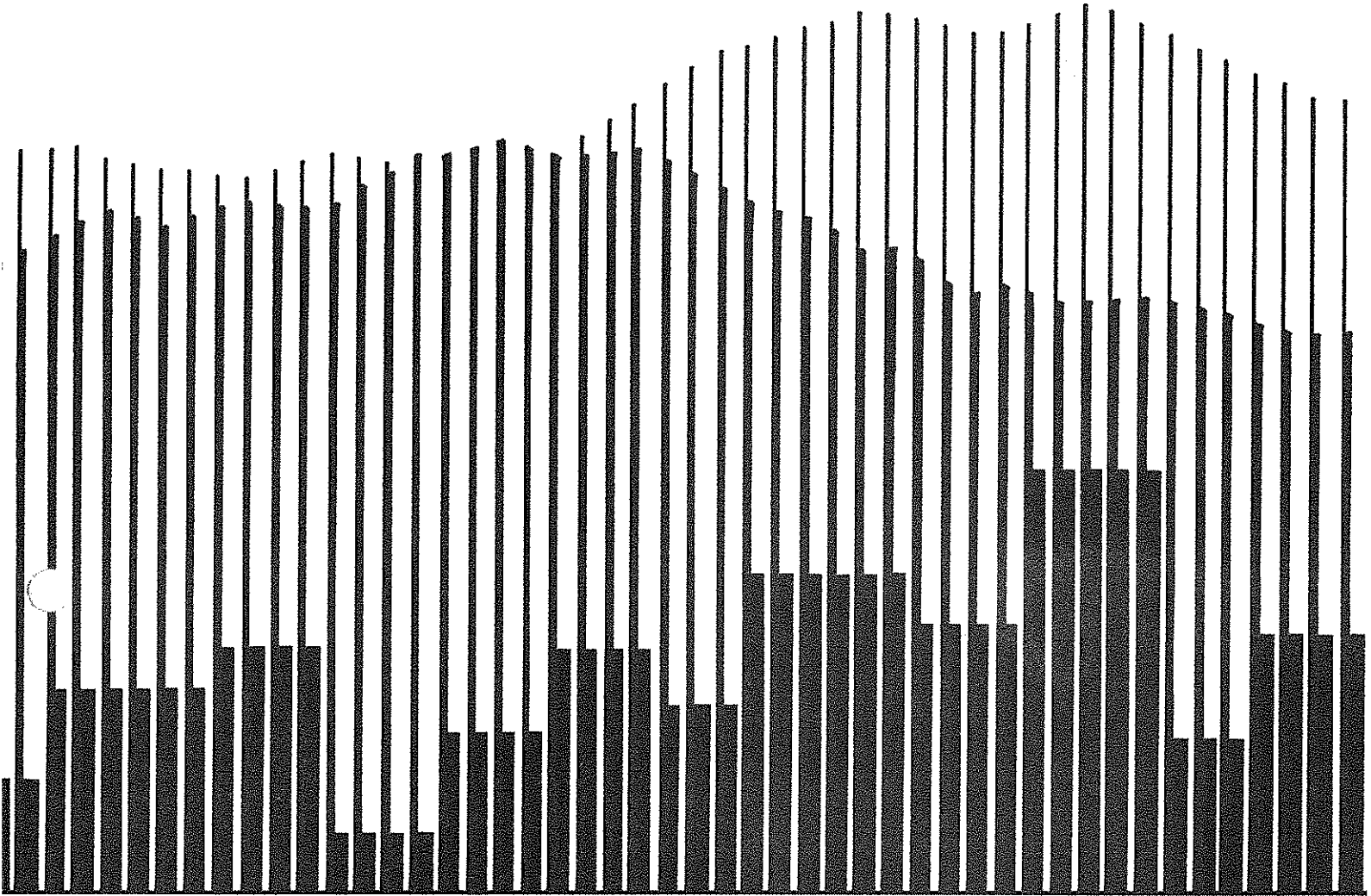


Municipality of Anchorage

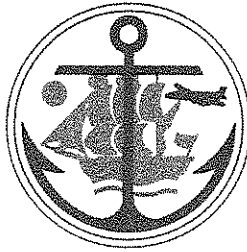


1987 Fiscal Trends Report



Tony Knowles, Mayor

Municipality of Anchorage



OFFICE OF THE MAYOR

P.O. BOX 6650
ANCHORAGE, ALASKA 99502-0650
(907) 264-4431

TONY KNOWLES
MAYOR

October 3, 1986

Dear Residents of Anchorage:

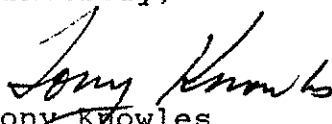
Predicting the future is risky business. For instance, the recent drop in oil prices certainly came sooner and more dramatically than economists - public or private - had anticipated. However, ignoring the future is even riskier. We can't say precisely what will happen to the economy and local government in the next few years, but we can look at the best information available and plan accordingly.

This Fiscal Trends Report draws our attention to some important information about our past revenue and expenditure patterns. It discusses implications of various levels of municipal activity for not only the 1987 budget, but the next five years as well. It does not attempt to predict exactly what will happen in the future, but rather to outline a range of possibilities. It sets the stage for public and Assembly discussion of both operating and capital budgets.

The report also suggests some basic guidelines for the fiscal planning and action we take throughout the year. These are essential in a time of reduced revenues, but we should not forget them when economic conditions are again on the upswing. Although discomfoting, our current economic situation is not permanent. We are working actively to help ensure new economic opportunities for Anchorage as a center for tourism and services for the development of our abundant natural resources.

Anchorage has always been a vibrant, energetic community. We have coped well with the pressures of rapid growth and the need to expand our road, sewer and other basic systems in a remarkably short time. We will also cope well with a slower pace of growth and a return to more typical local government revenue sources. This period will be as challenging and exciting as the last.

Sincerely,


Tony Knowles
Mayor

1987
FISCAL TRENDS REPORT
MUNICIPALITY OF ANCHORAGE
TONY KNOWLES, Mayor

ASSEMBLY

Larry Baker, Chairman

Jim Barnett	Fred Dyson	Jim Kubitz
Brad Bradley	Joe Evans	Pat Parnell
Craig Campbell	Bill Faulkner	John Wood
	Heather Flynn	

ADMINISTRATION

Bob Smith	Municipal Manager
John Franklin	Commissioner of Public Safety
Jerry Wertzbaugher	Municipal Attorney
Annalee McConnell	Director, Management and Budget

This budget book was prepared by the Office of Management and Budget and the staffs of the municipal agencies whose budget are included.

OFFICE OF MANAGEMENT AND BUDGET STAFF

Jerry Anderson	Andrea Hunt	Karen Oberg
David Cheeney	Dona Lehr	Stan Palco
Jeanne Austin	Ralph McCollum	Janell Perkins
Merlin Harlamert	Annalee McConnell	Laurie Prentice
Neva Harnish	Freddy Miller	Lynn Wegener
Suzanne Hartrick	Greg Moyer	

1987 FISCAL TRENDS REPORT
TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTION AND SUMMARY RESULTS	1-1
Summary Findings	1-2
Fiscal Policy Recommendations	1-4
FISCAL PROFILE	2-1
Operating Revenues	2-1
Budgeted Operating Expenditures	2-10
Capital Funding	2-14
Anchorage School District	2-19
FISCAL PROJECTIONS AND POLICY CONSIDERATIONS	3-1
Revenues	3-1
Expenditures	3-5
ANCHORAGE SCHOOL DISTRICT	
Introduction	3-13
Anchorage School District - Expenditures	3-13
Anchorage School District - Revenues	3-16
State Revenue	3-16
Local Revenue	3-16
Federal Revenue	3-16
APPENDICES	3-19
UTILITY PROFILE	
Introduction	4-1
Debt Service Coverage	4-1
Net Income	4-5
COMMUNITY PROFILE	
General Facts	5-1
Employment	5-2
Economy	5-3
Public Safety	5-4
Transportation	5-5
Leisure	5-6
Land and Housing	5-7
Public Utilities	5-9

1987 FISCAL TRENDS REPORT
LIST OF FIGURES

	<u>Figure</u>	<u>Page</u>
Per Capita Revenues General Government Operating Purposes	2-1	2-1
Changes in General Government Operating Revenue Sources	2-2	2-2
State and Federal Revenues General Government Operating Budget	2-3	2-3
Summary of State and Federal Operating Grants By Purpose	2-4	2-4
Detail on "Other" Category Operating Grants	2-5	2-4
Property Taxes as Percentage of General Government Operating Revenues	2-6	2-5
Per Capita Property Taxes	2-7	2-5
Average Mill Rates for Property Taxation	2-8	2-6
Estimated Burden of Major Taxes for a Family of Four by Income Level, 1985 Average for 51 Cities Compared to Anchorage	2-9	2-8
Budgeted Operating Expenditures General Government Purposes	2-10	2-10
Budgeted Expenditures Per Capita Inflation Adjusted - 1986 Dollars	2-11	2-11
Distribution of Budgeted Expenditures by Major Functions	2-12	2-12
General Government Budgeted Expenditures	2-13	2-13
General Obligation Bond Propositions	2-14	2-14
General Obligation Bonds Approved by Voters	2-15	2-15
State Capital Grants Appropriated by M.O.A.	2-16	2-16
State Capital Grants Appropriated by M.O.A.	2-17	2-17
Major Federal Capital Grants	2-18	2-17

1987 FISCAL TRENDS REPORT
LIST OF FIGURES

	<u>Figure</u>	<u>Page</u>
Summary of General Government Capital		
Appropriations - M.O.A.	2-19	2-18
Anchorage School District Budgeted		
Expenditures	2-20	2-19
Anchorage School District Budgeted Revenues	2-21	2-20
Anchorage School District Student Enrollment	2-22	2-21
Case 1 Projections -- Total Revenues	3-1	3-2
Case 1 - Projected Revenues By Source	3-2	3-3
Case 1 - Projections Comparative Revenue		
Source Distribution 1986 and 1992	3-3	3-4
Case 1 - Projected Real Per Capita Expenditures		
for General Government Operations	3-4	3-5
Case 1 - Projected Per Capita Expenditures		
Existing and New Capital Related Costs	3-5	3-6
Projected Expenditures Allowed Under Tax		
Limit Cases 1 and 2	3-6	3-8
Case 2 - Projected Per Capita Expenditures		
Existing and New Capital Related Costs	3-7	3-9
Debt Service Coverage Municipal Light and		
Power	4-1	4-2
Debt Service Coverage Port of Anchorage	4-2	4-3
Debt Service Coverage Solid Waste Utility		
Refuse Collection	4-3	4-3
Debt Service Coverage Water Utility	4-4	4-4
Debt Service Coverage Anchorage Telephone		
Utility	4-5	4-4
Net Income Anchorage Telephone Utility	4-6	4-5
Net Income (Regulatory) Wastewater Utility	4-7	4-6
Net Income (Regulatory) Water Utility	4-8	4-6

1987 FISCAL TRENDS REPORT
LIST OF FIGURES

	<u>Figure</u>	<u>Page</u>
Net Income Solid Waste Utility Processing and Disposal	4-9	4-7
Net Income Solid Waste Utility Refuse Collection	4-10	4-7
Net Income Merrill Field Airport	4-11	4-8
Net Income Port of Anchorage	4-12	4-8
Net Income (Regulatory) Municipal Light and Power	4-13	4-9

1987 FISCAL TRENDS REPORT
LIST OF TABLES

	<u>Table</u>	<u>Page</u>
Property Taxes Under Charter Limitation	2-1	2-6
Residential Property Tax Rates in Selected Large Cities; 1985	2-2	2-7
Estimated Burden of Major State and Local Taxes for a Family of Four, 1985	2-3	2-9
Projections of Downstream Costs Associated with New Facilities	3-1	3-7
Projections of Property Taxes and Mill Rates Using Alternative Assumptions	3-2	3-10



MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

No. AM 1159-86

Meeting Date: October 21, 1986

From: Mayor

Subject: 1987 Fiscal Trends Report

This year the Fiscal Trends Report has been presented to the Assembly as a separate and expanded part of the budget. Although the major emphasis of the report is on General Government, summary data on municipal utilities and a section prepared by Anchorage School District staff are included to provide a more complete picture of the inter-related budgets.

The Fiscal Trends work session scheduled for 11:30 a.m., October 20th is designed to provide background and context for the detailed consideration of the proposed 1987 budgets.

Passage of the attached resolution regarding the receipt and consideration of the 1987 Fiscal Trends Report is recommended.

Recommended by:

Annalee McConnell, Director
Office of Management and Budget

Respectfully submitted,

For

Tony Knowles
Mayor

dl/n/aml

APPROVED
Date: 10-28-86

Submitted by: Revisions by Joe Evans
Prepared by: Office of Management and Budget
For Reading: October 28, 1986

Anchorage, Alaska
AR No. 86-237(s)

A RESOLUTION REGARDING THE RECEIPT AND CONSIDERATION OF THE
1987 FISCAL TRENDS REPORT OF THE MUNICIPALITY OF ANCHORAGE

Whereas, a primary function of the Assembly is the implementation of fiscal policy and maintenance of fiscal stability of the Municipality of Anchorage, and


Whereas, it is in the best interests of the community that the Assembly give due consideration to the long term impact of its fiscal decisions, and

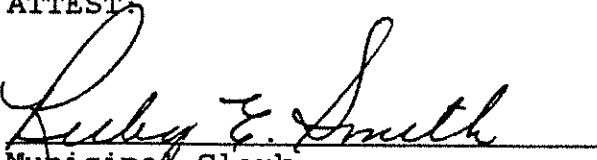
Whereas, the Assembly has received, reviewed and discussed the 1987 Fiscal Trends Report prepared by the Mayor, and held a public hearing and work session on the contents of this report, and

Whereas, the Assembly is aware that the 1987 Fiscal Trends Report is based upon projections that are not static, but rather must be constantly monitored, updated and revised,

NOW THEREFORE, the Anchorage Assembly resolves:

To consider the findings, policy recommendations and projections presented in the 1987 Fiscal Trends Report in the review and adoption of the 1987 General Operating Budget, 1987 Capital Improvement Budget, 1987-1992 Capital Improvement Program, and 1987 Public Utilities Operating and Capital Budgets.


Chairman

ATTEST:

Municipal Clerk

dl/n/ar1

Am 1159-86