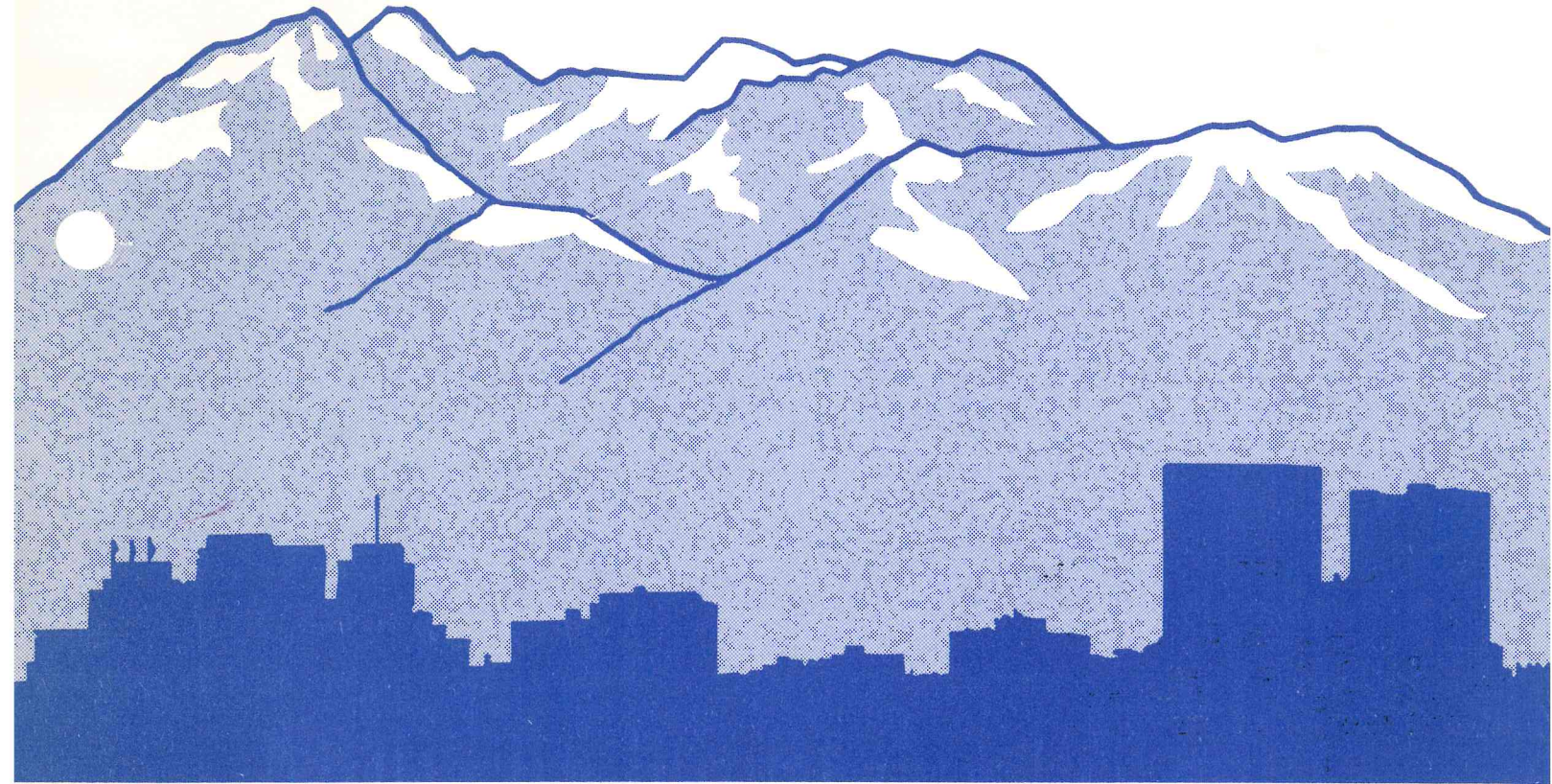


Municipality of Anchorage



Tom Fink
Mayor

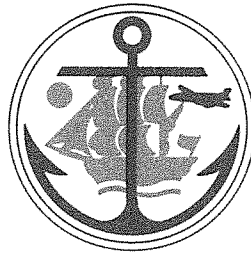
General Government Operating Budget



1991

PSD

Municipality of Anchorage



OFFICE OF THE MAYOR

P.O. BOX 196650
ANCHORAGE, ALASKA 99519-6650
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TOM FINK,
MAYOR

October 2, 1990

Dear Residents of Anchorage:

During the last seven months this Administration, the Assembly and citizen groups have been reviewing the 1991 fiscal environment. Due to significant changes in revenues and required expenditures a fiscal gap of approximately \$22 million has been identified. Closing this gap has been the subject of numerous briefings and discussions.

On August 31, 1990 the Administration provided the community with the 1991 Preliminary General Government Operating Budget. In that document, the solutions available for closing the fiscal gap were identified. They are: (1) raise taxes, (2) reduce services, or (3) reduce the cost of services. Although none of these are popular, it appears that the most equitable, considering Anchorage's current costs and budget levels, is to reduce the cost of services. This solution has been incorporated into the 1991 proposed budget.

Development of the general government operating budget, I am proposing for 1991, was based on accomplishing the following three goals:

1. Maintaining property taxes at the 1990 level, plus taxes on new construction.
2. Providing funding for the backlog of building and street repairs, underground storage tank remediation and to begin to meet the \$146 million potential unfunded liability associated with Police and Fire Retiree medical costs.
3. Providing essentially the same services in 1991 as are provided in 1990, at a reduced cost.

Due to the importance of each of these goals I will discuss them further.

- Although the economy has improved somewhat over 1989, the overall economic environment is such that taxes should not be increased. As the private sector has gone through belt-tightening and down-sizing, local government should continue to find ways to operate without asking for more.

- The Municipality has a critical backlog of required street and building repairs. Spending money now on maintenance of our infrastructure will save us money in the long run. Also, we must begin a program of underground storage tank remediation so that we are in compliance with federal law, and more importantly, protect our groundwater. Lastly, the most critical unfunded liability facing the Municipality is the Police and Fire Retiree medical obligation. Although the exact liability is dependent on the assumptions applied, a recent actuarial projection places the obligation at approximately \$146 million. This amount is expected to increase unless we take positive action to reduce the liability. It is imperative that the Municipality begin making some level of contribution to this program (which we have accomplished in this budget) and obtain some changes from the bargaining groups so that the downstream costs in this and future decades do not bankrupt the taxpayer and the Municipality.
- I am proposing legislation to the Assembly which when enacted would enable the Municipality to pay wages and benefits comparable to the private sector or where private sector comparisons don't exist, the Pacific Northwest plus cost-of-living. Under this proposal, some workers would receive pay increases, some would receive pay decreases. Overall, a much higher degree of equity with the private sector would be achieved. The Municipality would then be able to afford to continue 1990 services in 1991. Failure to obtain these reductions will most probably lead to widespread and unnecessary service reductions in the short-term and substantial tax increases in the longer term.

The success of this budget (future budgets, service and tax levels to a large extent) will depend on the actions the Assembly take on the proposed labor initiatives. Even with the recommended labor changes the Municipality will be paying competitive wages and will be providing a generous benefit package to its employees.

I hope all citizens and concerned groups approach this budget in a spirit of problem solving and cooperation and the community is well served by the solutions selected to resolve our current fiscal problems.

Sincerely,



Tom Fink
Mayor

**1991 PROPOSED
GENERAL GOVERNMENT
OPERATING BUDGET**



MUNICIPALITY OF ANCHORAGE
Tom Fink, Mayor

**1991 PROPOSED
GENERAL GOVERNMENT OPERATING BUDGET
MUNICIPALITY OF ANCHORAGE**

Tom Fink, Mayor

ASSEMBLY

Heather Flynn, Chairperson

Jim Barnett	Fred Dyson	Pat Parnell
Mark Begich	Joe Evans	Brian Porter
Craig Campbell	Bill Faulkner	John Wood
	Jim Kubitz	

ADMINISTRATION

Larry D. Crawford. Municipal Manager
Will Gay. Executive Manager, Enterprise Activities
Richard D. Kibby. Municipal Attorney
Darrel Rexwinkel. 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 Nina Pruitt

1991 Proposed General Government Operating Budget

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