



MUNICIPALITY OF ANCHORAGE

MEMORANDUM

September 2, 2012

TO: Anchorage Assembly

FROM: Mayor Dan Sullivan *Dan Sullivan*

SUBJECT: 2013 Preliminary Data – 120 Day Memo

Anchorage Municipal Code 6.10.040 (A) requires the Administration to provide preliminary information regarding the 2013 budget for general government, utilities and enterprises at least 120 days prior to the end of the preceding fiscal year.

The required information included in this memo is:

- Preliminary 2013 revenue estimate
- Preliminary 2013 tax limit calculation
- Administration's priorities
- Preliminary 2013 CIB and 2013-2018 CIP for general government
- Utility and Enterprise budget information

Preliminary 2013 Revenue Estimate

Attachment A is the preliminary revenue estimate for 2013. The estimate shows an overall \$1.9M reduction in non-property tax revenue comprised of a \$6.0M reduction in state revenues offset by a \$4.1M increase in other non-property tax revenues, of which \$3.2M are included in the Tax Limit. The use of ~\$7.5M 2012 over-collection of property taxes (due to unanticipated increase in state funding) for Anchorage School District is pending a policy decision, thus it is not included in this preliminary revenue estimate.

Preliminary 2013 Tax Limit Calculation

Attachment B is the preliminary Tax Limit calculation. When compared to the 2012 Tax Limit, the preliminary 2013 calculation provides:

- Limit on all taxes that can be collected is up \$4.1M, primarily due to the base increase of \$4.0M. The items that the limit can be adjusted for (not subject to the Tax Limit) create a \$.1M increase because, although the limit is increased \$5.6M for recovery of the Rollins settlements, it is offset with voter approved O&M decrease of \$.5M and debt service decrease of \$5.0M.

- Limit on property taxes that can be collected is up \$.9M because that is what is left over from the \$4.1M increase to limit on all taxes after exclusion of the projected \$3.2M increase in non-property taxes. Thus, every dollar increase in non-property tax translates into a dollar less in property taxes.

The Tax Limit will be finalized in April during the first quarter amendment process at which time 2013 property tax rates will be set.

Administration's Priorities

The Municipality's condition of expenditure growth exceeding available revenue continues. The Administration is challenged with bringing spending to a level the Municipality – and taxpayers – can afford over the long-term. A priority is to ensure appropriate services are delivered efficiently. The Administration continues working on improved efficiencies including implementation of an electronic timekeeping system and a new Enterprise Resource Planning (ERP) system that will streamline management of human resources, accounting, purchasing, and budget functions. Also, there is consideration of shared services with Anchorage School District.

The Administration strives to manage funding sources by matching ongoing resources with continuing services.

Additionally, the Administration has a goal of decreasing new debts.

Preliminary 2013 CIB and 2013-2018 CIP for General Government

Attachment C is the preliminary 2013 Capital Improvement Budget (CIB).

Attachments D and E are the preliminary 2013-2018 Capital Improvement Plan (CIP) presented in summary by departments over the years and by funding source.

Project details of the CIB and CIP will be provided in the submittals to the Assembly on October 1st.

Utility and Enterprise Budget Information

Attachments F 1-5 are the updated strategic and business plans and preliminary CIB and CIP information for:

- F-1 Anchorage Water and Wastewater Utility
- F-2 Municipal Light and Power
- F-3 Merrill Field Airport
- F-4 Port of Anchorage
- F-5 Solid Waste Services

General Government Revenue

Description	2012 Revised	2013 Preliminary	Increase / (Decrease)
Taxes in Tax Limitation			
Payment in Lieu of Taxes (State & Federal)	780,000	810,395	30,395
Automobile Tax	8,800,000	10,477,053	1,677,053
Tobacco Tax	20,411,994	20,248,698	(163,296)
Aircraft Tax	210,000	210,000	-
Motor Vehicle Rental Tax	5,174,208	5,181,547	7,339
MUSA/MESA	20,274,050	21,971,121	1,697,071
Total Taxes in Tax Limitation	55,650,252	58,898,814	3,248,562
Room Tax	21,391,318	22,967,366	1,576,048
State Revenues	24,091,196	18,082,800	(6,008,396)
Federal Revenues	932,975	926,380	(6,595)
Program, Fees, Interest, Other	69,678,581	68,931,301	(747,280)
Total Non-Property Tax Revenue	171,744,322	169,806,661	(1,937,661)

Attachment B

Tax Limit Calculation

Anchorage Municipal Charter 14.03 and Anchorage Municipal Code 12.25.040

Line		2012		2013	
		Revised		Preliminary	
1	<u>Step 1: Building Base with Taxes Collected the Prior Year</u>				
2	Real/Personal Property Taxes to be Collected	225,307,034		225,224,575	
3	Payment in Lieu of Taxes (State & Federal)	919,000		780,000	
4	Automobile Tax	5,040,000		8,800,000	
5	Tobacco Tax	21,300,000		20,411,994	
6	Aircraft Tax	210,000		210,000	
7	Motor Vehicles Rental Tax	4,753,653		5,174,208	
8	MUSA/MESA	13,187,332		20,274,050	
9	Step 1 Total	270,717,019		280,874,827	
10					
11	<u>Step 2: Back out Prior Year's Exclusions Not Subject to Tax Limit</u>				
12	Taxes Authorized by Voter-Approved Ballot - O&M Reserves (One-Time)	(440,000)		(440,000)	
13	Judgments/Legal Settlements (One-Time)	(118,550)		(25,050)	
14	Debt Service (One-Time)	(49,147,385)		(55,513,494)	
15	Step 2 Total	(49,705,935)		(55,978,544)	
16					
17	Tax Limit Base (before Adjustment for Population and CPI)	221,011,084		224,896,283	
18					
19	<u>Step 3: Adjust for Population, Inflation</u>				
20	Population 5 Year Average	0.90%	1,989,100	0.90%	2,024,070
21	Change in Consumer Price Index 5 Year Average	2.60%	5,746,290	2.60%	5,847,300
22	Step 3 Total	3.50%	7,735,390	3.50%	7,871,370
23					
24	The Base for Calculating Following Year's Tax Limit	228,746,474		232,767,653	
25					
26	<u>Step 4: Add Taxes for Current Year Items Not Subject to Tax Limit</u>				
27	New Construction	1,671,690		1,671,687	
28	Taxes Authorized by Voter-Approved Ballot - O&M	834,945		360,000	
29	Taxes Authorized by Voter-Approved Ballot - O&M Reserves (One-Time)	440,000		440,000	
30	Judgments/Legal Settlements (One-Time)	25,050		5,625,050	
31	Debt Service (One-Time)	55,513,494		50,501,741	
32	Step 4 Total	58,485,179		58,598,478	
33					
34	Limit on ALL TAXES that can be collected	287,231,653		291,366,131	
35					
36	<u>Step 5: To determine limit on property taxes, back out other taxes</u>				
37	Payment in Lieu of Taxes (State & Federal)	(780,000)		(810,395)	
38	Automobile Tax	(8,800,000)		(10,477,053)	
39	Tobacco Tax	(20,411,994)		(20,248,698)	
40	Aircraft Tax	(210,000)		(210,000)	
41	Motor Vehicle Rental Tax	(5,174,208)		(5,181,547)	
42	MUSA/MESA	(20,274,050)		(21,971,121)	
43	Step 5 Total	(55,650,252)		(58,898,814)	
44					
45	Limit on PROPERTY TAXES that can be collected	231,581,401		232,467,317	
46					
47	<u>Step 6: Determine property taxes to be collected if different than Limit on Property Taxes that can be collected</u>				
48	Property taxes to be collected based on spending decisions minus other available revenue.				
49					
50	Property taxes TO BE COLLECTED	225,224,575			
51					
52	Note: Does not include potential use of available capacity from the 2013 ASD Tax Limit Calculation.				

General Government 2013 Capital Improvement Budget

Department Summary by Sources of Funds (in thousands)

Department	Bonds	State Grants	Federal Grants	Other	Total
Anchorage Fire Department	795	7,460	60	100	8,415
Anchorage Police Department	600	13,650	-	-	14,250
Information Technology	-	-	-	11,930	11,930
Library	-	220	-	900	1,120
Parks & Recreation	2,400	27,583	-	160	30,143
Public Transportation	525	8,700	3,250	-	12,475
Public Works	24,376	367,731	-	4,475	396,582
Total	28,696	425,344	3,310	17,565	474,915

General Government 2013 - 2018 Capital Improvement Program

Summary by Department by Year (in thousands)

Department	2013	2014	2015	2016	2017	2018	Total
Anchorage Fire Department	8,415	5,185	4,750	1,750	4,550	1,900	26,550
Anchorage Police Department	14,250	2,700	600	600	600	-	18,750
Information Technology	11,930	6,735	4,250	350	725	900	24,890
Library	1,120	1,120	1,120	1,084	130	-	4,574
Parks & Recreation	30,143	751	1,391	1,044	1,048	745	35,122
Public Transportation	12,475	4,495	3,695	3,882	2,695	1,695	28,937
Public Works	396,582	205,701	176,826	225,969	143,972	104,563	1,253,613
Total	474,915	226,687	192,632	234,679	153,720	109,803	1,392,436

General Government 2013 - 2018 Capital Improvement Program

Department Summary by Sources of Funds

(in thousands)

Department	Bonds	State Grants	Federal Grants	Other	Total
Anchorage Fire Department	4,875	20,015	60	1,600	26,550
Anchorage Police Department	600	18,150	-	-	18,750
Information Technology	-	1,200	2,400	21,290	24,890
Library	-	884	-	3,690	4,574
Parks & Recreation	2,400	32,562	-	160	35,122
Public Transportation	2,897	10,680	15,360	-	28,937
Public Works	153,606	1,045,429	3,000	51,578	1,253,613
Total	164,378	1,128,920	20,820	78,318	1,392,436

Anchorage Water and Wastewater Utility Business Plan

Mission

Supporting the public health, safety and economic interests of the community by providing quality water and wastewater services in a responsible, efficient and sustainable manner.

Services

The Anchorage Water and Wastewater Utility (AWWU) is the largest water and wastewater utility in Alaska. AWWU currently serves the Municipality of Anchorage extending from Eklutna to as far south as Girdwood. Although they share one workforce, AWWU operates as two separate economic and regulated entities: the Anchorage Water Utility (AWU) and the Anchorage Sewer Utility (ASU).

Business Goals

- Be an employer of choice; attract and retain quality staff at all levels of the Utility.
- Be a leader in providing exceptional customer service.
- Protect public health and be environmentally responsible.
- Sustain the long term financial health of the utility through growth, development, and efficiency of business practices.
- Optimize Utility processes to promote best business practices, sustainability, and improved efficiencies.

Strategies to Achieve Goals

AWWU's strategic plan provides a framework to achieve results for the customer. AWWU has identified the following customer commitments which represent the outcomes or accomplishments of the Utilities activities as viewed by the customer.

1. Provide safe drinking water that meets or exceeds all standards.
2. Protect the environment through appropriate wastewater collection, treatment, and disposal.
3. Provide reliable service.
4. Have timely, professional, and courteous interactions with customers.
5. Manage finances responsibly and transparently.
6. Set rates that fairly reflect the cost of providing service and maintaining infrastructure.
7. Deliver services affordably to promote a strong Anchorage economy.
8. Invest wisely to minimize risk and maintain service levels.
9. Continuously improve the efficiency of our operations.
10. Anticipate change and preparing for the future.

Performance Measures to Track Progress in Achieving Goals

AWWU measures progress in achieving these customer commitments using the set of quantifiable performance measures.

1. Compliance with all State and Federal drinking water, wastewater and air standards
2. Number of planned and unplanned water outages
3. Sanitary sewer overflows
4. Excavation and maintenance work order backlog
5. Recordable incident rate (as compared to the standard incident rate for water and wastewater utilities)
6. Number of after-hours emergency calls and responses
7. Critical Systems availability

Attachment F - 1

8. Execution of capital improvement budget
9. Debt to equity ratio
10. Service affordability

Attachment F - 1

Anchorage Water Utility
2013 Capital Improvement Budget
(in thousands)

Project Title	Debt	State/Fed Grant	Equity/ Operations	Total
2013 Depreciation Study	120	-	-	120
347 Zone Conversion	-	-	350	350
475 Loop Conversion	-	-	300	300
720 Zone Conversion	51	-	-	51
760 Reservoir Site Acquisition	255	-	-	255
Abbott & Bragaw Vaults Pump Upgrades	100	-	-	100
Alaska Department Of Transportation-Municipality Of Anchorage- Emergency-WTR	3,475	-	-	3,475
Alaska Pacific University Purchase Private Service Line	-	-	25	25
Alaska Railroad Corporation Yard 12" Water Rehabilitation	1,700	-	-	1,700
Calais Subdivision Wtr Rehabilitation	3,100	-	-	3,100
Catholic Protection System Improvement	500	-	-	500
Customer Service: Computer Information System (CIS) Enhancements	50	-	500	550
Customer Service: Locates Integration Tel-Dig	40	-	-	40
Diamond Costco Purchase Private Service Line	-	-	40	40
Dowling Rd WTR Transmission Main	2,000	-	-	2,000
E Bluff Wtr Rehabilitation Phase II	500	-	-	500
Engineering Archives System-WTR	130	-	-	130
Engineering Project Management Tools-WTR	155	-	-	155
Eklutna Water Treatment Facility 2nd Stage Polymer System Upgrade	-	-	651	651
Excavator (96803)	-	-	325	325
Facility Replace & Rehabilitate-Operations & Maintenance-WTR	-	-	270	270
Facility Replace & Rehabilitate-Treatment-WTR	988	-	-	988
Geographic Information System (GIS) Desktop Development	50	-	-	50
Geographic Information System (GIS) Implementation	63	-	-	63
Geographic Information System (GIS) Integration: Geographic Information System Integration General	15	-	-	15
Geographic Information System (GIS) Integration: Global Positioning System (GPS) Vehicle Tracking	45	-	-	45
Global Positioning System (GPS) Development	50	-	-	50
Hydraulic Model Support	40	-	-	40
Investigate Transmission Main Pipe Condition	250	-	-	250
Information Technology (IT) Infrastructure	353	-	-	353
Legacy Pointe Reservoir	780	-	-	780
McLaughlin School Purchase Private Service Line	4	-	21	25
Miscellaneous Information Technology (IT) Systems	495	-	-	495
Northwood Well Transmission Main	3,500	-	-	3,500
Plant Oversize Improvement-WTR	50	-	-	50
Pressure Reducing Valve Vault Replacements	652	-	-	652
Supervisory Control and Data Acquisition (SCADA) Equipment	1,005	-	-	1,005
Ship Creek Water Treatment Facility Alarm System Replacement	152	-	-	152
Ship Creek Water Treatment Facility Debris Mitigation	1,000	-	-	1,000
Ship Creek Water Treatment Facility Process Mechanical Operation	-	2,000	-	2,000
Ship Creek Water Treatment Facility Seismic Retrofit Upgrades	1,400	-	-	1,400

Anchorage Water Utility
2013 Capital Improvement Budget
(in thousands)

Project Title	Debt	State/Fed Grant	Equity/ Operations	Total
Ship Creek Water Treatment Facility Worker Safety/Code Compliance	2,311	-	-	2,311
Service High School Purchase Private Service System	-	-	250	250
Transmission Main Access Manholes	500	-	-	500
Transmission Main Leak Repair	500	-	-	500
Vehicles-WTR	-	-	268	268
Water Quality Management: Environmental Compliance Monitoring Reporting	45	-	-	45
Work Management Systems	200	-	-	200
Wonder Park Wtr Phase II	1,377	-	-	1,377
Wtr Upgrade Preliminary Engineering	239	-	-	239
Total	28,240	2,000	3,000	33,240

Anchorage Water Utility
2013 - 2018 Capital Improvement Program
(in thousands)

Project Category	2013	2014	2015	2016	2017	2018	Total
Equipment	2,824	2,935	3,397	3,288	2,720	2,551	17,715
Plant	14,432	9,183	3,425	2,020	5,026	4,660	38,746
Pipe	15,984	21,281	24,878	26,918	25,334	25,007	139,402
Total	33,240	33,399	31,700	32,226	33,080	32,218	195,863

Funding Source	2013	2014	2015	2016	2017	2018	Total
Debt	28,240	28,399	24,700	22,226	22,080	20,218	145,863
State/Fed Grant	2,000	2,000	2,000	2,000	2,000	2,000	12,000
Equity/Operations	3,000	3,000	5,000	8,000	9,000	10,000	38,000
Total	33,240	33,399	31,700	32,226	33,080	32,218	195,863

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**Anchorage Wastewater Utility
2013 Capital Improvement Budget
(in thousands)**

Project Title	Debt	State/Fed Grant	Equity/ Operations	Total
2013 Depreciation Study	-	-	120	120
Alaska Department Of Transportation-Municipality Of Anchorage- Emergency-SWR	1,340	-	-	1,340
Alley, G-H Street and 4th and 5th Avenues Rehabilitation	496	-	304	800
Customer Service: Computer Information System (CIS) Enhancements	50	-	500	550
Customer Service: Locates Integration Tel-Dig	40	-	-	40
Engineering Archives System-Swr	130	-	-	130
Engineering Project Management Tools-SWR	155	-	-	155
ER Excavator-SWR (96802)	-	-	325	325
Eagle River Wastewater Treatment Facility Blower Upgrade	500	-	-	500
Facility Replace & Rehabilitate-Operations & Maintenance-SWR	-	-	270	270
Facility Replace & Rehabilitate-Treatment-SWR	-	-	488	488
Fish Creek Gravity Interceptor	2,100	-	400	2,500
Girdwood I & I	-	-	325	325
Girdwood Outfall	1,000	-	-	1,000
Girdwood Wastewater Treatment Facility Upgrade & Replacement	13,479	6,000	-	19,479
Geographic Information System (GIS) Desktop Development	50	-	-	50
Geographic Information System (GIS) Implementation	63	-	-	63
Geographic Information System (GIS) Integration: Global Positioning System (GPS) Vehicle Tracking	45	-	-	45
Hydraulic Model Support	38	-	-	38
Information Technology (IT) Infrastructure	353	-	-	353
Miscellaneous Information Technology (IT) Systems	495	-	-	495
Plant Oversize Improvement-SWR	50	-	-	50
Supervisory Control and Data Acquisition (SCADA) Equipment Vehicles-SWR	634	-	-	634
	-	-	268	268
Water Quality Management: Environmental Compliance Monitoring Reporting	45	-	-	45
Work Management Systems	200	-	-	200
Wonder Park Swr Phase II	1,600	-	-	1,600
Total	22,863	6,000	3,000	31,863

Anchorage Wastewater Utility
2013 - 2018 Capital Improvement Program
(in thousands)

Project Category	2013	2014	2015	2016	2017	2018	Total
Equipment	2,757	2,971	3,207	3,313	2,720	2,591	17,559
Plant	22,491	18,711	17,249	14,539	7,756	4,521	85,267
Pipe	6,615	10,181	12,889	16,348	24,674	28,888	99,595
Total	31,863	31,863	33,345	34,200	35,150	36,000	202,421

Funding Source	2013	2014	2015	2016	2017	2018	Total
Debt	22,863	20,863	27,345	29,200	29,150	28,000	157,421
State/Fed Grant	6,000	6,000	2,000	2,000	2,000	2,000	20,000
Equity/Operations	3,000	5,000	4,000	3,000	4,000	6,000	25,000
Total	31,863	31,863	33,345	34,200	35,150	36,000	202,421

Municipal Light and Power Business Plan

Mission

Provide service with competitive, safe, reliable energy.

Services

ML&P service area encompasses 19.9 contiguous square miles including a large portion of the commercial and high-density residential areas of the Municipality. In 2011, the average number of residential and commercial customers was 24,302 and 6,297 respectively. Commercial customers account for approximately eighteen percent of ML&P's customer billings, yet consume sixty-seven percent of its retail output. ML&P also has agreements to supply Fort Richardson Army Base and Elmendorf Air Force Base with firm electrical service.

Business Goals

- Provide electricity on demand to ML&P customers 24 hours a day 365 days a year.
- Meet the needs and expectations of our customers by providing:
 - Competitive rates and reliable service for all customer classes
 - Prompt, reliable and courteous customer assistance
 - Support and assistance to the military bases and wholesale power customers
- Replace old turbines with more efficient, state-of-the-art turbines capable of achieving over 25% fuel savings.
- Operate the electrical system with optimum economic efficiency and strict adherence to environmental standards.
- Provide for the safety of both the public and our employees in the operation of the electrical system.
- Recruit and retain a highly skilled, diverse workforce dedicated to serving the Anchorage community.
- Improve system reliability by incorporating new components, technologies, and methods of cooperation with interconnected utilities.
- Maintain competitive rates by incorporating cost cutting technologies and streamlining business processes without jeopardizing the financial and operational integrity of the utility.
- Attain the financial objectives established in the Equity Management Plan.
- Promote efficient use of electrical energy.
- Continue to provide educational programs to school children and the community on electrical safety. Communicate factual information to customers and the public at large on issues affecting ML&P and the utility industry, including means by which the customer may undertake on their own volition measures to install cost-effective energy efficient technologies and promote energy conservation.
- Foster teamwork and an integrated approach to decision-making within the utility.
- Maintain equity and earn net income at a level sufficient to continue to pay annual dividends to the Municipality of Anchorage.

Strategies to Achieve Goals

ML&P's strategic plan provides a framework to achieve results for the customer.

1. Provide affordable and competitive rates
2. Maintain low employee incident rate
3. Maintain low number of lost work days
4. Ensure highest possible bond rating

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5. Achieve highest possible net income
6. Minimize customer outages and interruptions

Performance Measures to Track Progress in Achieving Goals

ML&P measures progress in achieving these customer commitments using the set of quantifiable performance measures.

1. Quarterly report on Residential Service Rates in Cents per Kilowatt Hour
2. Employee Incident reporting
3. Number of Lost Work Days report
4. Monthly Bond Rating Review
5. Monthly Net Income Statements, Annual report on Revenue per Kilowatt Hour Sold
6. As needed performance reporting on customer interruptions and outages

Municipal Light and Power
2013 Capital Improvement Budget
(in thousands)

Project Title	Equity/ Operations	Revenue Bond/ Commercial Paper	Contribution in Aid of Construction	Beluga Contributed	Total
Eklutna Power Plant	62	-	-	-	62
Steam	368	-	-	-	368
Structures & Improvements - Plant 1/Plant 2	200	-	-	-	200
Unit 3	729	-	-	-	729
Unit 5	676	-	-	-	676
Unit 6	368	-	-	-	368
Plant 2A	10	72,000	-	-	72,010
Plant 2 -Projects	4,150	-	-	-	4,150
Land & Land Rights - Transmission	40	-	-	-	40
Transmission Lines	70	500	-	-	570
Transmission Stations	1,063	100	-	-	1,163
Distribution Equipment	4,025	-	-	-	4,025
Land & Land Rights - Distribution	31	-	-	-	31
Meters	1,450	-	-	-	1,450
Overhead Lines	832	-	150	-	982
Street Lighting	44	-	-	-	44
Transformer Services	2,278	-	400	-	2,678
Underground Lines	2,600	-	2,095	-	4,695
Radio Communications	1,033	-	-	-	1,033
IT / Network	1,235	-	-	-	1,235
Command & Control	265	-	-	-	265
Misc Equipment	68	-	-	-	68
Stores/Tools/Lab	395	-	-	-	395
Structures & Improvements - General Plant	1,180	-	-	-	1,180
Transportation	750	-	-	-	750
Beluga River Gas Field	-	-	-	26,279	26,279
Total	23,921	72,600	2,645	26,279	125,445

Municipal Light and Power
2013 - 2018 Capital Improvement Program
(in thousands)

Project Category	2013	2014	2015	2016	2017	2018	Total
Production	78,562	16,837	7,090	17,910	9,310	8,610	138,319
Transmission	1,773	1,626	4,800	1,990	240	240	10,669
Distribution	13,905	11,814	11,223	10,335	10,576	10,634	68,487
General Plant	4,926	3,683	3,082	6,738	2,005	2,030	22,464
Beluga River Gas Field	26,279	28,096	28,809	12,860	5,479	5,777	107,300
Total	125,445	62,056	55,004	49,833	27,610	27,291	347,239

Source of Funding	2013	2014	2015	2016	2017	2018	Total
Equity/Operations	23,921	20,516	14,393	26,873	19,181	18,464	123,348
Revenue Bond/Commercial Paper	72,600	10,800	9,050	7,250	-	-	99,700
Contribution in Aid of Construction	2,645	2,644	2,752	2,850	2,950	3,050	16,891
Beluga Contributed	26,279	28,096	28,809	12,860	5,479	5,777	107,300
Total	125,445	62,056	55,004	49,833	27,610	27,291	347,239

Merrill Field Airport Business Plan

Background

Merrill Field Airport is a municipally owned and operated enterprise, regulated by the Federal Aviation Administration.

Services

Merrill Field is a primary commercial service airport and serves as a general aviation reliever for Anchorage International Airport. Home to almost 8% of all aircraft registered in Alaska, Merrill Field was the 104th busiest airport in the nation in 2011.

Mission

Merrill Field Airport is committed to operating and maintaining a safe and efficient airport that meets the aviation and business needs of the community.

Business Goals

- Enhance the Airport's role as the major general aviation transportation facility serving Anchorage and outlying areas within Alaska by providing services that promote and encourage use of the Airport by the general aviation community.
- Develop an overall Airport strategy, including leasing policies that attract aviation support services and related businesses to Merrill Field and encourage long and short term private sector investments.
- Practice sound fiscal management to enable Merrill Field to increase its value, both to its customers and to its owner, the Municipality of Anchorage.
- Take advantage of new technology.
- Understand and be responsive to our customers to better meet their needs by providing the services and facilities they desire. This includes maintaining those facilities in a fully functional, efficient and safe condition by continually improving their utility, quality, and appearance.
- Maximize the use of Federal Airport Improvement Program (AIP) grants to provide facilities that will safely and adequately meet the needs of general aviation.

Strategies to Achieve Goals

Merrill Field's strategic plan provides a framework to achieve results for the customer.

1. Actively market Airport facilities and services.
2. Provide infrastructure to meet customer demand
3. Maintain revenues at a level adequate to cover inflation, fund MOA and FAA mandated costs, and meet airport objectives by:
 - a. increasing facility productivity
 - b. increasing user fees, when necessary.
4. Minimize expenses by:
 - a. Reducing services where the impact is minimal
 - b. Employing economies of scale whenever possible
 - c. Deferring expenses, within practical limits
 - d. Performing functions in-house when workloads permit
5. Take advantage of new technology

Attachment F - 3

- a. Continue refinement and enhancement of existing programs to facilitate better data resource management.
- b. Continue replacing computer hardware, as required, to ensure the efficient processing of data.
6. Maintenance of database and management reporting capabilities.
7. Maintain runways, taxiways, and tie-down aprons in a safe and secure condition.
8. Expediently remove snow from all surfaces.
9. Continue long term planning, development, and construction of quality airport facilities through the Airport Master Plan process.
10. Provide technical assistance to lessees on issues associated with federally mandated environmental programs.
11. Continue to reduce the number of runway incursions (Vehicle/Pedestrian Deviations or VPDs).
12. Promote pro-active leasing program for Municipal Airports.
13. Manage and develop Orca Street properties to provide lease space for aircraft hangar development.
14. Provide new lease lots to expand or develop commercial aviation facilities.
15. Work in close coordination with the Airport Commission, Fixed Based Operators, and Airport users.
16. Perform asphaltic crack sealing of runways/taxiways to extend the life expectancy of these surfaces.
17. Fund pre-grant expenses for engineering services on grant-eligible projects.
18. Implement recommendations of the FAA Runway Safety Action Team.
19. Enhance the utility of existing tiedown aprons, taxiways and roadways.
20. Expand aircraft aprons and taxiways as needed to meet demand.
21. Maintain positive relations with neighboring Community Councils by encouraging their comments and actively addressing their concerns.
22. Maintain a pro-active anti-noise policy, asking pilots to follow established noise-reducing practice.
23. Continue to aggressively seek and obtain both FAA and State grant funding for the Airport Capital Improvement Program.
24. Acquire additional land west of the Runway 16/34 safety area to ensure compatible land use.
25. Identify high priority projects to be included in the FAA 5-Year Airport Capital Improvement Plan (ACIP) allowing Merrill Field to more effectively compete nationally for AIP grant funds.
26. Secure engineering services for project preliminary design, final design, contract specifications, bid award, and construction supervision.
27. Secure funding allocations through the grant application process.

Performance Measures to Track Progress in Achieving Goals

Merrill Field measures progress in achieving these customer commitments using the set of quantifiable performance measures.

1. Number of surface incidents
2. Personnel cost per one inch of snowfall to remove snow from Airport operating surfaces
3. Number of unfulfilled requests for aircraft parking space – Electrical Drive Through
4. Percentage of lease spaces currently leased
5. Percent of runway pavement above the minimum PCI value of 70
6. Percent of apron pavement above the minimum PCI value of 60

Merrill Field Airport
2013 Capital Improvement Budget
(in thousands)

Project Title	Debt	State/Fed Grant	Equity/ Operations	Total
Rehab TWY Quebec and Apron (Phases 4, 5, and 6)	-	2,519	81	2,600
Security Upgrades (Phases 3 and 4)	-	756	24	780
Acquire Snow Removal Equipment	-	1,337	43	1,380
Building Upgrades (1)	-	-	100	100
Miscellaneous Equipment (2)	-	-	50	50
Total	-	4,612	298	4,910

Merrill Field Airport
2013 - 2018 Capital Improvement Program
(in thousands)

Project Category	2013	2014	2015	2016	2017	2018	Total
Apron Improvements	-	-	-	2,500	2,500	2,500	7,500
Runways and Taxiways	2,600	2,500	2,200	1,700	2,800	3,100	14,900
Buildings and Equipment	2,310	600	1,180	150	-	730	4,970
Land Improvements	-	1,200	1,200	700	-	-	3,100
Land Acquisition	-	300	-	-	-	-	300
Total	4,910	4,600	4,580	5,050	5,300	6,330	30,770

Source of Funding	2013	2014	2015	2016	2017	2018	Total
Federal Grants	4,463	4,219	4,294	4,594	4,968	5,794	28,332
State Grants	149	140	143	153	166	193	944
Equity/Operations	298	241	143	303	166	343	1,494
Total	4,910	4,600	4,580	5,050	5,300	6,330	30,770

Port of Anchorage Business Plan

Mission

Provide a modern, safe and efficient facility to support the movement of goods throughout the State of Alaska.

Services

The Port of Anchorage is a landlord port committed to providing safe, efficient, and dependable facilities and support services to our private and public sector customers. We are responsible for maintaining and operating all of the land, docks, and municipal buildings that encompass the Port of Anchorage.

Business Goals

- Provide Port expertise on and management to the Port Intermodal Expansion Project (PIEP) as member of the PIEP Executive Committee.
- Plan for future facility and service needs of business and public entity customers.
- Expand the footprint to accommodate anticipated lay down backland area.
- Conduct periodic facility condition surveys to anticipate corrosion and other aging challenges and ensure operational safety.
- Maintain affordable and competitive tariff rates.
- Provide a safe work environment for both employees and tenants.
- Maintain financially sound operating ratios.
- Accurate and timely billing of tenants and customers.

Strategies to Achieve Goals

The Port's strategic plan provides a framework to achieve results for the customer.

1. Identify business facilities requirements.
2. Address pile corrosion.
3. Expand Port land area for growth.
4. Achieve highest possible net income.
5. Continually strive to maintain low employee incident rate.

Performance Measures to Track Progress in Achieving Goals

The Port measures progress in achieving these customer commitments using the set of quantifiable performance measures.

1. A Business Plan detailing existing and prospective customer needs will be completed as part of the Master Plan. The Master Plan will develop a Facilities Development Plan including cost estimates and phasing
2. The Port plans to complete priority wharf pile structural repairs at double the rate of investment in the past years
3. The Port will pursue a lease of at least 100 acres of adjacent JB ER property on a mutual benefit basis to be secured in early 2014. Environmental Study and beginning lease negotiation will be completed in 2013.
4. Monthly and annual financial statement reporting
5. Employee incident reporting

**Port of Anchorage
2013 Capital Improvement Budget
(in thousands)**

Project Title	Debt	State/Fed Grant	Equity/ Operations	Total
Wharf Pile Enhancements	-	-	3,050	3,050
Storm Drain Enhancements	-	-	200	200
Port Expansion	-	302,800	-	302,800
Total	-	302,800	3,250	306,050

Port of Anchorage
2013 - 2018 Capital Improvement Program
(in thousands)

Project Category	2013	2014	2015	2016	2017	2018	Total
Wharf Pile Enhancements	3,050	3,172	3,298	3,430	3,568	3,710	20,228
Storm Drain Enhancements	200	208	216	224	233	243	1,324
Port Expansion	302,800	2,300	2,000	2,000	2,000	2,000	313,100
Total	306,050	5,680	5,514	5,654	5,801	5,953	334,652

Funding Source	2013	2014	2015	2016	2017	2018	Total
State/Fed Grant	302,800	-	-	-	-	-	302,800
Equity/Operations	3,250	5,680	5,514	5,654	5,801	5,953	31,852
Total	306,050	5,680	5,514	5,654	5,801	5,953	334,652

Solid Waste Services Business Plan

Mission

Provide management of our solid waste resources to create a safe and sustainable waste system for the Municipality of Anchorage (MOA) in a way that is economical and environmentally responsible.

Services

The Refuse Collection Utility provides garbage collection to the service area of the former City of Anchorage, which is approximately 20% of the population of the MOA. Since at least 1952 there has been mandatory service for all occupants of the Refuse Collections Utility service area. The Refuse Collections Utility provides three types of service: commercial dumpster, automated roll cart service, and can and bag service.

The Solid Waste Disposal Utility serves the entire MOA. The services include the disposal of solid waste, the collection of household hazardous waste, and the promotion of community recycling. Municipal solid waste is received at three transfer stations located within MOA. The waste is then transported by the Utility to the Anchorage Regional Landfill for final disposal.

Business Goals

- Provide exceptional customer service for an equitable cost to the customer.
- Ensure facilities are safe for the customers and for Solid Waste Services employees
- Provide proper disposal of hazardous waste for commercial and residential generators.
- Promote community involvement through education and be responsive to the needs and concerns of municipal citizens.
- Use technology to optimize operations.
- Plan and prepare for current and future waste collection and disposal needs.
- Create incentives and programs to promote source reduction first, then recycling, then treatment, and finally disposal as the preferred means to handle waste.

Strategies to Achieve Goals

Solid Waste Services strategic plan provides a framework to achieve results for customers.

Refuse Collection Utility

1. Reduce refuse volumes by promoting waste reduction and increased curbside recycling diversion.
2. Reduce injuries associated with residential refuse collection.

Disposal Utility

1. Optimize solid waste transfer truck utilization.
2. Setting rates that reflect the cost of services while maintaining infrastructure.

Performance Measures to Track Progress in Achieving Goals

Solid Waste Services measures progress in achieving these goals using sets of quantifiable performance measures.

Refuse Collections Utility

1. Percent change in recyclable material diverted from the residential waste stream.
2. Percent change in worker injuries.

Attachment F - 5

Disposal Utility

- 1. Solid waste transfer truck payload weight.
- 2. Maintain positive revenue stream.

Solid Waste Services - Refuse Collection
2013 Capital Improvement Budget
(in thousands)

Project Title	Debt	State/Fed Grant	Equity/ Operations	Total
Install AirVac Vehicle Exhaust Removal System	-	-	20	20
Install GPS Billing Software	-	-	25	25
Replace 1 Commercial Frontloader Truck	-	-	300	300
Replace 3 Residential Auto Sideloaders Trucks	-	-	873	873
Replace Data Processing Equipment	-	-	30	30
Replace Dumpsters	-	-	450	450
Replace Office Equipment	-	-	5	5
Total	-	-	1,703	1,703

**Solid Waste Services - Refuse Collection
2013 - 2018 Capital Improvement Program**
(in thousands)

Project Category	2013	2014	2015	2016	2017	2018	Total
Vehicle Replacement	1,173	1,213	974	1,127	1,326	1,147	6,960
Containers	450	450	450	450	450	450	2,700
Equipment	25	-	-	-	-	-	25
Office Equipment	5	5	5	5	5	5	30
Data Processing	30	30	30	30	30	30	180
Building Improvements	20	-	-	-	-	-	20
Total	1,703	1,698	1,459	1,612	1,811	1,632	9,915

Source of Funding	2013	2014	2015	2016	2017	2018	Total
Equity/Operations	1,703	1,698	1,459	1,612	1,811	1,632	9,915
Total	1,703	1,698	1,459	1,612	1,811	1,632	9,915

Solid Waste Services - Disposal
2013 Capital Improvement Budget
(in thousands)

Project Title	Debt	State/Fed Grant	Equity/ Operations	Total
ARL Engineering and Design	-	-	120	120
Construct ARL Gas Collection System Expansion	-	-	50	50
Construct Cell 11 Infrastructure	-	-	4,165	4,165
Construct Leachate Recirculation	-	-	200	200
Construct Leachate Split Flow Vault	-	-	750	750
Construct Storm Water Containment Cell 7	-	-	250	250
Design Leachate Pipeline	-	-	60	60
Install ARL & CTS Transfer Truck Express Scales	-	-	280	280
Pave ARL Roads	-	-	50	50
Purchase GPS Landfill Survey Management System	-	-	75	75
Purchase Roll Off Containers ARL Drop Off Site Recycle Materials	-	-	142	142
Rebuild Loader	-	-	510	510
Replace 1 Loader	-	-	408	408
Replace 3 Transfer Trailers	-	-	260	260
Replace ARL Fuel Pump & Spill Containment	-	-	15	15
Replace Computer & IT Systems	-	-	25	25
Replace Gas Emission Monitor Device	-	-	10	10
Replace Light Plant	-	-	17	17
Replace Pick Ups	-	-	112	112
Replace Six Wheel Cover Truck	-	-	612	612
Tire Shredder Upgrade	-	-	35	35
Upgrade ARL Security System	-	-	30	30
Total	-	-	8,176	8,176

Solid Waste Services - Disposal
2013 - 2018 Capital Improvement Program
(in thousands)

Project Category	2013	2014	2015	2016	2017	2018	Total
Equipment	2,072	1,761	3,918	3,332	1,448	2,902	15,433
ARL Landfill Cell Construction	4,165	4,185	-	2,484	6,536	93	17,463
ARL & CTS Improvements	1,839	1,569	3,020	800	800	801	8,829
Office Equipment	100	25	25	25	25	25	225
Total	8,176	7,540	6,963	6,641	8,809	3,821	41,950

Source of Funding	2013	2014	2015	2016	2017	2018	Total
Clean Water Loan	-	4,165	4,185	-	-	6,536	14,886
Commercial Loan	-	-	-	4,000	7,000	-	11,000
Equity/Operations	8,176	3,375	2,778	2,641	1,809	(2,715)	16,064
Total	8,176	7,540	6,963	6,641	8,809	3,821	41,950