

Municipality of Anchorage



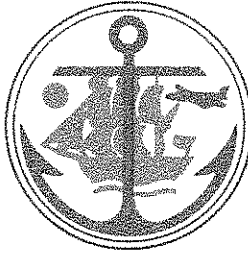
Tom Fink
Mayor

Proposed General Government Operating Budget



1994

Municipality of Anchorage



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Tom Fink, Mayor

OFFICE OF THE MAYOR

October 1, 1993

Dear Residents of Anchorage:

The 1994 General Government Operating Budget that I am proposing presents a reasonable balance in meeting the service needs of our community, given the limited funding available. With very few exceptions, my proposed budget maintains programs and services in 1994 at their current level while holding down property taxes to \$3.6 million under the amount allowed by the tax cap.

Earlier this year I informed the Assembly that Anchorage General Government faced a projected \$22 million fiscal gap in 1994. I am now happy to report that we have worked hard to virtually eliminate that projected fiscal gap. Several of our employee groups have accepted pay freezes to help reduce the fiscal gap. For 1993, all employee groups except the Fire and IBEW unions have accepted pay freezes. My proposed budget assumes that no pay increases will be granted in 1994, except for applicable step and longevity increases. The State Legislature helped to reduce the projected fiscal gap by appropriating more revenues to Anchorage than had originally been proposed by the Governor.

My proposed 1994 budget includes the use of \$2.5 million of revenues from the sale and lease of Heritage Land Bank properties to help reduce the projected fiscal gap. This action will probably stimulate debate during the Assembly's review of the budget. However, I do not believe that the Municipality should be a major property owner; the properties not needed by the Municipality should be in private ownership and paying taxes.

We are seeing a turnaround in the Anchorage economy. The town is very busy. Construction activity during the first six months of 1993 has increased significantly over comparable levels in 1991 and 1992. This year the stores are still at it. There will be a couple of WalMarts, a couple of K Marts, one new Fred Meyer and the expansion of another, the expanded Sears store, a new Pace and a Toys R Us. There are new activities at the Port of Anchorage and at the Anchorage International Airport. Both areas are continuing to grow. Although over the next 16 months Fort Richardson will decline by about 2,000 soldiers, there is a good chance that more military will be sent here once the Clinton Administration and Congress agree on a defense policy. We still are strategically located for defense purposes and we still have the only large military exercise areas in the United States. Ground work will be done this year at the new hospital at Elmendorf. Also, the Alaska Native Hospital starts above ground work this year.

With Anchorage's increasing growth, more pressure will be put on our Municipal programs and services. I am confident that we can respond.

Although the Anchorage economy is on the rebound, the overall economic environment is still such that taxes should not be increased. Anchorage voters clearly expressed their opposition to a sales tax last October. Last year's budget priorities survey showed that Anchorage citizens do not support increasing property taxes. My 1994 proposed budget maintains property taxes at the 1993 level, plus \$2.2 million taxes on new construction, plus \$1.4 million taxes for voter approved increases in service (e.g., Police expansion), less \$1.2 million decreased taxes required to pay debt service.

This is the last budget that I will be submitting to the Assembly. I am very proud of the determined effort of this Administration to hold down the costs of running the city during the past six years. My proposed budget for 1994 is \$214 million. The final budget under which the previous Administration operated in 1987 was \$197 million. Adjusted for inflation to today's dollars, that budget would be \$239 million. And if you added in the mandated increases in programs and services that we have generally had to absorb, the 1994 General Government Operating Budget would be about \$248 million.

The \$34 million in savings is the result of the determined effort of this Administration to hold down the costs of running the city during the past six years. In addition to certain wage and benefit concessions, much of these savings resulted from positive actions taken by the departments such as:

- consolidated functions/reorganizations
- eliminated "nice to do"/"nice to have" functions
- more efficient operation
- hiring freezes
- reduced workforce
- reduced lower-priority services

The decisions that will be made by the Assembly in the process of considering the 1994 General Government Operating 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

1994 PROPOSED
GENERAL GOVERNMENT OPERATING BUDGET



MUNICIPALITY OF ANCHORAGE
Tom Fink, Mayor

**1994 PROPOSED
GENERAL GOVERNMENT OPERATING BUDGET
MUNICIPALITY OF ANCHORAGE**

Tom Fink, Mayor

ASSEMBLY

Mark Begich, Chairman

Pat Abney	Cheryl Clementson	Joe Murdy
Bob Bell	Bill Faulkner	Dick Traini
Craig Campbell	Chuck Landers	Charles Wohlforth
	Kevin Meyer	

ADMINISTRATION

Larry D. Crawford Municipal Manager
Joe Fouts 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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