

BUDGET OVERVIEW

1997 PROPOSED GENERAL GOVERNMENT OPERATING BUDGET

HIGHLIGHTS

- **\$2.2 MILLION UNDER THE TAX CAP**
- **1997 AVERAGE MILL RATE WILL BE 0.09 MILL LESS THAN 1996 AVERAGE MILL RATE FOR MUNICIPAL SERVICES* -- THIS EQUATES TO ABOUT \$16 LESS TAXES ON A \$180,000 HOME**
- **NO NET INCREASE IN BUDGET EXCEPT FOR VOTER APPROVED INCREASES AND ADDITIONAL POLICE PROTECTION INCREASES**
- **MOST OTHER PROGRAMS AND SERVICES MAINTAINED AT THEIR CURRENT 1996 LEVEL**
- **APPROPRIATE SAFETY RESERVES CONTINUE TO BE MAINTAINED**

* This does not include the Anchorage School District portion of property taxes.

1997 BUDGET IS \$2.2 MILLION UNDER THE TAX CAP

1996 PROPERTY TAXES LEVIED	\$ 128,636,100
<u>1997 Property Tax Cap Increases</u>	
Tax on New Construction	\$ 1,547,150
Inflation/Population Increase	5,146,020
Debt Service Increase (Net of Related Interest Revenues)	405,120
Voter-Approved New/Expanded Services	2,482,450 ^(a)
Auto Taxes Increase	(1,670,610) ^(b)
Aircraft Tax Increase	(180,000) ^(c)
Net 1997 Property Tax Cap Increase	<u>\$ 7,730,130</u>
1997 MAXIMUM PROPERTY TAX ALLOWED	\$ 136,366,230
PROPERTY TAXES REQUIRED TO FUND 1997 BUDGET	134,215,560
AMOUNT UNDER TAX CAP	<u><u>\$ 2,150,670</u></u>

(a) New Police Service Area Expansion.

(b) Transition to biennial collection by State. In 1997 odd-year model vehicles will pay a two year registration fee (State's revenue) and property tax (revenue returned to Municipality less administrative fee) and even-year vehicles a one year registration fee and property tax. Since auto tax revenues are within the total tax cap, the amount of property taxes that can be collected under the cap are reduced by the amount of auto tax increase.

(c) Not included in 1996 budget/tax cap calculation. Since aircraft tax revenues are within the total tax cap, the amount of property taxes that can be collected under the cap are reduced by the amount of aircraft tax increase.

**DECREASE IN THE AVERAGE MILL RATE
PAID BY ANCHORAGE PROPERTY OWNERS FOR
MUNICIPAL SERVICES ***

1996 Average Mill Rate Billed	10.67 mills
1997 Average Mill Rate Billed	10.58 mills
REDUCTION	<u>0.09 mill</u>

* This does not include the Anchorage School District portion of property taxes.

**1996-1997 GENERAL GOVERNMENT OPERATING BUDGET
RECONCILIATION**

1996 REVISED BUDGET	\$ 231,727,130
Voter Approved Increases	3,876,720 *
Other Police Protection Increases (including full year additional costs of new positions added in 1996)	1,802,550
Other Changes (Net)	(289,880)
1997 PROPOSED BUDGET	<u>\$ 237,116,520</u>

* New Police Service Area Expansion	\$ 2,482,450
Debt Service Increase	775,350
Eagle River-Chugiak Roads Capital Mill Levy	350,000
Hotel-Motel Tax 50% of Additional Revenues for Tourism Promotion	268,920
	<u>\$ 3,876,720</u>

1996/1997 GENERAL GOVERNMENT OPERATING BUDGET SUMMARY

	<u>1996 Revised</u>	<u>1997 Proposed</u>	<u>Increase/(Decrease)</u>	
			<u>Amount</u>	<u>Percent</u>
EXPENDITURES (DIRECT COSTS)	\$ 231,727,130	\$ 237,116,520	\$ 5,389,390	2.3 %
 <u>REVENUES (NON-PROPERTY TAX)</u>				
State/Federal	\$ 23,842,930	\$ 22,786,110	\$ (1,056,820)	(4.4)%
Local Allocated	35,626,090	38,904,260	3,278,170	9.2 %
Program	20,683,890	20,617,750	(66,140)	(0.3)%
IGCs to Non-General Government	14,037,880	14,986,710	948,830	6.8 %
Applied Fund Balance	8,900,240	5,606,130	(3,294,110)	(37.0)%
Total	<u>\$ 103,091,030</u>	<u>\$ 102,900,960</u>	<u>\$ (190,070)</u>	(0.2)%
PROPERTY TAXES REQUIRED TO FUND BUDGET	<u>\$ 128,636,100</u>	<u>\$ 134,215,560</u>	<u>\$ 5,579,460</u>	4.3 %
PROPERTY TAX CAP	<u>131,007,140</u>	<u>136,366,230</u>		
AMOUNT OVER/(UNDER) TAX CAP	<u>\$ (2,371,040)</u>	<u>\$ (2,150,670)</u>		

**1997 General Government Operating Budget
ADMINISTRATION'S SERVICE PRIORITIES**

THE ADMINISTRATION AND MUNICIPAL EMPLOYEES ARE COMMITTED TO THE GOAL OF MAKING ANCHORAGE AN EVEN BETTER PLACE TO LIVE AND RAISE OUR FAMILIES. WE WILL PROVIDE THE HIGHEST POSSIBLE LEVEL OF SERVICE TO THE PEOPLE OF ANCHORAGE WITHIN THE BUDGET CONSTRAINTS FACING US IN 1997.

In achieving our goal to make Anchorage a more livable city, the Administration will continue to focus on six broad priorities:

- **Public Safety**

We will provide a safe environment for our City's residents and visitors. Crime in Anchorage for the first six months of 1996 is down from one year ago in all but one category (burglary). Anchorage has experienced an 18% decrease in homicides, 12% decrease in rape, 34% decrease in robbery, 29% decrease in stolen autos and smaller decreases in both assaults and theft during the first half of 1996. Traffic statistics show that DWI arrests are up 19% while fatal accidents are down by a third. The downturn in the crime statistics can be largely credited to the Anchorage Police Department, to a good job by the Municipal Prosecutor's Office in prosecuting offenders, and to the volunteer support and commitment of the general public.

Although we can be pleased by this information, we should not yet be satisfied. These crime statistics are a good sign that Anchorage is moving toward being the safer city we all want, but there is still work to be done. The community's constant vigilance and high level of awareness to criminal activities is one of the major keys to making Anchorage a safer city.

We must ensure that the Police Department is properly staffed and scheduled to reduce the occurrence of violent crime in Anchorage. Increased on-street presence will have a dramatic impact in the areas of domestic violence, DWI arrests, and Juvenile crime. The 1997 budget will provide full year funding for the 22 additional police officer positions plus support personnel that were funded for part of 1996 as well as fund the 21 additional police officers plus support personnel that we intend to hire in 1997 when most areas previously not included in the Anchorage Police Service Area will receive full police protection services.

With these increased officers, the Anchorage Police Department has augmented the bicycle, foot and park patrol with additional officers and plans to establish a Misdemeanor Follow-Up Unit to more thoroughly investigate thefts, assaults and other serious misdemeanor crimes and a Juvenile Crime Unit to work with kids, parents and schools in helping to prevent kids from engaging in unlawful behavior. These units would be fully operational in 1997. These increases in sworn officers will enable more time to be spent on prevention and follow-up.

At full strength in 1997 we will have 351 sworn officers compared to 248 sworn officers actually on board in November 1994.

Our fire and emergency medical response capabilities are maintained in the 1997 budget. The fully integrated fire and medical services have improved emergency response times, while the number of emergency calls continue to increase due to population increases. In 1997, our major emphasis on public education and cost-effective fire and medical response will continue.

- **Economic Development**

We will continue to help facilitate orderly, attractive growth in our community.

We will assure that our local government is a partner, not a barrier, to business. Our reputation as a safe place to invest, to work, and to live can be among the best in America and the Pacific rim. We will be restructuring the current building permitting process to be more efficient and effective in responding to community needs.

The expansion of tourism will have a very positive impact on our economy. We will work to ensure Anchorage grows as a popular tourist destination.

We will continue to work in partnership with the Anchorage Convention and Visitors Bureau, the Anchorage Economic Development Corporation and the Anchorage and Eagle River Chambers of Commerce. By working with these groups and others, we can lead the way in building economic strength for our community.

- **Maintenance of Municipal Roads and Facilities**

We will continue to make the streets throughout our City safer and cleaner. Snow will be removed more frequently. Increased use of potassium acetate and high quality gravel combined with earlier street sweeping will reduce spring dust levels. Street light maintenance will be accelerated to improve the safety of our neighborhoods.

We will adequately maintain our municipal basic facilities, roads and public buildings, as well as parks, bike trails, and cultural facilities. We will maintain existing facilities to allow our children to enjoy the benefits of these improvements for many years.

Emphasis will continue to be placed on maintaining our Municipal infrastructure through an aggressive program to obtain State grant funding and through the use of bond proceeds and other local funds identified for this purpose.

In addition to adequate roads, a basic public transportation program is an important element of our comprehensive transportation system. We expect to see continued improvement in People Mover ridership through a focused marketing program. Efficiencies in the Munilift paratransit program should continue to improve as combined ride scheduling for the disabled and seniors transportation programs are implemented. The increased commuter participation in the Share-A-Ride and Vanpool programs will help to reduce roadway congestion and improve local air quality.

- **Community Planning and Development**

We will be preparing a new Anchorage Bowl Comprehensive Plan which will provide guidance for the City's development over the next ten years. The plan will be based on our community's vision for the future. It will present goals, policies, and strategies which can be used to guide our daily urban design decisions.

We will develop an update of the Long-Range Transportation Plan which will assist us in implementing the Comprehensive Plan.

Our Community Planning and Development Department will restructure its planning process to be more efficient and effective in responding to community needs.

- **Quality of Life**

A city must always strive to keep costs down just as a family must always live within its means. But within a tight budget we must provide, as efficiently as possible, those cultural and recreational amenities such as a museum, libraries, bike trails, parks and recreation opportunities that make a city livable and enjoyable. We will also provide basic social and public health services to those in need.

Cultural and arts facilities contribute to the quality and the economic strength of our community. We will be especially supportive of those facilities and programs which receive substantial portions of their revenue from user fees and private contributions.

Using cost effective non-profit organizations is the best way to deliver needed social, cultural, and recreational services. We must work closely with these groups to encourage them to play a major part in solving the challenge of providing social, cultural, and recreational services in a period of declining revenues.

- **Fiscal Stability**

If falling State Revenues require the reduction of the State government budget, it is only fair for local governments to share in that reduction. However, the trend for the State to balance its budget by disproportionate reductions in State Revenue Sharing and Municipal Assistance is inequitable and only serves to increase the pressure on local taxpayers. Such reductions represent a form of tax shifting from the State to the local level. We will continue to work with other Alaska communities to help prevent this trend from continuing.