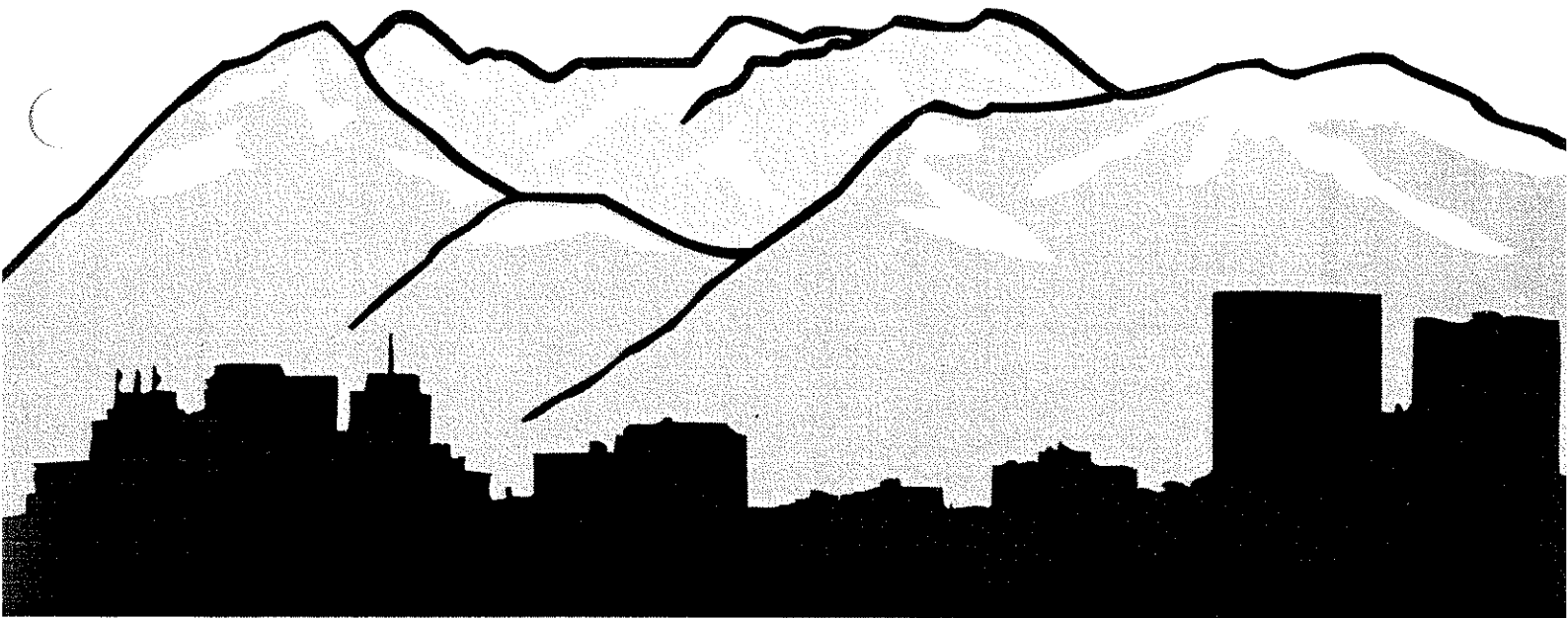


Municipality of Anchorage



Rick Mystrom
Mayor



1995 Fiscal Trends Report

**THE
FISCAL
TRENDS
REPORT**

1995

**Focus
on
Planning
for the
Future**



**Municipality of Anchorage
Rick Mystrom, Mayor**

**1995
FISCAL TRENDS REPORT
MUNICIPALITY OF ANCHORAGE**

Rick Mystrom, Mayor

ASSEMBLY

Dick Traini, Chairman

Pat Abney

Craig Campbell

Kevin Meyer

Mark Begich

Cheryl Clementson

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Bill Faulkner

Charles Wohlforth

Chuck Landers

ADMINISTRATION

Larry D. Crawford Municipal Manager

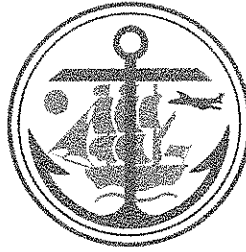
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This Fiscal Trends Report was prepared by the Office of Management and Budget.

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Anchorage



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Rick Mystrom, Mayor

OFFICE OF THE MAYOR

September 30, 1994

Dear Residents of Anchorage,

I am pleased to present you and the Assembly with the 1995 Fiscal Trends Report. The report has been designed so that the Assembly and citizens can gain information and provide input and recommendations related to the Municipality's long-range fiscal planning objectives and strategies.

While concerns have surfaced over declining State revenues and the downsizing of the oil industry, key economic indicators point to a relatively stable Anchorage economy in 1995. Job growth in certain markets, low inflation, continued construction activity, and low vacancy rates are just some of the positive factors that are expected to benefit Anchorage in 1995.

The Fiscal Trends Report presents a strategic planning approach to solving fiscal gaps which the Municipality may face over the next six years. Included in this report is statistical trend data, as well as discussion of fiscal policy issues. The Fiscal Trends Report provides a broad range of information pertinent to fiscal projections over the next several years. Section IV of the report presents potential fiscal gaps and proposed solutions.

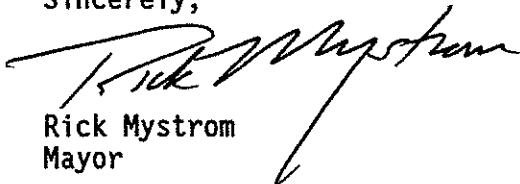
In 1995, the General Government Operating Budget is balanced between revenues and expenditures, however three major financial conditions have been assumed which we are working to achieve. Specifically:

- Personnel cost freeze for all non-union employees and bargaining units through December 31, 1995.
- An appropriate return from the Anchorage Telephone Utility to its owners, the taxpayers of Anchorage.
- No decrease in State Revenue Sharing from the 1994 level.

One of the Municipality's greatest financial concerns is our potential unfunded liability for Police and Fire retiree medical costs. Recently, the Administration and the Police and Fire unions agreed in concept to a defined contribution medical program which establishes a payment mechanism for medical premiums of individual Police and Fire retirees. If the concept agreement receives final approval from all parties, I believe that the liability to the Municipality will be significantly reduced.

As a final note, 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 fiscal outlook.

Sincerely,



Rick Mystrom
Mayor

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