

III. FISCAL PROFILE

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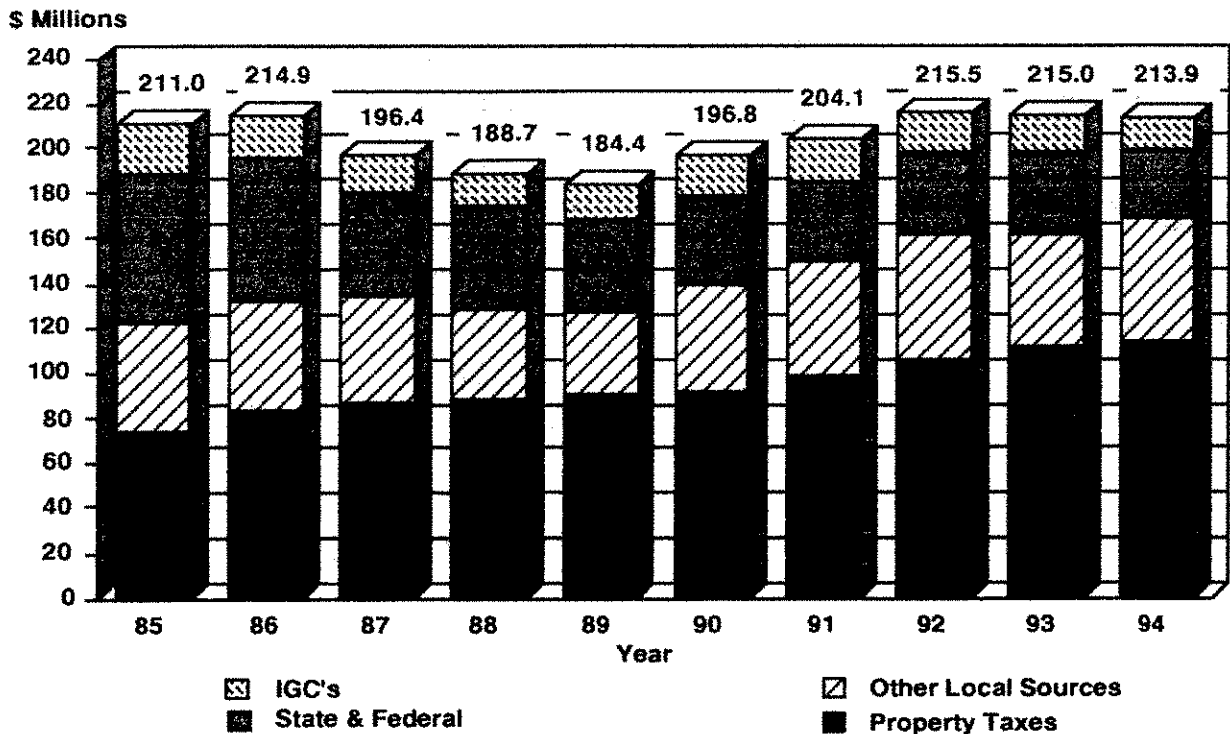
This section provides historical information on some important aspects of the Municipality of Anchorage's fiscal structure. Trends in this data give an indication of how the fiscal situation has changed over the last several years, and may lend perspective to current choices and projections of the future.

Operating Revenues

Under our balanced budget requirement, the level of local government services is dependent upon the availability of same-year revenues with which to fund these activities. The following charts summarize the level and sources of operating revenues over the past several years.

Figure 3-1

Budgeted Revenues General Government Operating Purposes 1985 - 1994 *



* 1985 - 1993 Revised Budgets; 1994 Proposed Budget.

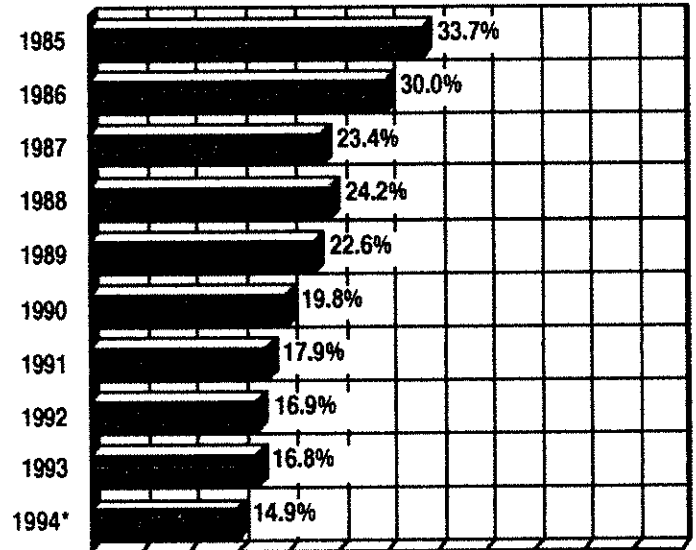
Figure 3-2

**Changes in General Government Operating Revenue Sources
(Revenues by Source as Percentage of Total Revenues) ***

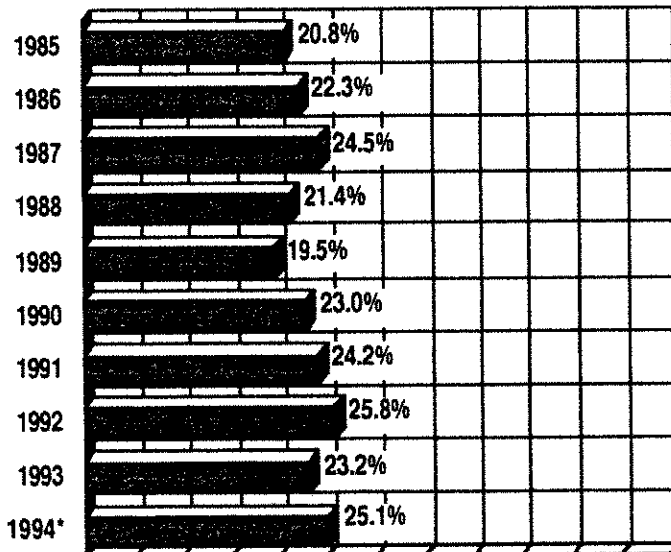
Property Taxes



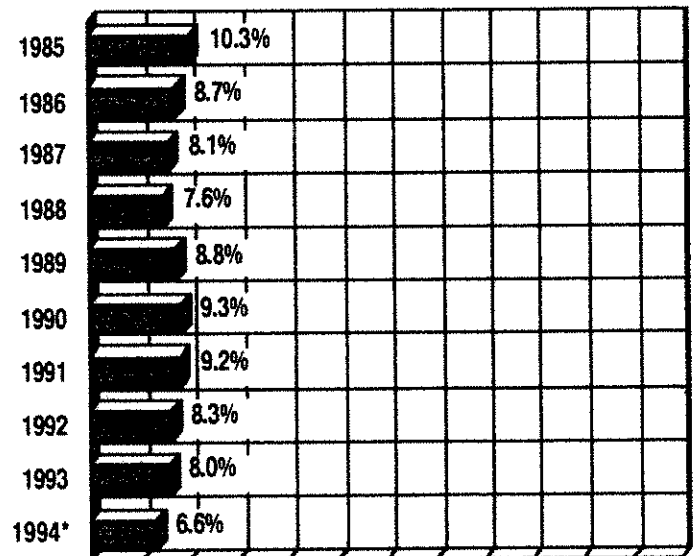
State and Federal Revenues



Other Local Sources **



Intragovernmental Charges



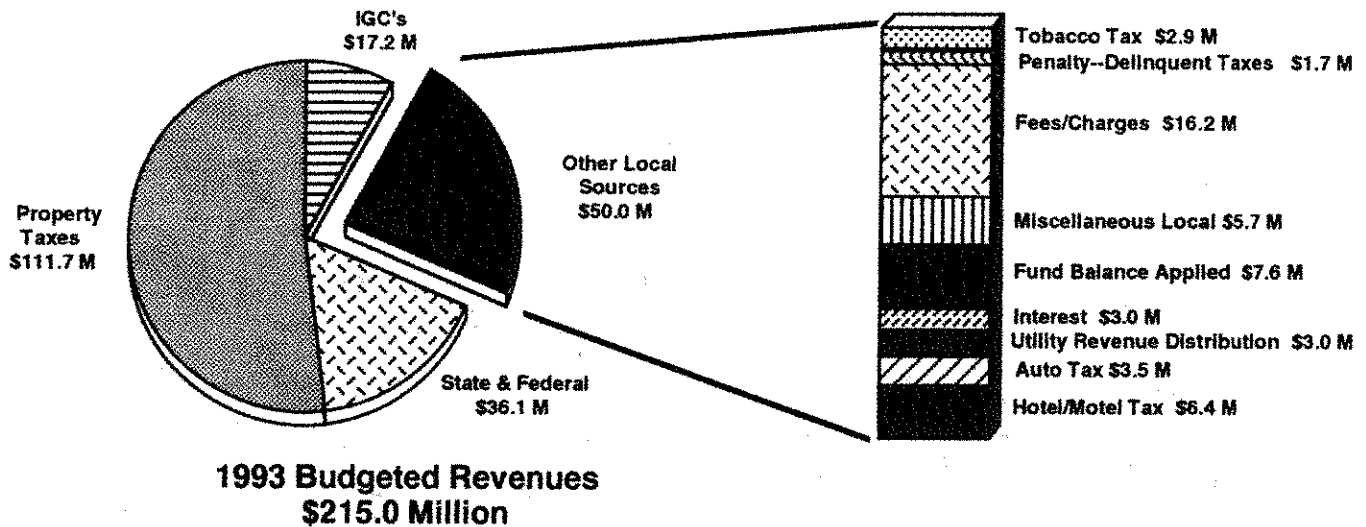
* 1985-1993 Revised Budgets; 1994 Proposed Budget.

** Other local sources include fees, charges, interest earnings, fund balance contributions, Utility Revenue Distribution, hotel/motel tax, automobile taxes, and other miscellaneous revenues. See Figure 3-3 for more detail on this category.

As state revenues decline, the revenue category labeled "Other Local Sources" becomes more important. Figure 3-3 shows some detail for this grouping based on the revised 1993 budget.

Figure 3-3

**Local Sources -- Detail
1993 Revenues ***

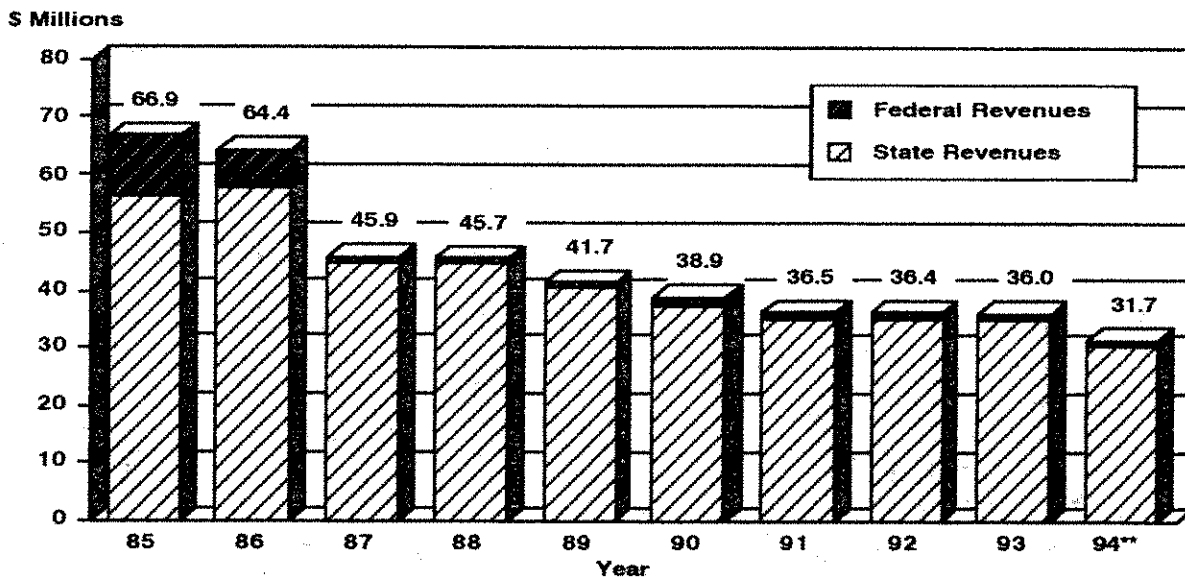


Revised Budget as of June 30, 1993.

The major shifts among revenue sources have occurred in state/federal sources and property taxes. Figures 3-4 through 3-11 provide more detailed information on these sources.

Figure 3-4

**State and Federal Revenues
General Government Operating Budget ***

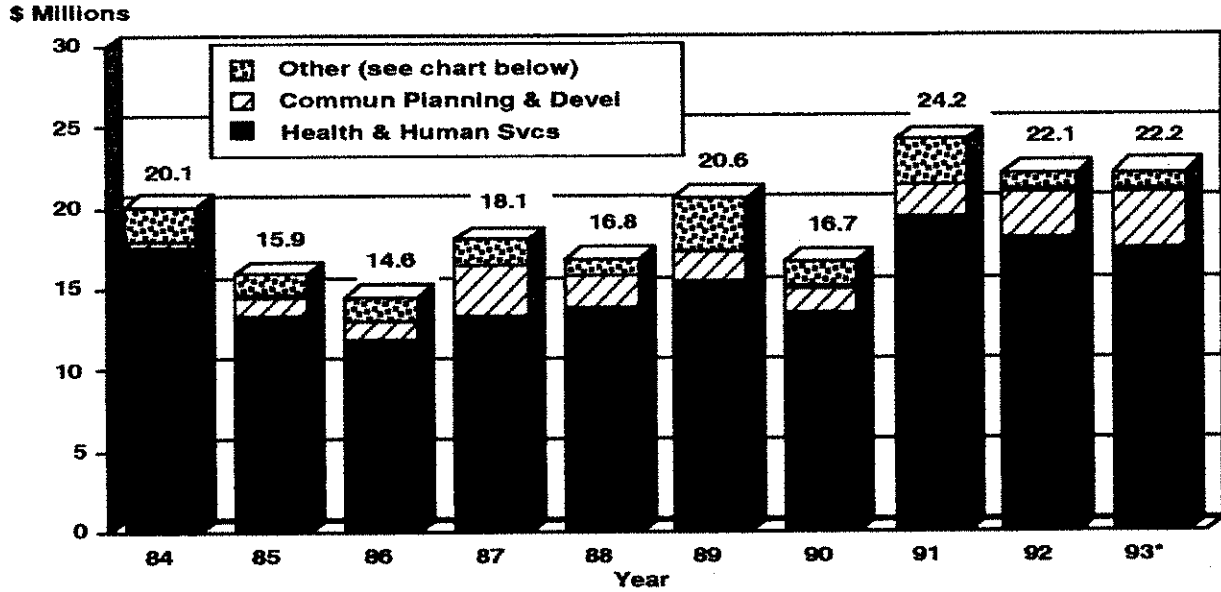


* Includes revenue sharing programs and Urban Mass Transit grants but not special categorical grants which are not part of the operating budget (see next page).

** 1985-1993 Revised Budgets; 1994 Proposed Budget.

In addition to state and federal revenues which are reflected in the General Government Operating Budget, the Municipality receives categorical grants, summarized by purpose or recipient department in Figures 3-5 and 3-6.

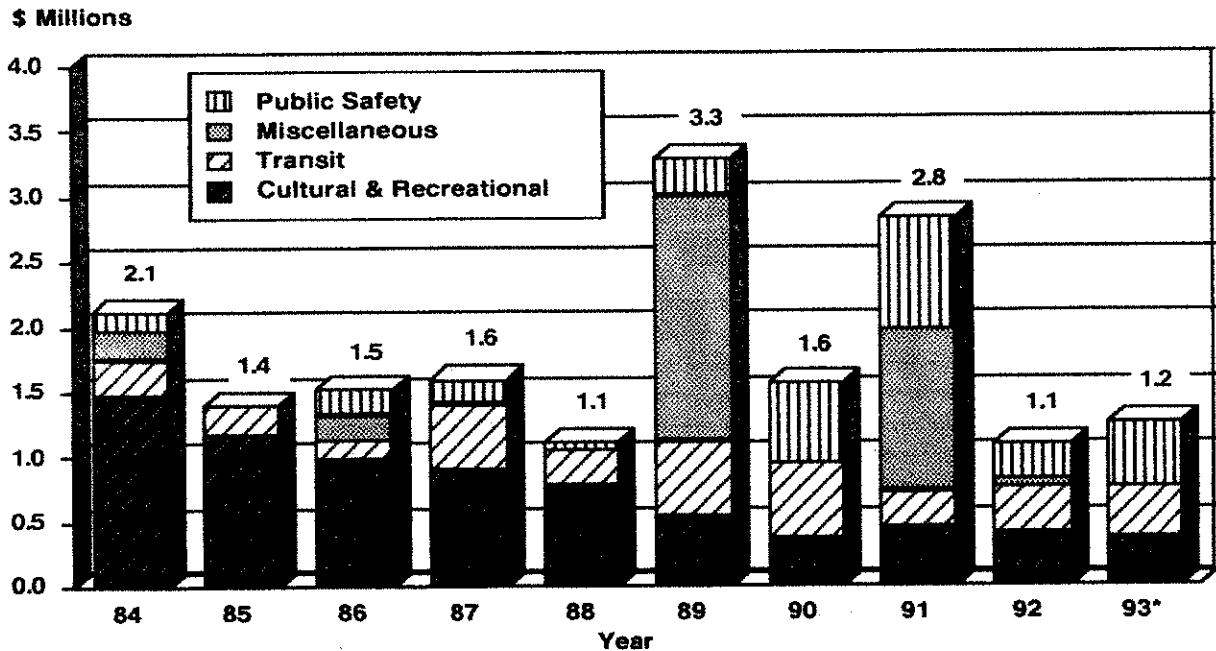
Figure 3-5
Summary of State and Federal Categorical Grants By Purpose **



* As of September, 1993.

** These grants are not included in Figure 3-4 (State and Federal revenues which are part of the Municipal operating budget).

Figure 3-6
Detail on "Other" Category Categorical Grants

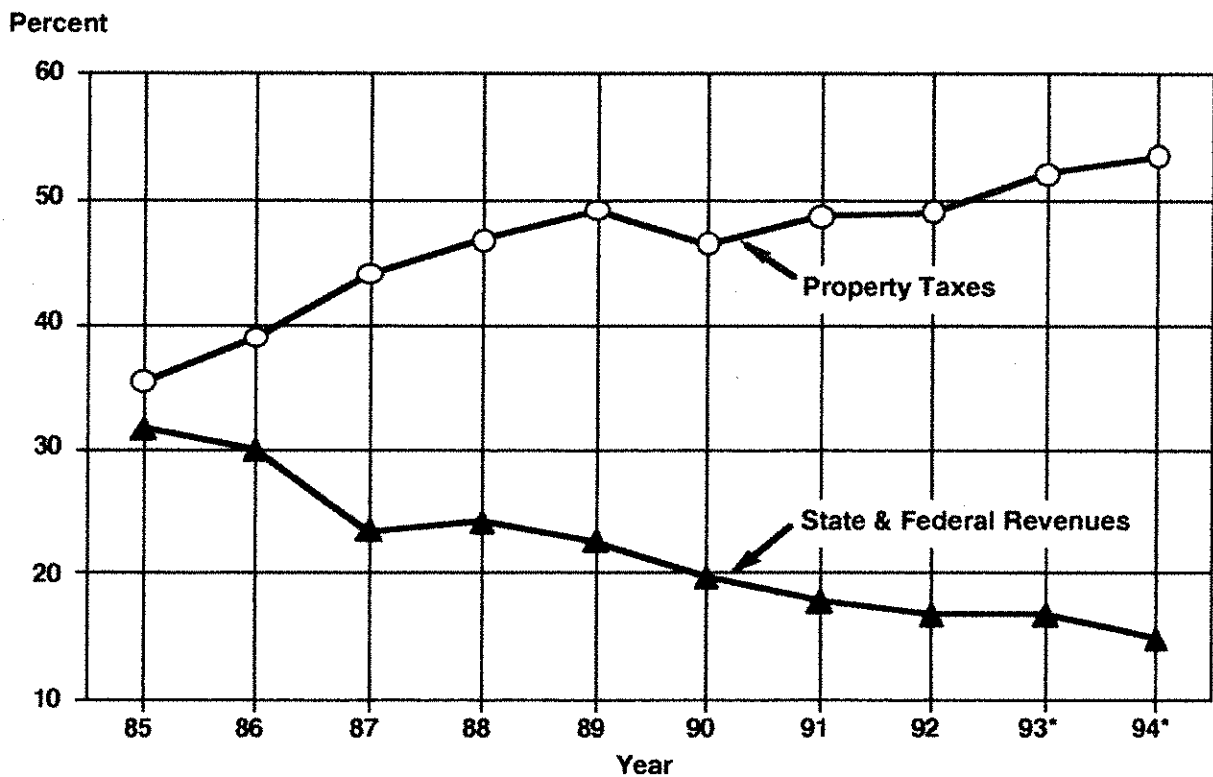


* As of September, 1993.

State and federal revenues have acted as an offset to local property taxes over the past ten years. As shown in Figure 3-7, the percentages of operating revenues from local property taxes and State and federal revenues have tended to move in opposite directions.

Figure 3-7

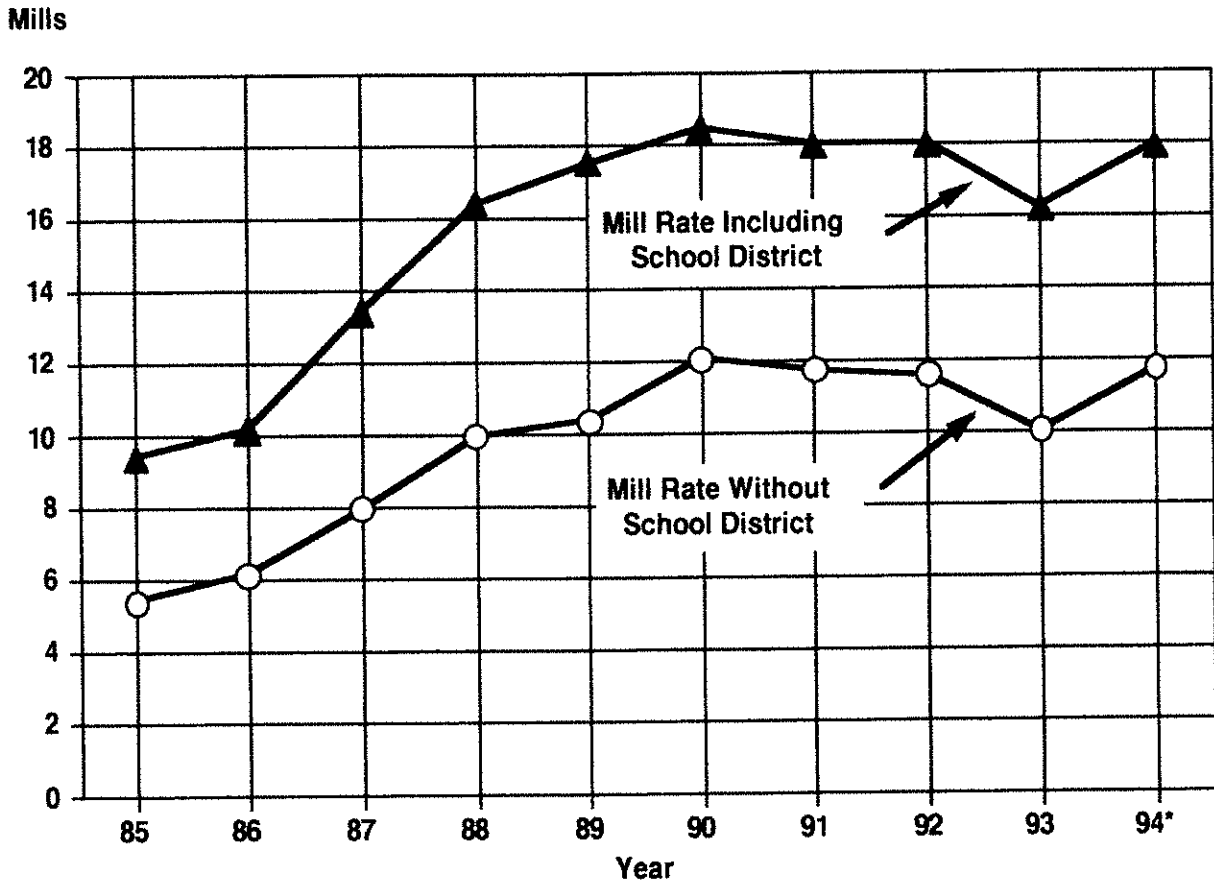
**Property Taxes and State/Federal Revenues
As Percentage of General Government Operating Revenues ***



* 1985-1993 Revised Budgets; 1994 Proposed Budget.

Figure 3-8

**Mill Rate Trends
for Property Taxation *
(Downtown Area)**



* 1985-1993 Revised Budgets; 1994 Proposed Budget.

A mill is one-tenth of 1¢. For each mill of taxation, the tax equals .001 times the assessed valuation of a property (one mill equals \$100 for each \$100,000 of assessed valuation).

The net property tax billings for 1992 exceeded the 1992 Assembly-approved levy; therefore, the 1993 mill levy was reduced to offset this over-billing.

These figures depict the amount of taxes the Municipality collects each year and the ratio of tax collections to the tax levy. Keep in mind that tax collections will at times exceed the levy because of prior year collections.

Figure 3-9

Percent of Delinquent Taxes to Tax Levy

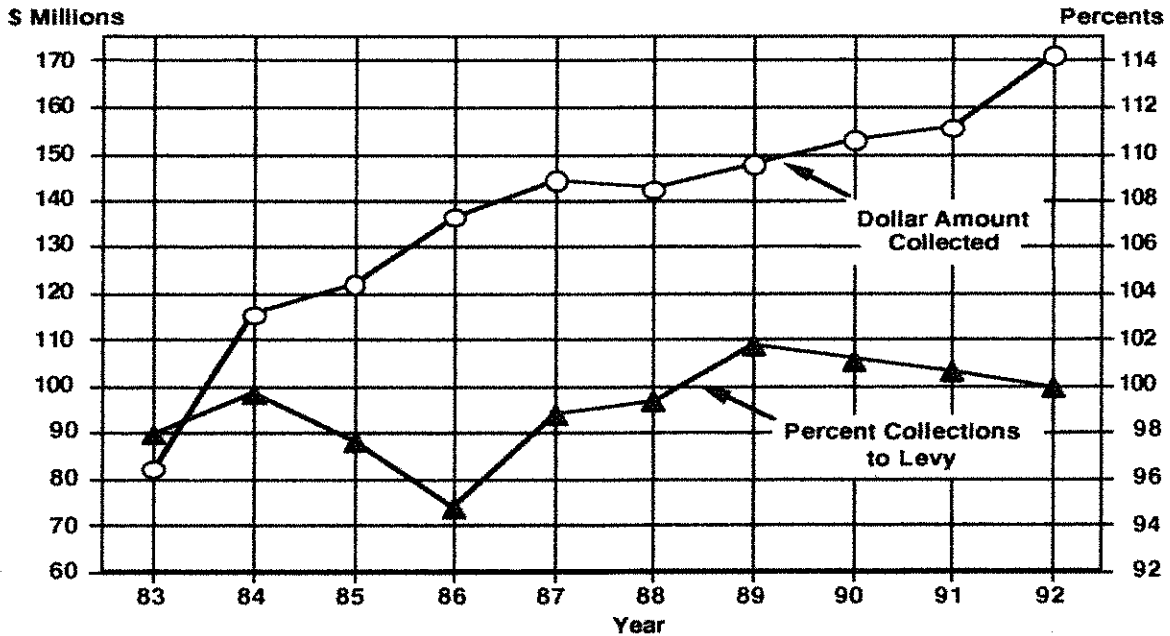
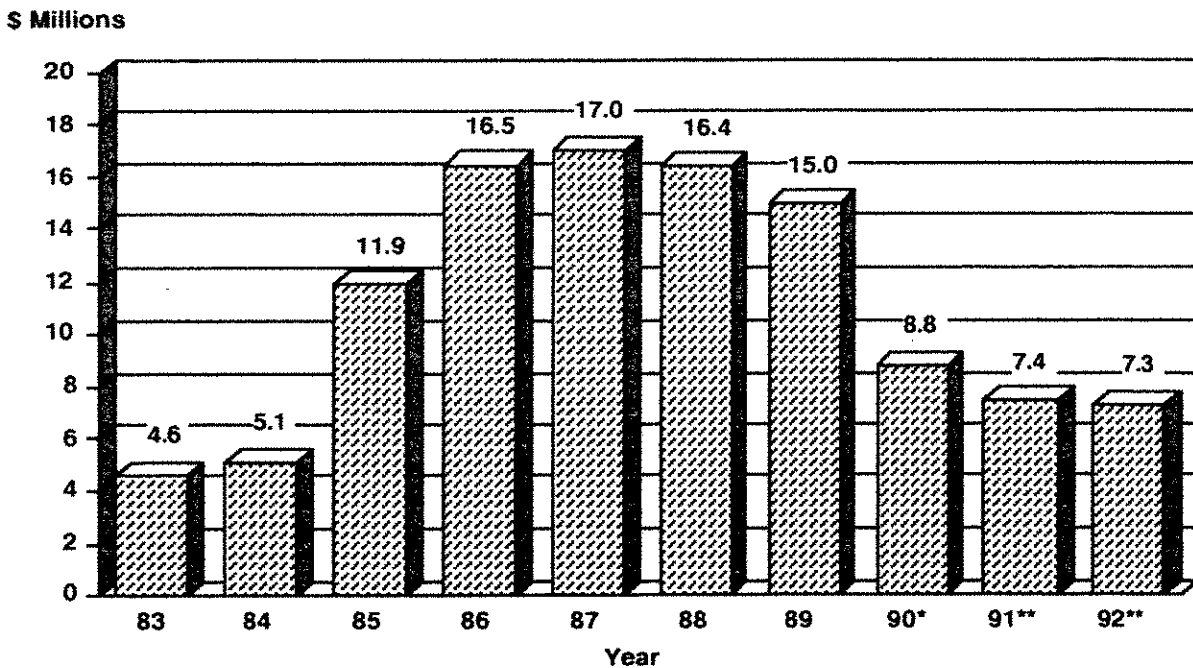


Figure 3 - 10

Outstanding Delinquent Taxes

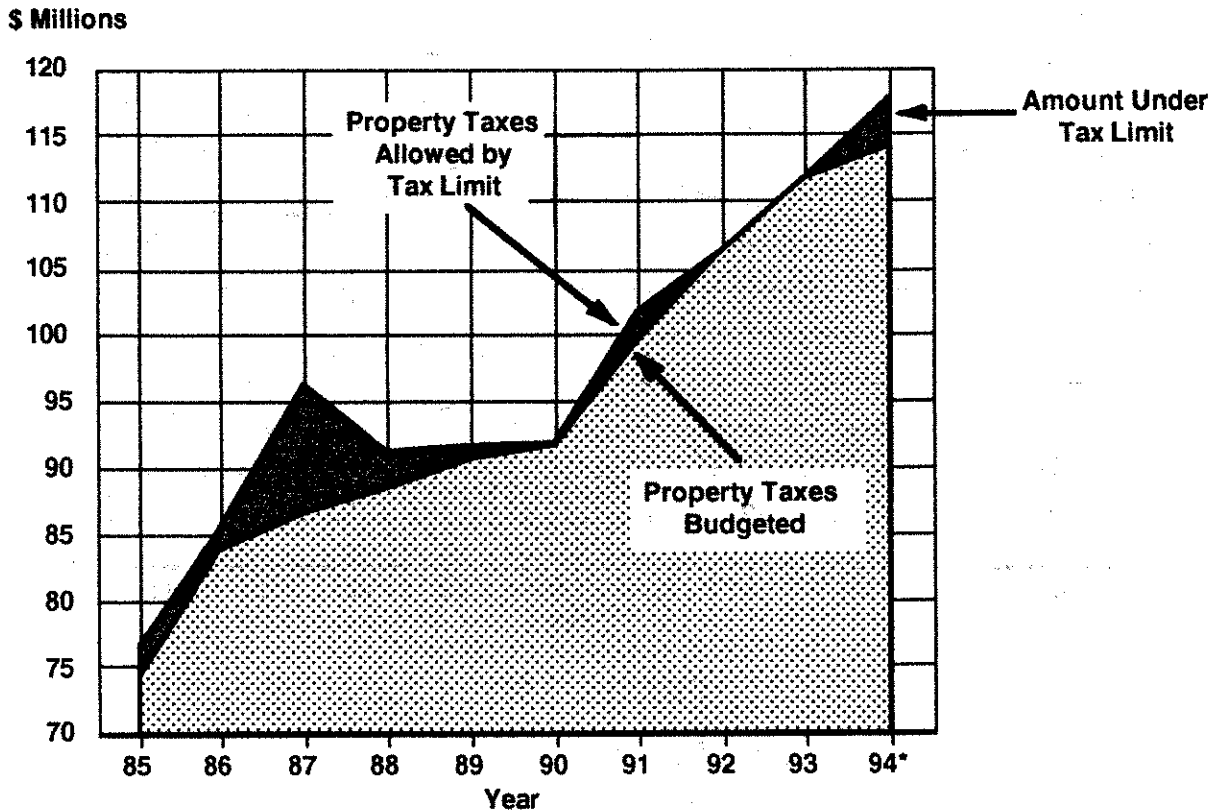


* Restated to exclude Senior Tax Credit Receivable.

** Excludes Senior Tax Credit Receivable.

Figure 3-11 shows the level of property taxes allowed under the charter tax limitation vis-a-vis the amount in the 1985-1993 revised budgets and in the 1994 proposed budget.

Figure 3-11
Property Taxes Under Charter Limitation
(Millions of Dollars) *



* 1985-1993 Revised Budgets; 1994 Proposed Budget is \$3.6 million under the tax limit.

The actual amounts the Assembly levied which were under the property tax limit for 1985 through 1993 are as follows (shown in millions):

1985	\$2.2 M	1988	\$3.0 M	1991	\$2.2 M
1986	1.4	1989	1.1	1992	0.0
1987	9.8	1990	0.2	1993	0.0

In a nationwide comparative study of taxes, the Department of Finance and Revenue of the District of Columbia analyzed residential property taxes in the largest city in each state. The table on the following page summarizes the effective real estate taxes for single-family owner-occupied dwellings within each of the cities. Shown are "effective" taxes, which represent the "announced" rates levied by jurisdictions adjusted for the relationship between each area's assessment levels and market values. Thus, if assessments were less than market values, effective tax rates were adjusted downward to reflect that discrepancy. As the data indicates, effective rates range from a high of \$4,400 per \$100,000 of assessed value in Detroit to a low of \$370 per \$100,000 of assessed value in Honolulu, Hawaii.

Figure 3-12

**Residential Property Tax Rates in
Selected Large Cities; 1991
(Ranked from Highest to Lowest Effective Rates)**

City	Rank	Tax Per \$100,000	City	Rank	Tax Per \$100,000
Detroit, MI	1	\$4,400	Jackson, MS	26	\$1,470
Milwaukee, WI	2	3,750	Burlington, VT	27	1,440
Newark, NJ	3	3,140	Billings, MT	28	1,430
Des Moines, IA	4	2,660	Columbia, SC	29	1,430
Philadelphia, PA	5	2,640	Minneapolis, MN	30	1,390
Portland, OR	6	2,640	Charlotte, NC	31	1,200
Manchester, NH	7	2,590	Kansas City, MO	32	1,150
Providence, RI	8	2,550	Virginia Beach, VA	33	1,090
Bridgeport, CT	9	2,490	Salt Lake City, UT	34	1,080
Baltimore, MD	10	2,460	Seattle, WA	35	1,050
Sioux Falls, SD	11	2,360	Oklahoma City, OK	36	1,040
Omaha, NE	12	2,310	Albuquerque, NM	37	1,040
Jacksonville, FL	13	2,150	Las Vegas, NV	38	1,020
Chicago, IL	14	2,050	Denver, CO	39	970
Houston, TX	15	2,000	Little Rock, AR	40	950
Columbus, OH	16	2,000	Louisville, KY	41	950
Boise City, ID	17	1,920	Wilmington, DE	42	940
Fargo, ND	18	1,780	Washington, DC	43	910
Wichita, KS	19	1,760	Boston, MA	44	890
Indianapolis, IN	20	1,750	New York City, NY	45	870
Atlanta, GA	21	1,740	Cheyenne, WY	46	720
Anchorage, AK	22	1,740	Birmingham, AL	47	700
Portland, ME	23	1,740	Charleston, WV	48	650
New Orleans, LA	24	1,610	Los Angeles, CA	49	630
Phoenix, AZ	25	1,470	Memphis, TN	50	540
			Honolulu, HI	51	370
		Unweighted Average			\$1,640
		Median			\$1,470

Source: Government of the District of Columbia, Department of Finance and Revenue, Tax Rates and Tax Burdens in the District of Columbia: A Nationwide Comparison, June 1992.

Using the same source of information as the preceding table, Figure 3-13 shows the historical ranking of Anchorage in residential property tax rates from 1985 through 1992 as compared to selected large cities.

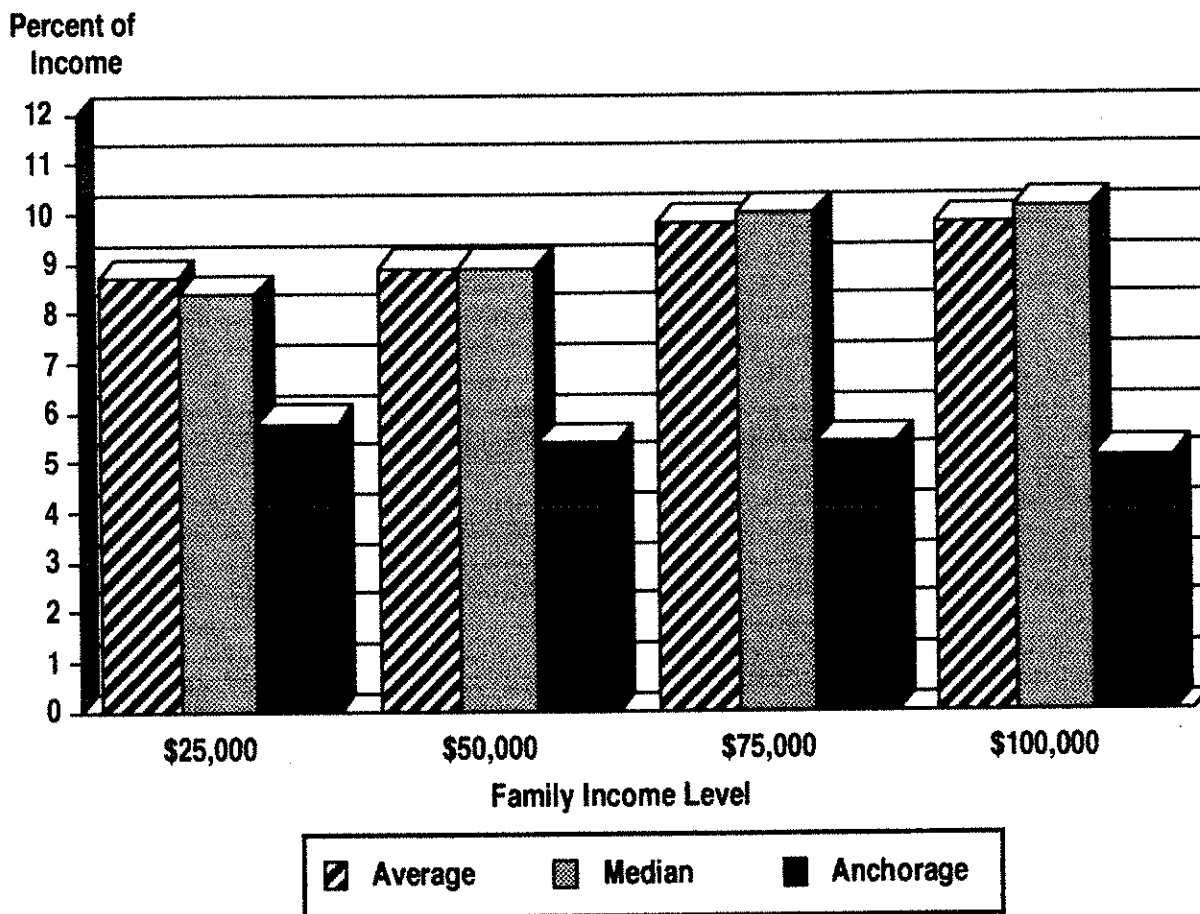
Figure 3-13

**Historical Ranking of Anchorage Residential Property Tax Rates
Compared to Selected Large Cities
1985 - 1991**

Year	Ranking	Tax Per \$100,000	Year	Ranking	Tax Per \$100,000
1985	#44	\$ 940	1989	#19	\$1,710
1986	#43	940	1990	#20	1,760
1987	#37	1,100	1991	#22	1,740
1988	#26	1,480			

One measure of the burden of taxation is the percent of income devoted to paying taxes. The Department of Finance of the Government of the District of Columbia has estimated this burden for the largest city in each state. Figure 3-14 summarizes their results specific to Anchorage.

Figure 3-14
Estimated Burden of Major Taxes
For a Family of Four by Income Level
1991 Average for 51 Cities Compared to Anchorage



NOTE: Burden is defined here as the percent of income going to pay taxes. Taxes included are state and local, income, sales, property, and automobile taxes.

Permanent Fund Dividend payments which are, in a sense, negative taxes are not included in the calculation.

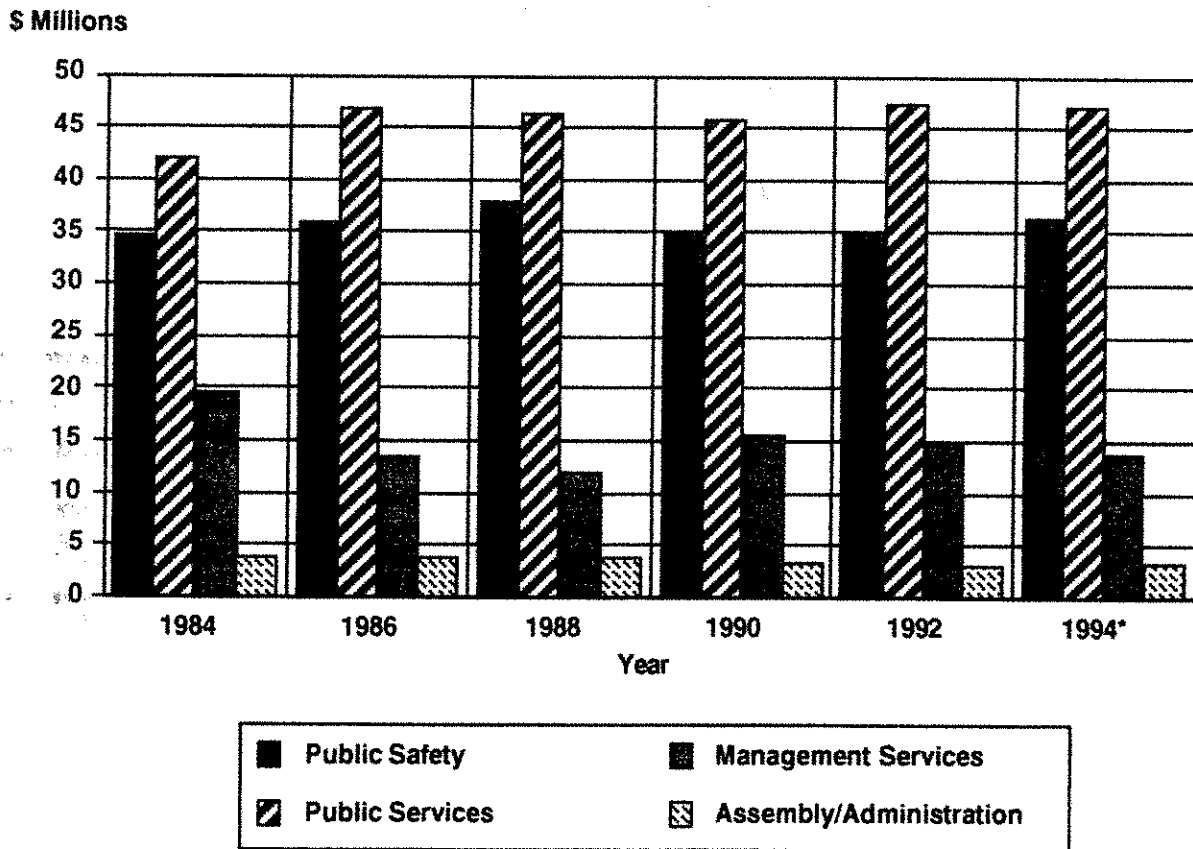
SOURCE: Government of the District of Columbia, Department of Finance and Revenue, Tax Rates and Tax Burdens in the District of Columbia: A Nationwide Comparison, June 1992.

Expenditures

The following chart describes the distribution of general government budgeted expenditures since 1984.

Figure 3-15

Distribution of Budgeted Expenditures by Major Functions *



Public Safety includes Health and Human Services, Fire, and Police.

Public Services includes Public Works, Cultural and Recreational Services, Transit, Community Planning and Development, Property and Facility Management, and Non-Departmental.

Management Services includes the Municipal Manager, Finance, Information Systems, Employee Relations, and Purchasing. In 1990, the increase is mainly attributable to the transfer of ATU's Management Information System section to General Government.

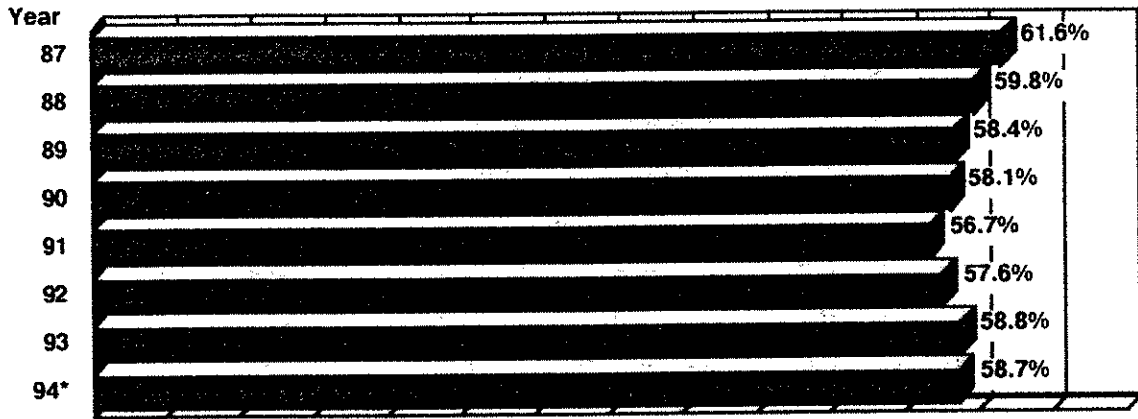
Assembly/Administration includes Assembly, Equal Rights Commission, Internal Audit, Office of the Mayor and Municipal Attorney.

* 1984-1993 Revised Budgets; 1994 Proposed Budget

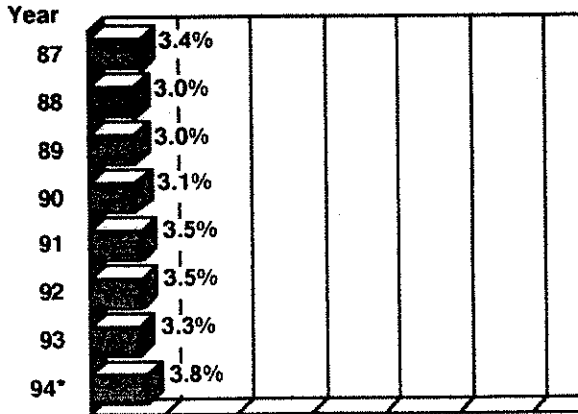
Figure 3-16

General Government Budgeted Expenditures
Direct Cost By Type *

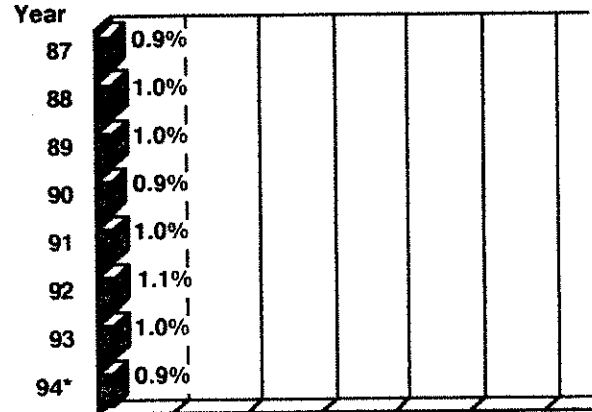
Personal Services



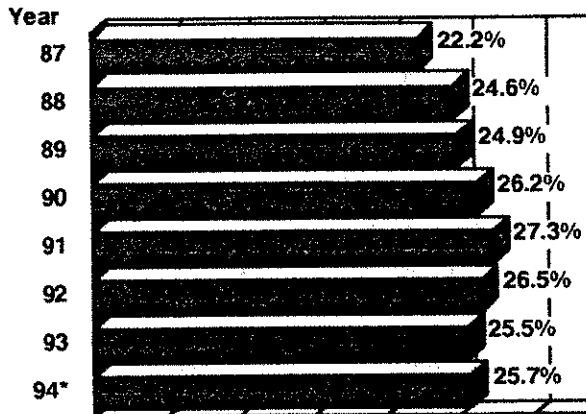
Supplies



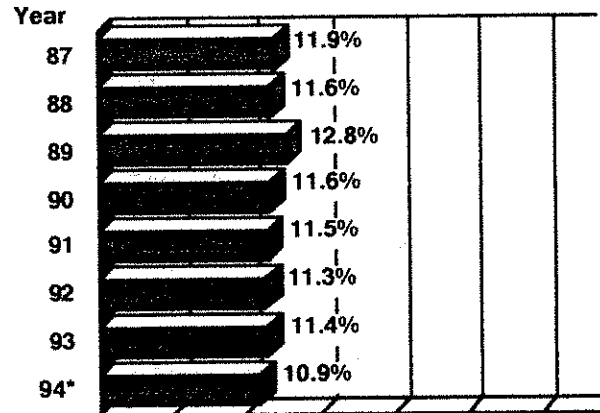
Capital Outlay



Other Services



Debt Service



* 1987 - 1993 Revised Budgets; 1994 Proposed Budget.

Capital Funding

The Municipality of Anchorage experienced substantial capital growth during the early 1980's with a substantial decrease during the last half of the decade. Figures 3-17 through 3-25 present historical information on the sources and uses of capital funds during this period.

Figure 3-17

Categories of Capital Projects Total Appropriations by MOA 1984 - 1993

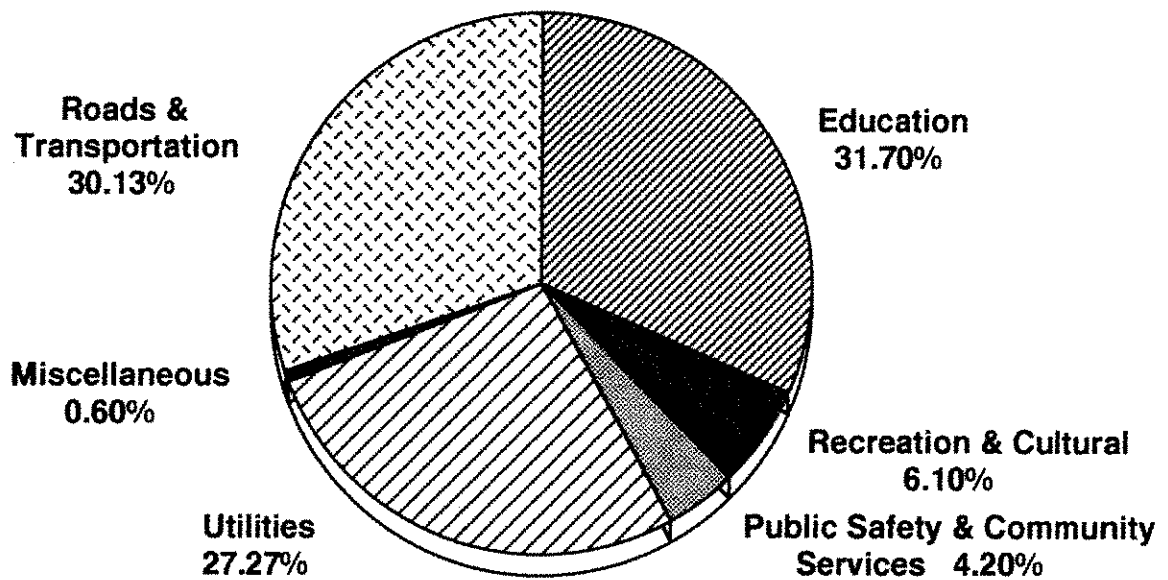
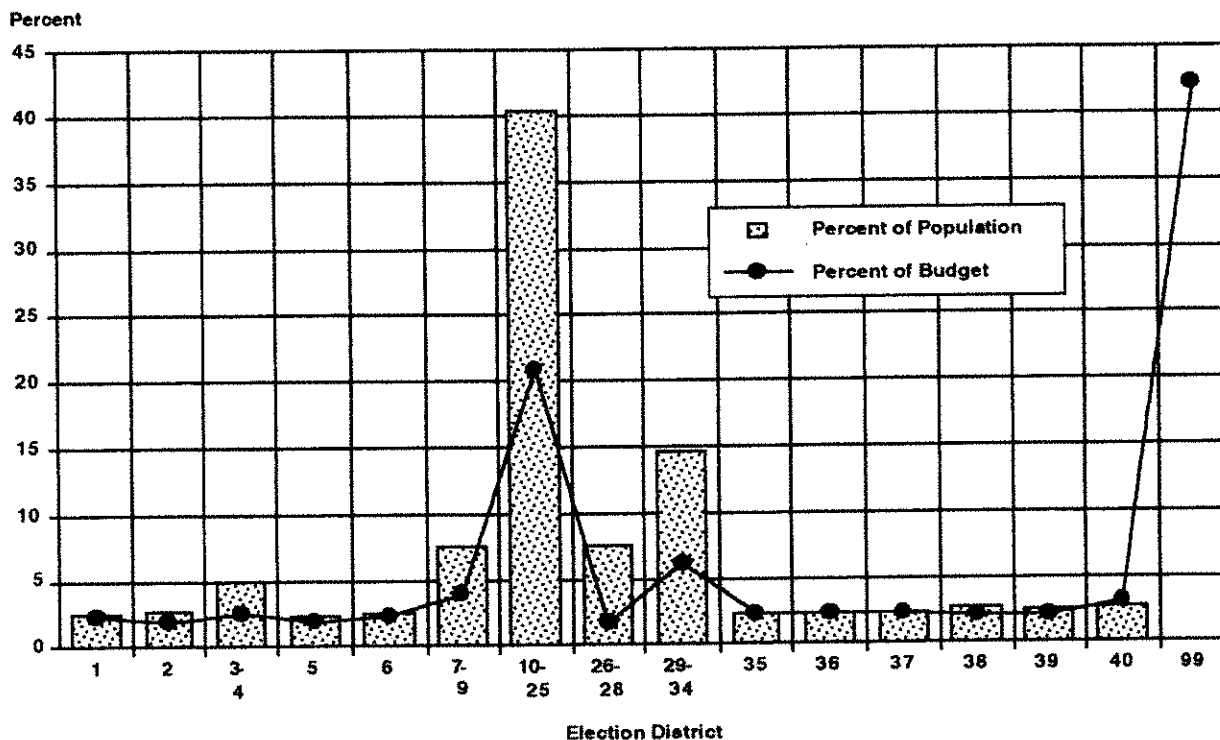


Figure 3-18

District Comparison of Population to Percentage of Fiscal Year 1994 State Capital Budget

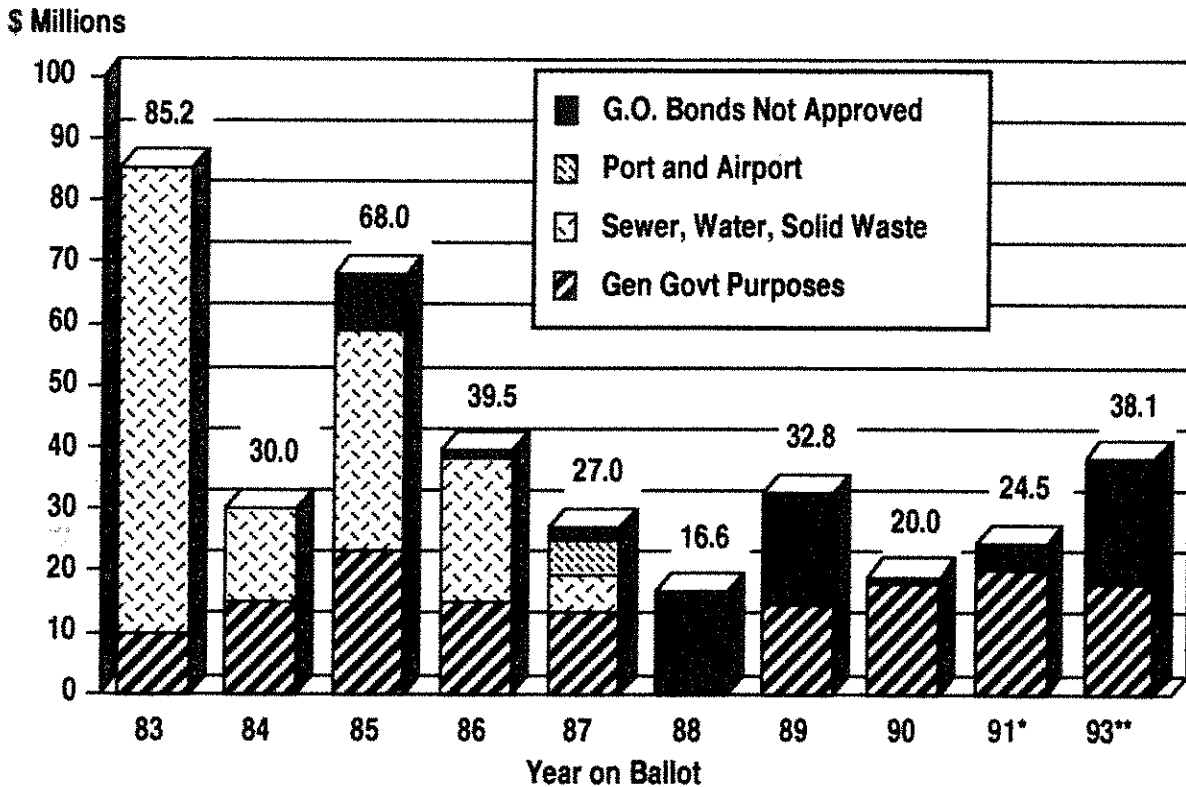


District	Population		Capital Budget	
	Amount	Percent	Amount	Percent
1 Ketchikan	13,985	2.5%	\$ 18.662 M	2.4%
2 Sitka/Petersburg/Wrangell	14,622	2.7%	15.175	1.9%
3-4 Juneau/Mendenhall/Lynn Canal	26,919	4.9%	20.180	2.5%
5 Southeast Islands	13,483	2.4%	15.444	1.9%
6 Kodiak	13,664	2.5%	17.807	2.3%
7-9 Homer/Kalifornsky/Soldotna/Seward/Kenai	41,544	7.6%	30.540	3.9%
10-25 Anchorage	222,324	40.4%	165.324	20.9%
26-28 Matanuska/Susitna	41,135	7.5%	12.571	1.6%
29-34 Fairbanks	80,122	14.6%	49.108	6.2%
35 Prince William Sound/Delta	13,215	2.4%	18.346	2.3%
36 Rural Interior	12,741	2.3%	18.748	2.4%
37 Arctic Slope/Northwest	13,346	2.4%	16.994	2.2%
38 Nome/Norton Sound	14,098	2.6%	16.921	2.1%
39 Bristol Bay/Bethel	13,858	2.5%	15.479	2.0%
40 Aleutians	14,987	2.7%	24.800	3.1%
99 Statewide			333.822	42.3%
TOTAL STATE	550,043		\$789.921 M	

SOURCE: "Alaska Population Overview: 1990 Census & Estimates" by the Alaska Department of Labor and "Election District Report: Fiscal Year 1994" by the Alaska Legislative Finance Division. Election district population estimates are based on 1990 census figures. The election district population distribution differs from the prior year due to the implementation in 1993 of the State's revised reapportionment plan.

Figure 3-19

General Obligation Bond Propositions
(Excluding School Bonds)
1983 - 1993



* 1991 was the last year to have an October ballot. There were no Municipal propositions in 1992.

** \$23.1 million was proposed on the April 20, 1993 ballot. Of this amount only a \$3 million Road Improvement District (RID) bond was approved. A special election will be held October 19, 1993 when Public Works will propose an additional \$15 million road bond.

General Government purposes include roads, parks, fire, police, library, etc. Wastewater, Water and Solid Waste totals include only general obligation bonds for these utilities; revenue bonds are excluded. Additional information on major Municipal utilities is presented in Section V of this report.

Figure 3-20

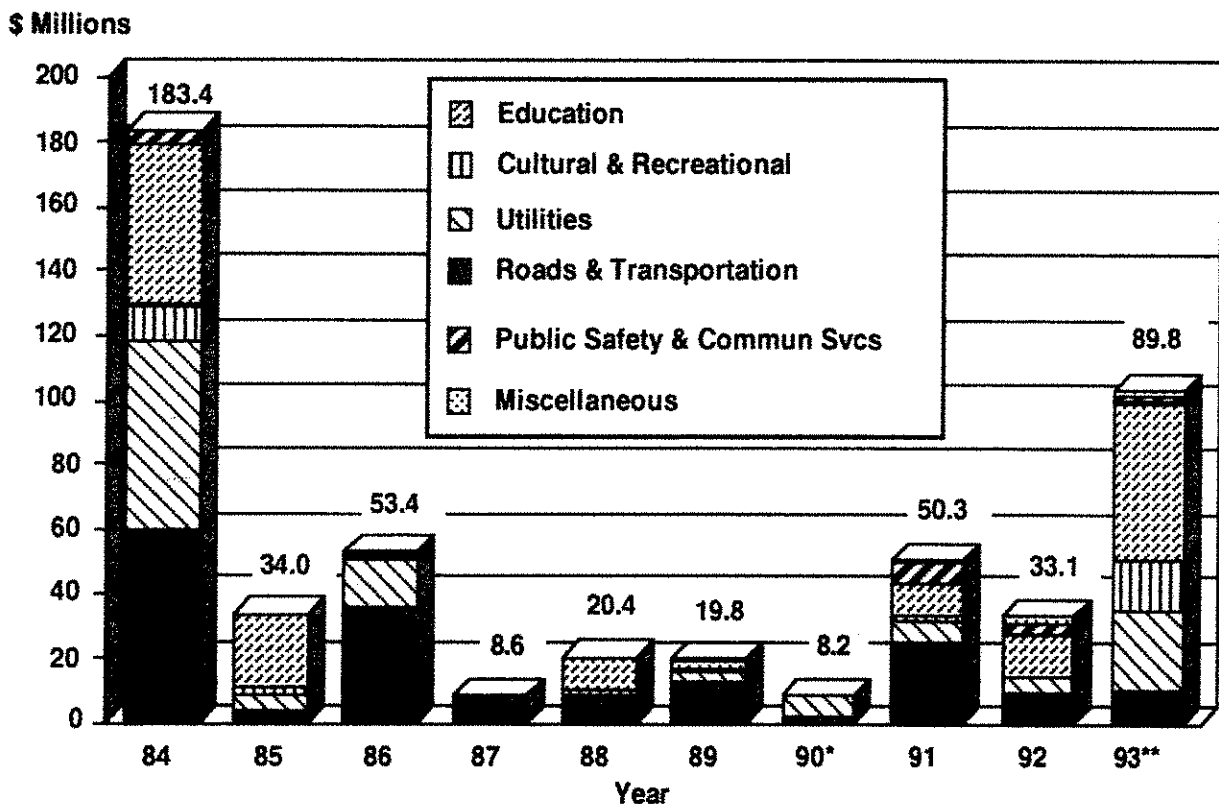
**General Obligation Bond Proposals/Approvals
(in \$ Millions)**

General Obligation Bond Type	1985	1986	1987	1988	1989	1990	1991	1992	1993	TOTAL
School District										
Proposed	\$103.0				\$ 29.7		\$ 51.9		\$176.9	\$361.5
Approved	\$103.0				\$ 29.7		\$ 24.4		\$ 22.2	\$179.3
Total % Approved	100%				100%		47%		13%	50%
Utilities (AWWU, ML&P, SWS)										
Proposed	\$ 35.6	\$ 23.0	\$ 6.0							\$ 64.6
Approved	\$ 35.6	\$ 23.0	\$ 6.0							\$ 64.6
Total % Approved	100%	100%	100%							100%
Roads & Transit										
Proposed	\$ 15.5	\$ 11.0	\$ 11.5	\$ 11.0	\$ 20.2	\$ 11.0	\$ 15.0		\$ 18.0	\$113.2
Approved	\$ 15.5	\$ 10.0	\$ 11.5	\$ ---	\$ 14.7	\$ 11.0	\$ 15.0		\$ 3.0	\$ 80.7
Total % Approved	100%	91%	100%	0%	73%	100%	100%		17%	71%
Property & Facility Management										
Proposed				\$ 2.2	\$ 1.7		\$ 4.5		\$ 3.0	\$ 11.4
Approved				\$ ---	\$ ---		\$ ---		\$ ---	\$ ---
Total % Approved				0%	0%		0%		0%	0%
Public Safety										
Proposed	\$ 7.9	\$ 5.5	\$ 2.0	\$ 3.4	\$ 2.4	\$ 6.9				\$ 28.1
Approved	\$ 7.9	\$ 5.5	\$ 2.0	\$ ---	\$ ---	\$ 6.9				\$ 22.3
Total % Approved	100%	100%	100%	0%	0%	100%				79%
Cultural & Recreational										
Proposed	\$ 9.0					\$ 1.2	\$ 5.0		\$ 2.2	\$ 17.4
Approved	\$ ---					\$ ---	\$ 5.0		\$ ---	\$ 5.0
Total % Approved	0%					0%	100%		0%	29%
Port & Merrill Field										
Proposed			\$ 9.5							\$ 9.5
Approved			\$ 7.5							\$ 7.5
Total % Approved			79%							79%
TOTAL										
Proposed	\$171.0	\$ 39.5	\$ 29.0	\$ 16.6	\$ 54.0	\$ 19.1	\$ 76.4	N/A	\$200.1	\$605.7
Approved	\$162.0	\$ 38.5	\$ 27.0	\$ ---	\$ 44.4	\$ 17.9	\$ 44.4	N/A	\$ 25.2	\$359.4
Total % Approved	95%	97%	93%	0%	82%	94%	58%	N/A	13%	59%

Figure 3-21 shows capital grants from the State of Alaska to the Municipality. When final notice of these grants is received, the Assembly appropriates the funds for the purposes outlined in the grants. Grants are shown here in the year appropriated by the Assembly, which may differ from the State fiscal year of appropriation and from the year in which the funds are actually expended. Amounts shown are net of repeals and reappropriations.

Figure 3-21

**State Capital Grants
Appropriated by MOA
Net of Repeals ***



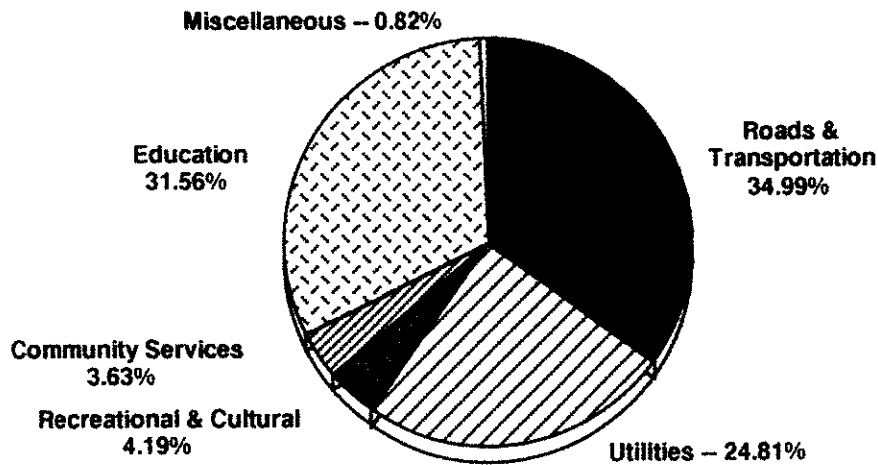
* The Governor's line item veto in July 1990 resulted in net negative appropriations for the Anchorage School District and Department of Cultural and Recreational Services due to repeals of existing grants. Railbelt Energy Fund appropriations were composed of \$2.5 million for the Ship Creek Original Townsite Redevelopment Project and \$2.3 million to reconstruct and upgrade the Girdwood water system.

** As of August 1993. Includes \$44.5 million of Anchorage School District grants and a \$6.5 million AWWU grant which require 30% local matching funds in addition to the usual DEC grants (\$2.5 million in 1993) which require a 50% match.

Figure 3-22 summarizes the purposes of State grants over this period.

Figure 3-22

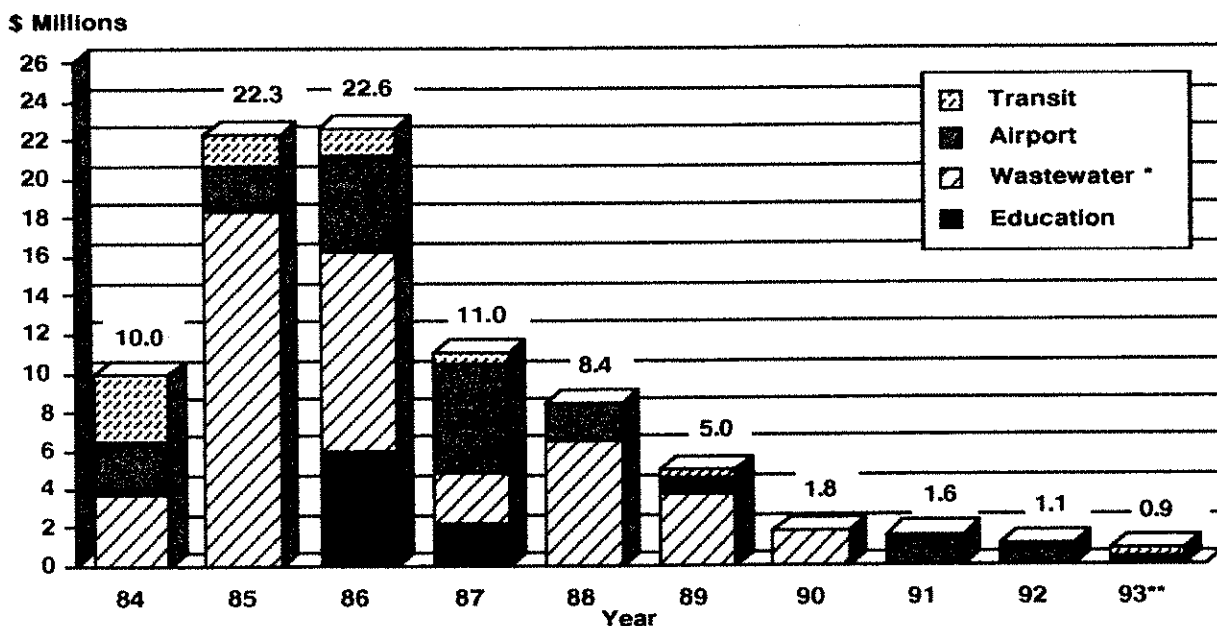
**State Capital Grants Appropriated by MOA
Total Distribution by Purpose 1984-1993 ***



Federal capital grants have been more modest in proportion. The bulk of federal capital funding has gone to Transit and Wastewater over the years shown.

Figure 3-23

**Major Federal Capital Grants
1984-1993**

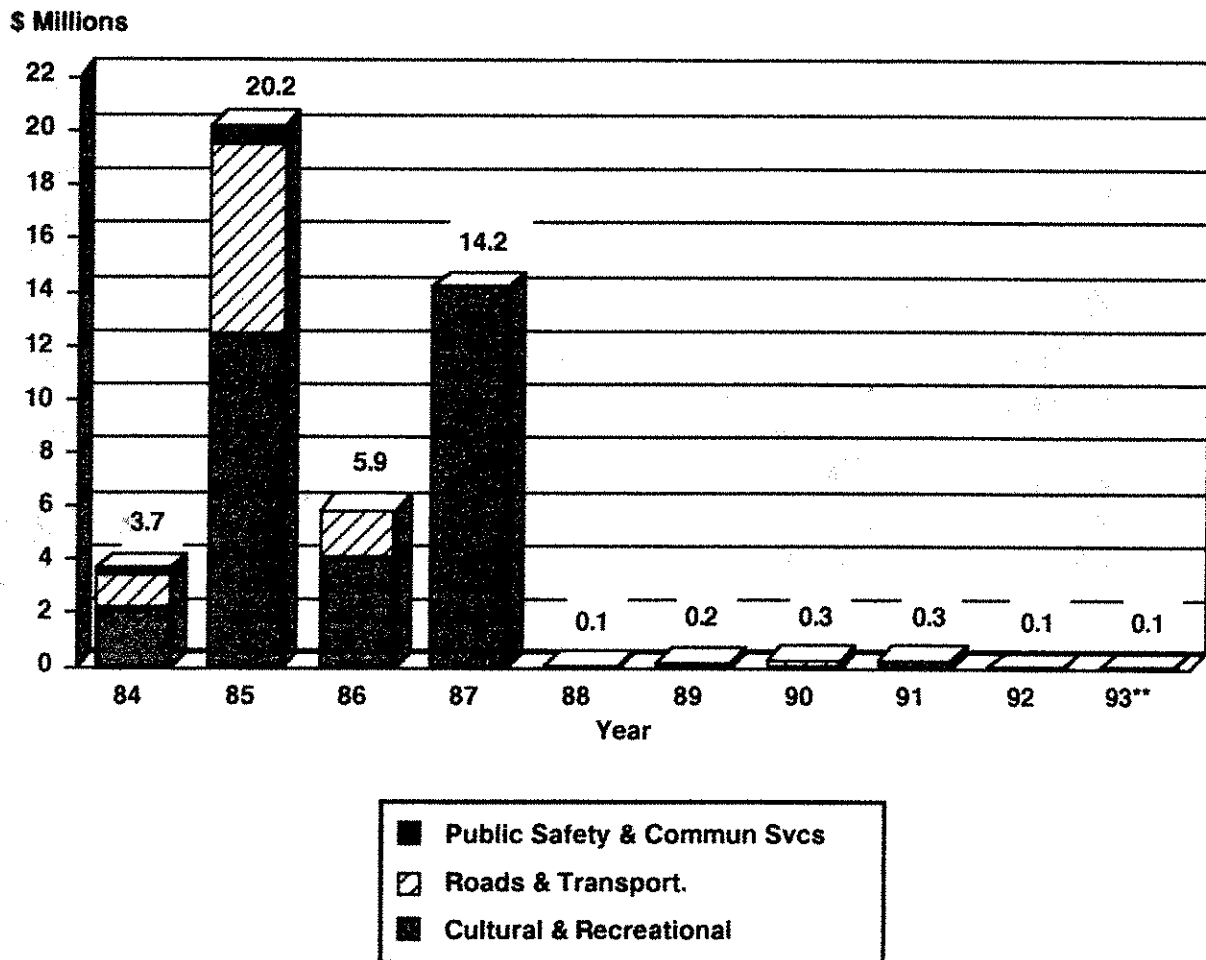


* Excludes the Alaska Clear Water Revolving Loan Program begun by the Federal Government in 1992 which replaced wastewater grants. In 1993, AWWU borrowed \$3.4 million through this program.

** As of August 1993. In addition to the two new grants shown, the Wastewater Utility returned \$174,000 due to the final eligible expenditures being less than the original grant request.

Through the mid 1980's, interest earned on capital grants was a funding source for capital projects. Figure 3-24 summarizes interest appropriation by broad program groupings. In prior years these interest earnings served to balance out the declines in State capital grants. Due to reduced State grants and a change in State grant payment procedures, the Municipality has had substantially lower grant fund balances in recent years and lower interest earnings.

Figure 3-24
Interest Appropriations
for General Government Capital Projects *
(1984 - 1993)

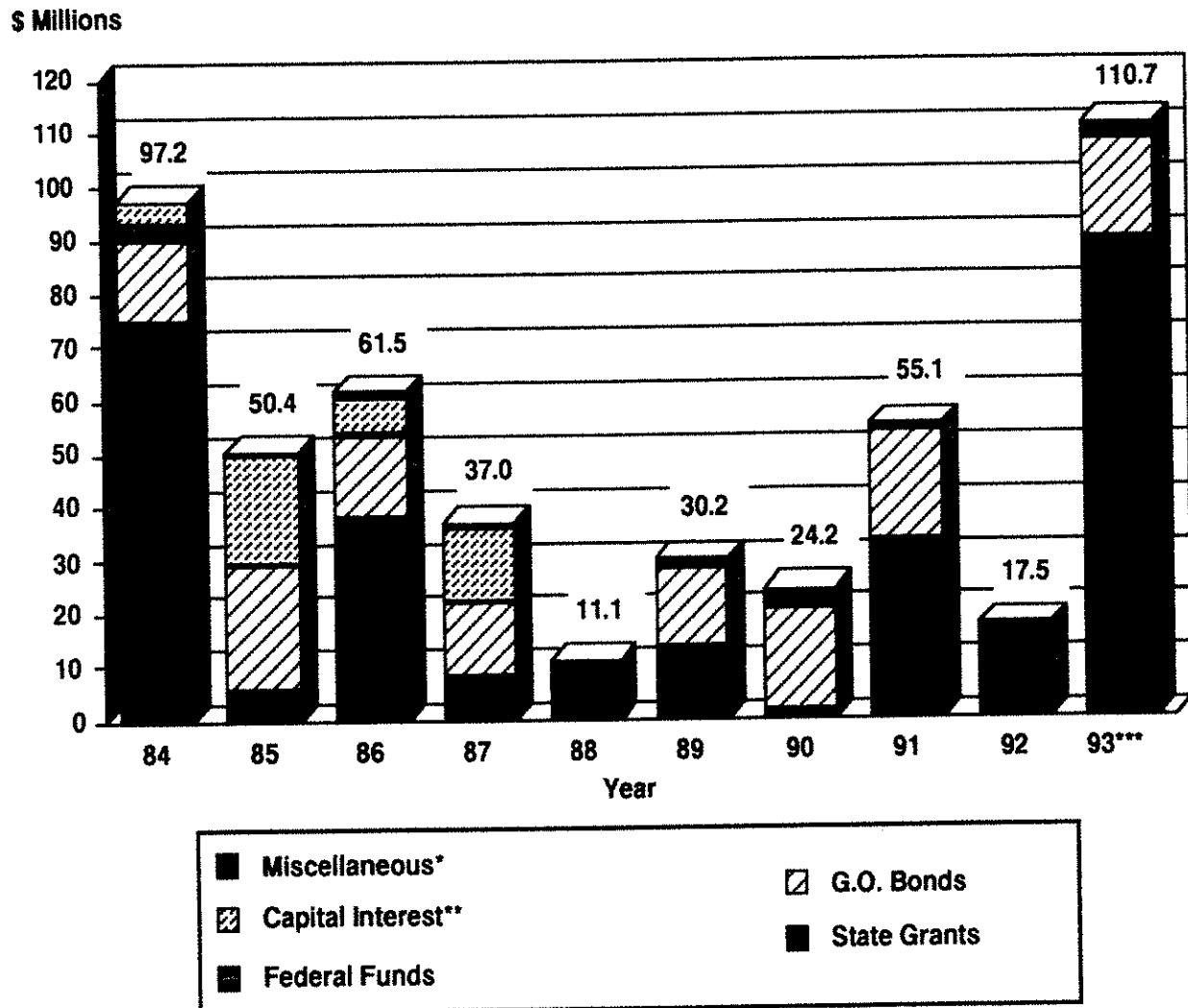


* Interest earned on General Government and Port of Anchorage State capital grants.

** As of August, 1993.

Figure 3-25 gives an overall summary of general government capital funding by source of funds. Here general obligation bonds are shown in the year in which voters approved.

Figure 3-25
Summary of Appropriations to General Government
Capital Projects -- MOA



* The Miscellaneous category consists of contributions from Heritage Land Bank, Anchorage School District, fund balance, assessment bonds, private donations, capital mill levy, miscellaneous revenues, etc. Figures prior to 1985 represent Heritage Land Bank contributions only.

** Interest earned on General Government and Port of Anchorage State capital grants.

*** As of August 1993.