

BUDGET OVERVIEW

1996 GENERAL GOVERNMENT OPERATING BUDGET
HIGHLIGHTS

- \$2.0 MILLION UNDER THE TAX CAP

- NO NET INCREASE EXCEPT FOR PUBLIC SAFETY AND VOTER-APPROVED DEBT SERVICE INCREASES

- ALL PERSONNEL COSTS INCREASES OFFSET BY EFFICIENCIES IN COSTS OF OPERATION

- INCREASES PUBLIC SAFETY TO MAKE ANCHORAGE A SAFER CITY
 - Full year funding for the 60 new police officers added in 1995.
 - Police-Fire-EMS dispatch communications improvements.
 - Communications improvements for Police Officers in the field.
 - Police Crime Laboratory equipment upgrades to enhance investigations work.
 - Police vehicles modernization and purchase of vehicles for newly added Police Officer positions.

- MAINTAINS MOST OTHER PROGRAMS AND SERVICES AT THEIR CURRENT 1995 LEVEL

1995/1996 GENERAL GOVERNMENT OPERATING BUDGET
EXPENDITURE RECONCILIATION

	<u>Amount</u>	<u>Change From 1995 Revised Budget</u>
1995 REVISED BUDGET	\$ 221,027,290	
1996 Salaries and Benefits Adjustments *	1,163,790	
1996 Department Costs and Staff Decreases	<u>(1,170,800)</u>	
	\$ 221,020,280	\$ (7,010)
Miscellaneous Increases/Decreases to 1996 Budget (Net)	<u>(70,970)</u>	
	\$ 220,949,310	\$ (77,980)
1996 Net Increases in Voter-Approved Debt Service	1,700,480	
1996 Full Year Police Additional Local Costs	1,409,940	
1996 PROPOSED BUDGET	<u><u>\$ 224,059,730</u></u>	\$ 3,032,440

***1996 Salaries and Benefits Adjustments**

JCC Contract CPI Adjustment	\$ 337,960
IBEW Contract CPI Adjustment	57,990
Step and Longevity Increases	518,910
Benefit Adjustments (Net)	(429,230)
Additional 16 normal working hours in 1996 over 1995	<u>678,160</u>
	<u><u>\$1,163,790</u></u>

1995/1996 GENERAL GOVERNMENT OPERATING BUDGET
PROPERTY TAX REVENUES RECONCILIATION

1995 Property Tax Revenues	\$120,761,070
Property Tax Revenues on Voter-Approved 1996 Additional Debt Service Costs	1,700,480
Property Tax Revenues on 1996 Full Year Police Additional Local Costs	1,409,940
Property Tax Revenues to Offset Reduction in State Revenue Sharing/ Municipal Assistance	2,539,830
1996 Proposed Property Tax Revenues	<u>\$126,411,320</u>
Property Tax Revenues Increase on New Construction	\$ 1,392,510
Property Tax Revenues Increase on Existing Property	\$ 4,257,740

1995/1996 GENERAL GOVERNMENT OPERATING BUDGET SUMMARY

	<u>1995 Revised</u>	<u>1996 Proposed</u>	<u>Increase/(Decrease)</u>	
			<u>Amount</u>	<u>Percent</u>
EXPENDITURES (DIRECT COSTS)	\$ 221,027,290	\$ 224,059,730	\$ 3,032,440(a)	1.4 %
 <u>REVENUES (NON-PROPERTY TAX)</u>				
Federal	\$ 1,037,850	\$ 1,076,150	\$ 38,300	3.7 %
State Revenue Sharing/Municipal Assistance	22,787,210	21,036,890	(1,750,320)	(7.7)%
Other State Revenues	3,050,280	3,395,280	345,000(c)	11.3 %
Program	21,112,880	21,252,490	139,610	0.7 %
Local Allocated	31,584,320	33,293,160	1,708,840	5.4 %
IGCs to Non-General Government	14,959,510	13,075,610	(1,883,900)	(12.6)%
Applied Fund Balance	5,734,170	4,518,830	(1,215,340)(d)	(21.2)%
Total	<u>\$ 100,266,220</u>	<u>\$ 97,648,410</u>	<u>\$ (2,617,810)</u>	(2.6)%
 PROPERTY TAXES	 <u>\$ 120,761,070</u>	 <u>\$ 126,411,320</u>	 <u>\$ 5,650,250(b)</u>	 4.7 %
 PROPERTY TAX CAP	 <u>124,254,550</u>	 <u>128,377,730</u>		
 AMOUNT OVER/(UNDER) TAX CAP	 <u>\$ (3,493,480)</u>	 <u>\$ (1,966,410)</u>		

(a) Expenditure increases are summarized on page 1-2.

(b) Property tax increase is summarized on page 1-3.

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(c) \$345,000 increase in Liquor License revenues over 1995 reflects the biennial issuance cycle which results in uneven receipt of revenues (more revenues are received in even-numbered years than in odd-numbered years).

(d) \$789,510 of decrease is attributable to less State Revenue Sharing received in 1995 than budgeted which reduced the amount of applied fund balance available for the 1996 budget.

**1996 General Government Operating Budget
ADMINISTRATION'S SERVICE PRIORITIES**

THE ADMINISTRATION AND MUNICIPAL EMPLOYEES ARE COMMITTED TO THE GOAL OF MAKING ANCHORAGE A BETTER PLACE TO LIVE AND RAISE OUR FAMILIES. WE WILL PROVIDE THE HIGHEST POSSIBLE LEVEL OF SERVICE TO THE PEOPLE OF ANCHORAGE WITHIN THE BUDGET CONSTRAINTS FACING US IN 1996.

In achieving our goal to make Anchorage a more livable city, the Administration will continue to focus on six broad priorities:

- **Public Safety**

We will provide a safe environment for our city's residents and visitors. We must ensure that the Police Department is properly staffed and scheduled to reduce the occurrence of crime in Anchorage. The 1996 budget will provide full year funding for the 33 additional police officer positions plus support personnel that were funded for part of 1995. With the increase in police officers, the Anchorage Police Department will be able to spend more time on crime prevention and crime follow-up. In 1996 we will continue to focus on the prosecution and deterrence of violent crimes, drug related crimes, and the increasingly serious juvenile and gang related crimes. Adequate funding will be included in the 1996 budget to hold police academies to fill vacant positions.

Our high quality fire and emergency medical emergency response capability will be even further improved with completion of the cross-training of paramedics and firefighters. This is expected to shorten average response times to life threatening incidents from approximately 8 minutes to 4.5 minutes. During 1996, the Anchorage Fire Department will be conducting a fire risk analysis of the Municipality looking for improvements to lower fire insurance rates.

- **Quality of Life**

A city must always strive to keep costs down just as a family must always live within its means. But within a tight budget we must provide, as efficiently as possible, those cultural and recreational amenities such as museum, libraries, bike trails, parks and recreation opportunities that make a city livable and enjoyable. We must also provide basic social and public health services to those in need.

In 1996 the Municipality will actively support the Arctic Winter Games that will be held in March.

Cultural and arts facilities contribute to the quality and the economic strength of our community. We will be especially supportive of those facilities and programs which receive substantial portions of their revenue from user fees and private contributions.

Using cost effective non-profit organizations is the best way to deliver needed social, cultural, and recreational services. We must work closely with these groups to encourage them to play a major part in solving the challenge of providing social, cultural, and recreational services in a period of declining revenues.

We will continue our focus on making Anchorage a cleaner and more beautiful city. Our newly formed Beautification Task Force will play an important role as will the continued improved watering of our parks and roadway medians, accelerated street sweeping, shortened response time for graffiti removal, and removal of junk cars from our neighborhoods.

- **Maintenance of Municipal Roads and Facilities**

We need to adequately maintain our municipal basic facilities, roads and public buildings, as well as parks, bike trails, and cultural facilities. We will maintain existing facilities on a schedule that will allow ourselves and future generations to enjoy the benefits of these improvements for many years.

- **Fiscal Stability**

If falling State revenues require the reduction of the State government budget, it is only fair for local governments to share in that reduction. However, the trend for the State to balance its budget on the backs of local governments by disproportionate reductions in State Revenue Sharing and Municipal Assistance is inequitable and only serves to increase the pressure on local taxpayers. We will continue to work with other Alaska communities to make sure that this trend does not continue.

- **Economic Development**

We will facilitate orderly, attractive growth in our community.

We will assure that our local government is a partner, not a barrier, to business. Our reputation as a safe place to invest, to work, and to live can be among the best in America and the Pacific rim.

The expansion of tourism will have a very positive impact on our economy. We will work to ensure Anchorage grows as a popular tourist destination.

We will support the efforts of the Anchorage Convention and Visitors Bureau and the Anchorage Economic Development Corporation. By working with these groups and others, we can lead the way in building economic strength for our community.

- **Transportation**

In addition to adequate roads, a basic transit program is an important element of our overall transportation system. The transit fleet will be updated with the arrival of 12-18 new low floor accessible buses and 6-12 new paratransit vehicles. This will reduce operating and maintenance costs in the budget. The Transit Department will implement a marketing program to increase ridership over the next five years.