

BUDGET OVERVIEW

**2001 APPROVED BUDGET
COMPARED TO 2000 REVISED BUDGET**

	2000 REVISED BUDGET	2001 CONTINUATION BUDGET	2001 APPROVED BUDGET	INCREASE/ (DECREASE) Approved vs Revised
EXPENDITURES				
Departments (Direct Costs)	\$ 230,910,340	\$ 234,350,870	\$ 223,843,860	\$ (7,066,480)
Voter-Approved Debt Service	<u>28,320,720</u>	<u>34,537,290</u>	<u>34,537,290</u>	<u>\$ 6,216,570</u>
Total	\$ 259,231,060	\$ 268,888,160	\$ 258,381,150	\$ (849,910)
REVENUES				
Non-Property Taxes:				
State	\$ 11,686,250		\$ 11,733,490	\$ 47,240
Federal	409,580		358,130	(51,450)
Program	29,773,890		29,721,810	(52,080)
Local Allocated	41,295,140		47,930,240	6,635,100
IGC's to Non-General Government	16,190,350		14,971,210	(1,219,140)
Applied Fund Balance	<u>20,183,230</u>		<u>5,112,670</u>	<u>(15,070,560)</u>
Total	\$ 119,538,440		\$ 109,827,550	\$ (9,710,890)
Property Taxes:				
Taxes on New Construction	\$ 2,902,510		\$ 2,792,640	\$ (109,870)
To Pay Voter-Approved Debt Service	N/A		6,216,570	6,216,570
Additional Taxes on Existing Property	136,790,110		139,544,390	2,754,280
TOTAL TAXES REQUIRED	<u><u>\$ 139,692,620</u></u>		<u><u>\$ 148,553,600</u></u>	<u><u>\$ 8,860,980</u></u>
PROPERTY TAX CAP	\$ 154,430,920		\$ 148,584,070	\$ (5,846,850)
PROPERTY TAX UNDER CAP	<u><u>\$ (14,738,300)</u></u>		<u><u>\$ (30,470)</u></u>	

2001 Approved General Government Operating Budget

PERSONNEL SUMMARY

Department	2000 Revised Budget				2001 Approved Budget				Net Change in Total Positions
	FT	PT	Temp	Total	FT	PT	Temp	Total	
Assembly	26	0	0	26	26	0	0	26	0
Municipal Attorney	55	2	0	57	51	0	0	51	(6)
Cultural and Recreational Services	192	135	208	535	167	130	129	426	(109)
Development Services	84	3	2	89	87	3	1	91	2
Employee Relations	29	4	0	33	26	1	0	27	(6)
Executive Manager *	3	0	0	3	0	0	0	0	(3)
Equal Rights Commission	6	0	0	6	6	0	0	6	0
Facility Management	84	1	7	92	79	1	7	87	(5)
Finance	114	1	0	115	100	2	0	102	(13)
Fire	324	1	0	325	331	1	0	332	7
Health and Human Services	73	11	1	85	65	10	1	76	(9)
Heritage Land Bank	5	1	0	6	6	1	0	7	1
Internal Audit	6	1	0	7	4	1	0	5	(2)
Management Information Systems	83	1	0	84	79	1	0	80	(4)
Mayor *	8	0	0	8	9	0	0	9	1
Municipal Manager	19	3	0	22	19	2	0	21	(1)
Planning	35	1	0	36	32	1	0	33	(3)
Planning, Development & Public Works	6	0	0	6	6	0	0	6	0
Police **	544	0	0	544	533	0	0	533	(11)
Project Management & Engineering	45	1	4	50	50	0	4	54	4
Public Transportation	111	16	0	127	111	16	0	127	0
Purchasing	15	0	0	15	14	0	0	14	(1)
Street Maintenance	127	0	2	129	132	8	26	166	37
Traffic	43	0	8	51	44	0	7	51	0
Total	2,037	182	232	2,451	1,977	178	175	2,330	(121)

* The Mayor's Office absorbed 3 positions from the Executive Manager's Office in July 2000. After this consolidation, 2 positions were eliminated.

** Includes 15 partially federally funded grant positions.

**2001 Approved General Government Operating Budget
DEPARTMENT OPERATING BUDGETS AT A GLANCE**

Department	2000 Approved Budget	Revisions During 1st Quarter 2000	2000 Revised Budget	One Time/Non- Recurring	Transfers To/From Dept (1)	Salary Cost Changes	Debt Service Increases/ Decreases	Misc. Increase/ Decrease	2001 Continuation Level	Approved 2001 Budget Changes	Approved 2001 Budget Total	Debt Service 2000	Debt Service 2001
Assembly	2,130,100	52,100	2,182,200	(15,600)		10,860		4,500	2,181,960	(60,600)	2,121,360		
Attorney	4,060,360	(128,070)	3,932,290	(189,620)	(2,332,170)	(8,460)			3,923,830	(275,000)	3,648,830		
Cultural & Rec Services	22,036,360	266,820	22,303,180	0	222,180	157,220	851,620	5,200	20,795,430	(994,220)	19,801,210	1,691,270	2,729,530
Development Services	6,266,630	0	6,266,630	0	0	63,240	0	(10,000)	6,542,050	(63,660)	6,478,390		
Employee Relations	2,880,200	(28,500)	2,851,700	(150,000)	175,790	(25,470)		323,400	3,175,420	(468,960)	2,706,460		
Equal Rights	450,760	8,000	458,760	(8,000)		4,100			454,860	0	454,860		
Facility Mgmt	20,713,680	130,430	20,844,110	(230,430)	(161,100)	(40,120)		728,320	21,140,780	(610,650)	20,530,130		
Finance	12,869,090	82,880	12,951,970	(340,690)	(340,690)	185,530	(9,000)		12,787,810	(883,820)	11,903,990		
Fire	33,425,740	872,760	34,298,500	(316,860)	(100,890)	275,480	1,084,160	2,332,280	37,572,670	(111,110)	37,461,560	760,970	1,844,830
Health & Human Services	9,946,760	288,530	10,235,290	(222,590)	(222,590)	88,140	173,730	(46,000)	10,228,570	(357,320)	9,871,250	1,413,320	1,588,930
Heritage Land Bank	872,670	0	872,670	(29,450)	(103,570)	7,560		(1,230)	745,980	0	745,980		
Internal Audit	450,320	0	450,320			14,690			465,010	(143,570)	321,440		
Management Info Systems	13,269,610	0	13,269,610		157,130	39,260		(71,150)	13,394,850	(358,460)	13,036,390		
Manager	1,510,790	0	1,510,790		0	37,830	318,830	330	1,867,780	13,390	1,881,170	38,540	357,370
Mayor	814,440	0	814,440	(43,000)	268,470	22,330			1,062,240	(219,990)	842,250		
Non-Departmental	11,177,510	1,541,770	12,719,280	(1,338,770)			(401,840)	321,920	11,300,590	(1,738,800)	9,561,790		
Planning	2,715,120	143,220	2,858,340	(143,220)		40,990			2,756,110	(150,000)	2,606,110		
Planning, Dev & Public Works	24,538,410	(693,210)	23,845,200	(232,230)	9,390	65,370	4,284,570		28,204,530	(158,130)	28,046,400	23,081,090	27,478,380
Police	45,903,900	326,230	46,230,130		(48,950)	615,050	(399,540)	970,790	47,135,250	(1,682,150)	45,453,100	635,540	235,800
Project Mgmt & Engineering	4,326,520	0	4,326,520		283,970	78,940			4,689,430	(49,210)	4,640,220		
Public Transportation	9,696,740	85,030	9,781,770	(410)	(410)	(40,110)	2,500	1,050	9,744,800	(20,000)	9,724,800	123,820	126,370
Purchasing	1,071,260	0	1,071,260			840			1,072,100	(117,740)	954,360		
Street Maintenance	20,725,010	231,690	20,956,700	(55,000)	2,183,440	(37,620)		1,000	23,048,520	(1,655,430)	21,393,090		
Traffic	4,149,400	50,000	4,199,400	(50,000)	20,000	85,750			4,255,150	(59,140)	4,196,010		
Total	256,001,380	3,229,680	259,231,060	(2,802,180)	10,000	1,641,400	5,914,030	4,551,410	268,545,720	(10,164,570)	258,381,150	28,320,720	34,537,290

(1) **Transfers To/From Department:** The 2001 budget reflects transfers between departments to consolidate programs to achieve efficiencies and savings. Programmatic transfers to other departments include:
 -- Cultural & Recreational Services: Two engineering positions transferred to Project Management and Engineering (-\$123,730); North/South maintenance and administration transferred to Street Maintenance (-\$2,204,050)

-- Health & Human Services: Three on-site engineers transferred to Development Services (-\$222,180)

-- Mayor's Office: Former Executive Manager's personnel transferred to Mayor's Office (\$268,470)

-- Property, Facility & Management: Two engineers transferred to Project Management and Engineering (-\$160,240)

-- Finance: Payroll section transferred to Employee Relations Department (-\$175,790)

2001 Approved General Government Operating Budget Overview

When the new administration took office on July 1, 2000, it faced the formidable challenge of preparing two budgets within its first 100 days. The originally proposed "A" budget for 2001 reduced spending by nearly \$10 million, compared to the current year's budget. When compared to the projected level of spending that would be required to continue the same level of services, the proposed "A" budget would have been nearly \$19 million short.

The second budget prepared by the administration during that first 100 days, called the "B" budget, was in response to the proposed 10-mill tax cap initiative that was on the November 2000 election ballot. Anchorage voters overwhelmingly rejected the cap with a vote of 75 percent. As a result the "B" budget was set aside and more spending was added to the "A" budget.

The final 2001 General Government Operating Budget (the details of which follow) ultimately restored funding for a number of programs. The bottom line total is \$850,000 less than current year spending. Even though the budget is almost the same as the current year's, significant administrative savings are required because the 2001 budget includes a \$6.2 million increase in voter-approved debt service payments. The increase was offset by \$7.1 million in reductions, primarily in administrative areas of department operations.

Throughout the budget process, the administration's first priority was to protect the safety of Anchorage's citizens. This meant minimal or no reductions in the Police and Fire Departments. Our second goal was to protect funding for those employees who are on the front line in delivering services to residents.

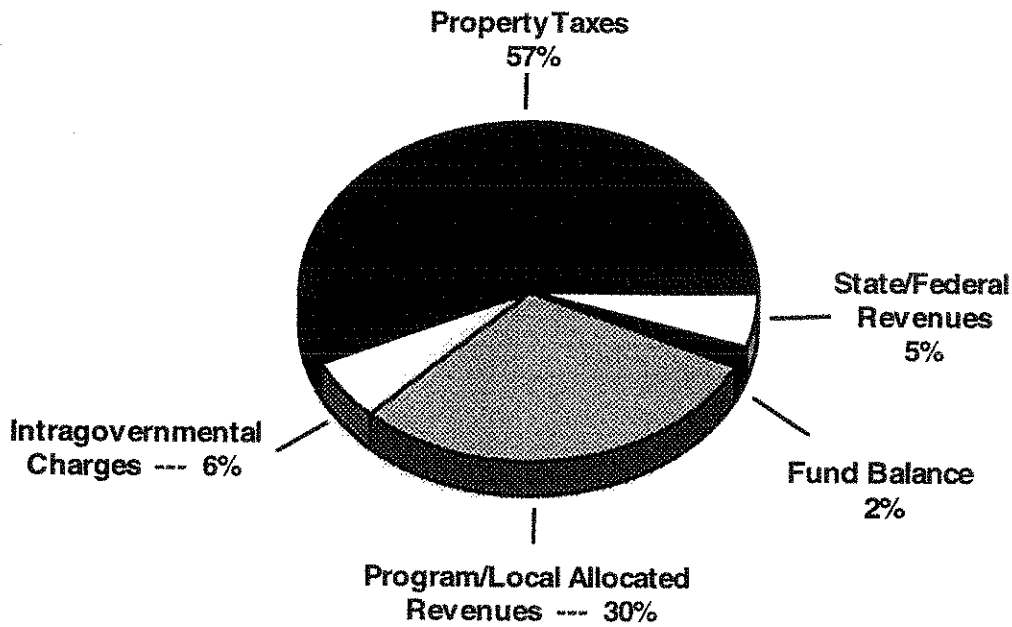
To achieve the required budget reductions, we will continue throughout the coming year to identify and evaluate how we might deliver services more efficiently, effectively and at less cost. A number of initiatives already are underway to accomplish this goal. They include:

- Implementation of a procurement card system by which departments of municipal government are able to make and pay for small purchases. Over time, the system will significantly reduce costs for the paperwork required to process payments.
- Re-tooling the city's use of technology to increase citizens' access to information. This includes the Planning Department's distribution of planning and zoning documents via the Internet. Beginning in 2000, contractors were able to pay permit fees by credit card and print the permit on their own computers, thus saving the time and cost of running around town to get their permits.

- Maintenance of parks and trails was consolidated in the Street Maintenance Department. By combining the snow removal and maintenance of our parks and streets, we are able to better coordinate these activities, resulting in efficiencies and savings.
- Consolidation of engineers from the Departments of Health and Human Services, and Cultural and Recreational Services under the new Office of Planning, Development and Public Works. This consolidation also is improving coordination and efficiency, not only in the delivery of public services, but by minimizing the number of locations where the public has to go for technical assistance.

We continue to look for opportunities that allow our city's economy to grow and provide the Municipality the revenue necessary to continue a level of public services that make it possible for Anchorage residents to enjoy a quality of life they desire. Our challenge is to balance these goals within the limits that taxpayers are willing to pay for government services. The 2001 General Government Operating Budget is a road map by which these goals are to be achieved.

WHERE THE MONEY COMES FROM . . .



. . . WHERE IT GOES

