



Municipality of Anchorage

Citizen's Guide to the Budget

**Dan Sullivan, Mayor
October 2010**

MUNICIPALITY OF ANCHORAGE



Office of the Mayor

Mayor Dan Sullivan

Phone: 907-343-7100

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October 1, 2010

Dear Anchorage Resident,

The biggest decision made each year by the Mayor and the Assembly is how to spend your hard earned tax dollars. While the Mayor proposes the budget in October, the actual development process begins much earlier.

The following information is designed to provide you with insights into how the budget process works as well as information about how the municipality's operating budget is spent and financed.

One of the challenges facing the Municipality is the lack diversity in our major revenue sources. Property taxes account for over 55 percent of total revenues. Many cities include sales taxes, real estate transfer taxes and other revenues so that the burden of supporting city services does not fall on just one sector. This is particularly important during challenging economic times, when there may be downturns in a particular area while other sectors are still performing well.

We hope you find this information valuable and that you will not hesitate to offer comments and suggestions on ways to make your city government more efficient. In addition to your calls and emails, there is an opportunity to testify at the public hearings on the budget typically held in October and November.

It is an honor to serve the citizens of Anchorage.

Sincerely,

A handwritten signature in cursive script that reads "Dan Sullivan".

Dan Sullivan
Mayor


Welcome to the Municipality's Budget Process . . .

The *Citizen's Guide to the Budget* provides citizens with background information about the Mayor's proposed operating budget for 2011 as well as information about the process by which a Mayor develops a budget and the Assembly's approval process.

Public deliberations about the budget start in October and end in early December. Throughout these months the Assembly conducts work sessions at which the budget is reviewed and discussed with the Mayor and departments. Additional information is prepared for these work sessions as well as follow-up information to Assembly questions. This additional information, as well as the full budget, is available throughout the process on the Office of Management and Budget's (OMB) web site at www.muni.org.

If you have suggestions of information to include in future updates of the "Citizen's Guide to the Budget" or other comments, please contact OMB via its web site. We welcome feedback and your suggestions.

Sincerely,

A handwritten signature in black ink that reads "Cheryl Frasca". The signature is written in a cursive, flowing style.

Cheryl Frasca

Director

Office of Management and Budget

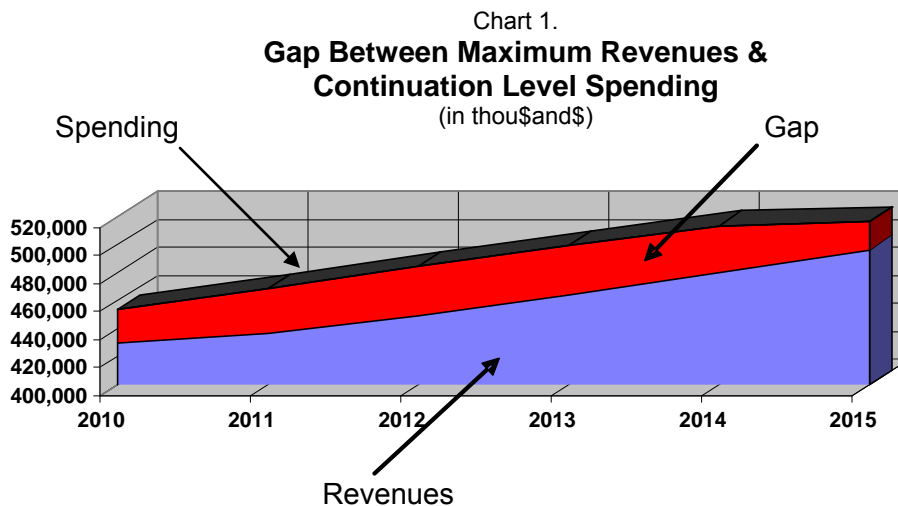
Citizen's Guide to the Budget

Overview 2011 Proposed General Government Operating Budget

A Look Back

In fall 2009 the Municipality of Anchorage was at an important juncture in the city's fiscal future. It faced dramatic cost increases in not only the 2010 budget, but also every year thereafter due to labor contracts negotiated in 2008 by then-Mayor Begich. The bottom line was that increased cost of salary and benefits for 2010 was \$12 million—with a cumulative increased cost of another \$175 million for the following five years. In addition, another \$12 million had to be paid in 2010 to the Police and Fire Retirement Trust Fund due to its loss in value from poor investment performance due to the global recession and similar extraordinary payments were expected for the next five years.

The context for the 2010 budget was that expected revenue was not enough to cover \$28.6 million in increased costs and the same was true for every year thereafter even if maximum property taxes were collected. This challenge is illustrated in Chart 1 that identifies the recurring gap between spending and revenue at a continuation level of spending.

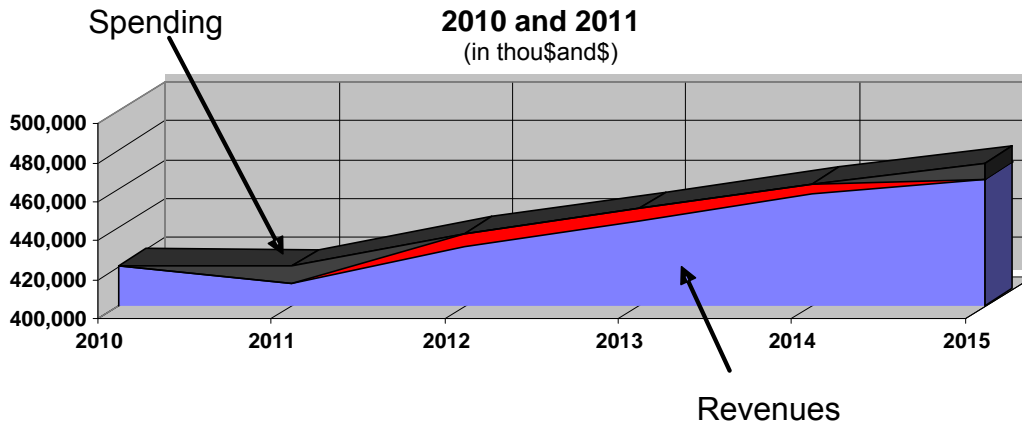


Source: 2010-2015 Six Year Fiscal Program

Anchorage didn't have a one-time revenue problem; it had a long-term spending problem.

As illustrated in Chart 2, in 2009 Mayor Dan Sullivan determined the best approach required that the city reduce spending by \$20 to \$25 million in 2010 and 2011 respectively. This would start the city on a course to attain a budget that it reasonably could afford in future years without dramatic property tax increases.

Chart 2.
**Long-Term Impact of
Reductions
2010 and 2011**
(in thou\$and\$)



For the 2010 budget, the Mayor proposed and the Assembly approved \$20 million in spending reductions and limited revenue from property taxes to a three percent increase.

This was step one in securing fiscal stability. The Mayor's proposed 2011 budget takes step two.

Meeting the Challenge in 2011

A continuation level budget, which continues the current level of services, is projected to cost \$28.6 million more than the current year. This is primarily in two areas: salary and benefits (see Appendix C for employee benefit rates and E for incentive pay provisions) and debt costs.

Salary and Benefits - \$16.5 Million Increase

Just as in 2010, the city again faces significant increases due to salary and benefit increases. The cost for current employees will be \$16.5 million more in 2011 than 2010:

Table 1.
2011 Salary and Benefit Increases Compared to 2010

Organization	2010 Cost	2011 Wage Increase	2011 Benefit Increase	Total Increase	2011 Total Cost	# of Budgeted Employees
AMEA	34,600,668	1,041,764	1,439,823	2,481,587	37,082,255	469
Police	60,178,614	2,259,645	3,026,438	5,286,083	65,464,697	514
Fire	46,695,763	1,450,362	2,016,063	3,466,425	50,162,188	352
IBEW	7,115,788	272,354	265,044	537,398	7,653,186	60
IBEW-Mechanics	2,949,174	73,226	93,951	167,177	3,116,351	31
Local 71 - Laborers	3,166,458	336,379	126,300	462,679	3,629,137	126
Operating Engineers	8,392,469	296,554	330,454	627,008	9,019,477	100
Plumbers & Pipefitters	2,073,165	34,036	61,345	95,381	2,168,546	17
Teamsters	7,774,893	274,775	358,996	633,771	8,408,664	93
Sub-Total	172,946,992	6,039,095	7,718,414	13,757,509	186,704,501	1,762
Non-Represented	43,480,648	610,782	1,329,784	1,940,566	45,421,214	393
Executives	13,401,113	327,388	454,625	782,013	14,183,126	122
Total	229,828,753	6,977,265	9,502,823	16,480,088	246,308,841	2,277

Above is General Government only; does not include utilities or enterprises

Of the \$16.5 million increase, \$7.2 million (44 percent) is due to increased cost of health benefits. Major contributors to this increase are:

- Higher benefit usage and claims experience;
- Increased cost for additional benefits required by President Obama's health care reform due to no lifetime caps and providing coverage to dependents up to age 26; and
- Increase in stop loss insurance coverage and third party administration.

The health insurance increase has translated in an average cost per employee per month of \$337. The actual cost per employee varies based on union contract terms. For 2011 the range in cost will be from \$1846.43 per employee per month for Police employees to \$1466.85 for Teamsters employees. The amount of the increase that employees pay also is defined in their collective bargaining agreements (Appendix D summarizes city/employee sharing of costs). For 2011, the city will cover 90 percent of the increase and employees cover ten percent.

Debt Payments - \$14.6 Million Increase

This increase is primarily the result of refunding voter-approved debt in 2010. Refunding is a tool by which debt is restructured and re-payment pushed into outer years. The city was able to save \$12 million in 2010 using this tool, which provided short-term budget relief such as increased costs such for Police and Fire Retirement Trust contribution. The downside, however, is that a substantial increase now is required to bring the city's budget back up to the more typical funding level to pay principal and interest on debt.

Preliminary 2011 Revenues

Preliminary revenue estimates project that non-property tax revenue will be about the same as the current year.

In terms of property taxes the Municipal Charter limits how much all tax revenue can increase from one year to the next. Early in the budget's development it became clear that even if the city was to "tax to the cap" (a nine percent increase), there still would not be enough revenue to cover projected increases. More importantly, the Mayor believes it would be unfair to burden taxpayers with a dramatic increase in property taxes, especially during a challenging economic period. The preliminary Tax Cap calculation is Appendix G.

Seeking Citizen Input: Community Budget Dialogues

Knowing that revenue was going to be substantially insufficient to cover contractual obligations, significant changes in both spending and revenue were needed in order to propose a balanced budget.

Given the size of the challenge, the Mayor wanted to engage citizens in talking about the choices that would be required. This was something he had been unable to do the year before because of the timing of his taking office and the budget development deadlines.

To solicit citizen input, the Mayor convened four community dialogues in August at which citizens learned about the budget challenge and potential choices between spending reductions and increased revenue. Over 350 people came together to discuss the trade-offs between the two.

Out of the dialogue came some key recommendations. Those regarding spending were:

- Anchorage residents don't want large service cuts—instead they want the city to address inefficiencies;
- If cuts must be made, take them from administrative/support services, the Maintenance and Operations Department, and the Police Department; and
- Strong support for maintaining—and if possible expanding—some essential services, such as fire protection, police (after efficiency measures are in place), public transportation, and small departments like Health and Human Services.

Recommendations regarding revenue included:

- Anchorage residents generally are willing to raise taxes to maintain essential services—but not to continue to rely primarily on property taxes;
- Strong support for alcohol excise tax; and
- Support for a sales tax—but there also is strong opposition to a sales tax.

These recommendations were timed to be one of several inputs into the Mayor's decision-making for the 2011 budget. The final report available on www.muni.org.

Proposed 2011 Budget

As determined in 2009, the Mayor wanted to substantially reduce spending over two years to reach a level the city could reasonably afford and sustain. The 2011 proposed budget represents year two in achieving this goal. It required \$14.8 million in reductions (-3.3 percent) from a continuation level of spending. Even with these reductions, the budget is \$13.8 million (3.3 percent) higher than 2010.

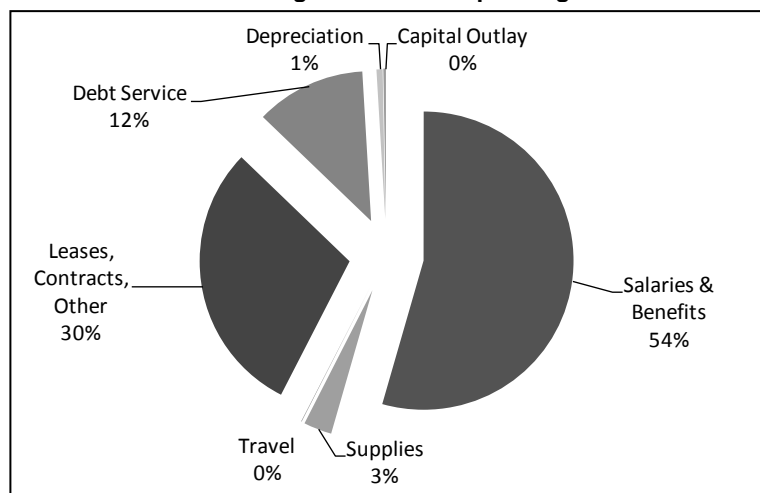
Table 2.
Mayor's Proposed Budget Compared to 2010 and 2011 Continuation

2010 Revised	2011 Continuation	Mayor's Proposed	Mayor's Proposed Compared to 2010	Mayor's Proposed Compared to Continuation
\$421,425,248	\$450,021,178	\$435,216,924	\$13,791,676	(\$14,804,254)

Spending Details

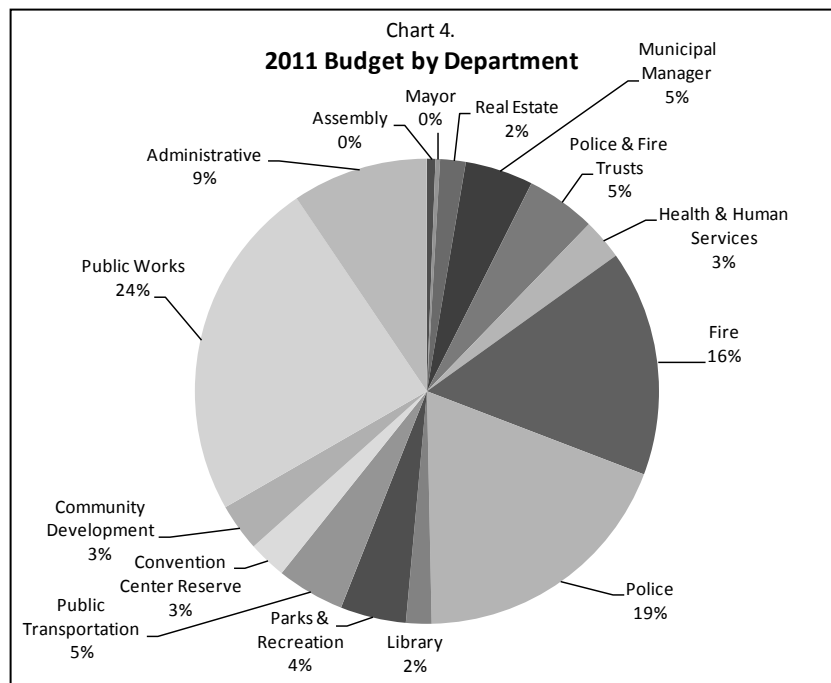
Chart 3 illustrates categories of operating budget spending. The largest is \$237 million for salaries and benefits. The second is \$130 million for leases, contracts for services, utilities and other similar expenses. A breakdown of the categories by department is on Appendix A.

Chart 3.
Categories of 2011 Spending



In terms of department share of the budget (Chart 4):

- Public Works (\$103.7 million, or 24% of the budget) is the largest department. This is a new department that was created by combining the Maintenance and Operations Department, Project Management and Engineering Department, and most of the Traffic Department;
- Police Department is second largest with a \$82.2 million budget plus another \$9.8 million contributed to the Police and Fire Retirement Trust;
- Fire Department is third with a \$68.3 million budget plus \$8.3 million contribution to the Police and Fire Retirement Trust; and



- Administrative is fourth at \$41.2 million and includes budgets of nine departments: Internal Audit, Municipal Attorney, Finance Department (Controller, Treasury, Property Appraisal), Information Technology, Chief Financial Officer, Office of Management and Budget, Employee Relations, Purchasing, and Equal Rights Commission.

Appendix B identifies department changes between the current year budget and proposed 2011.

Property Tax Impact

In spite of a \$13.8 million increase, the Mayor's proposed budget keeps property taxes relatively flat. Property taxes would increase 1.6 percent (\$3.8 million), which includes \$2.3 million (1 percent) for voter-approved operation and maintenance costs for bond projects. As illustrated in Table 3, the increase for a home with a \$300,000 assessed value is a \$36.00 for the year—less than the price of a tank of gas.

Table 3.
Annual Cost of 2011 Property Tax Increase

	Voter-Approved Debt	General Government Services	Total
Total Property Tax Increase	\$2,305,763	\$1,489,268	\$3,795,031
Increase/\$100,000 Assessed Value	\$7.00	\$5.00	\$12.00
Increase \$300,000 Average Home	\$21.00	\$15.00	\$36.00

Appendices H and I provide historical and preliminary 2011 mill rate information.

User Fees

During the community budget dialogues, support was expressed for users of a service to pay part of the cost. There was sensitivity to the limited financial ability of some but overall there was support for increasing revenue based on choices people make—i.e. use of facilities, fines for breaking the law, and a local tax on alcohol.

Overall, dialogue participants were supportive of people paying more for what they do, not more for what they have.

The proposed 2011 budget includes \$1.7 million in additional revenue from increases to fees. These range from use of recreational facilities, to planning and zoning fees, to elevator inspections, to public transportation fares. These changes will require Assembly approval by passage of an ordinance.

Transforming City Government—Getting the Best Bang for the Buck

Another message from the community dialogues was that citizens like the current level of municipal services—but they want government to be efficient before they are willing to pay increased property taxes.

The Mayor has launched a number of cost-savings initiatives that leverage technology, consolidate resources, and streamline business processes. This year the city provided pay advice on-line instead of delivering print copies to each employee every payday. The city also has moved to on-line notification system for public notices instead of using expensive newspaper advertisements that are experiencing declining readership. In November 2010 employees will update benefit information on-line; previously paper applications were completed that then were entered manually into the electronic personnel system. Additionally, web technology has been exploited to provide easier and faster access to information and basic internal services functionality.

These examples are first steps. Major transformations are underway that further leverage technology to improve efficiency, accountability, and achieve permanent budget savings. Processes scheduled for re-engineering in 2010 and 2011 include:

- Payroll: electronic timesheets and absence management
- Accounts payable: invoice scanning
- Grants processing: electronic workflow
- Accounts receivable, billing, cash management: centralize to achieve economy of scale
- General ledger: centralize to achieve economy of scale
- Purchase requisitions: electronic workflow

The potential for savings from these initiatives is substantial in terms of productivity, improved service, and dollars—with little if any impact on direct services to citizens. A national survey found that 60 percent of organizations that consolidated and re-engineered these types of processes saved two percent or more in costs. A survey by the American Payroll Association found that organizations saved one to three percent of total payroll costs.

While the potential for savings is tremendous, implementation will take time to achieve. It is hoped savings from the electronic timesheet initiative will be realized by spring 2011 as part of

the first quarter budget amendment process. Otherwise the Mayor expects savings in the 2012 budget.

Accountability for Results

In early 2010 the Mayor launched an initiative by which departments report on the effectiveness of programs. This accountability initiative, called “Anchorage: Performance. Value. Results. (PVR)” reports the “return on investment” to citizens of their tax dollars in terms of services. It is not sufficient for programs to spend money and do a lot of activities without accountability to the results from that spending.

To report results to citizens, the budget includes the PVR framework for each department and division that includes its purpose, services, goals, performance measures and data that communicates how well the goals are being achieved. Performance measure information will be updated throughout the year and can be viewed at www.muni.org.

Transparency in Budgeting

In addition to the inclusion of reports about program performance, the 2011 operating budget also provides significant more detail on spending at the department and division level. This includes detailed breakdown on the components of salary and benefit spending (54 percent of the entire budget); details regarding the revenue that supports each department and division, and the types of positions that deliver services.

Budgets Impact on Key Services

Participants in the community dialogues expressed the value they place on current services. Given the size of the 2011 cost increases, every department had to share in making reductions. For the Mayor’s budget decision-making, this translated into higher priority services taking less of a percentage in reductions.

Administrative Support - \$4.1 million in savings

A primary focus was first finding administrative-type reductions because of the limited impact that would have on direct services to residents. Dialogue participants also said the first area for reduction should come from administrative-type functions.

As a result, the proposed budget includes \$4.1 million in administrative-type savings in most departments. This includes more than \$600,000 in savings by consolidating six departments into two, creating the new Public Works Department and Community Development Department; cutting middle management positions; savings in utilities, travel, and supply budgets; and shifting the cost of employees to capital projects who will work on the technology initiatives.

The following is additional information about the impact of proposed reductions in areas in several areas that are more “high profile” in public attention. This is not to say that there aren’t reductions in other departments and programs.

Public Safety

A government’s most basic responsibility to its citizens is protecting them in their home and community.

That priority is reflected in the fact that more than 40 percent of the budget funds the Police and Fire Department and related retirement programs. Given the magnitude of increased salary and benefits for these two departments alone (\$9.1 million), their funding had to be scrutinized along with all other department budgets.

Fire Department

The Fire Department's budget will increase \$1.8 million, which is not enough to cover the \$3.5 million increase in salaries and benefits. The Mayor recognizes public concern with limiting the Fire Department's ability to respond when needed. The department ranked potential reductions based on how often a single piece of equipment was called out in 2009.

Fire Department Funding	
2010 Revised Budget*	\$ 66,565,553
2011 Proposed Budget	\$ 68,319,107
Increase	\$ 1,753,554
*Reduced by transfer of CSP contract to DHHS.	
Does not include Police/Fire Retirement Trust.	

Fire Station 11 (Eagle River) is served by a ladder truck, engine, tender, and medic unit. The budget proposes to take the ladder truck out of service

because it is the least used at 4.6 percent of total calls for fire trucks (see Table 4). All other apparatus at Fire Station 11 will remain in service. Truck 1 (Downtown) and Truck 3 (Airport Heights) will respond as needed.

Table 4.

Truck Call Outs by Station		
Station 1	1,028	20.49%
Station 3	1,395	27.80%
Station 5	1,349	26.88%
Station 12	1,013	20.19%
Station 11	233	4.64%

The other reduction impacts Fire Station 10 that serves Upper Hillside/Bear Valley. The budget proposes

Table 5.

Engine Call Outs by Station		
Station 5	3,091	12.58%
Station 3	2,901	11.80%
Station 4	2,885	11.74%
Station 2	2,753	11.20%
Station 6	2,460	10.01%
Station 1	2,337	9.51%
Station 12	1,745	7.10%
Station 7	1,534	6.24%
Station 14	1,487	6.05%
Station 9	1,175	4.78%
Station 11	849	3.45%
Station 8	537	2.18%
Station 15	533	2.17%
Station 10	293	1.19%

to take Engine 10 out of service, again based on its utilization. In 2009 it responded to 1.2 percent (see Table 5) of the department's calls. Current plans are for the Station's other piece of equipment, a tender that carries a large supply of water, to remain. Response will continue to be provided by Engine 9 (Huffman) and Engine 8 (O'Malley).

The total savings is \$3.2 million with the elimination of 24 positions, of which 16 are currently vacant.

Of note is that the Fire Department has applied for a Federal "Staffing for Adequate Fire and Emergency Response Grant (SAFER)" grant that could provide \$2.4 million in funding in 2011 and \$2.7 million in 2012. The grant program helps fire departments increase the

number of trained front-line firefighters. The department also has applied for a State of Alaska training and employment (STEP) grant to fund an academy.

Police Department

The Police Department's budget will increase \$2.8 million, which covers about half of the \$5.3 million increase in salaries and benefits for the current number of sworn and non-sworn staff.

Community dialogue participants noted that even the Police Department should look to where it can gain efficiencies and suggested one option would be to not have five or six patrol cars respond to small accidents.

Police Department Funding	
2010 Revised Budget	\$ 79,353,141
2011 Proposed Budget	\$ 82,150,870
Increase	\$ 2,797,729
Does not include Police/Fire Retirement Trust.	

Another option is to analyze if current resources are being deployed effectively and efficiently. The Police Executive Research Forum (PERF) recently completed an analysis that made recommendations on how the department could better allocate resources to implement proactive community policing. PERF recognized the city's budget restraints and recommended efficiencies and savings. One recommendation was to reduce the number of detectives because of a lighter-than-national-average workload from the current level of 44.

The proposed budget takes several steps toward implementing this and other PERF recommendations. It returns a combination of detectives and traffic officers to patrol, who will take the place of 12 junior officers that will be laid off based on seniority as prescribed by the union contract. Senior patrol officers also will be promoted to sergeant as recommended by the PERF report that will enhance patrol and provide additional supervision.

The combined savings of these changes plus deletion of ten vacant positions is \$2.4 million. The department has applied for a \$3.2 million grant under the Federal COPS grant, which would provide funding for 11 officers for three years. A decision is expected by September 30, just as the Mayor's budget is submitted to the Assembly.

Public Transportation

The proposed budget makes changes to the frequency of service on several routes as noted in Table 6. Peak travel passengers should not see more than a 30 minute change from current service; non-peak travelers should experience no more than a 60 minute change on routes impacted by these changes. These schedule changes will save \$380,000.

Library

While this year marked the opening of the new Mountain View Library, the proposed budget closes the Samson-Diamond branch located at the Diamond Mall. The Library Community Plan found that people in the Diamond area were more willing to drive to a library, which will most likely be the Loussac Library, located in mid-town. Total savings is \$431,125 and five staff positions plus \$134,640 for the library's lease that is budgeted in the Real Estate Department.

Table 6.

Bus Schedule Changes

~ Select non-peak service is eliminated, which will mean:

<u>Route</u>	<u>Current Service</u>	<u>Change in Service that will require:</u>
1	9:10 p.m. westbound	Catching the bus at 8:10 a.m.
2	5:45 a.m. inbound	Catching the bus at 6:15 a.m.
2	5:30 a.m. outbound	Catching the bus at 6:30 a.m.
3	6:20 a.m. outbound	Catching the bus at 6:50 a.m.
13	10:17 p.m. inbound	Catching the bus at 9:17 p.m.
13	6:35 a.m. outbound	Catching the bus at 7:05 a.m.
15	10:10 p.m. inbound	Catching the bus at 9:20 p.m.
15	6:40 a.m. outbound	Catching the bus at 7:10 a.m.
36	6:00 a.m. inbound	Catching the bus at 6:30 a.m.
36	9:55 p.m. inbound	Catching the bus at 8:55 p.m.
36	10:40 p.m. outbound	Catching the bus at 10:00 p.m.

~ One peak hour trip is eliminated, which will mean:

<u>Route</u>	<u>Current Service</u>	<u>Change in service will require:</u>
8	6:47 a.m. inbound	Catching the bus at 6:17 a.m. or 7:17 a.m.
36	4:35 p.m. outbound	Catching the bus at 4:05 p.m. or 5:05 p.m.
102	4:33 p.m. outbound	Catching the bus at 4:18 p.m. or 4:48 p.m.

~ Route 45G, that currently operates between downtown and Mountain View, is eliminated but service will continue to be available on other routes at the following times, which will mean:

<u>Current Service</u>	<u>Change in service will require:</u>
8:31 a.m.	Catching the bus at 8:16 a.m. or 8:46 a.m.
11:25 a.m.	Catching the bus at 11:15 a.m. or 11:45 p.m.
11:56 a.m.	Catching the bus at 11:45 a.m. or 12:15 p.m.
12:26 p.m.	Catching the bus at 12:15 p.m. or 12:45 p.m.
12:56 p.m.	Catching the bus at 12:45 p.m. or 1:15 p.m.
1:26 p.m.	Catching the bus at 1:15 p.m. or 1:45 p.m.
3:30 p.m.	Catching the bus at 3:15 p.m. or 3:45 p.m.
6:30 p.m.	Catching the bus at 6:15 p.m. or 7:15 p.m.
8:45 p.m.	Catching the bus at 8:15 p.m. or 9:15 p.m.

Parks and Recreation

The department's 2011 budget is \$570,700 above the current year. Reductions totaling \$880,000 are proposed to cover increased salary and benefit costs, two of which are in the Aquatics program:

- Cancel morning lap swims at Dimond and West Pools for a \$103,200 savings. The cost per participant per participant hour is among the highest of pool activities and the least attended. The two-hour swims average 10 to 15 swimmers per session, resulting in less than 25 percent of operation costs.
- Close Service Pool in the summer and limit Bartlett Pool operation hours to long-course training and swim meets for a \$47,690 savings. This decision was based on participation as noted in Table 7. An option for Service Pool's daily lap and weekly open swim will be at East, Dimond, and West Pools. Summer staff will be transferred to the lake to cover waterfront operations and year-round pool staff will replace the summer seasonal staff.

Table 7.

Monthly Swim Participation		
	Service	Dimond
Oct-09	3,809	6,149
Nov-09	1,026	5,759
Dec-09	967	4,388
Jan-10	1,989	5,323
Feb-10	2,242	6,150
Mar-10	2,616	6,035
Apr-10	3,058	6,492
May-10	2,154	4,130
Jun-10	1,609	3,802
Jul-10	1,584	3,035

Impact on Number of Employees

A total of 110 positions are eliminated in the proposed 2011

Table 8.

Change in Positions	
Filled	-54
Vacant	-56
Total	-110
<i>Of the filled positions 23 are being transferred to grants (4) or capital projects (19) for a net loss of 31.</i>	

budget. As noted in Table 9, 56 positions are vacant and 54 are filled. Of these 54, four Department of Health and Human Services' positions are being shifted from the operating budget to be paid for by an increase in a State of Alaska grant. Partial funding for another 19 positions is being shifted to technology transformation capital project funding. The net number of deleted filled positions is 31. Appendix F describes the change in positions by department.

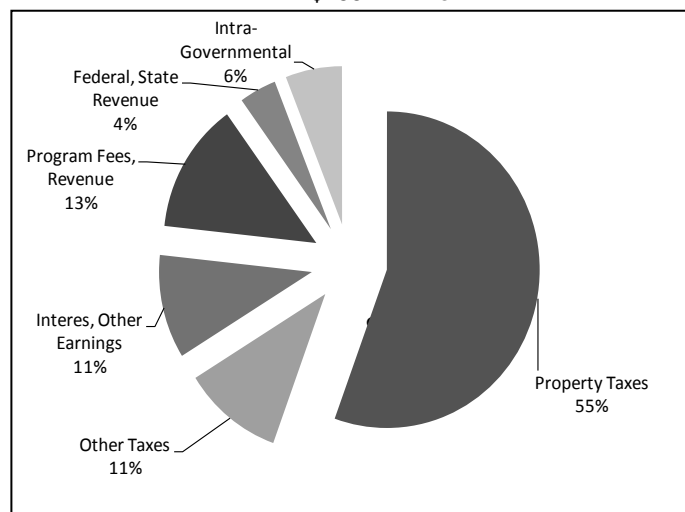
2011 Revenue

The \$435.2 million budget relies on several sources of revenue as illustrated in Chart 5. Property taxes support 55 percent of the budget, which is one percent less than in 2010.

Property Taxes (Real and Personal)

The maximum amount of property taxes that can be collected in 2011 as established by the Tax Cap formula is \$252.8 million. Total proposed property taxes in 2011 is \$241.1 million, which is \$11.7 million under the Tax Cap. This is a

Chart 5.
2011 Revenue Sources 2011
\$435.2 Million



1.6 percent increase above 2010 that includes \$918,000 approved by voters for bond project operation and maintenance cost.

Non-Property Taxes

Revenue from other taxes is projected to increase \$2.6 million above the level budgeted in 2010. Totals to be collected are:

- Automobile Registration Tax - \$5.1 million. A \$116,000 increase is expected in 2011 compared to the amount budgeted in 2010;
- Tobacco Tax - \$16.3 million. The same amount as projected for 2010 based on the current tax rate;
- Aircraft Registration Tax - \$420,000. The Mayor is proposing to increase the registration tax in 2011 from \$75 to \$150 for single engines and \$125 to \$250 for twin engine aircraft; current rates were set in 1994;
- Motor Vehicle Rental Tax - \$4.7 million. A small increase of \$395,000 is projected; and
- Room Tax - \$19.2 million. This is a \$1.9 million increase.

Interest, Other Earnings - \$46.4 million

An overall increase of \$2.3 million is budgeted for 2011 when compared with 2010. Of this, \$1.4 million is from the Anchorage School District to pay the cost of the Police Department's School Resource Officers. In 2009, the Anchorage School District covered 50 percent of this cost; with this increase the district now will pay the full cost.

A \$200,000 decrease is projected in the MOA Trust Fund dividend. The Trust Fund was created in April 2002 when the city sold its telephone utility. Voters approved converting the fund into an endowment that changed the annual dividend calculation. Since 2004 the annual payout has been based on a five-percent payout formula, under which the dividend was \$6.4 million in 2009, however because of the stock market collapse, the Assembly determined the 2010 dividend should be four percent that resulted in a payment of \$5.1 million. The payment for 2011 is estimated to be \$4.9 million.

Program-Generated Fees and Fines - \$53.5 million

Program-generated revenues are expected to be about \$2.7 million more than 2010.

This category of revenue ranges from building plan review and permits (\$5 million), library book fines (\$290,000), reimbursement from the State of Alaska to maintain traffic signals (\$1.7 million), parking enforcement fines (\$632,000), ambulance fees (\$5.6 million), and E-911 fees (\$7.2 million).

An increase of \$1.3 million in court fine revenue is anticipated due to the success of the city's Treasury Division in its work with a collection agency with which the city contracts. This includes an aggressive collection of amounts due the city through garnishment of Permanent Fund Dividends.

For 2011, the Mayor also is proposing changes in some current fees and fines, which will result in an additional \$1.7 million revenue. These changes will be proposed in a separate ordinance

that will require Assembly approval. Revenue from these changes is already included in the budget.

Federal/State Revenues - \$16.6 million

This category increases by \$1 million due to receipt of an interest subsidy on our debt payments from the Federal "Build America Bonds" program. Other examples of revenue in this category include Payment-in-Lieu-of-Taxes from the State and Federal government (\$919,000), which compensate the City for non-taxable land owned within Anchorage's boundaries.

It is important to note that the General Government operating budget does not include grants that are received from the State and Federal government for specific services.

Intra-governmental Charges (IGCs) - \$ 26.1 million

These are charges for services provided by one Municipal organization to another. By using an intra-governmental charge system, the full cost of a program, including overhead, is associated to a program. It also allows general government to charge utilities, grants, capital projects, and city-owned utilities for administrative-type services it provides that then is revenue to the city.

For More Information

The 2011 proposed budget was submitted to the Assembly on October 1. The Assembly will conduct work sessions throughout October and November to learn more about the proposed changes. The public is welcome to attend the work sessions, which will be held in the Mayor's Conference Room on the 8th floor of city hall. Information presented at the work sessions by the Administration will be available at www.muni.org. The Assembly also will hold three public hearings at the Assembly Chambers. The schedule is:

<u>Work Sessions</u>		<u>Assembly Public Hearings</u>
October 1	Noon to 1:30 p.m.	October 26
October 22	11 a.m. to 2 p.m.	November 9
November 5	11 a.m. to 2 p.m.	November 23
November 12 (tentative)	Noon to 2 p.m.	December 7 (approval)
November 19	Noon to 2 p.m.	
December (amendments)	Noon to 2 p.m.	

More about the Municipal Budget and Process

The Municipality has two types of budgets: operating and capital. Both are prepared for General Government, the utilities (AWWU and ML&P), and enterprise activities (Anchorage Port, Merrill Field, and Solid Waste Services).

A primary focus of the Municipality's budget process is on the General Government's annual operating budget that funds day-to-day operation of programs and services—from paying police officer salaries, maintaining parks, to plowing snow. About 50-percent of the operating budget is paid for by property taxes. The Municipality's fiscal year runs from January to December.

The capital budget pays for improvements to the Municipality's infrastructure, such as roads, park construction and repairs, and new fire stations. A main source of funds to pay for these improvements is voter-approved bonds, which are a financing tool similar to a loan that is paid back over time with interest. Payment on these bond proceeds is called debt service and is included in the operating budget.

In addition to general government, the Municipality also operates three enterprises—Solid Waste Services, Port of Anchorage, and Merrill Field; plus two utilities: AWWU and ML&P. Each has its own operating and capital budget, which is paid for by ratepayers or users of their respective services.

Operating Budget

The largest budget is for general government operating costs. The budget allocates spending among seven accounts: personnel (salaries and benefits); supplies; travel; other services (contracts, utilities, leases); debt service; depreciation; and capital outlay.

As illustrated in Chart 6, the operating budget has increased 58 percent since 2000. Of note is that the operating budget does not include grant funds received for specific purposes, such as state funds for public health nursing and federal funding for police department training and public transportation.

Chart 6.

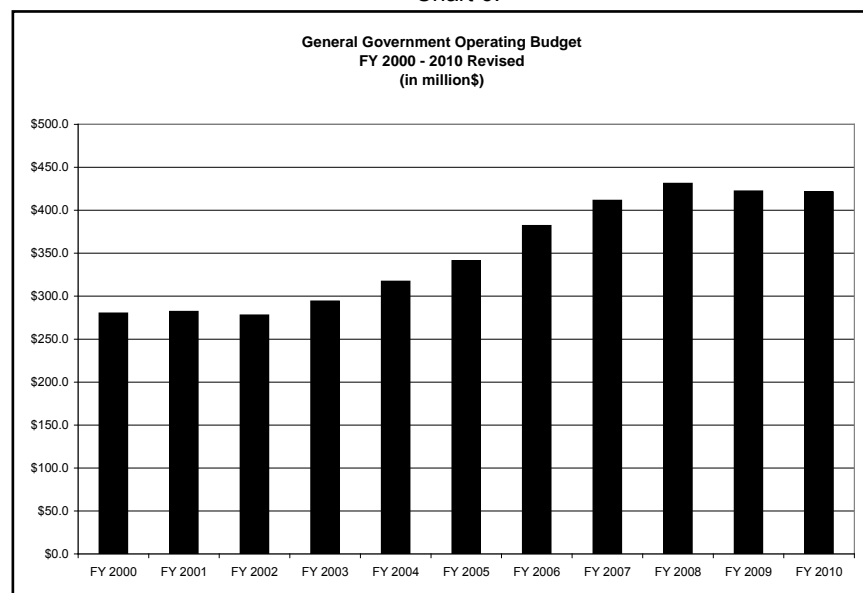


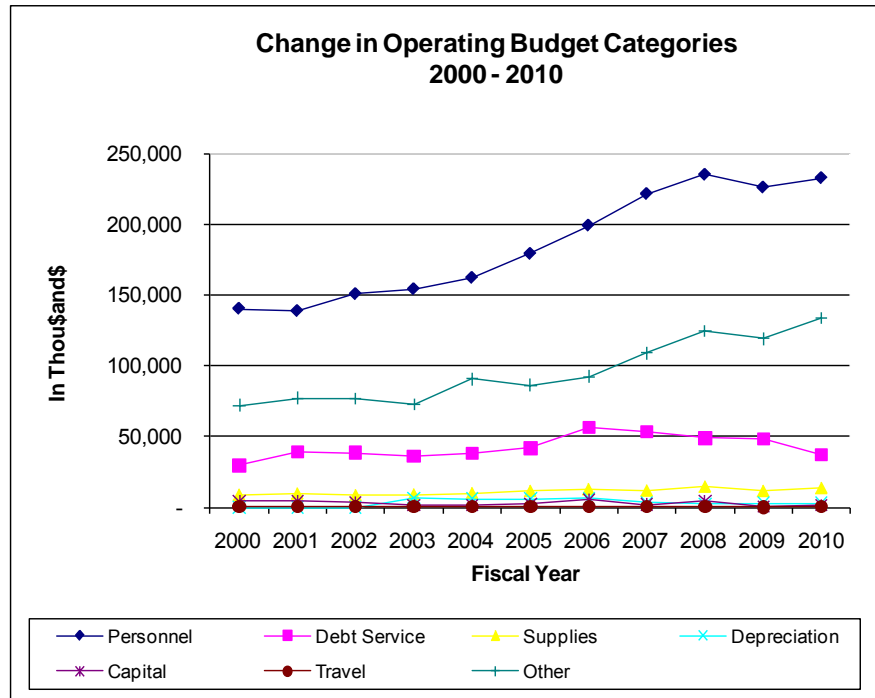
Chart 7 identifies changes in each of the seven categories based on the amount actually spent. Salaries and benefit costs are the major contributor to this increase over time, the cost of which has grown from \$140 million in 2000 to \$232 million in 2010 for a 66 percent increase.

Chart 7.

Budget Development Process

The Mayor is required to submit the proposed operating and capital budgets to the Assembly 90 days prior to the end of the fiscal year (October 2nd).

Prior to that (120 days prior to the end of the fiscal year), the Administration is required to provide to the Assembly preliminary operating budget information on projected revenues, preliminary Tax Cap calculation, any major reorganizations, and preliminary capital budgets. Preliminary utility and enterprise operating and capital budgets also are provided.



Key Dates in Budget Process

September 1	Preliminary information to Assembly
October 2	Mayor proposed budgets
October, November	Assembly work sessions, public hearings
December	Assembly approval
April	Finalize current year budget revisions, set property tax rates

To meet these deadlines, preparation of the budget gets underway in the summer with a preliminary planning phase gets underway. The Office of Management and Budget (OMB) works with departments to review their programs and responsibilities, assess what is being done during the current year, and begins to make plans for the next budget year. Some considerations during this phase are:

- Contractually obligated increases, such as labor contracts and health insurance benefits;
- New facilities that will open during the next fiscal year that will require staff, supplies, and other operating expenses;
- New responsibilities or programs required by Federal, State or local laws;
- New or changed programs to meet community needs or interests;
- Programs that can be eliminated because they are ineffective, no longer required or desired; and/or
- Efficiencies and savings that can be achieved through transforming the business of government.

During this period of time OMB also monitors current and projected revenues in order to get an early indication of the Municipality's ability to afford currently approved spending and/or the potential need for reductions.

In late summer, the Mayor reviews information compiled by OMB regarding projected program and personnel costs and revenue estimated to be available to support spending. If a continuation level budget exceeds expected revenue, the Mayor may ask departments to develop options for reductions. The Mayor then reviews these options and impact on services, and ultimately finds a balance between the two that is reflected in the budget proposed.

The Mayor must submit the proposed operating and capital budgets to the Assembly by October 2. Once the Mayor proposes the budget, the Assembly holds work sessions at which the Administration and department directors discuss the Mayor's proposal with the Assembly. The public is welcome to attend these sessions but public comment is not taken.

Balanced Budget Required

The Municipality is required to have a balanced budget. This, coupled with the Tax Cap, requires an early estimate of both expenditures and revenues. Once this assessment is made, each department is given guidance for developing its preliminary budget proposal. Such guidance includes general direction from the Mayor regarding his/her program priorities.

Assembly Consideration and Public Hearings

The Assembly is required to hold two public hearings on the Mayor's proposed budget, which is the official opportunity for the public to comment and the Assembly to consider amendments. These are usually held during October and November.

Final Approval

The Anchorage Charter requires that the Assembly approve the budget 21 days before the end of the year (by December 10). But if for some reason they still have not approved the budget, the Charter was amended to allow the Assembly and Mayor to continue to work. Once concurrence is reached, that budget is known as the "Approved Budget."

Veto Process

The Mayor has the ability to strike or reduce an amount in the operating or capital budget within 7 days from Assembly action. The Assembly then has 21 days from the Mayor's veto to override his/her action. A super-majority of 8 Assembly members is required to override a veto.

First Quarter Budget Amendment Process

In the spring following the budget's approval, the Administration finalizes the prior year's spending and firms up expected revenue. This process, called "First Quarter Budget Amendments," takes place in April and May and results in the Assembly's approval of a "Revised Budget."

Unlike the proposed budget process in the fall that requires two public hearings, the first quarter amendment process requires only one public hearing. Based on these final spending decisions, the Assembly then sets the mill levies for each service area.

Service Areas and Funds

The Municipality's Charter requires that our local government operate under a service area concept, which means that residents of particular areas have voted to pay taxes to require service(s) from the Municipality. By law, some services must be offered on an areawide basis:

education, health and environmental protection, social services, animal control, library, museum, public transportation, emergency medical services, planning and zoning, property appraisal, and tax collection. Other services require a vote of the people in a specific area. These include road maintenance, fire and police protection, and parks and recreation. There are currently 33 different service areas in the Municipality.

Taxes collected for one service area can't be used to pay for services in another service area. (i.e., taxes collected for roads can't be spent on police). To ensure this, service-area specific expenditures and revenues are budgeted in unique funds.

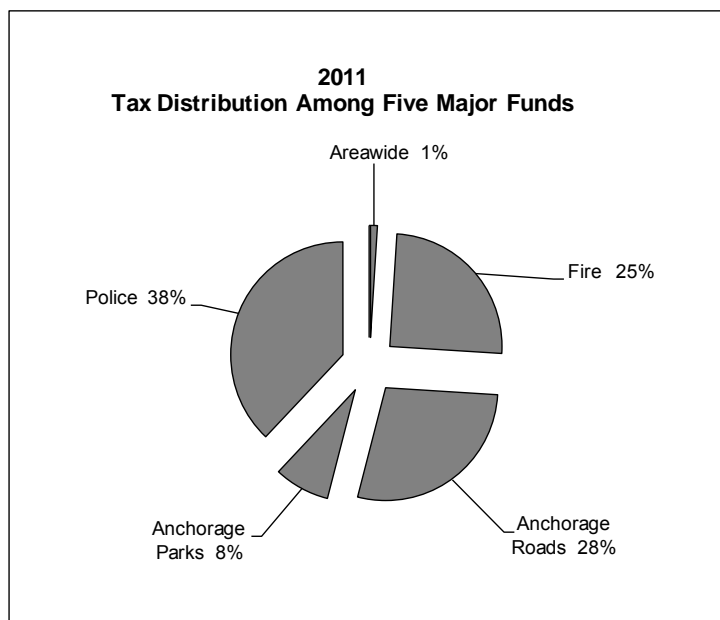
There are five major service areas/funds (illustrated in Chart 8):

- Areawide General (Fund 101): covers the entire area within the Municipality and is used for all general government activities except those provided for in other service areas;
- Anchorage Metropolitan Police Service Area (Fund 151): covers most of the Municipality except for Girdwood and Turnagain Arm;

Chart 8.

- Anchorage Fire Service Area (Fund 131): there are separate fire service areas for Anchorage, Chugiak, and Girdwood;

- Anchorage Roads and Drainage Service Area (Fund 141): additionally there are twenty-seven (27) separate smaller funds for budgeting the various roads and drainage services areas. Six (6) have full maintenance and construction authority: Anchorage Roads and Drainage Service Area (ARDSA); Chugiak, Birchwood, Eagle River Rural Road Services Area (CBERRSA); Glen Alps Service Area; Girdwood Valley Service Area; South Golden View Rural Road Service Area (RRSA); and Mt. Park/Robin Hill Rural Road Service Area (RRSA). The others are Limited Road Service Areas (LRSA) and only have authority to do maintenance; and



- Anchorage Bowl Parks and Recreation Service Area (Fund 161): additionally there are separate service areas for parks and recreation in Eagle River/Chugiak, and Girdwood.

Property Tax Rates

Property taxes are an ad valorem tax, which means it is based on the value of the taxable property. Taxpayers pay a flat rate per dollar value of taxable property that they own. The flat rate, called a mill levy or mill rate, is \$1.00 of tax per \$1,000 of assessed value.

The property tax rate is determined by two variables:

- Property's assessed valuation; and
- Amount of taxes required to pay for spending in a service area.

To calculate the mill levy (or mill rate), divide the amount of taxes needed in a service area (SA) by the assessed valuation of the service area; then multiply the answer by 1,000 to get the mill levy:

$$\frac{\text{Taxes to be Collected in SA}}{\text{SA's Assessed Valuation}} \times 1,000 = \text{Mill Levy}$$

For example, if you live in the Police Service Area, the preliminary tax cost is \$84,672,230. The preliminary assessed valuation is \$31,448,011,120. To calculate the mill levy for police services:

$$\frac{\$84,672,230}{\$31,448,011,020} = 0.00269 \times 1000 = 2.69 \text{ Mill Levy}$$

The 2.69 mill rate translates into \$269.00 per \$100,000 assessed valuation in property taxes

Nearly all property is in multiple service areas. The mill rate in a service area is added together and the total is reflected on a property tax bill. A Taxing District incorporates all the service areas for which a property is being taxed. (Appendix J and K are Tax District maps for Anchorage and Eagle River.)

Preliminary property tax mill rates and cost per \$100,000 of assessed valuation can be found in Appendices H and I.

Tax Cap

In October 1983 the voters of Anchorage passed an amendment to the Charter known as the Tax Cap. While some think of it as a property tax cap, it actually sets a limit on how much all taxes can increase from one year to the next. Other taxes collected by the Municipality that are under the Tax Cap are on automobile registration, tobacco, aircraft registration, and motor vehicle rental. Appendix G is the preliminary 2011 Tax Cap calculation.

Proponents of the Tax Cap recognized that it was important that taxes be allowed to increase (although controlled) in order to keep up with demands of a growing community. Growth in taxes under the Tax Cap is permitted by annual adjustments for inflation, population, and new investment in the community. Voters also increase the Tax Cap when they approve general obligation bonds and corresponding increased operations and maintenance costs, both of which is disclosed in the bond proposition on the ballot.

In 2003 a substantive change to the Tax Cap was made by the Mayor and Assembly when they decided to exclude payments by municipal-owned utilities and enterprises. From 1984 to 2003, utility and enterprise payments were considered payment-in-lieu-of-taxes (PILT) and accordingly, fell under the Tax Cap. From a property taxpayer point of view, the practical effect of this was that these payments reduced the amount of property taxes that could be collected—every dollar paid in a PILT meant a dollar less in property taxes could be collected.

The 2003 change excluded PILT payments from the Tax Cap. At the same time, the Mayor and Assembly substantially increased how much utilities and enterprises were to pay in PILTs. Since property tax PILT revenue was no longer included in the total tax calculation, municipal government got more money to spend.

This prompted a citizen initiative (Proposition 9) in 2009 to return the Tax Cap to how it originally worked. The initiative passed with 60% of the vote and PILT payments were again included in the Tax Cap's calculation. This change, which is being phased over three years, is expected to result in approximately \$18 million in property tax savings annually when it is fully implemented in 2012.

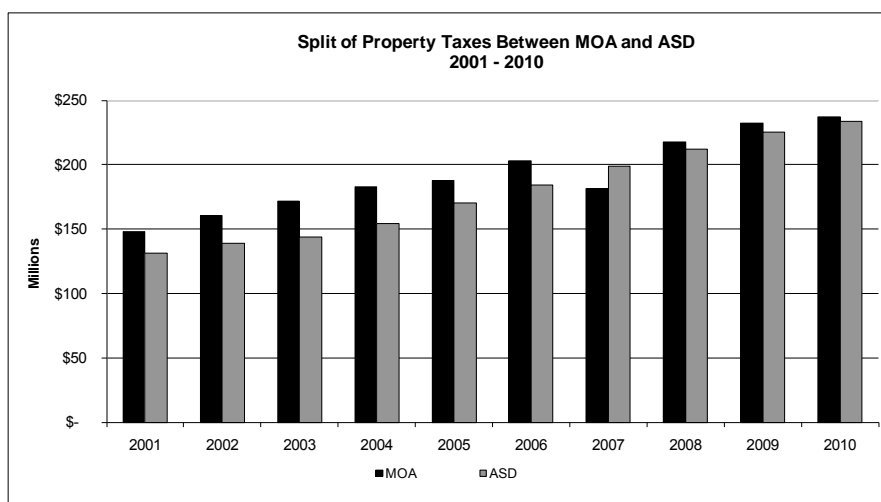
Property Taxes: Municipality and Anchorage School District

The Anchorage School District (ASD) budget year runs from July 1 to June 30. The budget is proposed by the School Superintendent and approved by the School Board. In the spring it is submitted to the Anchorage Assembly for their approval, which is limited to the amount of property taxes that will support the district's budget.

Chart 9.

As illustrated in Chart 9, the annual property tax bill includes property taxes to support both General Government and the ASD.

The Anchorage Assembly and Mayor play a limited role in the School District's budget process, albeit an important one. While neither



the Assembly nor Mayor can direct how much the School District spends on a program, they do have the authority to establish how much in property taxes the School District receives.

Spending Limit

The Municipal Code also includes a Spending Limit that restricts expenditure increases to inflation, population, and voter/legally mandated services. Both the Tax Cap and the Spending Limit were effective with the 1984 budget.

Reserves to Protect Bond Ratings and for Emergencies

Another important element of the budget process is setting aside funds into two large reserves. The largest reserve (usually about \$26 million) is designated for bond rating purposes and consists of 8.25% of each of the five major fund's prior year revenue. This reserve assures bond rating agencies that if there was a substantial decrease in the Municipality's revenue, funding still would be available to pay debt service (this reserve helps keep down the interest rate that the Municipality has to pay when it borrows funds through issuing bonds).

The second reserve is for operating emergencies and consists of between 2 to 3 percent of prior year revenue. This reserve provides funding to pay unanticipated obligations such as legal settlements. This reserve usually is between \$6 and \$9 million in total.

Municipal Revenue

The primary source of locally-generated revenue that supports the operating budget is property taxes. The major revenue categories are:

Property taxes
Non-property taxes
Interest and other earnings
Program-generated fees, fines
Federal revenue
State revenue

Property Taxes

As previously, property taxes are the major source of revenue that supports general government operating budget spending and the amount is determined by the Tax Cap that voters approved in 1983. It includes taxes assessed on the value of real and personal property.

Real and Personal Property Taxes		
FY 2000	FY 2005	FY 2010
\$138.4 million	\$189.3 million	\$237.3 million

Non-Property Tax Revenue

- ***Automobile Registration Tax***

This tax is collected by the State of Alaska when Anchorage residents register their vehicle; amount is based on the vehicle's class and year. A recent trend is that vehicle owners are keeping their automobiles longer, thus the Municipality is realizing less in revenue from this tax.

Automobile Registration Taxes		
FY 2000	FY 2005	FY 2010
\$5.1 million	\$5.2 million	\$5 million

- ***Tobacco Tax***

The tax on cigarettes is 72.6 mills in 2010 and is adjusted annually based on the Anchorage CPI. The tax on tobacco products is 15% of the wholesale price.

Tobacco Taxes		
FY 2000	FY 2005	FY 2010
\$5.4 million	\$14.1 million	\$16.3 million

- ***Aircraft Registration Tax***

The tax is \$75 per year for a single engineer aircraft, hot air balloon, and glider. It is \$125 for aircraft with two or more engines.

Aircraft Registration Tax		
FY 2000	FY 2005	FY 2010
\$172,156	\$182,285	\$210,000

- ***Motor Vehicle Rental Tax***

The 8% tax is levied on retail rental of motor vehicles.

Motor Vehicle Rental Tax		
FY 2000	FY 2005	FY 2010
\$447,191	\$4.5 million	\$4.3 million

- **Room Tax**

The tax is 12%, of which 4% pays for the debt incurred to construct the convention center; 4% for tourism promotion, which is a contract with the Anchorage Convention and Visitors Bureau, and 4% to general government. (The room tax is the only tax that does not fall under the Tax Cap).

Room Tax		
FY 2000	FY 2005	FY 2010
\$11 million	\$11.8 million	\$17.3 million

Interest, Other Earnings

This includes investment earnings on the Municipality's cash and investments and payments by utilities and enterprises.

Interest Earnings		
FY 2000	FY 2005	FY 2010
\$9.1 million	\$11.3 million	\$11.3 million

One source of investment earnings is the MOA Trust Fund, which was created when the Municipality sold its telephone utility. In April 2002 voters approved converting it into an endowment, which changed the

calculation of the annual dividend amount paid to general government. Since 2004 it was based on a 5% payout formula, which allowed for a \$6.4 million in 2009. Because of the stock market collapse in 2008/2009, the Assembly determined the 2010 dividend should be 4%, resulting in a \$5 million payment in 2010.

Program-Generated Fees and Fines

This category of revenue achieves a policy goal of more closely associating cost-causer with cost-payer. Fees and fines in this category

Program-Generated Fees, Fines		
FY 2000	FY 2005	FY 2010
\$29.2 million	\$56.9 million	\$50.8 million

range from building and electrical permits, library book fines, reimbursement from the State to maintain traffic signals, parking enforcement fines, to court fines. It also includes garnishment of Permanent Fund

dividends for debts owed to the Municipality,

Federal/State Revenues

This category primarily includes operational assistance received from the State of Alaska. Other revenue in this category includes Payment in Lieu of Taxes from State and Federal governments, which compensate the Municipality for non-taxable land located within Anchorage's boundaries.

Federal Revenue		
FY 2000	FY 2005	FY 2010
\$1.4 million	\$597,000	\$1.1 million

This category does not include grants that are received from the State and Federal governments for specific services (the general government operating budget includes information about each department's grants, but the grant amounts are not included in the Municipality's overall operating budget).

State Revenue		
FY 2000	FY 2005	FY 2010
\$11.7 million	\$1.4 million	\$16.8 million

Intra-governmental Charges (IGCs)

These are charges for services provided by one Municipal organization to another. For example, the Maintenance and Operations Department maintains all general government buildings. Maintenance costs are budgeted in Maintenance and Operations and charged out to the appropriate users. By using an intra-governmental charge system, the full cost of a program—including overhead—is associated to a program. This system also allows general government departments/agencies to properly charge Municipal utilities, grants, and capital projects for services provided.

Capital Budget

In addition to the operating budget, there also is the Capital Improvement Budget (CIB), which is a list of capital improvement projects for the fiscal year. It includes the purchase and/or construction of high-cost, long-lasting assets such as roads, buildings, parks and trails. Long-term borrowing through the sale of Municipal General Obligation Bonds, which must be approved by voters, finances about 20-percent of the capital budget while state grants finances the majority.

Property taxes are used to pay back the bonds and, in most cases, the cost of operating and maintaining the assets. Annual payments on bond debt are budgeted in the General Government operating budget. Federal and State grants, local improvement district assessments, service area mill levies, and other miscellaneous revenue also are used to pay for capital improvements.

The Capital Improvement Program (CIP) is a six-year plan that guides the Municipality's capital improvement plans into the future. Each year it is updated and serves as the starting point for developing the current year's CIB.

How Capital Projects Are Selected

Municipal departments prepare a comprehensive list of capital projects that are needed. Projects for this "Needs List" are proposed to departments by staff, the Municipal Administration, and others such as community councils, municipal boards and commissions, and Assembly members. Projects are scored against criteria such as the project's impact on safety, economic benefits, level of public support, if it is mandated, readiness and technical feasibility. Projects are then prioritized based on a project's total score.

To gather community input, each spring OMB sends out a survey to community councils to solicit their comments on CIP projects as well as ideas to new projects in their area. This feedback is integrated into the prioritization process along with the other criteria.

For More Information

Visit www.muni.org for more information about the Municipality budget and current discussions (go to Departments/Office of Management and Budget page) or give OMB a call at 343-4496.

Citizen's Guide to the Budget

Appendices

- A 2011 Direct Cost by Category of Expenditures
- B Summary Reconciliation of 2010 Revised to 2011 Proposed
- C 2011 Personnel Benefit Rates
- D Employee Health Benefit Cost Sharing
- E Incentive Pay Provisions in Bargaining Agreements
- F Personnel Summary by Department
- G Preliminary Tax Cap Calculation
- H General Government Tax Rate Trends 2001-2011
- I Preliminary General Government Property Tax Per \$100,000
- J Anchorage Tax District Map
- K Chugiak/Eagle River Tax District

2011 Department Direct Cost by Expenditure Category

Department	Personnel Services	Supplies	Travel	Other Services	Debt Service	Depreciation Amortization	Capital Outlay	Total Direct Cost
Assembly	\$ 1,736,689	\$ 12,670	\$ 20,490	\$ 784,792	\$ -	\$ -	\$ -	\$ 2,554,641
Chief Fiscal Officer	294,874	3,000	5,000	182,492	-	-	-	485,366
Community Development	13,107,094	142,918	4,500	949,334	147,800	-	53,710	14,405,356
Employee Relations	1,971,320	8,630	10,230	384,227	-	-	17,400	2,391,807
Employee Relations - Police/Fire Medical	-	-	-	2,910,154	-	-	-	2,910,154
Equal Rights Commission	663,821	1,800	1,900	10,218	-	-	-	677,739
Finance	10,010,316	65,985	21,960	1,270,636	377,754	-	21,500	11,768,151
Fire	52,975,118	2,029,700	20,000	8,423,371	4,508,217	-	362,700	68,319,106
Fire - Police/Fire Retirement	-	-	-	8,331,706	-	-	-	8,331,706
Health and Human Services	5,842,292	218,470	25,660	5,904,347	322,955	-	48,004	12,361,728
Information Technology	8,642,158	99,124	4,314	3,253,523	522,950	2,890,240	26,600	15,438,909
Internal Audit	526,656	1,200	1,500	6,406	-	-	-	535,762
Library	6,384,194	60,556	500	1,228,030	-	-	35,095	7,708,375
Management and Budget	849,525	2,805	-	60,169	-	-	-	912,499
Mayor	993,634	6,500	17,000	374,905	-	-	-	1,392,039
Municipal Attorney	5,681,087	27,470	10,000	1,455,496	-	-	-	7,174,053
Municipal Manager	1,883,280	27,721	11,778	16,813,936	1,889,677	-	12,500	20,638,892
Parks and Recreation	9,999,555	694,481	-	6,178,199	2,875,573	-	185,980	19,933,788
Police	69,396,170	2,209,080	17,000	9,685,874	474,836	-	367,910	82,150,870
Police - Police/Fire Retirement	-	-	-	9,823,362	-	-	-	9,823,362
Public Transportation	13,777,555	3,193,746	4,670	3,075,017	476,696	-	-	20,527,684
Public Works	30,020,859	4,476,154	22,010	29,389,317	39,707,838	-	72,620	103,688,798
Purchasing	1,371,060	10,060	3,700	101,720	-	-	-	1,486,540
Real Estate	922,528	5,200	1,000	6,814,027	-	-	11,500	7,754,255
Cnvntion Ctr Reserve/Areawide TANS Exp	-	-	-	11,516,950	328,394	-	-	11,845,344
General Government Total	\$ 237,049,782	\$ 13,297,270	\$ 203,212	\$ 128,928,208	\$ 51,632,690	\$ 2,890,240	\$ 1,215,519	\$ 435,216,924

Summary Reconciliation of 2010 Revised to 2011 Proposed

Department	Continuation Level Adjustments					Continuation Level	Additional Changes	2011 Proposed Budget	%Δ
	2010 Revised Budget	Salary, Benefits	All Other	Subtotal					
Assembly	\$ 2,604,642	\$ 16,328	(3) \$ (50,000)	\$ (50,003)	\$ 2,554,639	\$ 2	\$ 2,554,641	-2%	
Chief Fiscal Officer	479,038	-	-	16,328	495,366		(10,000)	485,366	1%
Community Development	-	-	-	-	-		14,405,356	14,405,356	100%
Community Planning and Dev Development Services	9,182,956	36,697	95,710	132,407	9,315,363		(9,315,363)	-	
Employee Relations	8,720,729	582,588	-	582,588	9,303,317		(9,303,317)	-	
Employee Relations	2,441,933	108,037	30,000	138,037	2,579,970		(188,163)	2,391,807	-2%
Employee Relations - Police/Fire Medical	2,785,656	-	124,498	124,498	2,910,154		-	2,910,154	4%
Equal Rights Commission	662,473	101,220	-	101,220	763,693		(85,954)	677,739	2%
Finance	11,581,351	580,763	-	580,763	12,162,114		(393,963)	11,768,151	2%
Fire	67,800,263	3,743,627	1,050,744	4,794,371	72,594,634		(4,275,528)	68,319,106	1%
Fire - Police/Fire Retirement	9,160,205	-	-	-	9,160,205		(828,499)	8,331,706	-9%
Health and Human Services	11,362,252	367,948	114,955	482,903	11,845,155		516,573	12,361,728	9%
Information Technology	15,358,821	566,669	-	566,669	15,925,490		(486,581)	15,438,909	1%
Internal Audit	536,246	27,267	-	27,267	563,513		(27,751)	535,762	0%
Library	7,605,225	430,790	-	430,790	8,036,015		(327,640)	7,708,375	1%
Maintenance and Operations	80,733,712	278,838	10,462,934	10,741,772	91,475,484		(91,475,484)	-	-
Management and Budget	934,047	28,459	-	28,459	962,506		(50,007)	912,499	-2%
Mayor	1,402,970	49,069	-	49,069	1,452,039		(60,000)	1,392,039	-1%
Municipal Attorney	7,124,401	301,522	-	301,522	7,425,923		(251,870)	7,174,053	1%
Municipal Manager	12,003,079	82,720	245,526	328,246	12,331,325		8,307,567	20,638,892	72%
Parks and Recreation	19,363,114	810,661	501,306	1,311,967	20,675,081		(741,293)	19,933,788	3%
Planning	3,977,162	163,206	-	163,206	4,140,368		(4,140,368)	-	
Police	79,353,141	5,339,538	(71,300)	5,268,238	84,621,379		(2,470,509)	82,150,870	4%
Police - Police/Fire Retirement	10,713,142	-	-	-	10,713,142		(889,780)	9,823,362	-8%
Proj. Mngmnt & Eng	8,004,728	232,629	-	232,629	8,237,357		(8,237,357)	-	
Public Transportation	20,335,318	837,153	108,149	945,302	21,280,620		(752,936)	20,527,684	1%
Public Works	-	-	-	-	-		103,688,798	103,688,798	100%
Purchasing	1,522,111	64,989	-	64,989	1,587,100		(100,560)	1,486,540	-2%
Real Estate	8,017,974	42,294	(171,376)	(129,082)	7,888,892		(134,637)	7,754,255	-3%
Traffic	6,817,853	357,135	-	357,135	7,174,988		(7,174,988)	-	
	\$ 410,584,543	\$ 15,150,144	\$ 12,441,145	\$ 27,591,289	\$ 438,175,832		(\$14,804,252)	\$ 423,371,580	
Convention Center Reserve and TANS Areawide Expense									
Total 2011 Proposed Budget								\$ 435,216,924	

Appendix C

2011 Personnel Benefit Rates

Total benefit costs include benefit percentage of salary plus flat medical rate.

	<u>Police</u>	<u>Fire</u>	<u>Other</u>	<u>IBEW</u>	<u>Oper Eng</u>
MOA 401 K Contribution	2.00%	-	-	-	-
PERS/Other	22.00%	22.00%	22.00%	20.00% *	18.00% *
Social Security	2.25%	1.30%	6.20%	6.20%	6.20%
Medicare	1.45%	1.45%	1.45%	1.45%	1.45%
Leave cash-out	9.30%	3.87%	6.69%	6.69%	6.69%
Unemployment Compensation	0.20%	0.20%	0.20%	0.20%	0.20%
	<u>37.20%</u>	<u>28.82%</u>	<u>36.54%</u>	<u>34.54%</u>	<u>32.54%</u>

Medical/Dental/Life/LTD Insurance:
(Flat Rate)

<u>Employee Group</u>	<u>Budget Cost</u>	<u>Monthly Cost</u>
Police (Sworn)	\$22,812	\$1,901
Police (Non-Sworn)	\$22,488	\$1,874
Fire	\$22,824	\$1,902
AMEA	\$18,960	\$1,580
IBEW/Carpenters	\$18,852	\$1,571
IBEW/Mechanics	\$18,240	\$1,520
Local 71 (Laborers)	\$17,214	\$1,434
Teamsters	\$17,784	\$1,482
Plumbers	\$18,948	\$1,579
Operating Engineers	\$15,552	\$1,296
Non-represented & Execs	\$18,960	\$1,580
Assembly Members	\$6,264	\$522

* IBEW and Operating Engineers do not participate in PERS, amounts include Pension Plan, Legal Trust, Money Purchase, Hardship Fund, Joint Apprenticeship, and Union Training where applicable.

Muni Health Plan			
Bargaining Unit	Base Plan	Base Contribution / Month	Split of Increases over base
AMEA	100 Plan with Ortho (2008)	\$1,320 (MOA)	MOA 60% Employee 40%
IBEW - Mechanics	250 Plan Low Dental (2009)	\$1,324 (MOA)	MOA 60% Employee 40%
Plumbers & Pipefitters		2006 - \$1,050 (MOA) 2007-2010 same as non-reps and execs	
Teamsters	100 Plan Low Dental (2008)	\$1,270 (MOA)	MOA 50% Employee 50%
IAFF	100 Plan with Ortho (2009)	\$1,467 (MOA)	Based on meeting benchmarks for: (1) participation in IAFF Peer Fitness Assessment; (2) % of Rx filled with generic drugs; and (3) % increase in dental preventive visits: Meet 0 benchmarks- 89% MOA/11% employee Meet 1 benchmark- 91% MOA/9% employee Meet 2 benchmarks- 93% MOA/7% employee Meet 3 benchmarks- 95% MOA/5% employee
APDEA	100 Plan with Ortho (2009)	\$1,492 (MOA)	Based on meeting benchmarks for: (1) participation in the MOA Health Risk Assessment Questionnaire; (2) % of Rx filled with generic drugs; and (3) % increase in dental preventive visits: Meet 0 benchmarks- 89% MOA/11% employee Meet 1 benchmark- 91% MOA/9% employee Meet 2 benchmarks- 93% MOA/7% employee Meet 3 benchmarks- 95% MOA/5% employee
OTHER HEALTH PLANS			
IBEW – ML&P	Alaska Electrical Health and Welfare Trust Fund	\$1,248 (MOA) \$5 (Employee)	Employee 10% MOA 90%
Local 71	Public Employees Local 71 Trust Fund	2008 - \$1,100 (MOA)	Jul 09 - \$90 (MOA)/ \$55 (ee) Jul 10 - \$190 (MOA)/ \$60 (ee) Jul 11 – opener (min. \$5 ee increase) Jul 12 – opener (min. \$5 ee increase)
Local 302	International Union of Operating Engineers Local 302/Employers Health and Security Fun	\$1,026 (MOA) \$45 (Employee)	July 2009 – MOA pays increases up to \$90. Split of increases over \$90 to be negotiated.

CBA	Longevity Pay	Service Recognition	PIP/PSP*	License/Premiums/Specialty Pay
AMEA	<u>For employees hired before January 1, 1981</u> 105% of pay after 5 years 106% after 6 years 107% after 7 years 108% after 8 years 109% after 9 years 110% after 10 years 112.5% after 15 years 115% after 20 years 117.5% after 25 years 120% after 30 years (9.3.3)	<u>For employees hire on or after January 1, 1981</u> 103.5% of pay after ten years 107.0% after 15 years 110.5% after 20 years (9.3.4)	In order to receive the PIP steps, the employee must pass 8 cumulative quarters based on the following criteria: <ul style="list-style-type: none"> ▪ Employee Conduct ▪ Safety ▪ Dependability/Reliability Step 1: 6.5% Step 2: 6.5% For a total combined 13% (9.3.4)	Certain Engineer and Landscape Architect positions are eligible for a five percent (5%) professional certification pay (9.1.20)
APDEA	<u>For employees hired before January 1, 1981</u> 10% longevity pay (XVII)	N/A	Sworn employees must prequalify on an annual basis to receive a 5.0% increase. Employees must demonstrate positive performance in the areas of: <ul style="list-style-type: none"> ▪ Safety ▪ Field Training Officer ▪ Training ▪ Attendance ▪ Physical Fitness 	<u>Full-Time Specialty Pay (XV, section 7A)</u> 5.5% specialty pay <u>Specialty Pay For time worked (XV, section 7b)</u> 5.5% premium pay Sergeant (XV, section 10) 10% increase in base pay <u>Detectives (XV, section 11)</u> 7% specialty pay. Shall not be pyramided with any premium pays in Section 7 of this Article <u>Educational Benefits</u> Amounts will be calculated under present practices for employees currently pursuing their degree. For employees not currently pursuing a degree, all amounts will be calculated at the employee's base rate . Associate Degree 4% Bachelor Degree 8% <u>Night Shift Differential</u> 3% over base pay for swing shifts 6% over base pay for mid shifts (VII, section 9)

CBA	Longevity Pay <u>Before July 1, 1982</u> -After 1 Year 1% <u>To:</u> -After 7 Years 7% <u>After July 1, 1982</u> -103.5% of base pay for 15 years <u>To:</u> 110.5% after 20 years (5.4)	Service Recognition N/A	PIP/PSP* Step 1: 6.5% of the base rate of pay after 8 clean quarters Step 2: an additional 6.5% of the rate of pay after 8 clean quarters. For a total combined SRP and PSP pay of 13% above the base rate of pay (5.4.2)	License/Premiums/Specialty Pay <u>Boiler premium pay</u> 105% of Journeyman / 5% boiler premium pay (8.1.3.9) <u>Water Treatment Technician Premium</u> 105% of Journeyman (8.1.3.10) Power Dispatch Trainees shall receive an additional 2 ½% premium pay. Upon the successful completion of the training period, when the Power Dispatch Trainees become eligible to bid a position as Power Dispatcher, they shall receive an additional 2 ½% premium pay or a total of 5% in addition to their regular rate of pay so long as they remain Power Dispatch Trainees. (8.1.5.7.13) <u>Hot Stick Premium</u> 15% above their applicable hourly rate (8.2.3.8) <u>High Time Premium</u> an additional one (1) straight time hour above applicable hourly rate of pay (8.2.3.9) <u>Construction Inspection Premiums</u> an additional 5% above their current rate of pay (8.5.2.8)
IBEW Mechanics	As of January 1, 1981 117.5% of base pay after 25 years 120% of base pay after 30 years	After January 1, 1981 <u>Ended on Jan. 1, 2010</u> 103.5% of base pay after 10 years 107% of base pay after 15 years 110.5% of base pay after 20 years.	N/A	

CBA	Longevity Pay	Service Recognition	PIP/PSP*	License/Premiums/Specialty Pay
IAFF	As of January 1, 1981 105 percent of base pay after 5 years' total service. (PR 3.30.127 D)	N/A	5% increase for one year over the base pay	<p><u>Differential Pay</u> Differential pay for educational differentials, incentives and performance step pay shall be in addition to the rates of pay specified in this article. (27.6) <u>Education (23.1)</u> Baccalaureate degree – 8% education pay differential Associate degree – 4% education pay differential <u>Pay Incentives (23.2)</u> - Peer Fitness Trainers – 1% - ICC Building Plans Examiner or Fire Plans Examiner – 1% - Advanced Cardiac Life Support Certification – 1% - EMS Incentive 1%, etc. - Mobile Intensive Care Unit or Basic Life Support Unit – 6.5% incentive based on the employee's factored hourly wage rate - Emergency Vehicle Technician I – 2% special pay differential and an additional 1% for every level completed – not to exceed 6% <u>Special Duty Pay Incentives (23.3)</u> Specialty Emergency Response Team Team shift leaders 6% Members assigned to Designated Core Stations 4% All other team members 3% Helitack Duty 4% special pay incentive Certified air resource technicians 3% special pay incentive Sewing service or small tool/hose repair 1% special pay incentive Assigned to Training Center to instruct on TDA for at least one week 4% special duty pay incentive (23.4)</p>

CBA	Longevity Pay	Service Recognition	PIP/PSP*	License/Premiums/Specialty Pay
Local 302	As of January 1, 1981 117.5% of base pay after 25 years 120% of base pay after 30 years	Hired January 1, 1981- December 31, 2008 103.5% or base pay after 10 years 107% or base pay after 15 years 110.5% or base pay after 20 years	January 1, 2009 Step 1: 6.5% of the base rate of pay after 8 clean quarters Step 2: an additional 6.5% of the rate of pay after 8 clean quarters. For a total combined SRP and PSP pay of 13% above the base rate of pay	
Teamsters	As of January 1, 1981 117.5% of base pay after 25 years 120% of base pay after 30 years	Hired January 1, 1981- August 31, 2008 103.5% or base pay after 10 years 107% or base pay after 15 years 110.5% or base pay after 20 years	June 30, 2008 Step 1: 6.5% of the rate of pay after 8 clean quarters Step 2: an additional 6.5% of the rate of pay after 8 clean quarters. For a total combined SRP and PSP pay of 13% above the base rate of pay	
Local 71	N/A	January 1, 1981- September 30, 2008 103.5% or base pay after 10 years 107% or base pay after 15 years 110.5% or base pay after 20 years	October 1, 2008 Step 1: 6.5% of the rate of pay after 8 clean quarters Step 2: an additional 6.5% of the rate of pay after 8 clean quarters. For a total combined SRP and PSP pay of 13% above the base rate of pay	
Plumbers & Pipefitters	As of January 1, 1981 115% or base rate after 20 years 117.5% of base pay after 25 years 120% of base pay after 30 years	After January 1, 1981 103.5% of base pay after 10 years 107% of base pay after 15 years 110.5% of base pay after 20 years.	N/A	<u>Educational Assistance and Incentive</u> -Associate's Degree: 1% premium added to the employee's base wage rate -Bachelor's Degree: 3% premium added to the employee's base wage rate (9.1)

CBA	Longevity Pay	Service Recognition	PIP/PSP	License/Premiums/Specialty Pay
Personnel Rules	<p>As of January 1, 1981 105% of base pay after 5 years total service</p> <p>To: 120% of base pay after 30 years total service (3.30.127 D)</p>	<p>after January 1, 1981 103.5% of base pay after 10 years continuous service.</p> <p>107% of base pay after 15 years continuous service.</p> <p>110.5% of base pay after 20 years continuous service.</p> <p>(3.30.127 E3)</p>		<p><u>Shift differential</u> six percent of their base hourly pay rate (3.30.1210 A)</p> <p><u>Fire department training/education and special duty pay incentive</u></p> <p>-Training Incentives: 1% special pay differential per course</p> <p>-Special Duty Pay Incentives: <i>Dive rescue team --Two percent;</i> <i>Hazardous materials response team</i> <i>team shift leaders -- 6%,</i> <i>assigned to designated core HazMat</i> <i>station(s) 4%</i> <i>other team members—3%</i> (3.30.1214)</p> <p><u>Education incentive</u> Associates – 4% education pay differential Baccalaureate degrees – 8% education pay differential</p>

Personnel Summary by Department

Department	2010 Revised Budget					2011 Proposed Budget				
	FT	PT	Seas	Temp	Total	FT	PT	Seas	Temp	Total
Assembly	23	-	-	-	23	23	-	-	-	23
Chief Fiscal Officer	2	-	-	-	2	2	-	-	-	2
Development Services	65	1	-	-	66	-	-	-	-	-
Community Development	-	-	-	-	-	103	2	-	-	105
Community Planning and Development	5	-	-	-	5	-	-	-	-	-
Employee Relations	18	1	-	-	19	16	4	-	-	20
Equal Rights Commission	6	2	-	-	8	5	2	-	-	7
Finance	101	1	-	-	102	84	16	-	-	100
Fire	376	2	-	-	378	354	2	-	-	356
Health and Human Services	61	7	1	-	69	54	7	1	-	62
Information Technology	77	-	-	-	77	58	17	-	-	75
Internal Audit	4	1	-	-	5	4	1	-	-	5
Library	69	28	-	-	97	64	29	-	-	93
Maintenance and Operations	157	1	-	31	189	-	-	-	-	-
Management and Budget	7	-	-	-	7	6	1	-	-	7
Mayor	9	-	-	-	9	7	1	-	-	8
Municipal Attorney	56	1	-	-	57	53	4	-	-	57
Municipal Manager	14	2	-	-	16	16	2	-	-	18
Parks and Recreation	82	56	140	27	305	70	49	155	33	307
Planning	31	-	-	-	31	-	-	-	-	-
Police	545	-	-	-	545	522	-	-	-	522
Project Management and Engineering	56	1	-	-	57	-	-	-	-	-
Public Transportation	146	-	-	-	146	142	-	-	-	142
Public Works						245	2	16	4	267
Purchasing	13	-	-	-	13	12	1	-	-	13
Real Estate	8	-	-	-	8	8	-	-	-	8
Traffic	45	1	-	5	51	-	-	-	-	-
Total General Government	1,976	105	141	63	2,285	1,848	140	172	37	2,197

**Preliminary 2011
Tax Limit Calculation
October 1, 2010**

Line		2010	2011
		Revised	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	\$ 261,957,864	\$ 254,408,101
10			
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	1.10% 2,396,310
18	<u>Change in Consumer Price Index 5 Year Average</u>	2.90% 6,194,730	2.70% 5,881,840
19	Total	3.80% 8,117,230	3.80% 8,278,150
20	Total Base Local Taxes Allowed	\$ 221,728,663	\$ 226,124,233
21			
22	<u>PLUS CURRENT YEAR EXCLUSIONS:</u>		
23	New Construction	2,326,260	1,525,960
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	25,050
27	Debt Service (One-Time)	35,582,194	49,153,621
28	TOTAL LIMITATION FOR LOCAL TAXES	\$ 262,594,412	\$ 277,746,780
29			
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)	(420,000)
35	Motor Vehicle Rental Tax	(4,271,327)	(4,666,128)
36	MUSA/MESA	(6,328,914)	(13,560,666)
37			
38	ALLOWABLE PROPERTY TAX CHARTER LIMIT	\$ 229,581,171	\$ 236,780,986
39	Amount below Tax Cap	(8,186,311)	(11,429,063)
40	TOTAL CHARTER LIMIT TAX TO BE COLLECTED	\$ 221,394,860	\$ 225,351,923
41			
42	ALLOWABLE PROPERTY TAX SERVICE AREAS	15,900,271	15,747,722
43			
44	TOTAL PROPERTY TAX	\$ 245,481,442	\$ 252,528,708

Appendix H

General Government Tax Rate Trends 2002 - 2011

Taxing District	2002	2003	2004	2005	2006	2007**	2008**	2009**	2010	2011
School District	7.81	7.37	7.26	7.59	7.13	6.80	6.94	7.18	7.44	TBD in spring
1	9.36	9.24	8.94	8.70	8.17	7.75	7.95	8.32	7.74	7.91
* 2, 19-21, 28, 31-35, 38-41, 44, 45, 48, 52-54	6.37	6.14	6.02	5.94	5.35	5.16	5.35	5.55	5.61	5.38
3	9.34	9.24	8.92	8.69	8.15	7.75	7.95	8.32	7.74	7.91
4	4.81	4.89	4.57	4.11	4.43	4.23	3.4	4.32	4.32	3.89
5	6.42	6.00	6.22	6.10	5.47	5.58	5.68	5.85	5.87	5.48
8	9.33	9.23	8.92	8.69	8.15	7.75	7.95	8.32	7.74	7.91
* 9	5.63	5.39	5.34	5.32	4.79	4.56	4.7	4.85	4.95	4.75
* 10, 50	8.42	7.95	8.62	8.59	7.87	7.52	7.62	7.80	7.96	7.70
12	8.84	8.39	8.77	8.59	7.79	7.91	8.1	8.30	8.36	8.04
15	1.56	1.50	1.10	0.64	0.46	0.23	0.37	0.49	0.45	0.10
* 16	3.95	3.75	3.47	3.35	3.03	2.83	2.93	3.10	3.12	2.82
* 22, 51	7.73	7.19	7.64	7.62	7.02	6.79	6.84	7.02	7.09	6.73
* 23, 43	5.63	5.39	5.34	5.32	4.79	4.56	4.7	4.85	4.95	4.75
30	6.74	6.31	6.75	6.62	6.11	5.79	5.85	6.05	6.13	5.77
36				7.19	6.60	6.66	6.85	7.05	7.11	6.86
37	6.37	6.14	6.02	5.94	5.35	5.16	5.35	5.55	6.91	6.63
42	6.92	6.85	6.37	6.10	5.83	5.42	5.53	5.87	5.25	5.35
46	6.54	6.28	6.74	6.91	6.33	6.04	6.15	6.28	6.28	6.05
47	4.80	4.57	4.82	4.84	4.47	4.22	4.29	4.44	4.35	4.01
* 55, 56	3.95	3.75	3.47	3.35	3.03	2.83	2.93	3.10	3.12	2.82

* Tax rates for Limited Road Service Areas and Street Lighting Service Areas, where applicable, are not included; other Road Service areas are included.

** These tax rates do not include the tax relief.

Appendix I

Preliminary General Government Property Tax per \$100,000 Assessed Valuation

NOTE: The 2011 tax rates in this appendix are based on preliminary assessed valuation. Assessed valuations and tax rates will be updated prior to April 2011 when the actual 2011 tax rates will be set by the Assembly.

Taxing District	Areawide ¹	Fire	Roads	Police	Parks & Rec	Total
* 1	\$ 10	\$ 193	\$ 253	\$ 272	\$ 63	\$ 791
* 2, 19-21, 28, 31-35, 38-41, 44, 45, 48, 52-54	10	193	-	272	63	538
3	10	193	253	272	63	791
4	10	142	78	-	159	389
5	10	-	266	272	-	548
8	10	193	253	272	63	791
* 9, 23, 43	10	193		272	-	475
* 10, 50	10	193	207	272	88	770
12	10	193	266	272	63	804
15	10	-	-	-	-	10
* 16, 55, 56	10	-	-	272	-	282
* 22, 51	10	96	207	272	88	673
30	10	-	207	272	88	577
36	10	193	148	272	63	686
37	10	193	125	272	63	663
42	10	-	253	272	-	535
46	10	193	42	272	88	605
47	10	-	31	272	88	401

¹ Some services provided by the Municipality must be offered on an "areawide" basis under State law or as provided for in the Municipal Charter. These include services such as health and environmental protection, social services, animal control, library, museum, mass transit, emergency medical services, planning and zoning, property assessment, and tax collection.

* Property taxes for Old City Road Service, Limited Road Service Areas and Street Lighting Service Areas,

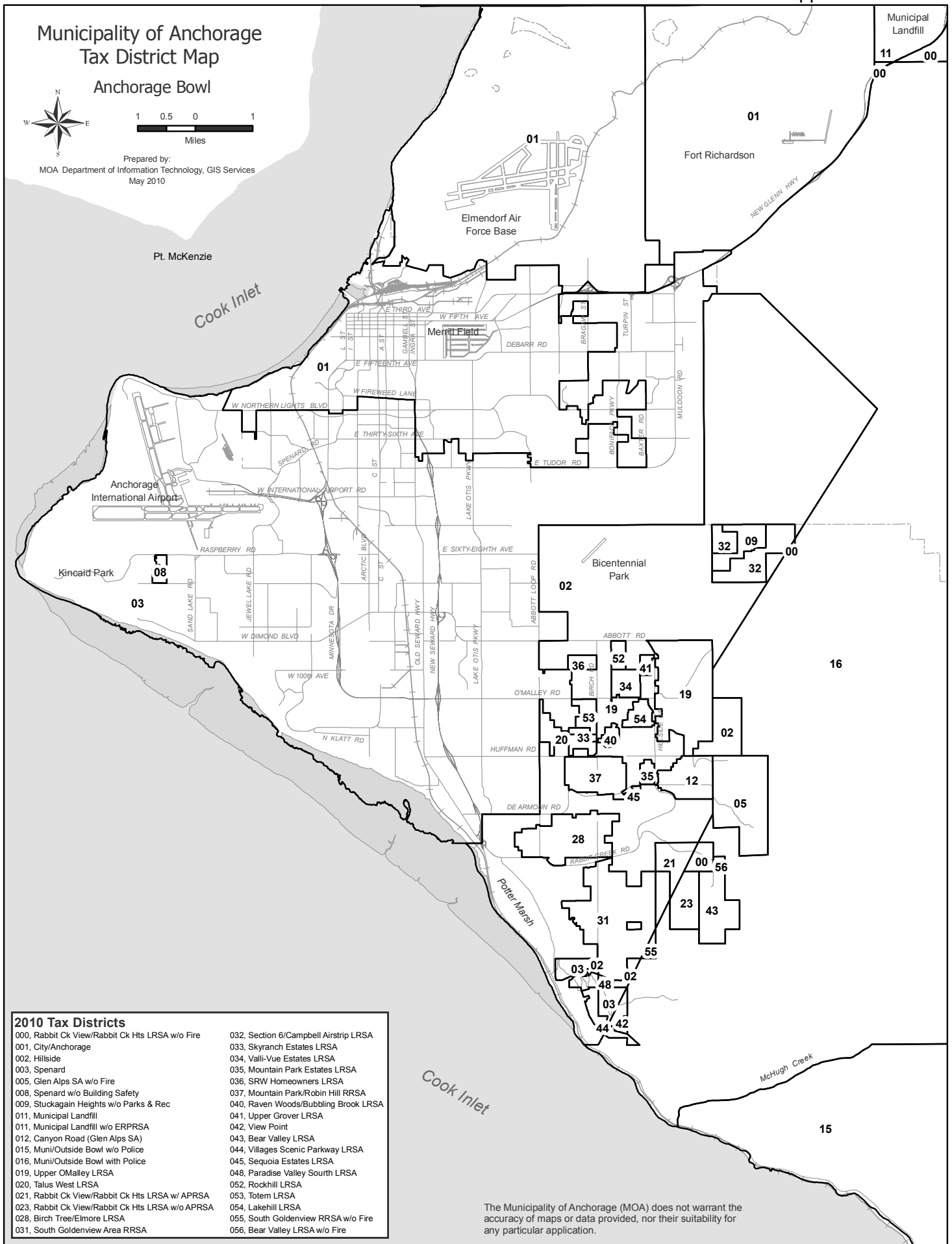
Municipality of Anchorage Tax District Map

Anchorage Bowl



1 0.5 0 1
Miles

Prepared by:
MOA Department of Information Technology, GIS Services
May 2010



2010 Tax Districts

- | | |
|--|---------------------------------------|
| 000, Rabbit Ck View/Rabbit Ck Hts LRSA w/o Fire | 032, Section 6/Campbell Airstrip LRSA |
| 001, City/Anchorage | 033, Skyranch Estates LRSA |
| 002, Hillside | 034, Valli-Vue Estates LRSA |
| 003, Spenard | 035, Mountain Park Estates LRSA |
| 005, Glen Alps SA w/o Fire | 036, SRW Homeowners LRSA |
| 008, Spenard w/o Building Safety | 037, Mountain Park/Robin Hill RRSA |
| 009, Stuckagoin Heights w/o Parks & Rec | 040, Raven Woods/Bubbling Brook LRSA |
| 011, Municipal Landfill | 041, Upper Grover LRSA |
| 011, Municipal Landfill w/o ERPRSA | 042, View Point |
| 012, Canyon Road (Glen Alps SA) | 043, Bear Valley LRSA |
| 015, Muni/Outside Bowl w/o Police | 044, Villages Scenic Parkway LRSA |
| 016, Muni/Outside Bowl with Police | 045, Sequoia Estates LRSA |
| 019, Upper O'Malley LRSA | 048, Paradise Valley South LRSA |
| 020, Talus West LRSA | 052, Rockhill LRSA |
| 021, Rabbit Ck View/Rabbit Ck Hts LRSA w/ APRSA | 053, Totem LRSA |
| 023, Rabbit Ck View/Rabbit Ck Hts LRSA w/o APRSA | 054, Lakehill LRSA |
| 028, Birch Tree/Elmore LRSA | 055, South Goldenview RRSA w/o Fire |
| 031, South Goldenview Area RRSA | 056, Bear Valley LRSA w/o Fire |

The Municipality of Anchorage (MOA) does not warrant the accuracy of maps or data provided, nor their suitability for any particular application.

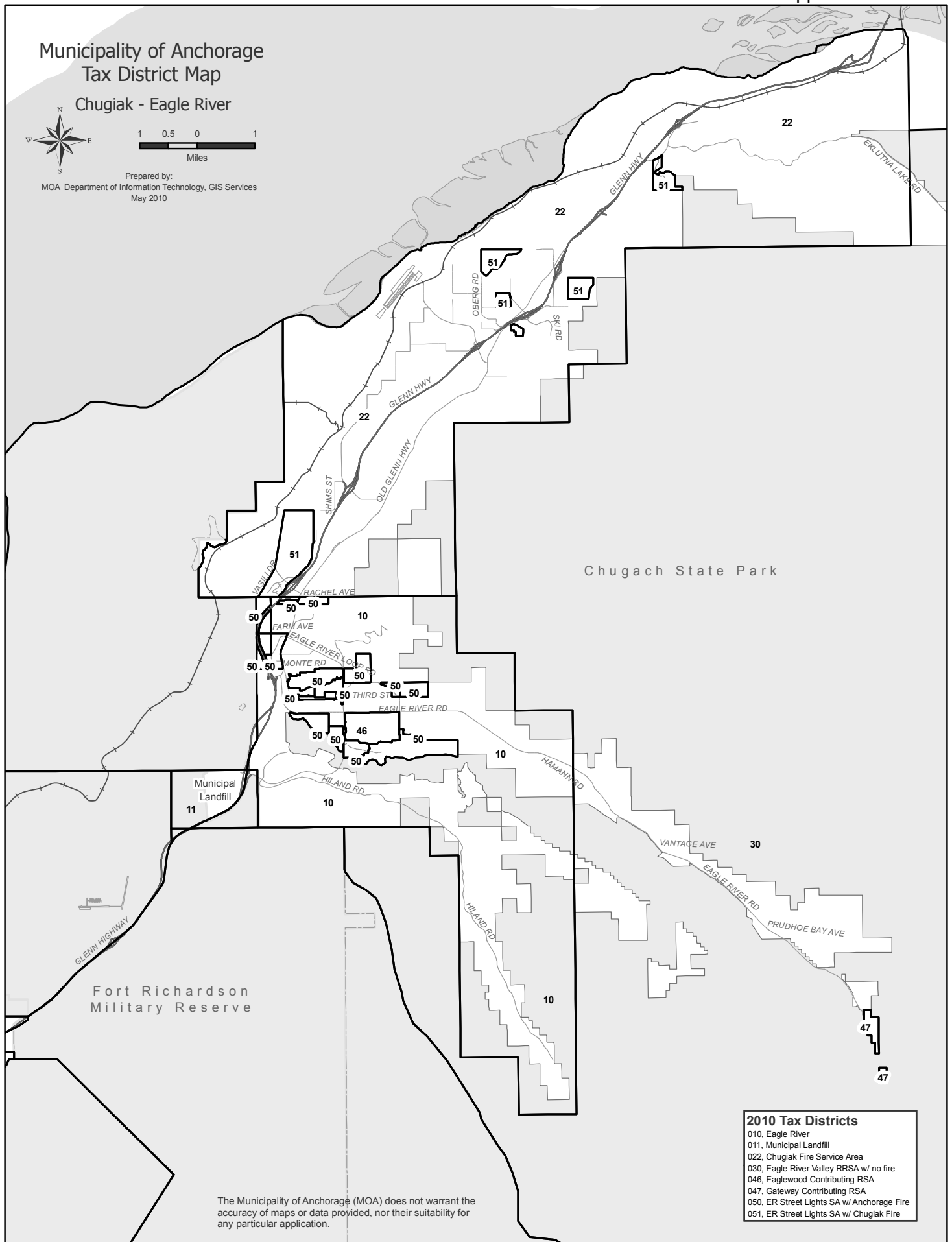
Municipality of Anchorage Tax District Map

Chugiak - Eagle River



1 0.5 0 1
Miles

Prepared by:
MOA Department of Information Technology, GIS Services
May 2010



The Municipality of Anchorage (MOA) does not warrant the accuracy of maps or data provided, nor their suitability for any particular application.

2010 Tax Districts

- 010, Eagle River
- 011, Municipal Landfill
- 022, Chugiak Fire Service Area
- 030, Eagle River Valley RRSA w/ no fire
- 046, Eaglewood Contributing RSA
- 047, Gateway Contributing RSA
- 050, ER Street Lights SA w/ Anchorage Fire
- 051, ER Street Lights SA w/ Chugiak Fire