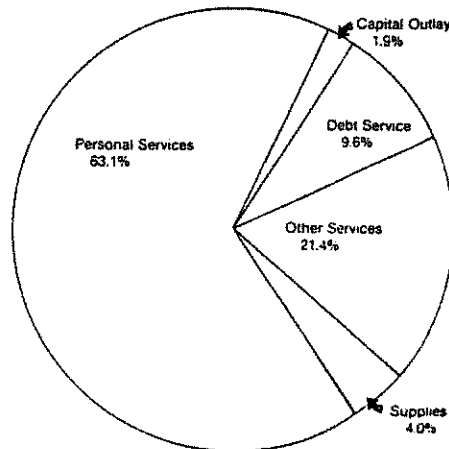
**1985 Approved General Government Operating Budget  
DIRECT ORGANIZATIONAL COSTS BY TYPE OF EXPENDITURE**

Category	1983 Revised	1984 Revised	1985 Approved
Personal Services	\$115,909,440	\$118,906,680	\$130,708,150
Supplies	7,005,050	8,031,380	8,390,810
Other Services	47,651,800	40,400,010	44,370,950
Debt Service	17,487,950	18,567,170	19,846,200
Capital Outlay	5,435,220	5,979,970	3,980,310
<b>Total</b>	<b>\$193,490,460</b>	<b>\$191,885,410*</b>	<b>\$207,296,420</b>

\*The 1984 Revised Budget figure includes \$1,224,190 in direct operating costs for Parking Facilities which was subsequently transferred to the Parking Authority. For comparison purposes, the 1984 Revised Budget after the transfer would be \$190,661,220.

**DIRECT ORGANIZATIONAL COSTS  
BY TYPE OF EXPENDITURE  
Figure 10**

**1985 APPROVED BUDGET DIRECT ORGANIZATIONAL COSTS**



### Direct Organizational Costs by Type of Expenditure

Figure 10 summarizes direct costs by expenditure category. It reflects how much of the operating budget will be spent for personal services (salaries, wages, employee benefits, overtime, etc.); supplies; other services (contracts, travel, and other purchased services); debt service (principal and interest payments on bonds); and capital outlay (machinery, equipment, library books, etc.). These categories of expense are shown in detail on the Resource Plan in the Department Detail section and in Appendix C.

### Per Capita Expenditure/Revenue Trends

The series of charts in figure 11 shows what is spent to deliver general government programs and the sources of revenues used to pay for the programs. The revenues and expenditures are expressed in per capita terms to show the individual resident how much, on the average, is spent for each resident on the various programs and how much revenue is received or earned for each resident. The expenditures are direct cost expenditures. For example, the per capita cost of Public Safety for 1985 is calculated as follows:

$$\begin{array}{rcccl} \text{Total Direct Cost} & & \text{Areawide} & & \text{Per Capita} \\ \text{of Public Safety} & \div & \text{Population} & = & \text{Cost of} \\ & & & & \text{Public Safety} \\ \\ \$72,928,520 & \div & 244,030 & = & \$299 \text{ per capita} \end{array}$$

### General Government Revenues by Source

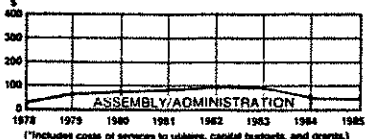
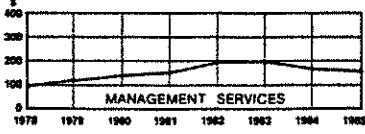
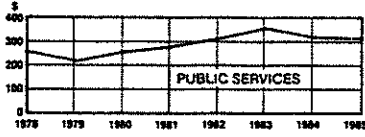
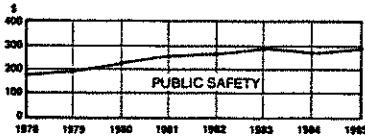
Figure 12 summarizes the revenue budget by major category, and compares approved budget revenues with revised budget revenues from the two prior years. Appendix G is a summary of all revenue accounts and Appendix F shows how all revenues are allocated to the various funds.

### Property Tax Profile

Figure 13 illustrates a number of points concerning property taxes and mill levies. It shows total direct costs, revenues by major source, areawide assessed valuation, and how the average mill levy is calculated. This figure also contains a chart illustrating the downward trend of the mill levy for the downtown area since 1976, and a table listing the preliminary 1985 mill levies for the various service areas in the different taxing districts. The facing page, Explanation of Taxing District Mill Levies, figure 14, explains how a mill levy is calculated, and how a taxing district mill levy is computed. Mill levies by fund and taxing district are shown in more detail in Appendices L and M, respectively. Assessed valuations by fund are given in Appendix J.

**1985 Approved General Government Operating Budget**  
**PER CAPITA EXPENDITURE/REVENUE TRENDS**

**PER CAPITA EXPENDITURES\*  
BY FUNCTIONAL AREA**



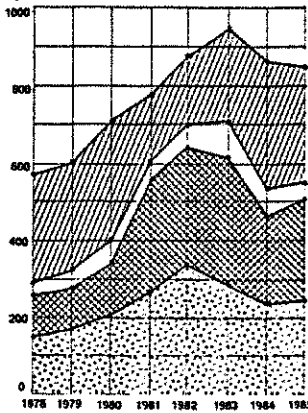
**PER CAPITA EXPENDITURES**

These charts show how general government revenues are spent. The functional areas of public safety (fire and police protection and health and social services) and public services (roads, transit, leisure and cultural activities) account for almost 74% of total general government per capita expenditures. The remainder of the expenditures are in the management services and assembly/administration functional areas.

**PER CAPITA REVENUES**

This chart shows how general government per capita expenditures are funded. Federal revenues, which are declining due to reductions in Federal Revenue Sharing, make up about 5% of total revenues. State revenues have increased somewhat from 1984 levels. In 1985, 29% of the general government budget will be funded by state sources. The remaining 66% is funded through local fees and charges and other local revenues, including property taxes.

**PER CAPITA REVENUES BY SOURCE**



TAXES  
 STATE  
 FEDERAL  
 LOCAL  
(Includes revenues for services to streets, capital budgets, and grants.)

PER CAPITA EXPENDITURE/REVENUE TRENDS  
Figure 11

GENERAL GOVERNMENT REVENUES BY SOURCE  
Figure 12

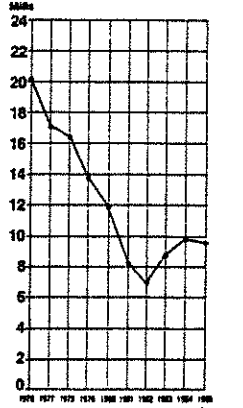
**1985 Approved General Government Operating Budget**  
**REVENUES BY SOURCE**

Revenue Source	1983 Revised	1984 Revised	1985 Approved
<b>LOCAL REVENUES</b>			
User Fees			
Public Transit Fees	\$ 1,296,330	\$ 1,268,040	\$ 1,554,050
Parking Fees	1,477,150	1,798,540	0
Building Safety	3,322,000	4,186,000	4,455,000
Parks and Recreation	478,750	1,116,720	1,293,840
Fire and Rescue	720,310	801,900	1,086,900
Subdivision Inspection	563,900	668,000	685,000
Franchises	398,430	419,230	419,230
Reimbursed Costs	939,510	1,049,280	1,074,080
Fines/Forfeitures	1,011,280	1,082,000	1,338,000
Other Fees	6,268,730	5,181,160	7,230,760
Interest			
Cash Pool Short Term	6,832,230	7,978,450	8,625,940
Other Short Term	1,419,940	189,740	267,430
Contributions - Other	2,870,180	3,132,240	2,968,240
Hotel/Motel Tax	3,375,800	3,285,570	3,548,420
Other Local	1,167,170	734,320	734,320
<b>TOTAL LOCAL REVENUES</b>	<b>\$ 32,239,690</b>	<b>\$ 32,889,190</b>	<b>\$ 35,281,210</b>
<b>STATE REVENUES</b>			
Municipal Assistance	\$ 32,663,930	\$ 32,663,520	\$ 37,401,130
General Revenue	14,321,250	14,103,230	14,804,240
Road Maintenance	1,181,820	1,485,290	1,707,310
State Auto Fees	3,364,370	3,965,060	4,163,310
Contributions - State Grants	13,028,600	0	0
Other	1,868,290	2,235,590	2,181,090
<b>TOTAL STATE REVENUES</b>	<b>\$ 66,428,260</b>	<b>\$ 54,452,690</b>	<b>\$ 60,257,080</b>
<b>FEDERAL REVENUES</b>			
Revenue Sharing	\$ 18,400,000	\$ 14,582,220	\$ 10,258,630
Other	686,630	1,071,060	947,970
<b>TOTAL FEDERAL REVENUES</b>	<b>\$ 19,086,630</b>	<b>\$ 15,653,280</b>	<b>\$ 11,206,600</b>
<b>OTHER REVENUES</b>			
Intragovernmental Revenues	\$ 19,456,780	\$ 20,247,630	\$ 20,366,240
Fund Balance Applied	6,889,660	6,279,400	5,926,820
Taxes	50,177,070	62,872,120	74,351,040
Restricted Profits	(787,630)	(508,900)	(92,570)
<b>TOTAL OTHER REVENUES</b>	<b>\$ 75,735,880</b>	<b>\$ 88,890,250</b>	<b>100,551,530</b>
<b>TOTAL REVENUE</b>	<b>\$193,490,460</b>	<b>\$191,885,410</b>	<b>\$207,296,420</b>

1985 Approved General Government Operating Budget

PROPERTY TAX PROFILE

MILL LEVY TRENDS



MILL Levy (Downtown Area)  
Data: Appendix M.

CALCULATION OF AVERAGE MILL LEVY

	1984 Revised	1985 Approved	Increase/ Decrease
Direct Costs	\$ 181,885,410	\$ 207,296,420	\$ 15,411,010
Less Charges to: Utilities, Capital Budget, and Grants	(20,247,630)	(20,364,240)	116,610
Less User Fees	(17,758,610)	(19,404,290)	1,645,680
Less Other Sources	(6,278,400)	(5,826,820)	(352,580)
Less Other Revenues:			
Other Local	(15,136,580)	(15,876,520)	740,340
State	(94,452,690)	(80,257,080)	5,804,290
Federal	(15,053,280)	(11,206,600)	(4,446,680)
Restricted Profits	508,900	92,570	(416,330)
Net Tax Requirement	\$ 62,872,120	\$ 74,351,040	\$ 11,478,920
Area-wide Assessed Valuation	\$12,095,719,000	\$14,546,318,000	\$2,450,599,000
Average Mill Levy	5.20 mills	5.11 mills	(0.09) mills

Tax Limitation Calculation: Appendix I.

PROPERTY TAX PROFILE  
Figure 13

1985 PRELIMINARY MILL LEVIES

Taxing Districts	Area-wide	School District*	Fire	Roads	Police	Parks and/or Recreation	Road Debt Service Area 35	Total
Anchorage	96	4.27	1.08	1.08	1.91	45		9.75
Intake/Recipi Creek	96	4.27	1.08			45		6.78
Spencer/Muldoon/Sand Lake/Oceanview	96	4.27	1.08	1.08	1.91	45	17	9.92
Gridwood	96	4.27	68	50		27		6.63
Glen Alps	96	4.27						5.23
Eagle River	96	4.27	1.08	50	1.91	20		8.92
Chugiak	96	4.27		50	1.91	20		7.84
Eagle River/Chugiak Valley	96	4.27		50	1.91	20		7.84
Other Outside Bow	96	4.27						5.23

\*School District mill levy assumed at approved rate for 1984 (4.27 mill)

Mill levies by fund: Appendix L  
Mill levy comparison by taxing district: Appendix N

1985 Approved General Government Operating Budget

EXPLANATION OF TAXING DISTRICT MILL LEVIES

The Municipality of Anchorage operates under a "service area concept" whereby taxpayers in different areas or taxing districts of the Municipality pay property taxes only for those services which they receive. Some services provided by the Municipality must be offered on an "areawide" basis under state law. These include education, planning and zoning, property assessment, and tax collection. Other services require voter approval — these include road maintenance, police and fire protection, and parks and recreation. This "service area concept" gives the taxpayers more control over the types and levels of service for which they are taxed.

The mill levy of a service area is computed as follows:

$$\begin{aligned}
 \text{Total Direct Costs of Service Area} &+ \text{Net Intragovernmental Charges} &= &\text{Function Cost of Service Area} \\
 \text{Function Cost of Service Area} &- \text{Program Revenues of Service Area} &= &\text{Net Program Cost of Service Area} \\
 \text{Net Program Cost of Service Area} &- \text{Other Revenues Allocated to Service Area} &= &\text{Tax Requirement of Service Area} \\
 \text{Tax Requirement of Service Area} &\div \text{Assessed Value of Service Area} \times 1,000 &= &\text{Mill Rate (Levy) for Service Area}
 \end{aligned}$$

Each service within the taxing districts has its own mill rate. The sum of these service mill rates within a taxing district comprises the mill rate by which taxes are levied. The table below shows how one taxing district mill levy has been computed for 1985. For more detailed definitions of the terms used here, consult the Glossary of Terms, Appendix V.

EXPLANATION OF TAXING DISTRICT MILL LEVIES  
Figure 14

CALCULATION OF MULDOON TAXING DISTRICT MILL LEVY

Service Area (Services Approved by Muldoon Taxing District Voters)	Function Cost of Service Area	Program Revenues of Service Area	Other Revenues Allocated to Service Area	Tax Requirement of Service Area	Estimated Assessed Valuation of Service Area (\$ 000s)	Proposed Mill Levy of Service Area
Areawide	\$68,843,290	\$10,404,380	\$4,551,870	\$13,987,040	\$14,546,318	96
Fire	24,617,080	36,300	9,471,530	15,109,250	13,953,369	1.08
Road	22,148,680	9,000	8,908,950	13,233,730	12,300,942	1.08
Police	39,398,960	1,617,940	13,722,500	24,058,520	12,584,794	1.91
Parks and Recreation	13,257,660	1,122,160	6,225,180	5,910,300	13,257,521	45
Road Debt Service	1,368,670	0	440,450	928,220	5,593,579	17
					Total Mill Levy - General Government	5.65
					Total Mill Levy - School District	4.27
					Mill Levy for Muldoon Residents	3.92

\*Assumes same mill levy for schools as in 1984

## How to Use the Appendices

The **Appendices** contain summaries of expenditures, revenues, assessed valuation, and mill levies. The section also includes a summary reconciliation of the operating budget and a glossary of terms. The following describes what can be found in the **Appendices**, and how this portion relates to the rest of the operating budget document.

### 1984-1985 Function Cost Comparison by Fund

**Appendix A** compares 1984 revised operating budget function cost by fund with the 1985 approved budget function cost by fund. The 1985 approved function costs are the approved fund appropriations.

### 1982-1985 Department Direct Cost Comparison

**Appendix B** compares the total revised direct cost for each department over the past three years with the 1985 approved direct cost. The total direct cost for each department is the approved department appropriation. Detail on total direct costs for 1985 can be found in the Department Detail section and is summarized in **Appendix C**.

### Direct Organizational Cost by Type of Expenditure

**Appendix C** is an expansion of the schedule in the Budget Overview section. In **Appendix C**, the approved budget is summarized by department and expense category. This also ties in to the Resource Plan totals (and the Ranking Worksheet totals in the 1985 Proposed Budget) for each department. The total direct cost for each department is the approved department appropriation.

### Personnel Benefit Rates

**Appendix D** summarizes the benefits paid to general government, fire, and police employees. These rates have been used in developing the 1985 operating budget. For example, for every \$100 in salaries paid to Police employees, there is another \$43.50 in benefits expense to cover the Municipality's share of retirement, social security, medical, dental, life insurance, accrued leave, and long-term disability benefits.

### Debt Service Summary by Program

**Appendix E** provides detailed information regarding outstanding debt and principal and interest payments on debt by program area. This schedule ties in to the expenditure summaries by expense category (Debt Service) included in the Budget Overview and **Appendix C**.



## Revenue Distribution Summary

Appendix F outlines how each revenue account is distributed by fund (allocated revenues) or budget unit (program revenues). There is also a description of each revenue account, which explains how the revenue is generated and/or estimated.

## Summary of All Revenue Accounts

Appendix G summarizes revenues, also, in less detail than Appendix F. Here, you can see how much federal, state, or local revenue is budgeted by account. Previous years' information is also given for comparison and to indicate trends in particular revenue receipts.

## Federal Revenue Sharing Summary

Appendix H summarizes the planned use of federal revenue sharing money. This schedule is required by law, as is a public hearing on the planned use.

## Tax Limitation Calculation

Appendix I presents the tax limitation calculation, as required in Section 14.03 of the Municipal Charter. Property taxes required for the approved budget cannot exceed the property taxes allowed, as calculated in this schedule.

## Assessed Valuation Comparison

Appendix J compares total assessed valuation by fund for 1984 and 1985. The 1985 estimated value by fund has been used to calculate the proposed 1985 mill levies by fund (see Appendix L).

## Areawide Assessed Valuation Trends

Appendix K shows the increase in areawide assessed valuations. Total property valuation (real and personal property) by year is displayed in the first three columns. The next four columns list the real property component, indicating the portion of the annual increase in real property valuation that is due to increased value of existing property and the portion that is due to new construction.

## Mill Levy Comparisons by Fund

Appendix L displays the proposed mill levies by fund (service area). Also included for comparison are the approved mill levies for the previous two years. See page 7 of this guide for an explanation of how a mill levy is calculated.

## 1976-1985 Mill Levy Trends

Appendix M shows, by taxing district, the mill levy since 1976. Included is the mill levy for school district operations. If you know the taxing district in which you reside, you can see what you will pay per \$1,000 assessed value in 1985. For example, a resident in Spenard with a \$100,000 home will pay \$9.92 per \$1,000 or \$992 in 1985 for schools and general government operations.

## 1984-1985 Mill Levy Comparison by Taxing District

Appendix N shows by taxing district the change in mill levy from 1984 to 1985, indicating by service area what is causing the change. For example, in the Spenard taxing district, the mill levy is going from 10.10 mills to 9.92 mills, a decrease of 0.18 mills. As Appendix N shows, most of the service area mill levies declined in 1985.

## Calculation of Spending Limitation

Appendix O shows the computation of the spending limitation for 1985 as called for in Section 6.10.037 of the Municipal Code. (See Appendix V, the Glossary of Terms, for a definition of the spending limitation.) Appendix O indicates that the approved general government operating budget for 1985 is within the spending limitation by \$2,592,000.

## Fund Balance Summary

Appendix P lists the balance remaining in each fund as of December 31, 1984. This appendix also shows the amount of that fund balance appropriated with the 1985 Approved Budget to offset the projected function cost for each fund in 1985.

## Reconciliation from 1984 Revised to 1985 Approved Budget

Appendix Q presents all of the changes in the operating budget. This is a summary of the department reconciliation forms, and is displayed in the same format. Shown here is the amount required to continue existing programs in 1985, reductions in existing programs, expansions in existing programs, new programs, and other miscellaneous increases and decreases. The direct cost and position changes for each entry are noted.

## Overtime, Travel, and Capital Outlay Summaries

Appendices R, S, and T summarize overtime, travel, and capital outlay, respectively, by department. Both 1984 revised and 1985 approved budget amounts are displayed for comparison.

## Personnel Summary

Appendix U indicates personnel positions by type (full-time, part-time, temporary) and department. Three years' information is included for comparison.

## Glossary of Terms

Appendix V defines most of the terms you will encounter in this guide or in the operating budget. In some cases, a calculation formula is also included, so you can understand how a number is derived.

## How to Use the Fiscal Trends Report Section

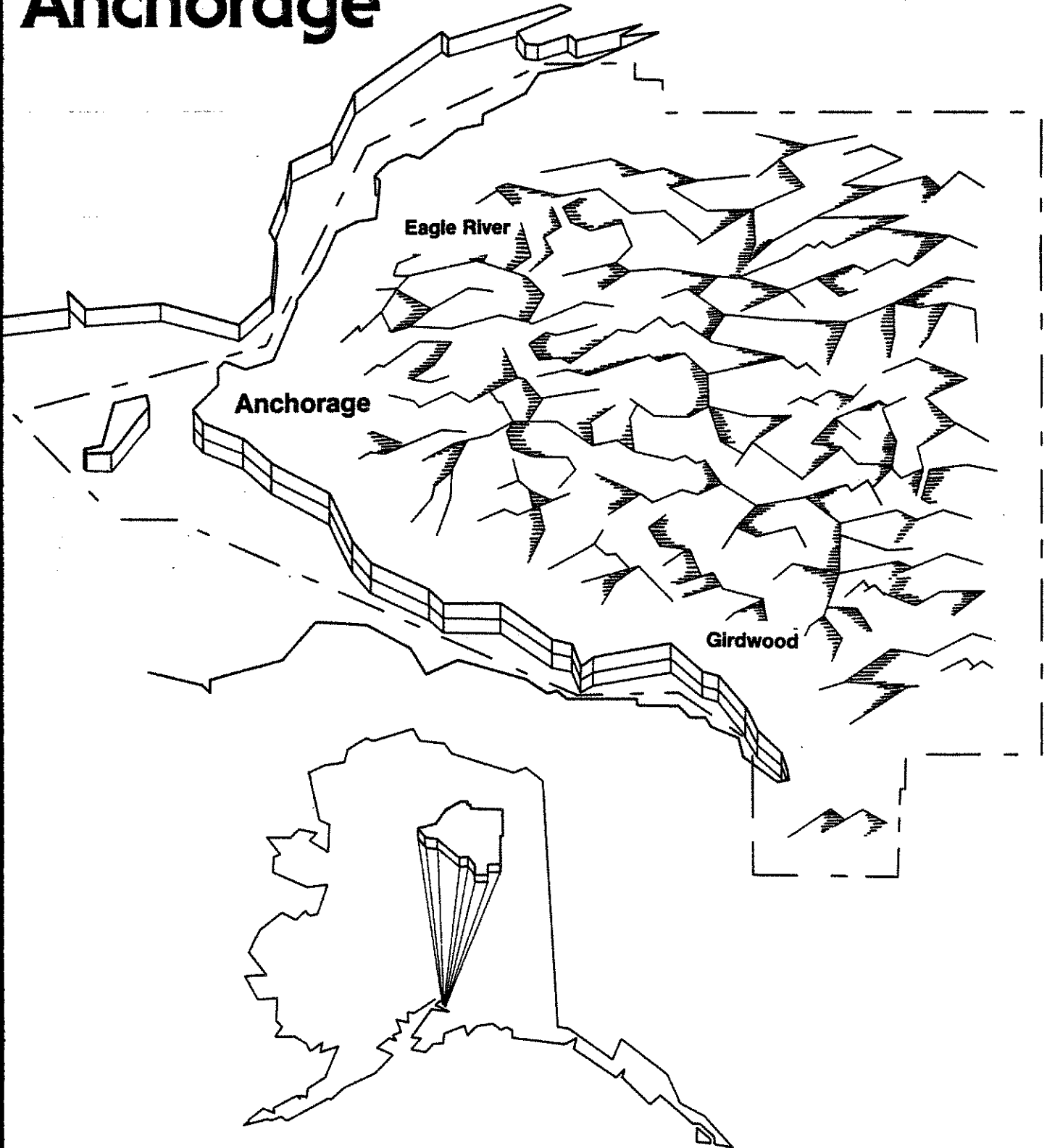
The Fiscal Trends Report projects expenditures and revenues for six years into the future. The report analyzes probable trends in expenditures and revenues, and serves as a guide to decision makers, since it graphically displays the impact on future years of decisions made today.

Expenditure projections are essentially "straight line" projections. The 1985 Approved Budget, excluding debt service, is projected to increase annually at the rate of inflation (which is estimated at 4% annually). Debt service payments for existing outstanding debt is projected based on known payment schedules. Capital-related operations and maintenance (O & M) costs and new debt service are then added in. Capital-related O & M costs are based on the 1985 Approved Capital Improvement Budget. If a capital project is anticipated to come on line during the projection period, the O & M costs are added in the year the project is scheduled to come on line. If the project is scheduled to come on line in mid-year, the O & M costs are prorated. For example, if a park is scheduled to come on line in July 1986, then 50% of the O & M costs of the park are added to the 1986 projections, and the remaining 50% are added to the 1987 projections.

Revenues are estimated by account, for some particular revenue sources, such as hotel-motel taxes and state auto fees, or by type, for other revenue sources, such as fund balance, interest and other local. Various measures or indicators are used to project revenue trends. For example, state auto fees are projected to increase at the rate of population growth; building inspection fees are project to increase in relationship sharing and state municipal assistance, which are dependent on actions made at the federal and state level.

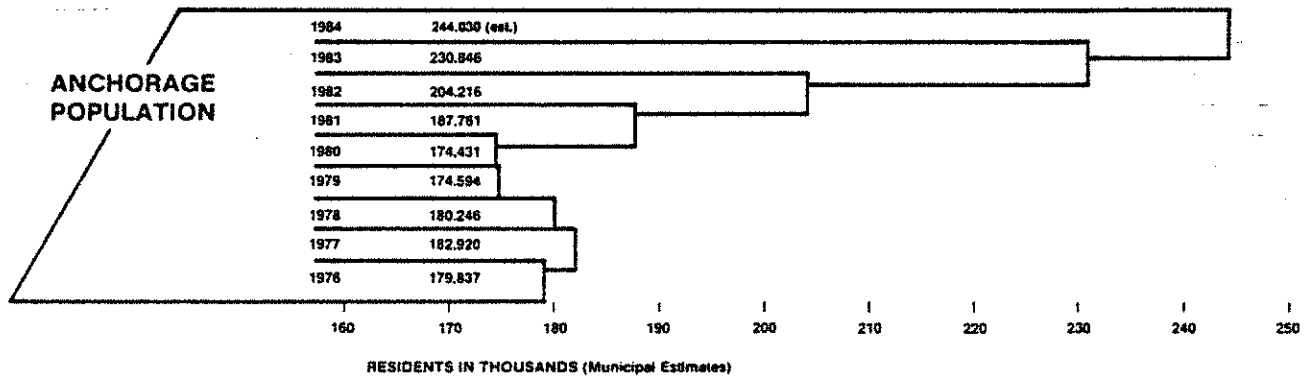
The Fiscal Trends Report contained in the 1985 Approved Budget document is an updated version of the original report which appeared in the 1985 Proposed Budget document. This updated report re-evaluates the trends and funding options for revenue shortfalls. The reader may wish to refer to the original report for a complete fiscal analysis.

# Municipality of Anchorage



# MUNICIPALITY OF ANCHORAGE COMMUNITY PROFILE

<b>GENERAL FACTS</b>	Incorporation	September 16, 1975
	Form of Government	Unified, Home Rule — Mayor/Assembly
	Area	1955 Square Miles
	Population	244,030 (1984 estimate)
	Average Low Temperature	27.6° Fahrenheit (-2.4 Celsius)
	Average High Temperature	42.6° Fahrenheit (5.9 Celsius)
	Average Annual Precipitation	14.75 inches (37.47 centimeters)



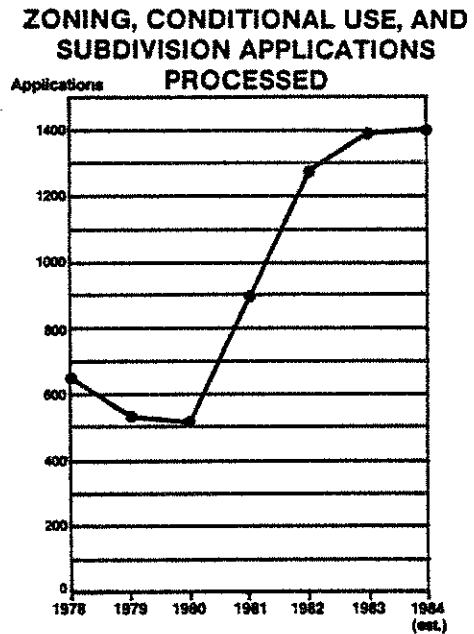
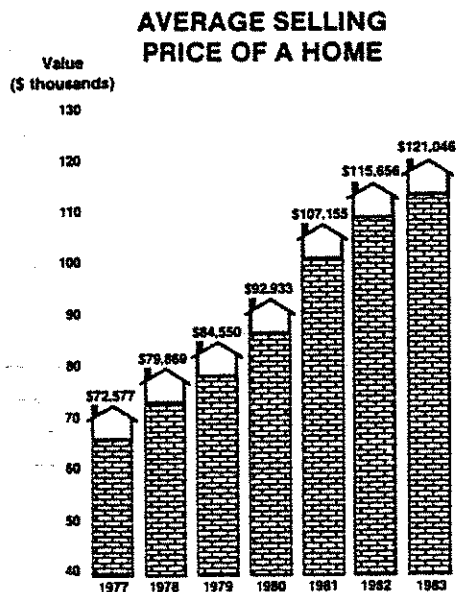
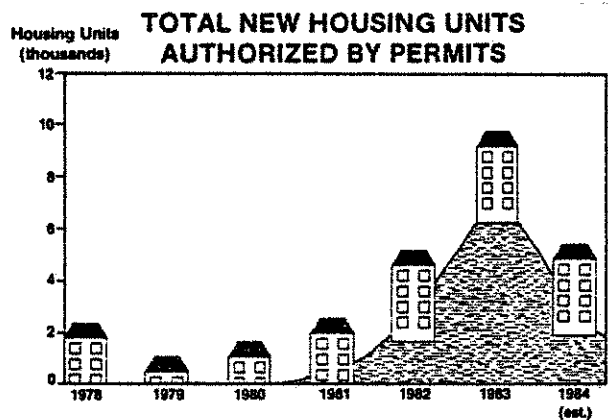
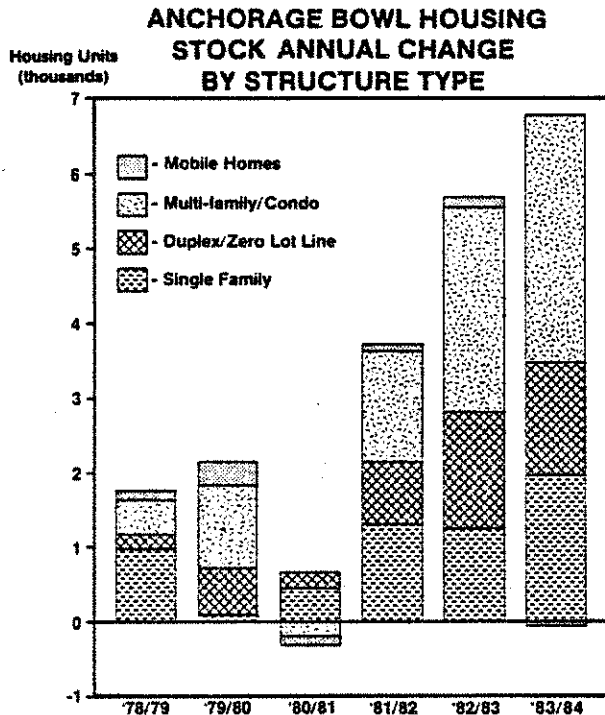
As the following pages show, nearly all components of the Anchorage community continue to experience rapid growth. The growth rate has slowed somewhat over the last year; however, population and economic activity in the Anchorage area are expected to continue expanding over the next several years.

It has been a major challenge for the Municipality to keep up with demand for services and capital improvements to meet the needs of a growing population and expanding commerce. In the foreseeable future, the continuing requirement for additional capital investment and increased service delivery will be one of the most significant endeavors of the Municipality and the community.

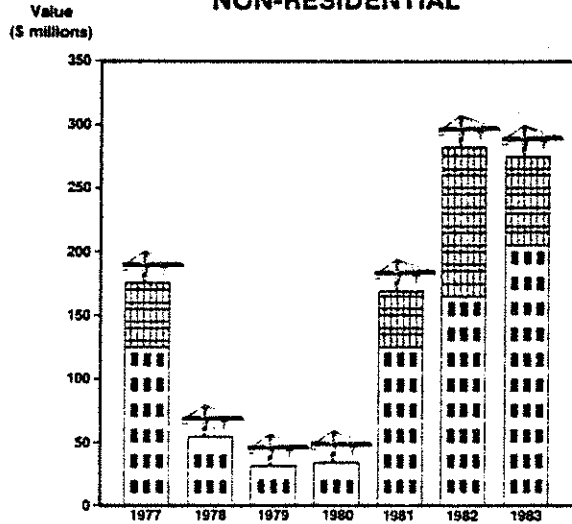
# LAND AND HOUSING

The rapid growth in Anchorage's population continues to fuel a strong housing and commercial construction market. Particularly significant is the spurt in both residential and commercial construction from 1980 to 1983. Although economic indicators suggest that this extremely steep growth curve will moderate over the next few years, a healthy construction market is projected to continue into the immediate future.

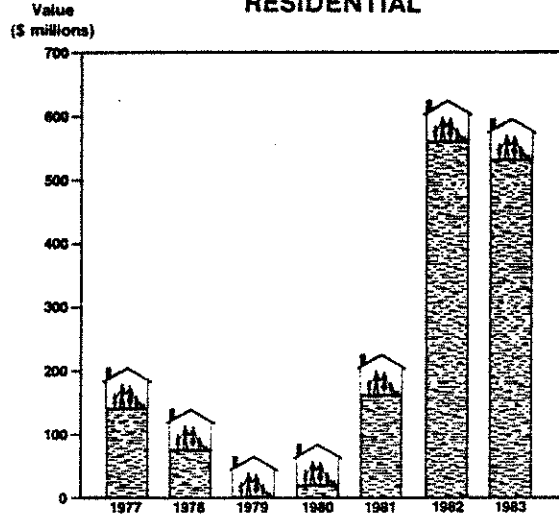
Another important aspect of the housing market is the shift toward multi-family dwellings from traditional single-family, detached houses. This shift reflects the increase in the high price of land in the Anchorage bowl and continued high interest rates, but also indicates the availability of affordable housing for most Anchorage residents.



### CONSTRUCTION SPENDING IN ANCHORAGE NON-RESIDENTIAL



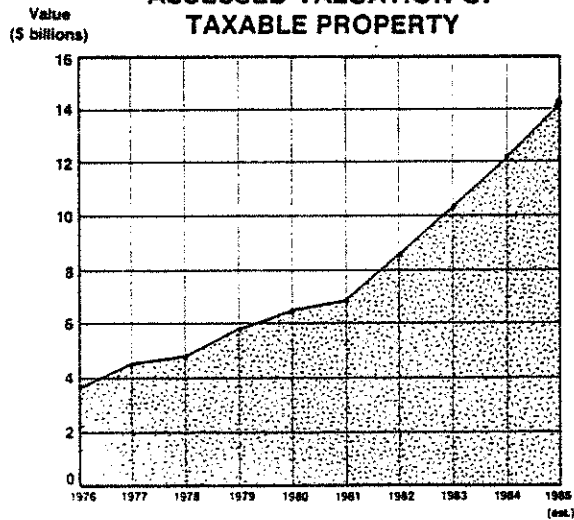
### CONSTRUCTION SPENDING IN ANCHORAGE RESIDENTIAL



### ASSESSED VALUATION OF TAXABLE PROPERTY

	Value (\$ thousands)	% Change
1983	\$10,407,877	
1984	12,095,719	16.2%
1985	14,546,318 (est.)	20.3%

### ASSESSED VALUATION OF TAXABLE PROPERTY



### REAL PROPERTY PARCELS APPRAISED

1978	1979	1980	1981	1982	1983	1984	1985
61,000	63,000	66,000	68,000	71,200	72,000	76,000	88,000
						(est.)	(est.)

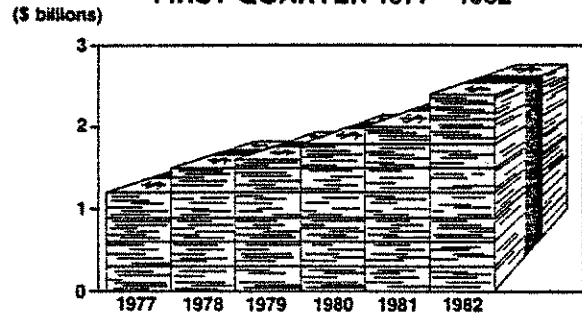
# ECONOMY

One of the principal reasons for the dramatic population increase in Anchorage over the past few years is the Municipality's robust economy. During the recession of 1981 through 1983 in the "lower 48," Anchorage actually experienced rapid economic expansion. The economy of Anchorage continues its exceptional growth.

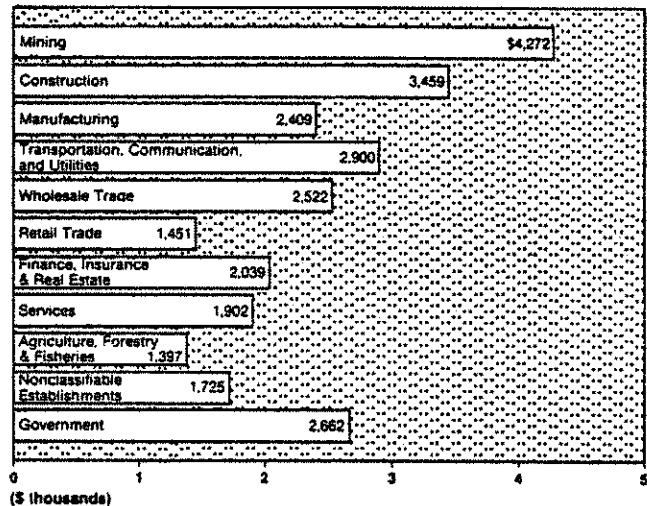
## PER CAPITA PERSONAL INCOME ANCHORAGE/ALASKA/U.S.

	Anchorage	Alaska	U.S.	Percent of State	Percent of Nation
1982	\$18,429	\$16,598	\$11,100	111	166
1981	\$18,563	\$14,819	\$10,495	112	158
1980	\$14,434	\$12,918	\$ 9,483	112	152
1979	\$12,200	\$11,252	\$ 8,706	108	140
1978	\$11,839	\$10,851	\$ 7,810	109	152
1977	\$11,430	\$10,497	\$ 7,026	109	163
1976	\$10,466	\$10,254	\$ 5,397	102	164
1975	\$10,006	\$ 9,654	\$ 5,861	104	171
1974	\$ 7,383	\$ 7,137	\$ 5,428	103	136
1973	\$ 6,050	\$ 6,066	\$ 4,980	100	121
1972	\$ 5,632	\$ 5,234	\$ 4,493	108	128
1971	\$ 5,470	\$ 4,939	\$ 4,132	111	132
1970	\$ 5,915	\$ 4,638	\$ 3,893	112	113

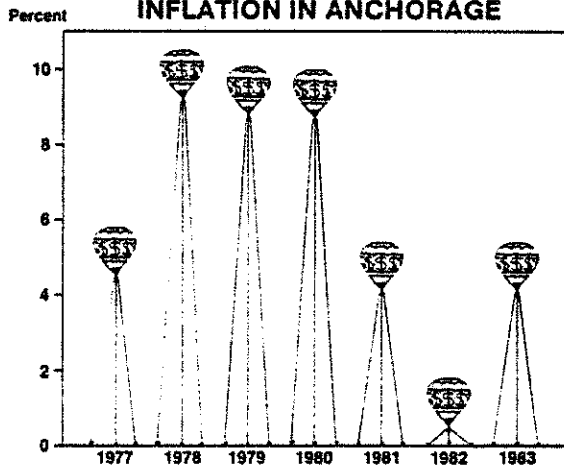
## TOTAL ASSETS ANCHORAGE BANKS FIRST QUARTER 1977 - 1982



## AVERAGE MONTHLY WAGE ANCHORAGE LABOR DIVISION THIRD QUARTER 1983



## INFLATION IN ANCHORAGE



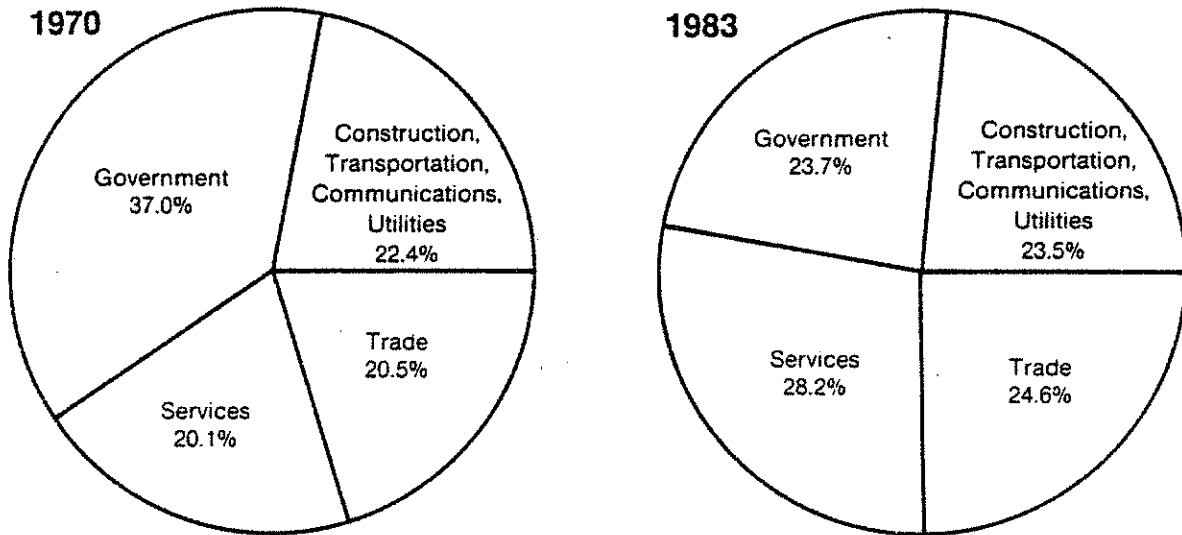


# EMPLOYMENT

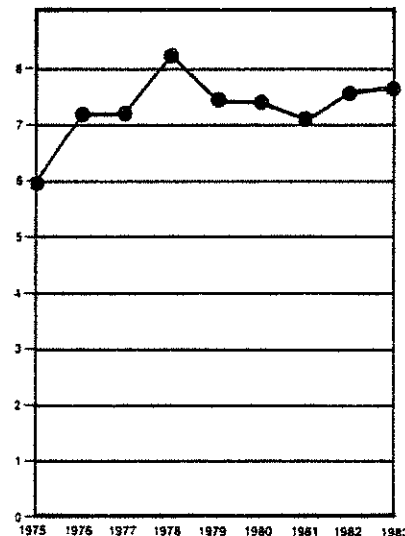
The Anchorage area did not feel as severely the impact of the economic downturn experienced in the rest of the country between 1981 and 1983. Large amounts of state spending have buffered Anchorage employment from the effects of unfavorable national economic conditions. The Anchorage unemployment rate, which reached a high in 1979 of 8.2%, had declined to 7.7% by 1983.

Another significant element in the Anchorage employment picture is the rapid growth in the services and trade sectors and the relative reduction in direct government employment. A significant shift is taking place away from a "government payroll" economy toward a service and trade economy. However, it is important to know that much of the economic activity in Anchorage is still supported by government dollars.

## ANCHORAGE DISTRIBUTION OF EMPLOYMENT BY SECTOR



## ANCHORAGE AVERAGE ANNUAL UNEMPLOYMENT RATE



## ANCHORAGE EMPLOYMENT

1983	102,600
1982	95,000
1981	86,000
1980	78,700
1979	77,500
1978	76,900
1977	77,000
1976	73,000
1975	69,600

# COMMUNITY SERVICE DELIVERY

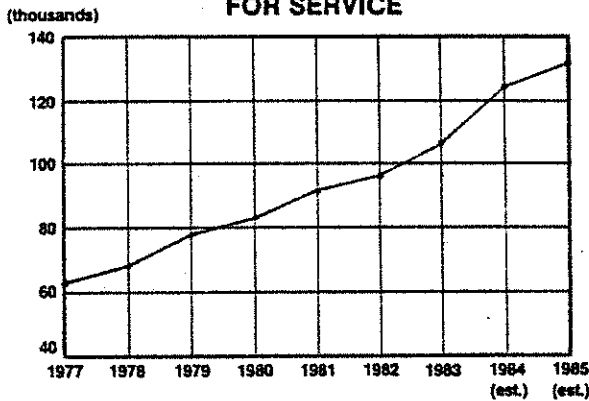
The graphs below and on the following three pages depict the ever-increasing demand for community services. Increases in police and fire services are principally due to the growing population, while increases in health and sanitation inspections are the result of both increased population and demand.

Transportation services and facilities growth is most dramatically indicated by the steady increase in "People Mover" ridership, from fewer than a million bus patrons per year in 1976 to over four million riders in 1983, and the almost doubling of road miles maintained since 1978.

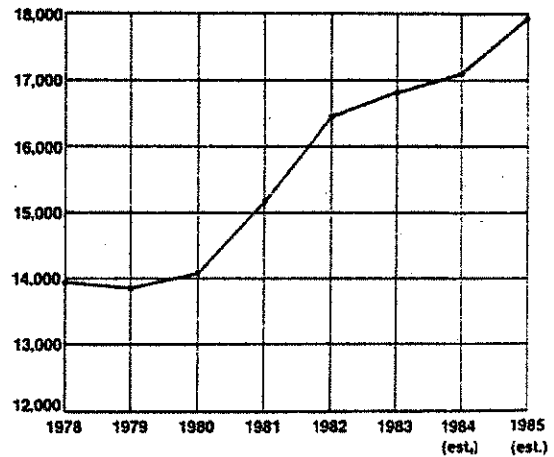
Park acreage has more than doubled since 1982. The Community Schools program has experienced significant growth, and recreation programs and facilities are now being enjoyed by more residents than ever.

## PUBLIC SAFETY

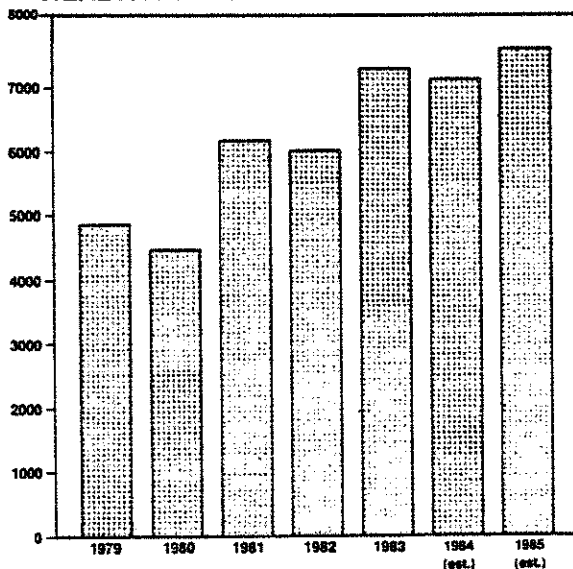
**POLICE DEPARTMENT REQUESTS FOR SERVICE**



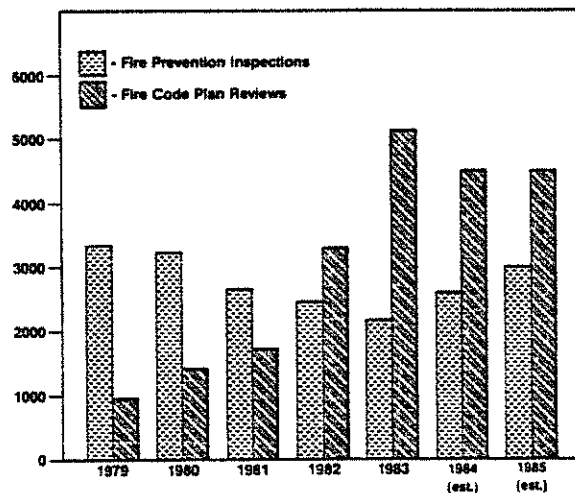
**FIRE/EMS ALARMS**



**HEALTH AND SANITATION INSPECTIONS**

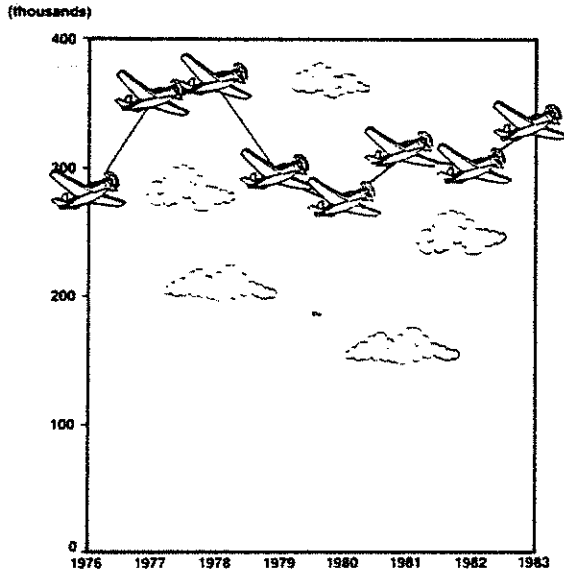


**FIRE PREVENTION ACTIVITIES**

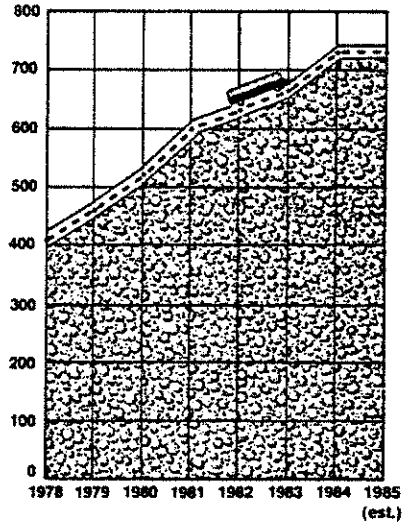


# TRANSPORTATION

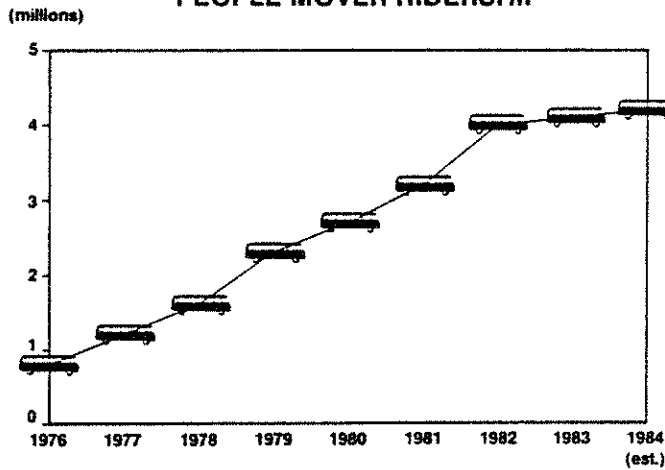
### MERRILL FIELD TOTAL LANDINGS AND TAKEOFFS



### MILES OF ROAD MAINTAINED BY MUNICIPALITY



### PEOPLE MOVER RIDERSHIP

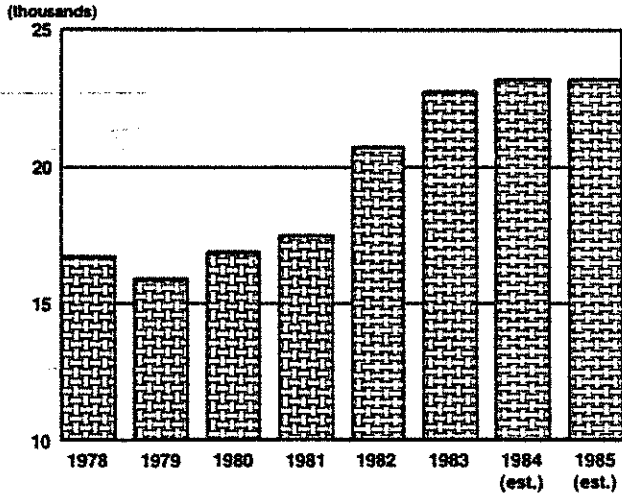


### VEHICLE REGISTRATION IN ANCHORAGE

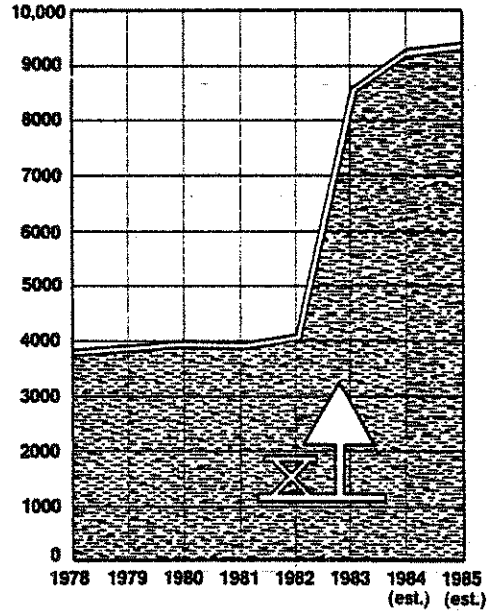
	Passenger Vehicles	Motor Cycles	Commercial Trailers	Commercial Trailers	Commercial Trucks	Pickups	Buses	Total
	1983	122,446	5,721	6,496	14,881	9,661	44,956	473
1982	107,263	5,509	5,066	15,315	8,639	38,201	389	180,382
Increase/ Decrease	15,183	212	1,430	(434)	1,022	6,755	84	24,252

# LEISURE

## COMMUNITY SCHOOLS PROGRAM ACTIVITY REGISTRANTS



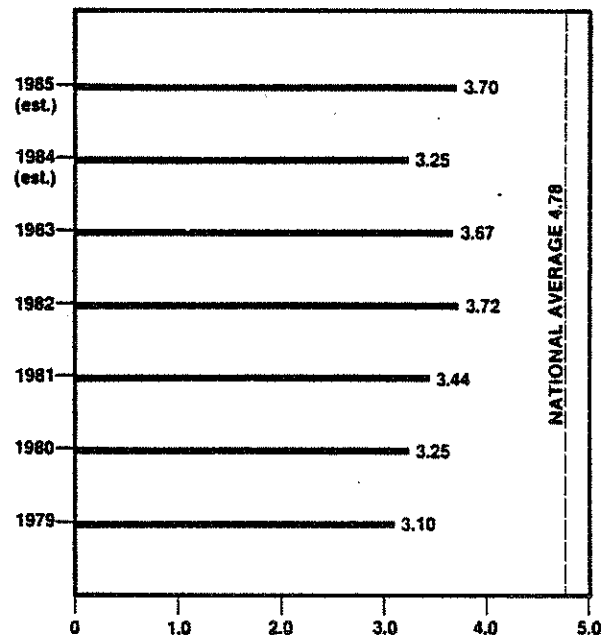
## PARK ACRES MAINTAINED BY MUNICIPALITY



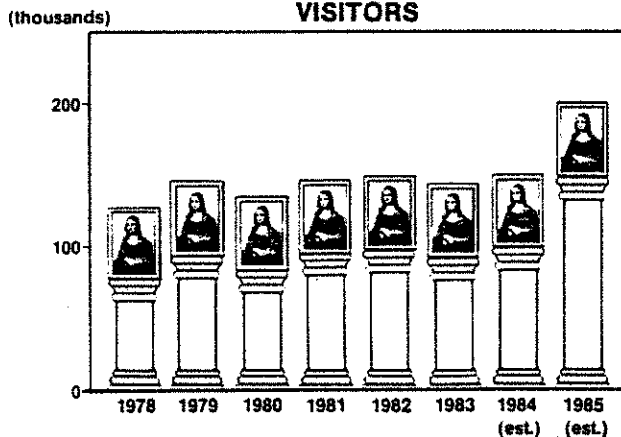
## MUNICIPAL PARKS/TRAILS OPEN SPACE/RECREATION AREAS

	1978	1980	1982	1984
Municipal Parks	93	103	123	160
Bike Trails (Municipally Maintained)				57 Miles
Greenbelts				915 Acres
Ski Trails				74 KM
Ball Fields/Recreation Fields				108
Tennis Courts				59
Ice Skating Areas				10
Campgrounds/Ski Hills with Tow/Fitness Trails				2 each
Swim Beaches				3
Golf Course				1

## LIBRARY BOOKS/MATERIALS CIRCULATED PER CAPITA\*



## ANCHORAGE MUSEUM OF HISTORY AND ART VISITORS



\*Average circulation per capita for libraries in cities of 100,000 population or more is 4.78.

# PUBLIC UTILITIES

