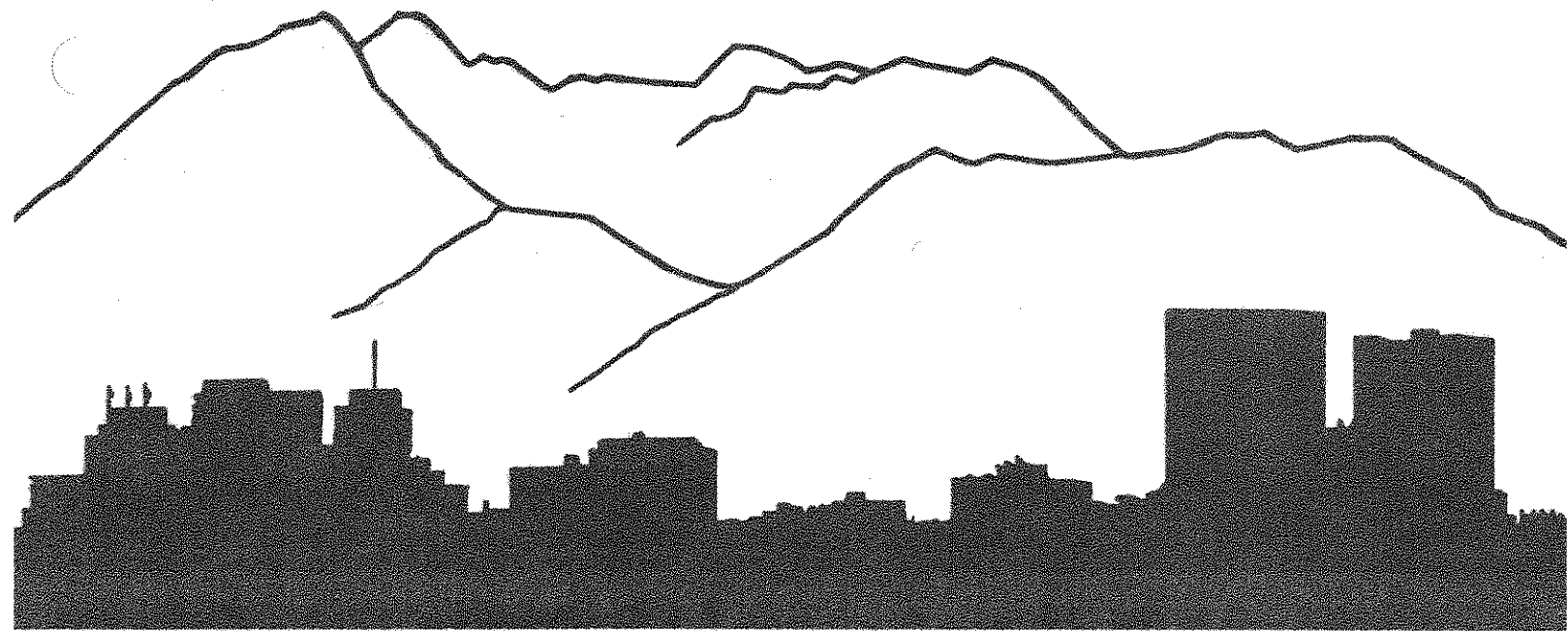


Municipality of Anchorage

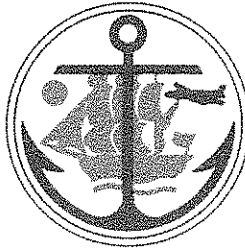


Tom Fink
Mayor



1992 Fiscal Trends Report

Municipality of Anchorage



OFFICE OF THE MAYOR

P.O. BOX 196650
ANCHORAGE, ALASKA 99519-6650
(907) 343-4431
FAX 258-5210

TOM FINK
MAYOR

October 2, 1991

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 six years. This process was designed so that the Assembly, Budget Advisory Commission, and other citizens 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, inflation and population projections were derived with the concurrence of the Institute of Social and Economic Research (ISER). The New Requirements were formulated by each of the departments and analyzed by the Office of Management and Budget.

The Budget Advisory Commission (BAC) has been presented the planning assumptions, as well as the preliminary revenue and expenditure profiles including new requirements. The Administration will continue to update and inform the BAC, Assembly and citizens when the revenue or expenditure profile changes.

The following is a synopsis of the data presented in the "Most Likely Case" (1992-1997) for the Municipality:

- State Revenues decline 2% after 1992
- Local revenues increase 2% after 1992
- Property taxes held at 1991 level plus new construction
- Utility Revenue Distribution at \$2.5 million
- Inflationary increases of 4% for non-personnel related goods and services

- The total Fiscal Gap for 1992 is \$17.1 million, increasing to over \$30 million in 1997 if no corrective strategies are implemented. The \$10 million shortfall contained in the General Government Operating Budget does not include discretionary new requirements. Therefore, reductions to existing programs and services will be necessary to stay within the proposed revenue level. The total Fiscal Gap does not include the Police/Fire retiree unfunded liability, which is estimated to be over \$21 million annually if no corrective actions are taken.

The recommended solution by the Administration centers on service and program reductions as outlined in the Proposed 1992 General Government Operating Budget. Police, Fire and Street Maintenance will continue at essentially the current level. Additionally, the sale of ATU would provide approximately \$4.3 million of new revenue for 1992, if approved by the voters.

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 that reads "Tom Fink". The signature is written in a cursive style with a large, sweeping "T" and "F".

Tom Fink
Mayor

**THE
FISCAL
TRENDS
REPORT**

1992

**Focus
on
Planning
for the
Future**



**Municipality of Anchorage
Tom Fink, Mayor**

1992
FISCAL TRENDS REPORT
MUNICIPALITY OF ANCHORAGE

ASSEMBLY

Jim Kubitz, Chairperson

| | | |
|--------------------|----------------|---------------|
| Jim Barnett | Craig Campbell | Heather Flynn |
| Mark Begich | Fred Dyson | Brian Porter |
| H.A. "Red" Boucher | Joe Evans | John Wood |
| | Bill Faulkner | |

ADMINISTRATION

| | |
|--------------------------|--|
| Larry D. Crawford | Municipal Manager |
| Will Gay | Executive Manager, Enterprise Activities |
| Richard L. McVeigh | Municipal Attorney |
| Jerry Anderson | Chief Fiscal Officer |

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

TABLE OF CONTENTS

| | <u>Section</u> |
|--|----------------|
| Transmittal Letter | |
| Executive Summary | I |
| Introduction | II |
| Fiscal Profile | III |
| "Fiscal Gap" - Problem and Solutions. | IV |
| Utility Profile | V |
| Community Profile | VI |
| Appendix | |