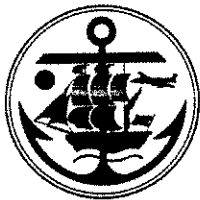


THE FISCAL TRENDS REPORT

1991

**Focus
on
Planning
for the
Future**



**Municipality of Anchorage
Tom Fink, Mayor**

1991 FISCAL TRENDS REPORT MUNICIPALITY OF ANCHORAGE

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This Fiscal Trends Report was prepared by the Office of Management and Budget.

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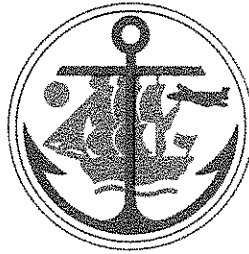
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TOM FINK,
MAYOR

October 2, 1990

Dear Assembly Members and Interested Residents of Anchorage:

The following report, which has been prepared by the Office of Management and Budget (OMB) under the direction of the Municipal Manager, presents a strategic planning approach to solving the fiscal gap facing the Municipality over the next five years. This process was designed so that the Assembly, Budget Advisory Commission, Fiscal Policy and Economic Trends Committee and other interested citizen groups could provide input and recommendations on problem determination, strategy evaluation and identification of solutions for the Municipality's long-range fiscal planning objectives.

The assumptions used are a compilation of data from several sources. State Revenue and inflation projections were derived with the concurrence of the Institute of Social and Economic Research (ISER). Population projections were derived from the city demographer and assessed values from the Property Appraisal Division.

The Budget Advisory Commission has adopted the planning process, as well as the assumptions used in the Fiscal Gap Report. Community involvement in the entire process has been an underlying goal of the Administration. The Federation of Community Councils and business leaders have been appraised of the planning process undertaken by the city in the development of the Fiscal Gap Report.

The following is a synopsis of the data presented in the "Most Likely Case" (1991-1995) for the Municipality:

- State Revenues decline 2% after 1991
- Property taxes held at 1990 level plus new construction
- Potential inflationary increases of 4% for salaries and wages and 16% for health/medical benefits, given the current labor ordinance which includes binding arbitration
- Inflationary increases of 4% for non-personnel related goods and services

- The total Fiscal Gap for 1991 is \$22 million, increasing to over \$66 million if no corrective strategies are implemented

An Administration recommended solution involving salary and benefit reductions versus substantial service/program reductions or significantly higher taxes is proposed for resolving the Fiscal Gap.

In conclusion, all projections in the Fiscal Trends Report were developed with information that was considered the most reliable and current at the time of development. It is important to keep in mind that circumstances may arise which could change the assumptions and thus the projected results of the various scenarios.

Sincerely,

A handwritten signature in black ink, appearing to read "Tom Fink". The signature is stylized with a large, sweeping "T" and a cursive "Fink".

Tom Fink
Mayor

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