

Preliminary 2011 Budget Information

Assembly Work Session
September 10, 2010

MAYOR DAN SULLIVAN



Municipality of Anchorage

120 Day Report

- AMC 6.10.040 requires:
 - Preliminary revenue plan
 - Preliminary Tax Cap calculation
 - Major reorganizations
 - Administration's priorities
 - General Government Capital budget, program
 - Enterprise, Utilities business plans, capital budgets



Preliminary Estimate Non-Property Tax Revenue

	2010 Revised	2011 Preliminary	Difference
1 <u>Federal Revenues</u>	938,255	938,255	
2 <u>State Revenues</u>	16,797,079	16,587,130	(209,949)
3 <u>Taxes, Interest, Other Revenue</u>			
4 MUSA/MESA	17,067,411	18,363,000	1,295,589
5 Room Tax	17,300,000	19,167,392	1,867,392
6 Motor Vehicle Rental Tax	4,271,327	4,666,128	394,801
7 Utility Revenue Distribution	6,524,243	6,864,000	339,757
8 MOA Trust Fund Contribution	5,100,000	4,900,000	(200,000)
0 All Other	36,860,579	36,925,981	65,402
10 <u>Program Generated Revenue</u>	50,798,283	51,627,236	828,953
11 Total	\$155,657,177	\$ 160,039,122	\$ 4,381,945



Preliminary Tax Cap Calculation

line #		2010 Revised	2011 Preliminary
1	Prior Year Taxes	261,957,864	254,408,101
2	Less One Time Exclusions	(48,346,431)	(36,562,018)
3	Adjustment factors	8,117,230	7,842,460
4	Total Base	221,728,663	225,688,543
	<u>Current Year Exclusions:</u>		
5	New Construction, O&M, Judgments	5,283,555	3,640,635
6	Debt Service	35,582,194	49,153,621
7	Total Limit for All Taxes	262,594,412	278,482,799
8	Less Non-Property Taxes	(33,013,241)	(40,711,128)
9	Total Property Taxes:		
	Collected in 2010	221,394,860	
10	Can Be Collected in 2011		237,771,671
11	Property Taxes - Service Areas	15,900,271	15,983,926
12	Maximum Amount All Property Taxes	\$237,295,131	\$253,755,597



Major Reorganizations

- Consolidated seven departments into three:
 - Public Works Department
 - Maintenance & Operations
 - Project Management & Engineering
 - Traffic
 - Community Development Department
 - Development Services
 - Planning
 - Neighborhoods
 - Real Estate Department
 - Heritage Land Bank
 - Real Estate Services



New Organization's Benefits

- More efficient, streamlined delivery of services
- Eliminates confusing maze of reviews, approvals
 - Consolidates permitting, inspections, approvals
 - Consolidates management of public projects
- Ensures consistency and accountability
- FY 11 savings: \$621,000; - 5 Positions
- Assembly work session review - September 24

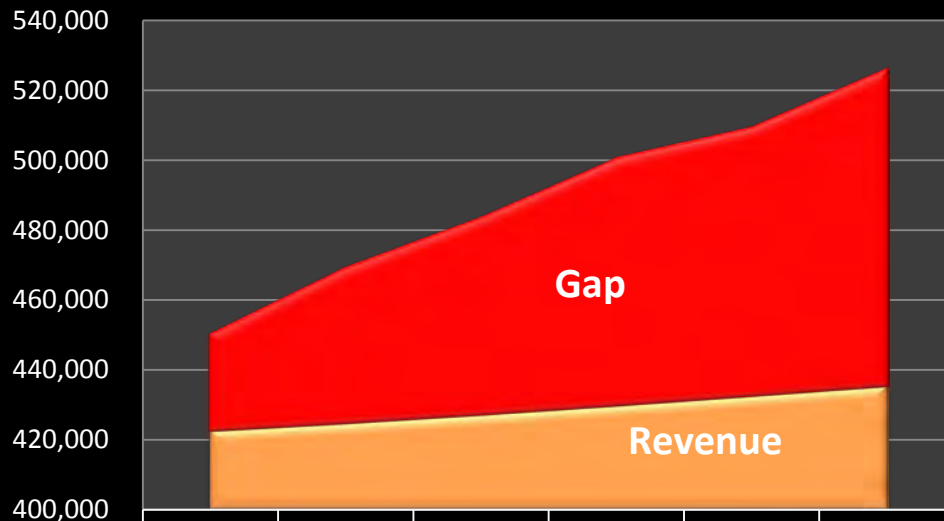


Priority:

Financial Stability



2011 – Six Year Fiscal Outlook If Continuation Spending



	2011	2012	2013	2014	2015	2016
■ Fiscal Gap	27,289	44,170	56,064	70,378	76,355	90,397
■ Revenue Surplus	0	0	0	0	0	0
■ Revenues	422,695	424,892	427,331	429,951	432,724	435,541

Revenues:

- Property taxes flat with 2010
- SOA revenue sharing continues at \$15 million/year
- Program revenues increase gradually 1 to 3%

Expenses:

- Personnel increases: 3% to 4% (current union agreements)
- New Debt : \$35 million in 2011, \$30 million 2012 to 2016
- Police & Fire Retirement contribution remains at \$8.6 million
- Inflation: gradual increase from 1% to 3%

☐ NO SAVINGS



Municipality of Anchorage

2011 Challenge

Estimated Changes

Salaries and Benefits

Labor Contracts

Salaries
\$6,040,000

Benefits
\$7,653,900

Non-reps

\$610,780

\$1,581,800

Execs

\$456,260

\$582,660

Sub-Total

\$7,107,040

\$9,818,360

Other adjustments

(\$3,180,450)

Debt Service

\$13,544,100

**Total Increases
Above 2010**

\$27,289,050



Municipality of Anchorage

Preliminary General Government 2011 Capital Improvement Budget

Department/Program	G.O. Bonds	State Grants	Federal Grants	Other	Total
Fire Department	1,670	1,000	0	675	3,345
Police Department	250	0	0	0	250
Finance Department	0	0	0	5,000	5,000
Information Technology	0	0	0	15,110	15,110
Library	0	8,400	0	60	8,460
Maintenance & Operations	0	25,475	0	5,530	31,005
Parks & Recreation	2,700	3,950	0	500	7,150
Project Mgmt & Engineering	30,850	93,225	0	1,320	125,395
Public Transportation	421	10,052	1,572	0	12,045
TOTAL	\$ 35,891	\$ 142,102	\$ 1,572	\$ 28,195	\$207,760



Municipality of Anchorage

Enterprise, Utilities

- Sept. 1 Memo includes:
 - Business plan
 - Updated strategic plan
 - 2011 Capital Budget
 - 2011 – 2016 Capital Plan
 - Preliminary operating budget



2011 Budget Schedule

1-Oct	Submit to Assembly as required by Code Work Session - General Overview; Six Year Plan
12-Oct	Assembly: Formal Introduction
22-Oct	Work Session - Department Reviews
26-Oct	Assembly - Public Hearing #1
5-Nov	Work Session - Department Reviews
9-Nov	Assembly - Public Hearing #2
12-Nov	Work Session if necessary
19-Nov	Work Session - BAC report
23-Nov	Assembly - Public Hearing #3
3-Dec	Work Session - Amendments
7-Dec	Adoption



DRAFT 2011 Proposed General Government Operating Budget at 08/25/2010
Summary of Revenue Accounts

Revenue Source	2010 Revised Budget	Difference	2011 Proposed Budget
FEDERAL REVENUES			
9331 Other Federal Grant Revenue	\$ 32,700	\$ -	\$ 32,700
9357 National Forest Allocation	116,555	-	116,555
9376 Civil Defense	-	-	-
9857 Payment in Lieu of Tax Federal	789,000	-	789,000
Total Federal Revenues	\$ 938,255	\$ -	\$ 938,255
STATE REVENUES			
9342 General Assistance/PERS Assistance	\$ 15,209,949	\$ (209,949)	\$ 15,000,000
9344 Fisheries Tax	85,830	-	85,830
9347 Liquor Licenses	399,300	-	399,300
9355 Electric Co-Op Allocation	972,000	-	972,000
9856 Payment in Lieu of Tax State	130,000	-	130,000
Total State Revenues	\$ 16,797,079	\$ (209,949)	\$ 16,587,130
LOCAL REVENUES			
TAXES, INTEREST, OTHER			
9003 Penalty/Interest on Delinquent Taxes	\$ 2,700,600	\$ (200,600)	\$ 2,500,000
9004 Tax Cost Recoveries	260,100	-	260,100
9005 Areawide Prop Tax Credit	-	-	-
9006 Auto Tax	4,984,000	116,000	5,100,000
9011 Tobacco Tax	16,300,000	-	16,300,000
9012 Penalty/Interest on Tobacco Tax	15,000	-	15,000
9013 Aircraft Tax	210,000	-	210,000
9023 Room Tax	17,300,000	1,867,392	19,167,392
9024 Penalty/Interest on Room Tax	70,000	-	70,000
9025 Motor Vehicle Rental Tax	4,271,327	394,801	4,666,128
9026 Penalty/Interest on Motor Veh Rental Tax	50,000	-	50,000
9601 Contributions From Other Funds	1,965,550	-	1,965,550
9602 Utility Revenue Distribution	6,524,243	339,757	6,864,000
9605 Contribution From MOA Trust Fund	5,100,000	(200,000)	4,900,000
9609 Restricted Contribution	1,214,575	-	1,214,575
9615 Contribution of Interest From G.O. Bonds	583,580	-	583,580
9711 Assessments	160,000	-	160,000
9712 Penalty/Interest on Assessments	60,000	-	60,000
9761 Cash Pool Short-Term Interest	2,191,202	-	2,191,202
9762 Other Short-Term Interest	3,376,640	-	3,376,640
9765 Other Interest Income	90,000	-	90,000
9766 Dividend Income	-	-	-
9851 MUSA/MESA-Contrib/Non-Contrib Plant	17,067,411	1,295,589	18,363,000
9852 1.25% Gross Receipts	1,919,332	(8,332)	1,911,000
9855 Payment in Lieu of Tax Private	710,000	158,334	868,334
Total Taxes, Interest, Other	\$ 87,123,560	\$ 3,762,941	\$ 90,886,501

DRAFT 2011 Proposed General Government Operating Budget at 08/25/2010
Summary of Revenue Accounts

Revenue Source	2010 Revised Budget	Difference	2011 Proposed Budget
PROGRAM REVENUES			
9008 Collection Service Fees	\$ 270,000	\$ -	\$ 270,000
9111 Building and Trade Licenses	60,000	-	60,000
9112 Taxicab Permits	257,600	-	257,600
9113 Contractor Certificates and Examinations	10,000	-	10,000
9114 Chauffeur Licenses	16,000	-	16,000
9115 Taxicab Permit Revisions	15,000	-	15,000
9116 Local Business	278,700	-	278,700
9117 Chauffeur License Renewal	500	-	500
9131 Building Permit Plan Review Fees	2,296,506	(255,000)	2,041,506
9132 Building Permits	2,834,240	(216,500)	2,617,740
9133 Electrical Permits	304,530	(84,530)	220,000
9134 Gas and Plumbing Permits	679,000	-	679,000
9135 Moving Fence/Sign Fees	31,000	7,000	38,000
9136 Construction and Right-of-Way Permits	619,250	10,750	630,000
9137 Elevator Inspection Fees	383,230	(8,230)	375,000
9138 Mobile Home Inspection Fees	5,000	(2,000)	3,000
9139 Land Use Permits	205,000	(113,000)	92,000
9141 Subdivision Inspection Fees	650,000	-	650,000
9142 Site Plan Review Fees	25,000	-	25,000
9143 Parking and Access Agreement Fees	6,000	-	6,000
9151 Emission Certificate Fee	1,551,949	-	1,551,949
9191 Animal Licenses	257,000	-	257,000
9199 Miscellaneous Permits	167,350	28,000	195,350
9210 Fines and Forfeitures	-	1,000	1,000
9211 Court Fines and Forfeitures	1,502,430	797,570	2,300,000
9212 SOA Trial Court Fines	2,532,330	317,670	2,850,000
9213 Library Book Fines	290,000	-	290,000
9214 APD Court Fines	1,913,080	-	1,913,080
9215 Other Fines and Forfeitures	189,330	-	189,330
9216 Pre-Trial Diversion	300,000	-	300,000
9218 Zoning Enforcement Fines	50,000	-	50,000
9219 I&M Enforcement Fines	20,000	-	20,000
9221 Administrative Fines, Civ	-	-	-
9223 Curfew Fines	22,460	-	22,460
9224 Parking Enforcement Fines	752,130	(120,000)	632,130
9225 Minor Tobacco Fines	11,060	-	11,060
9351 Parks and Recreation	-	-	-
9363 SOA Traffic Signal Reimbursement	1,695,820	-	1,695,820
9411 Platting Fees	335,000	(5,000)	330,000
9412 Zoning Fees	400,000	(3,560)	396,440
9413 Sale of Publications	10,600	(7,000)	3,600

DRAFT 2011 Proposed General Government Operating Budget at 08/25/2010
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Revenue Source		2010 Revised Budget	Difference	2011 Proposed Budget
9416	Rezoning Inspections	53,000	(15,000)	38,000
9418	Appraisal Appeal Fee	5,000	-	5,000
9419	Vehicle Emission Inspection Fee	6,000	-	6,000
9425	Clinic Fees	56,000	-	56,000
9426	Sanitary Inspections Fees	1,315,210	(1,500)	1,313,710
9427	Reproductive Health Fees	332,840	-	332,840
9431	Public Transit Fees	-	-	-
9433	Transit Advertising Fees	306,000	-	306,000
9436	Transit Spec Service Fees	6,760	-	6,760
9437	Transit Token Sale	75,900	-	75,900
9438	Transit Bus Pass Sales	1,855,897	-	1,855,897
9439	Transit Fare Box Receipts	1,844,887	-	1,844,887
9441	Recreation Centers and Programs	260,270	-	260,270
9442	Sport and Park Activities	450,000	-	450,000
9443	Aquatics	1,340,850	-	1,340,850
9444	Camping Fees	25,000	-	25,000
9445	Library Non-Resident Fee	3,000	-	3,000
9446	Park Land & Operations	313,270	-	313,270
9447	Golf Fees	25,000	-	25,000
9448	Library Fees	18,504	-	18,504
9449	Museum Admission Fees	1,000	-	1,000
9451	Ambulance Service Fees	5,582,750	-	5,582,750
9453	Fire Alarm Fees	20,000	-	20,000
9455	Hazardous Waste Fees	121,500	-	121,500
9456	Billings for Fire Inspections	200,000	-	200,000
9462	Cemetery Fees	244,800	-	244,800
9463	Mapping Fees	90,000	(75,000)	15,000
9464	Demolition Services	-	-	-
9481	State of Alaska - 911	6,982,470	176,430	7,158,900
9482	DWI Impound/Admin. Fees	1,207,740	40,000	1,247,740
9483	Police Services	448,440	250,000	698,440
9484	Animal Shelter Fees	362,750	-	362,750
9486	Animal Drop-Off Fees	34,000	-	34,000
9487	Incarceration Expense Recovery	429,700	-	429,700
9491	Address Fees	23,000	5,000	28,000
9492	Service Fees - School District	130,900	-	130,900
9493	Microfiche Sales	2,000	-	2,000
9494	Copier Fees	35,000	-	35,000
9497	Computer Time Fees	1,100	-	1,100
9499	Reimbursed Costs	2,308,093	(18,147)	2,289,946
9522	Recycle Rebate	1,500	-	1,500
9532	Misc Non-Operating Income	-	-	-

DRAFT 2011 Proposed General Government Operating Budget at 08/25/2010
Summary of Revenue Accounts

Revenue Source		2010 Revised Budget	Difference	2011 Proposed Budget
9536	Late Fees	10,000	-	10,000
9557	Miscellaneous	-	-	-
9566	Pipe ROW Fee	60,000	-	60,000
9672	Prior Year Expense Recovery	227,790	-	227,790
9673	Insurance Recoveries	-	-	-
9676	Criminal Rule 8 Collect Costs	256,870	80,000	336,870
9677	DCF w/o Recoveries	-	-	-
9722	Premium on Bond Sales	-	-	-
9723	Loan Proceeds	-	-	-
9731	Lease & Rental Revenues	238,277	-	238,277
9732	Lease State Land Conveyance	5,000	-	5,000
9733	Building Rental	110,000	-	110,000
9735	Amusement Surcharge	182,000	-	182,000
9737	ACPA Ticket Surcharge	342,917	-	342,917
9738	Reserve Account Deposits	-	-	-
9741	State Land Sales	10,000	-	10,000
9742	Other Property Sales	234,100	40,000	274,100
9743	Gain/Loss Sale Property	-	-	-
9744	Land Sales	400,000	-	400,000
9745	Gain on Sale of Investments	-	-	-
9752	Parking Garages and Lots	1,000	-	1,000
9753	5th & C Garage Income	-	-	-
9767	Unrealized Gains & Losses	-	-	-
9782	Lost Book Reimbursement	45,000	-	45,000
9785	Sale of Books	4,000	-	4,000
9791	Cash Over & Short	-	-	-
9794	Appeal Receipts	1,000	-	1,000
9795	Sale of Contractor Specifications	4,500	-	4,500
9798	Miscellaneous Revenue	1,198,603	-	1,198,603
9825	State Grant Revenue - Direct	-	-	-
Total Program Local Revenues		\$ 50,798,283	\$ 828,953	\$ 51,627,236
Total Local Revenues		\$ 137,921,843	\$ 4,591,894	\$ 142,513,737
<u>SUMMARY</u>				
FEDERAL		\$ 938,255	\$ -	\$ 938,255
STATE		16,797,079	(209,949)	16,587,130
LOCAL - TAXES, INTEREST, OTHER		87,123,560	3,762,941	90,886,501
LOCAL - PROGRAM		50,798,283	828,953	51,627,236
TOTAL FEDERAL, STATE, LOCAL		\$ 155,657,177	\$ 4,381,945	\$ 160,039,122

**Preliminary
Tax Limit Calculation
September 1, 2010**

Line		2010 Revised	2011 Proposed
1	<u>PRIOR YEAR LOCAL TAXES:</u>		
2	Real/Personal Property Taxes Assessed	\$ 234,643,123	\$ 221,394,860
3	Payment in Lieu of Taxes (State & Federal)	870,741	919,000
4	Automobile Tax	5,500,000	4,984,000
5	Tobacco Tax	16,300,000	16,300,000
6	Aircraft Tax	225,000	210,000
7	Motor Vehicles Rental Tax	4,419,000	4,271,327
8	MUSA/MESA	-	6,328,914
9	Total Prior Year Local Taxes ← slide line #1 →	\$ 261,957,864 →	\$ 254,408,101
11	<u>LESS PRIOR YEAR ONE-TIME EXCLUSIONS:</u>		
12	Taxes Authorized by Voter-Approved Ballot - O&M Reserves (One-Time)	(440,000)	(440,000)
13	Judgments/Legal Settlements (One-Time)	(83,345)	(539,824)
14	Debt Service (One-Time)	(47,823,086)	(35,582,194)
15		\$ 213,611,433	\$ 217,846,083
16	<u>ADJUSTMENT FACTORS</u>		
17	Population 5 Year Average	0.90% 1,922,500	0.90% 1,960,610
18	Change in Consumer Price Index 5 Year Average	2.90% 6,194,730	2.70% 5,881,840
19	Total	3.80% 8,117,230	3.60% 7,842,460
20	Total Base Local Taxes Allowed	\$ 221,728,663	\$ 225,688,543
22	<u>PLUS CURRENT YEAR EXCLUSIONS:</u>		
23	New Construction	2,326,260	2,198,000
24	Taxes Authorized by Voter-Approved Ballot - O&M	1,977,471	477,916
25	Taxes Authorized by Voter-Approved Ballot - O&M Reserves (One-Time)	440,000	440,000
26	Judgments/Legal Settlements (One-Time)	539,824	524,719
27	Debt Service (One-Time)	35,582,194	49,153,621
28	TOTAL LIMITATION FOR LOCAL TAXES	\$ 262,594,412	\$ 278,482,799
30	<u>LESS NON-PROPERTY TAXES:</u>		
31	Payment in Lieu of Taxes (State & Federal)	(919,000)	(919,000)
32	Automobile Tax	(4,984,000)	(5,100,000)
33	Tobacco Tax	(16,300,000)	(16,300,000)
34	Aircraft Tax	(210,000)	(210,000)
35	Motor Vehicle Rental Tax	(4,271,327)	(4,666,128)
36	MUSA/MESA	(6,328,914)	(13,516,000)
38	ALLOWABLE PROPERTY TAX CHARTER LIMIT	\$ 229,581,171	\$ 237,771,671
46	Amount below Tax Cap	(8,186,311)	-
48	TOTAL CHARTER LIMIT TAX TO BE COLLECTED	\$ 221,394,860	\$ 237,771,671
40	PROPERTY TAX SERVICE AREAS	15,900,271	15,983,926
42	TOTAL PROPERTY TAX	\$ 237,295,131	\$ 253,755,597