

Municipality of Anchorage



George P. Wuerch
Mayor

Contingent General Government

Operating Budget

Under the Proposed
November 2000
Tax Cap Initiative



2001

2001 CONTINGENT

GENERAL GOVERNMENT OPERATING BUDGET

Under the Proposed November 2000 Tax Cap Initiative



MUNICIPALITY OF ANCHORAGE
George Wuerch, Mayor

MUNICIPALITY OF ANCHORAGE

2001 CONTINGENT

GENERAL GOVERNMENT OPERATING BUDGET

Under the Proposed November 2000 Tax Cap Initiative

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George Wuerch

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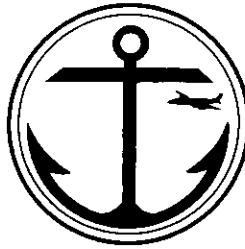
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George P. Wuerch, Mayor

OFFICE OF THE MAYOR

October 13, 2000

Dear Resident of Anchorage:

The threat that a majority of state voters could approve the 10-mill property tax cap initiative on November 7 compels me to submit a contingency substitute for the Municipality of Anchorage's General Government Operating Budget for the year 2001.

This contingency budget, also referred to as the "B" Budget, is submitted as an S-Version of AO 2000-144 (the "A" Budget), introduced in September 2000.

The "B" Budget would restrict municipal spending for general government to \$219 million. This is \$30 million less than provided under the "A" Budget.

A total of 555 government positions would have to be eliminated under the "B" Budget, compared to 273 under the "A."

As proposed by its sponsors, the ballot initiative would cap property taxes at one percent (10 mills) of assessed property value. Currently, property in the Municipality of Anchorage is taxed almost 18 mills on average. The revenue collected is used to fund government services and programs, support schools and repay debt obligations.

The reductions that would have to be made under a 10-mill property tax cap do not permit the "B" budget to continue the current level of funding for priority services, such as police and fire protection.

This "B" budget would significantly curtail the delivery of public safety services, along with every other category of service provided by the various departments of the municipality.

Should a 10-mill property tax cap be approved, the municipality would have little choice other than to enact an austere spending plan, such as the one proposed within this document. Without question, the quality of life as we know it in Anchorage would be severely impacted until such time that the residents of our community identified an alternative source of revenue to fund government.

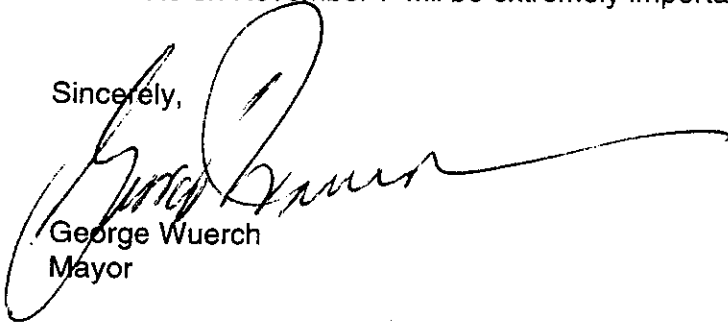
Finally, if approved by a majority of voters in the statewide election, the 10-mill cap would include revenues for general government, education and repayment of debt service on new general obligation bonds. This would restrict the municipality's ability to enter into long-term

loan agreements for new capital improvements because repayment on new bonds would be virtually impossible within the 10-mill limit. Simply stated, there would be no new schools, roads, parks or other facilities until a new revenue source was identified.

Please examine this "B" Budget to determine for yourself if the services it delivers provide the quality of life you want for Anchorage. Also, examine the "A" Budget that is based on continuing services at a modestly reduced level.

Your vote on November 7 will be extremely important in deciding Anchorage's future.

Sincerely,

A large, stylized handwritten signature in black ink, appearing to read "George Wuerch". The signature is written over the printed name and title.

George Wuerch
Mayor