



Department Budget Discussion

2010 General Government Operating Budget

Assembly Worksession October 23, 2009

Community Planning & Development

Mission

- Promote a safe, livable community
- Support private development, ensure cost-effective construction and maintenance of public infrastructure

Strategies

- Provide leadership to reporting departments by fostering organizational environment that maximizes teamwork for coordinated, cost-effective service delivery

Community Planning & Development

Direct Cost

\$9.2 million

-13%

- - \$12 million transferred due to reorganization
- - \$711,440 Egan management contract transferred to Convention Center reserve
- + \$73,830 salary/benefit adjustments
- + \$152,180 museum contract increase
- + \$475,000 Convention Center reserve
- - \$568,980 arts, community grants
- - \$160,000 non-labor costs
- - \$235,320 position savings

Positions

- - 2 FT; no layoffs
- 5 FT budgeted

Impact on Services

- Reduction in amount for grants will necessitate increased volunteerism and alternative community funding sources

Maintenance & Operations

Mission

- Construct, preserve, maintain, improve municipal roads, sidewalks, vehicles, public facilities through organized efforts and effective use of resources

Strategies

- Preventive and scheduled maintenance
- Effective utilization of technology, equipment
- Construct improvements that preserve infrastructure
- Enhance public safety in all activities

Maintenance & Operations

Direct Cost **\$80.2 million** **-9.5%**

- - \$9 million debt service (due to refinancing)
- + \$1.1 million salary/benefit adjustments
- + \$900,000 for bond projects O&M
- + \$693,540 utilities, fuel increases
- - \$727,560 labor costs
- - \$939,130 in non-labor savings

Positions

- -6 FT; 2 layoffs
- 157 FT; 1 PT; 14 T budgeted

Maintenance & Operations

Impact on Services

- Maintain current 72 hour snow removal
- Some delay in response time to deferred maintenance requests
- May take longer to respond to citizen phone calls

Planning

Mission

- Guide development of a livable northern community

Strategies

- Continuous implementation of Comp Plan
- Provide professional staff support to commissions
- Hold public meetings, hearings on zoning, platting applications
- Collect, analyze land use information; update data and maps
- Process development applications, permits, new addresses

Planning

Direct Cost **\$4 million** **-2%**

- + \$381,500 salary/benefit adjustments
- - \$429,860 in position savings
- - \$35,000 eliminate stipends/newspaper advertising (code change required)

Positions

- - 4 FT; no layoffs
- 31 FT budgeted

Planning

Impact on Services

- Work reassigned to other planning staff; will delay some response times to public, applicants
- Delay by one year Girdwood Area Plan update and Downtown Development Code
- Management of overtime will require one planner attending meetings instead of all planners that worked on a case

Project Management & Engineering

Mission

- Deliver public works projects to meet the needs of a growing community

Strategies

- Develop capital improvement program, budget
- Manage design, construction of capital projects
- Enforce design specs, sound engineering practices
- Oversee NPDES requirements

Project Management & Engineering

Direct Cost **\$7.7 million** **- 4.4%**

- + \$814,283 salary/benefit adjustments
- - \$499,550 support positions
- - \$486,630 program positions
- - \$183,849 non-labor savings

Positions

- - 8 FT; of which 5 layoffs
- 54 FT, 1 PT budgeted

Impact on Service

- May delay work on some capital projects

Traffic

Mission

- Promote safe, efficient transportation
- Promote dependable, efficient public safety communications

Strategies

- Enforce traffic engineering duties
- Investigate, approve, install, maintain traffic control devices
- Implement safety improvements
- Manage, install, repair, maintain public safety communications and electronic equipment
- Develop, coordinate, implement transportation plans

Traffic

Direct Cost

\$6.6 million

- 7.2%

- + \$24,730 salary/benefit adjustments
- - \$122,233 communications position
- - \$367,187 charge engineer positions to grant

Positions

- - 5 FT; 3 layoffs
- 45 FT; 1 PT; 5 T budgeted

Impact on Service

- Signal failures over a weekend will be addressed as priority on Monday instead of within two hours
- Routine public safety communications/electronics repairs no longer done “while you wait”
- Flasher programming for special events/school functions during regular work hours only
- Discontinue traffic calming program
- No Opticom preventative maintenance

Development Services

Mission

- Guide safe construction and responsible developing by enforcing land use, development, construction codes

Strategies

- Ensure building safety standards are met
- Serve as central resource for development, construction and code information, plan review, permit issuance, construction inspection

Development Services

Direct Cost **\$8.7 million** **-4.3%**

- - \$114,410 salary/benefit adjustments
- - \$184,240 ROW and zoning enforcement
- - \$97,960 support position

Positions

- - 18 FT positions to reflect 1st Qtr 2009 funding
- - 3 FT to reflect 2010 proposed; all layoffs
- 65 FT budgeted

Impact on Services

- Reduced archiving
- Potential increase in backlog of enforcement cases

Heritage Land Bank

Mission

- Manage, inventory all municipal-owned land to the benefit of present and future citizens
- Promote orderly improvement of lands to maximize benefits to the Municipality
- Receive additional lands through entitlement or acquisition
- Achieve goals of the Comp Plan

Strategies

- Manage, maintain uncommitted land; reserve land for specific purposes
- Identify, plan for timely disposal of lands not required for municipal purpose
- Administer enforcement of real property delinquent taxes
- Administer wetland bank mitigation
- Negotiate, maintain documentation for all real property-related transactions on behalf of agencies

Heritage Land Bank

Direct Cost

\$7.8 million

+ 0.1%

- + \$140,620 contractual lease increases
- + \$4,700 salary benefit adjustments
- - \$40,090 non-labor savings
- - \$100,120 position savings

Positions

- - 1 PT HLB position
- - 1 PT RES position
- 2 layoffs
- 8 positions budgeted

Impact on Services

- Oscar Anderson House museum closes
- Reduced contracted real estate research

Equal Rights Commission

Mission

- Eliminate discrimination through enforcement and education

Strategies

- Respond in timely manner
- Timely investigation of allegations of discrimination
- Eliminate discriminatory practices through outreach and education about AERC services and laws prohibiting discrimination

Equal Rights Commission

Direct Costs \$668,863 + 2.3%

- + \$57,945 salary/benefit adjustments
- - \$43,099 savings by delay in hiring

Positions

- No change (6 FT, 2 PT)

Impact on Services

- Maintain current level

Police & Fire Retirement Agency

Direct Costs **\$929,294** **+2.9%**

- + \$40,330 salary/benefit adjustments
- - \$13,848 non-labor savings

Positions

- 3 FT; 1 PT; no layoffs

Revenue

- + \$12 million from Police & Fire Departments

Key Six Year Goals and Strategies

Quality of Life:

Anchorage is blessed with an unsurpassed quality of life, characterized by an incredible natural setting, and abundance of park land, a world class trail system, and first rate public facilities including; the Anchorage Center for the Performing Arts, the Loussac Library, the Sullivan Arena, the new Dena'ina Convention Center, our recreation centers and much more. The quality of life is further enhanced by access to quality education, good employment opportunities, and a low per capita tax structure.

We are committed to maintain and improve our quality of life through the following goals:

- Maintain our public facilities to a high standard to maximize recreational and cultural opportunities.
- Encourage citizen participation in sports, recreation and cultural programs.
- Promote efforts to encourage private sector support for these programs.
- Continue to provide financial support for the operations of the Anchorage Museum and the Alaska Center for the Performing Arts.
- Work cooperatively with the Anchorage School District to share facilities and programs.

Fiscal Policy

- Contribute to the quality of life by leaving discretionary income in the hands of the public rather have government increase the collection of taxes and utility rates
 - Limit increases to property taxes
 - Limit increases to utility rates
- Operate within available revenues and maintain a favorable bond rating

Key Six Year Goals and Strategies

Energy

- Ensure stable and reliable source of energy
 - Develop an effective emergency response plan for any interruptions in supply
 - Advocate for long term energy supplies to provide the lowest rates and greatest reliability

Public Safety

- Provide a safer community with a reduction in the level of violent crimes.
- Reduce loss of life and property from fires.
- Maintain the ISO rating.
- Respond timely to calls for paramedic and EMT assistance
- Resolve the inebriate homeless problem.

Economic Development

- Provide a business friendly local government through stable business taxes and streamlined permitting and plan review.
- Develop strategies to provide housing options that will allow our work force to continue to live in Anchorage.
- Judiciously use our development tools such as tax deferrals and tax abatements to encourage new business.
- Maximize economic development efforts through the Anchorage and Eagle River Chambers, Anchorage Economic Development Corporation (AEDC) and Anchorage Convention & Visitors Bureau (ACVB)

Key Six Year Goals and Strategies

Transportation

- Improve traffic flow by completing road connectivity plan. Extend the life cycle of roads.
- Complete the port project and market its expanded capabilities.
- Maintain existing bike trails and plow sidewalks in winter
- Maintain a viable public transportation system

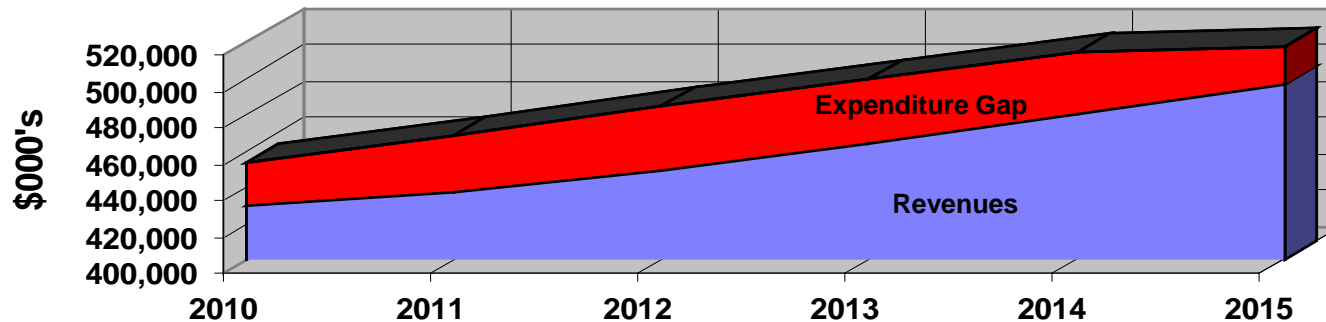
Municipal Operations

- Maintain a workplace where employees are treated in a fair and equitable manner.
- Increase efficiency
- Restructure executive branch organizations in response to current and future labor cost increases
- Establish effective performance measurements
- Maintain existing facilities

Community Relations

- Maintain open, professional and cordial relationships with the public and the media.
- Achieve an organization culture that puts a higher value on public service
- Promote diversity awareness in the community and encourage unity in the pursuit of common goals

“Do Nothing” Environment: No Changes to Operating Structure Tax Citizens to the Maximum Allowed



Surplus(Gap) **(\$23,230)** **(\$31,660)** **(\$35,030)** **(\$35,580)** **(\$33,470)** **(\$19,970)**

Assumptions

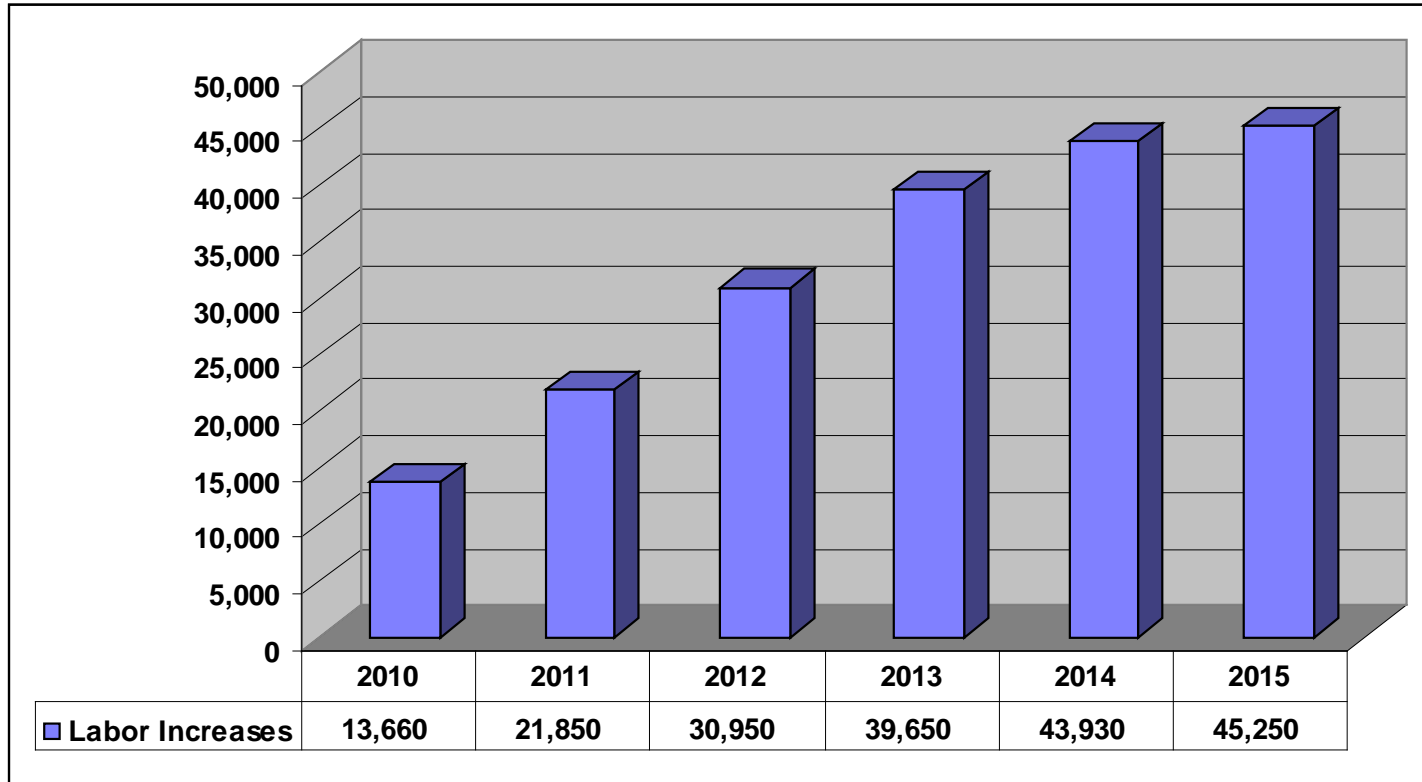
- Minimal changes to government structure
- Property taxes are at tax cap
- Inflation at 2.5%
- Reduced State of AK revenue sharing

Challenges

- Union contract increase \$195MM
- P&F Pension \$72MM
- Inflation

Union Labor Increases – High Forecast 2010 to 2015

\$ 000's



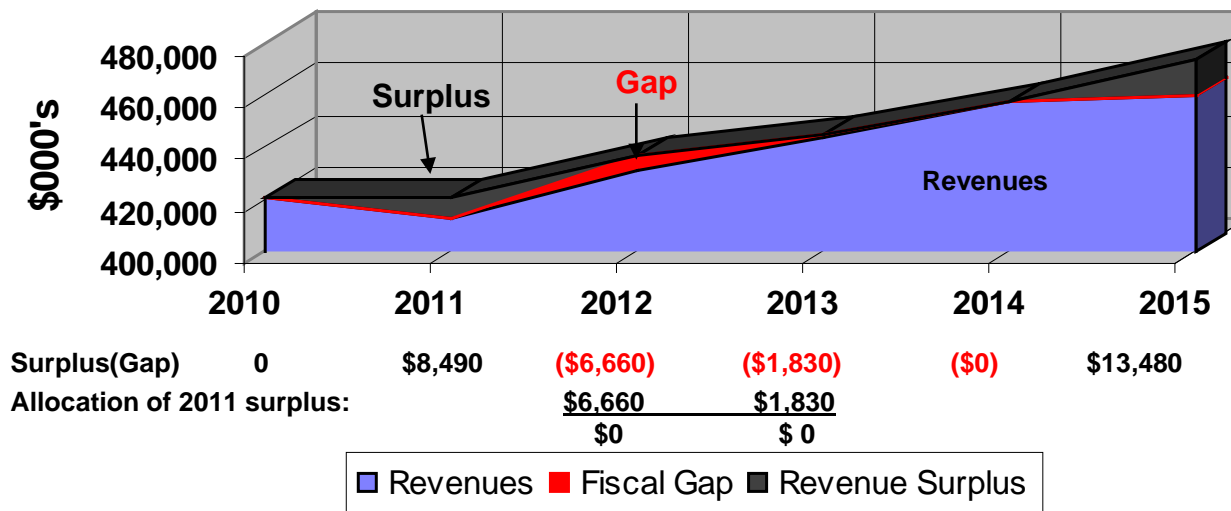
Assumptions

- Maximum raises are earned
- 100% participation in Performance Incentive Program
- Increases are in comparison to 2009 base

Mayors Plan: “Take Action Now”

Adjust Operating Structure Downward

Minimize Property Taxes



Assumptions

- Restructure Government to achieve savings
 - \$20MM in 2010
 - \$25MM additional in 2011
 - \$5MM additional in 2013
- 2011 surplus will cover gaps in 2012, 2013
- 2015 surplus will be property tax relief
- Property tax growth capped at 5%
- Inflation at 2.5%
- Reduced State of AK revenue sharing
- Restructure debt
- No new revenue sources (Sales tax)