

Municipality of Anchorage



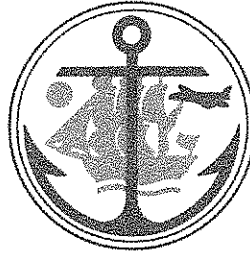
Tom Fink
Mayor

Proposed General Government Operating Budget



1993

Municipality of Anchorage



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Tom Fink, Mayor

October 2, 1992

OFFICE OF THE MAYOR

Dear Residents of Anchorage:

The 1993 General Government Operating Budget that I am proposing shows that the Municipality of Anchorage will have to reduce existing general government programs and services by \$9 million in 1993 if property taxes are to remain at the same level as 1992. The need for these reductions is caused by:

- the labor contracts approved last year
- legally mandated cost increases
- reduced State revenues
- less available fund balance due to its use to fund the new labor contracts in 1992, and smaller 1992 expenditure lapses due to the departments having to absorb 1992 inflationary increases.

It should be noted that the sale of the Anchorage Telephone Utility would have provided over \$20 million annually which would have not only resolved the 1993 fiscal gap but those of future years as well.

The people of Anchorage do not support any increases in taxes, be it property tax or a new sales tax. A budget priorities survey conducted in May 1992 by Dittman Research Corporation, under contract with the Municipality of Anchorage, showed the number of Anchorage citizens who are willing to increase local taxes to continue current Municipal services has declined from 48% in a similar survey conducted two years ago to 40%. This "no increased taxes" attitude is also reflected in Anchorage citizens' support for specific new or increased taxes. In each case, the support has declined from that in the survey two years ago:

<u>New/Increased Tax</u>	<u>People Supporting</u>	
	<u>1990</u>	<u>1992</u>
• Year Round Sales Tax	54%	37%
• Seasonal Sales Tax During Summer Months	46%	37%
• Increasing Property Taxes	40%	24%
• Local Tax on Alcohol	84%	80%
• Local Tax on Gasoline	49%	45%

The proposed 1993 budget makes some significant service reductions for 1993. The Administration has developed its recommendations for which services should be continued and which should be reduced or eliminated in accordance with the service goals and priorities stated in this document. The Administration's focus has been on providing those services that the public has stressed as their

highest priorities -- police, fire, emergency medical services, street maintenance, and certain critical safety net programs. In past years budget reductions were able to be made in areas less visible to the public; for 1993, this is not possible.

The proposed 1993 budget makes no provision to reduce a portion of the Police and Fire Retiree Medical unfunded liability. All "mandated increases" that could be included in the capital budget have been deleted from the operating budget along with certain items funded in the 1992 operating budget which otherwise would be part of the 1993 base if not transferred to the capital budget.

We are not as conservative as in the past in our revenue estimates. For example, we are assuming no additional reduction in State Revenue Sharing and Municipal Assistance revenues during next year's Legislative session, even though the State Legislature has, in recent years, consistently reduced the amount available. We plan to include monitoring these revenues as one of our highest priority legislative items.

In addition to my 1993 proposed budget of \$208.5 million, I am submitting to the Assembly:

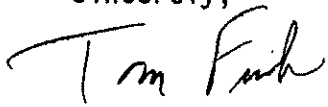
- "B" BUDGET (\$3.2 million) - High priority current programs and services not included in the 1993 proposed budget which should be funded by the Assembly if additional revenues are made available.
- "C" BUDGET (\$3.8 million) - Lower priority current programs and services not included in either my 1993 proposed budget or the "B" budget which should be considered for funding by the Assembly if any other additional revenues should become available.

Anchorage is faced with some tough decisions for 1993. In the next two months I hope that Anchorage residents will carefully review the budget I have proposed together with the alternatives I have presented for the Assembly to consider. I am certain that you will find gaps in your favorite programs. However, without increasing taxes or finding other sources of revenue, Municipal Government will have to make significant cuts in current programs and services in 1993.

My 1993 proposed budget maintains property taxes at the 1992 level, plus about \$1.3 million taxes on new construction and \$1.1 million of voter-approved increased debt service costs. Although the Anchorage economy is on the rebound, the overall economic environment is still such that taxes should not be increased. The recent budget priorities survey shows that the people of Anchorage do not support any increase in taxes. I will not support any tax increases but will support placing a dedicated sales tax on the ballot. Any increases in taxation should be approved by the voters.

The decisions that will be made by the Assembly in the process of considering this budget will have a significant impact on all of our lives. I 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 two months.

Sincerely,



Tom Fink
Mayor

**1993 PROPOSED
GENERAL GOVERNMENT OPERATING BUDGET**



MUNICIPALITY OF ANCHORAGE
Tom Fink, Mayor

**1993 PROPOSED
GENERAL GOVERNMENT OPERATING BUDGET
MUNICIPALITY OF ANCHORAGE**

Tom Fink, Mayor

ASSEMBLY

Craig Campbell, Chairman

Pat Abney	Bill Faulkner	Brian Porter
Jim Barnett	Heather Flynn	Dick Traini
Mark Begich	Jim Kubitz	John Wood
	Chuck Landers	

ADMINISTRATION

Larry D. Crawford. Municipal Manager
Will Gay. Executive Manager, Enterprise Activities
Richard L. McVeigh. Municipal Attorney
Jerry Anderson. 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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