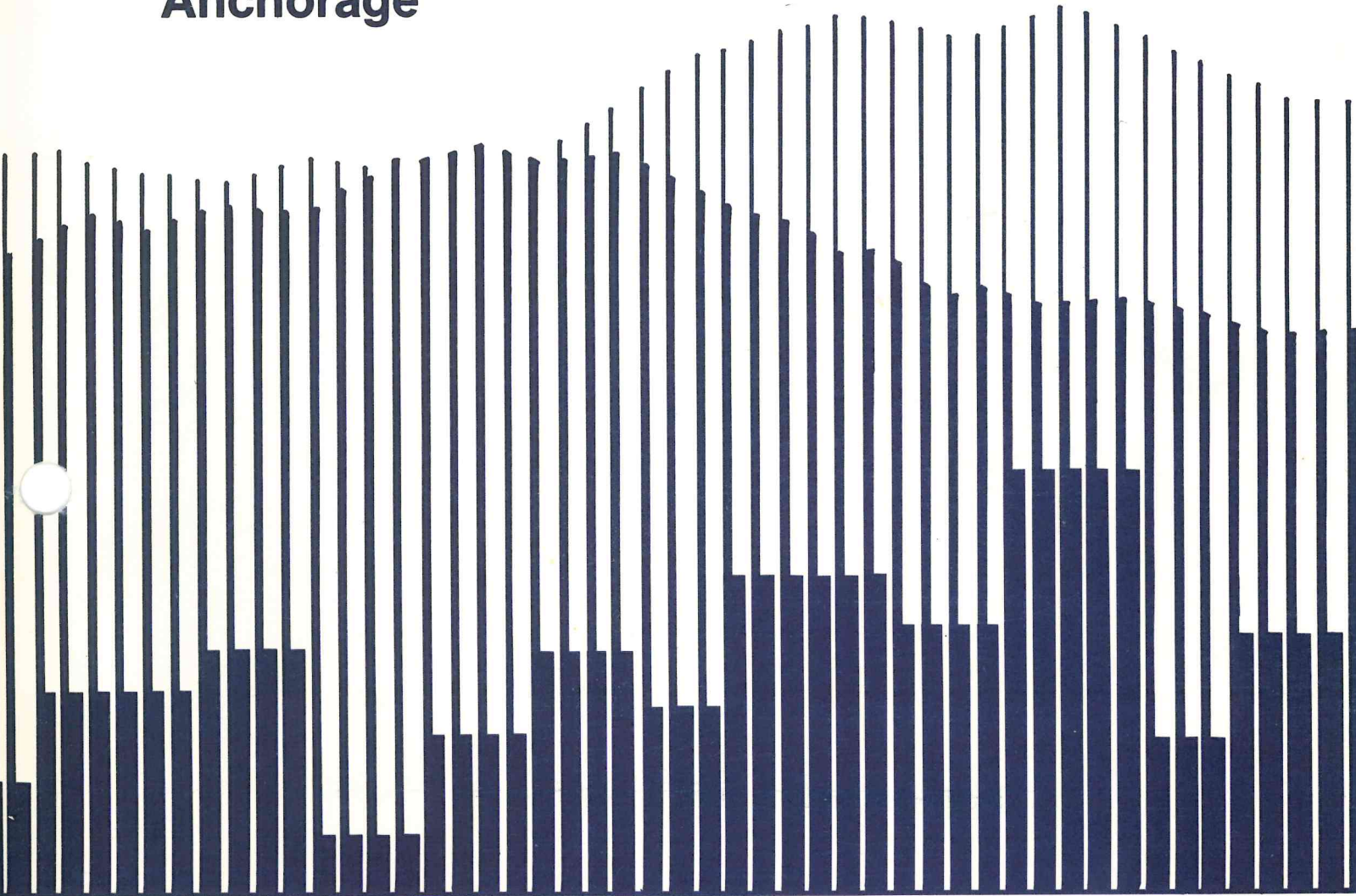


**Municipality  
of  
Anchorage**



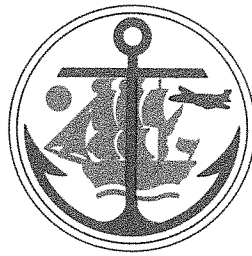
**1989  
General Government  
Operating Budget**



Tom Fink, Mayor

*RF*

# Municipality of Anchorage



OFFICE OF THE MAYOR

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ANCHORAGE, ALASKA 99519-6650  
(907) 343-4431

TOM FINK,  
MAYOR

September 30, 1988

Dear Residents of Anchorage:

In 1987, the Municipality began a program of budget and service reductions due to the loss of oil revenues. Substantial expenditure reductions were also made in 1988. The third and most demanding year of this recent trend will be 1989. The 1989 General Government Operating Budget transmitted with this letter is at a level of \$174.8 million. Since I am required by the Charter to submit a balanced budget, the funding level is based on known revenues and existing municipal code. It represents a \$14 million reduction from the current budget. Coupled with \$4.5 million in new, required expenditures, this represents an effective \$18.5 million reduction in funds available for current 1988 service levels. Proposed 1989 property taxes are not at the tax cap -- they are at 1988 levels plus new construction. A list of priority programs that could be added back to the budget if additional revenues were available is at Appendix U of this book. These items could be considered candidates for a higher level budget -- often referred to as a "B" budget.

Since I took office on January 2, 1988, my administration has been reviewing existing programs, priorities and the organizational structure of the Municipality. Additionally, I appointed a Mayor's Special Committee on Fiscal Policy to: review the Municipality's fiscal condition; review the range of government services currently being provided; review current cost containment programs and policies; review and recommend alternative revenue sources or redesign of existing sources; and advise the Mayor and Assembly on a revenue/expenditure approach for budget years 1989-91. Their report was presented to the Assembly on September 13, 1988. We are currently examining their recommendations and planning implementation of all that are feasible. Some of the recommendations require action by municipal workers and their bargaining groups.

My first commitment is to live within our means as a government. However, I believe the public may not be well served by such an austere budget. If the Assembly chooses the option of a "B" budget, reinstating what I believe to be needed services, then I would suggest consideration of the following options:

- Submittal of a 2-year 1% emergency sales tax for voter approval, as recommended by the Special Committee on Fiscal Policy. This tax would sunset in two years and could be reinstated only following a vote of the people. I would only support this step if I am convinced that the Assembly is making serious progress toward containing the cost of government, including salaries and benefits.

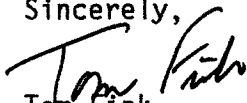
-- Pursuit of a commitment from the State to fund an emergency appropriation early in the legislative session to allow passage of the "B" budget. While I'm wary of this approach, considering the outcome of last year's legislative action, it is a possibility for the Assembly to consider, given firm commitments from legislators and the Governor to proceed quickly in January.

Finally, as an alternative to the "A" and "B" budgets already discussed, the Assembly may wish to consider seeking funding from the State or transferring certain functions now funded by the Municipality, including prosecution of criminal code violations. Other cities in the State do not fund such programs now, and it may be time to consider whether this approach would be feasible and in our best interest. A further option that could be part of this "C" budget would be the attainment of wage and benefit concessions from Municipal employee groups should the Assembly and the Administration mutually agree to seek them. This also assumes organized labor will agree to such concessions.

We are at a critical juncture in this community. While the cost of government must be contained and even reduced, I believe it is extremely important to hear from you, the public, about what level of service you desire. In the next few months I hope that Anchorage residents will review carefully the budget I have presented, as well as the alternatives I have proposed for the Assembly to consider. The decisions that will be made by the Assembly in the process of considering this budget will have a great impact on all of our lives. I promise to do all I can to help the public understand what those impacts will be.

Above all, I hope that all of us will approach this budget in the spirit of problem solving and consensus building. It is probable that every person or group looking at the budget the Assembly finally approves will find gaps in favorite programs. It is my hope that the public, the Assembly, and the administration will be able to consider the good of the whole of Anchorage as we embark on the deliberations of the next months.

Sincerely,

  
Tom Fink  
Mayor

**1989 PROPOSED  
GENERAL GOVERNMENT  
OPERATING BUDGET**



**MUNICIPALITY OF ANCHORAGE**  
Tom Fink, Mayor

**1989 PROPOSED  
GENERAL GOVERNMENT OPERATING BUDGET  
MUNICIPALITY OF ANCHORAGE**

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Jim Barnett	Fred Dyson	Jim Kubitz
Brad Bradley	Joe Evans	Pat Parnell
	Bill Faulkner	

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Ronald A. Garzini . . . . . Municipal Manager  
Lee R. Nunn . . . . . Executive Manager, Enterprise Activities  
Richard D. Kibby . . . . . Municipal Attorney  
Robert M. Nelson . . . . . Chief Fiscal Officer

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

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Cover design by Janell Perkins

# 1989 Proposed General Government Operating Budget

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