For FY07, Juneau is anticipating increases in property assessments and sales tax revenues. The increase in property tax is a direct result of increases in property market values and new construction. These revenue increases have assisted the City in absorbing over $6.0 million in general governmental cost increases (retirement benefits, workers’ compensation, health care, heating and vehicle fuels and support to Education) and allowed the Assembly to adopt a 1.00 mill levy reduction (9% or $3.65 million). These cost increases and mill levy reduction maintain the current level of services to the citizens of Juneau. Increases beyond the current service level have been kept to a minimum with the Assembly adopting only $285,000 in additional programs, less than a 1% increase. The increases are $150,000 to update the Comprehensive Plan for Juneau’s future, $25,000 for the Juneau Small Business Development Center, $30,000 for the Southeast Alaska Avalanche Center for downtown avalanche forecasting and $80,000 for a commercial appraiser.

Public Participation

The City Manager is required to submit a proposed balanced budget to the Assembly on or before April 5 of each year. The Assembly, sitting as the Finance Committee, reviews the City Manager’s budget recommendations between April 5 and early June in weekly public meetings. The Assembly is then required to adopt the budget on or before June 15. The Assembly welcomes public input into the budget process.
City General Governmental Operations

The City provides a wide variety of public services fully or partially funded with property and sales taxes. These general governmental functions include:

- **Education**: 1 high school, 1 alternative high school, 2 middle schools, 6 elementary schools, 1 charter school and a correspondence program
- **Public Safety**: Police, Fire, Ambulance and Emergency Service Dispatch
- **Libraries**: Public Information and Facilities
- **Legislative**: City Budget, Legislation and Community Planning
- **Capital Transit**: Public Bus and Care-A-Van Services
- **Community Development**: Community Planning, Development Permitting and Code Enforcement
- **Engineering**: Capital Improvement Planning, Design and Management
- **Parks and Recreation**: Recreational Programs, Parks, Landscape, Building Maintenance, Parking and Visitor Services
- **Streets**: Maintenance, Repair, Snow Removal and Equipment Maintenance
- **Finance**: Property Assessing, Financial Services and Purchasing
- **Law**: Prosecution, Incarceration and Legal Support
- **Eaglecrest Ski Area**: Recreational Programs, Ski and Snowboard Instruction, Sales and Rentals

Growth Management in City Government

Growth in governmental spending is a concern of the CBJ management and Assembly. When discussing growth management, it is important to distinguish between the various types of services provided by the CBJ and how these services are funded. While all of the services we provide require operational revenues, the sources vary greatly. General governmental functions and local support for education are largely supported through property and sales tax levies while other functions such as the hospital, utilities, airport, and harbor services are funded through user fees.

Over the past 20 years, the cost to the taxpayer for these public services has been significantly impacted by State funding and operational issues. The State has reduced or eliminated both local general operating support ($10 million since FY85) and some local services. This has resulted in local government assuming responsibility for many of the more critical services, for example, police protection due to the elimination of State Troopers in the City and Borough.

Per Capita Changes in Spending

To obtain an accurate picture of the change in spending over time, it is important to take into consideration inflation and changes in population. The graph on the right compares general government and education spending per resident (per capita) between FY87, FY97 and FY07.
Mill Levy History

Mill levies have been significantly impacted by changes in the State’s operating support to local governments. In FY82, state support increased dramatically. This resulted in significant reductions in the mill levy from FY82 through FY86. State support started declining in FY86 until it was eliminated in FY04. This reduction resulted in overall mill levy increases from FY87 through FY95. Growth in local revenues and cost management allowed the City to decrease the mill levy since FY95 even though the State had continued to reduce local support. The cost to the local taxpayers of this State funding reduction is approximately 3 mills or $300 for every $100,000 of assessed property value. This year (FY07), the State provided some funding to municipalities for energy assistance and the employers’ share of public employees retirement system contribution. The combination of these two items total $2.6 million and allowed a further reduction of 0.39 mills above the 0.30 mills recommended by the Manager for the operation mill levy. The FY07 adopted mill levy is 9.26 for operations and 0.91 for debt, for a total of 10.17.

Note: In October 1995 (effective Fiscal Year 1997), voters approved a Charter amendment which restricts the maximum operating mill levy to 12 mills. This restriction does not apply to voter approved general obligation debt.

Per Capita Changes in Revenue Sources

The graph on the left depicts the changes in revenues on a per resident (per capita) basis. As can be seen, State and Federal revenues have declined between FY87 and FY07 by over 74% for general government on a per capita basis. This has shifted the cost of funding general governmental operations to the local taxpayer. It should be noted that the operational mill rate for FY07 is lower than the FY97 operational mill rate by 1.63 mills (15.0%). Increases in sales tax revenues are primarily due to increases in spending during the summer months.
How Your Property and Sales Tax Dollars Will Be Spent

The following graph shows how your property and sales tax dollars will be spent. The graph excludes all self-supported business-type activities; Airport, Bartlett Regional Hospital (excluding the Rainforest Recovery Center), Docks, Harbors, Water and Sewer. Many of the services presented in this graph are partially funded by user fees, fines, State and Federal support and other general revenues.

Note 1: General obligation voter-approved debt is funded with a specific tax levy. The debt service mill levy for FY07 is 0.91 mills or $91 for each $100,000 of assessed value.

Note 2: Capital Projects receive no property tax revenues. The funding represented above is $5,000,000 of sales tax for the Downtown Parking and Transit Center, Statter Harbor improvements, areawide sewer expansion and a mid-mountain chairlift for the ski area; and $8,200,000 of sales tax for areawide capital projects.

Additional information on the budgetary process can be found at:
http://www.juneau.org/financeftp/FY07andFY08ProposedBdugets.php