

FUNDED DEBT RETIREMENT SCHEDULES

**The City of Anchorage, Alaska
1959**

CITY OF ANCHORAGE, ALASKA
1959 BUDGET - DEBT REQUIREMENTS

<u>Bond Issue by Purpose</u>	<u>Bonds Outstanding 1/1/59</u>	<u>Principal Due 1959</u>	<u>Accrued Interest 1959</u>	<u>Total Due 1959</u>
<u>General Purpose - General Fund Taxes</u>				
(1) 1936 Municipal Building (\$55,000 @ 4%)	\$ 11,000	\$ 2,000	\$ 360	\$ 2,360
(1) 1949 Shop & Garage (\$175,000 @ 3 3/4%)	25,000	25,000	234	25,234
(1) 1953 Library (\$350,000 @ 5%)	283,000	15,000	13,900	28,900
(1) 1954 Auditorium (\$120,000 @ 4 1/2%) (\$ 80,000 @ 4 1/4%)	140,000	15,000	5,819	20,819
(1) Parks and Recreation (\$26,000 @ 3%) (\$149,000 @ 3 1/2% + 1% first 2 years)	158,000	9,000	5,350	14,350
(1) APW 50-A-60 Warehouse (\$124,650 @ 2%)	115,000	5,000	2,225	7,225
(1) APW 50-A-61 Govt. Hill Fire Station (\$68,000 @ 2%)	68,000	6,000	1,300	7,300
Total General Purpose	<u>\$ 800,000</u>	<u>\$ 77,000</u>	<u>\$ 29,188</u>	<u>\$ 106,188</u>
<u>Sewer Improvements - Special Assessments</u>				
(1) 1949 Outfall Sewer (\$225,000 @ 3 3/4%)	\$ 145,000	\$ 10,000	\$ 5,157	\$ 15,157
(1) 1956 Sewer (\$150,000 @ 3 1/4% + 1% first 2 yrs)	125,000	20,000	3,738	23,738
(1) APW 50-A-55 Sewer (\$50,000 @ 2%)	10,000	10,000	100	10,100
(1) APW 50-A-178 Sewer (\$69,000 @ 2%)	56,000	4,000	1,033	5,033
(1) APW 50-A-179 Sewer (\$51,000 @ 2%)	36,000	9,000	585	9,585
(1) APW 50-A-179 Sewer (\$190,000 @ 2%)	202,000	12,000	3,920	15,920
(1) APW 50-A-181 Sewer (\$19,000 @ 2%)	8,000	4,000	114	4,114
(1) 1958 Sewer (\$160,000 @ 4%) (\$ 10,000 @ 4 1/2%) (\$ 45,000 @ 5 %)	215,000	15,000	8,475	23,475
Total Sewer Improvements	<u>\$ 797,000</u>	<u>\$ 84,000</u>	<u>\$ 23,122</u>	<u>\$ 107,122</u>
<u>Street Improvements - Special Assessments</u>				
(1) 1949 Paving (\$585,000 @ 3 3/4%)	\$ 40,000	\$ 40,000	\$ 375	\$ 40,375
(1) 1954 Street Improvements (\$650,000 @ 4 1/2%) (850,000 @ 4 1/4%)	990,000	140,000	39,800	179,800

	Bonds Outstanding 1/1/59	Principal Due 1959	Accrued Interest 1959	Total Due 1959
<u>Street Improvements - Special Assessments (Cont'd)</u>				
(1) 1955 Street Improvements (\$300,000 @ 3%)	230,000	30,000	6,450	36,450
(1) 1956 Street Improvements (\$770,000 @ 3 1/4%) (\$730,000 @ 3 1/2% + 1% first 2 years)	1,307,000	130,000	42,108	172,108
(1) 1956 Bridge (\$100,000 @ 3 1/2%)	80,000	10,000	2,771	12,771
(3) APW 50-A-56 Street Improvement (\$95,000 @ 2%)	40,856	11,503	619	12,122
(1) 1958 Street Improvement (\$135,000 @ 3 1/2% + 1% first year)	135,000	15,000	4,313	19,313
(1) 1959 Street Improvement (\$1,500,000 to be issued)			40,000	40,000
Total Street Improvements	\$ 2,822,856	\$ 376,503	\$ 136,436	\$ 512,939
<u>Port and Terminal Facilities</u>				
(1) Port Improvement (\$360,000 @ 4.1%) (\$360,000 @ 4.05%) (\$480,000 @ 4%) (\$800,000 @ 4.75%) (plus 1% first 5 years)	\$ 2,000,000	\$ 25,000	\$ 88,441	\$ 113,441
(2) Port and Terminal Facilities (\$4,885,000 @ 5.4%) (\$1,315,000 @ 5%) (+1% first 10 years)	6,200,000		139,500	139,500
Total Port and Terminal Facilities	\$ 8,200,000	\$ 25,000	\$ 227,941	\$ 252,941
<u>Telephone Utility</u>				
(1) 1948 Automatic Dial Telephone (\$650,000 @ 3 3/4%)	\$ 429,000	\$ 39,000	\$ 15,600	\$ 54,600
(1) 1949 Automatic Dial Telephone (\$275,000 @ 3 3/4%)	195,000	10,000	7,031	17,031
(1) 1951 Telephone (\$825,000 @ 3 3/4%)	490,000	50,000	17,750	67,750
(1) 1953 Telephone (\$600,000 @ 5%)	335,000	50,000	15,917	65,917
(1) 1954 Telephone (\$430,000 @ 4 1/4%) (\$195,000 @ 3 3/4%)	425,000	50,000	16,202	66,202
(1) 1956 Telephone (\$275,000 @ 3 1/2% + 1% first 2 years)	230,000	20,000	7,700	27,700
(2) 1955 Telephone (\$1,500,000 @ 4 1/2% first 1 1/2 years, 3 1/2% thereafter)	1,250,000	100,000	42,000	142,000

	Bonds Outstanding <u>1/1/59</u>	Principal Due <u>1959</u>	Accrued Interest <u>1959</u>	Total Due <u>1959</u>
<u>Telephone Utility (Cont'd.)</u>				
(2) 1958 Telephone (\$325,000 @ 4 1/4%)				
(\$925,000 @ 4%)				
(\$570,000 @ 3 3/4%)				
(\$560,000 @ 3 1/2%)				
(\$620,000 @ 3%)				
Plus 1% first 2 years	3,000,000	140,000	135,721	275,721
Total Telephone	\$ 6,354,000	\$ 459,000	\$ 257,921	\$ 716,921
<u>Electric Utility</u>				
(1) 1949 Light (\$250,000 @ 3 3/4%)	\$ 116,000	\$	\$ 4,350	\$ 4,350
<u>Water Utility</u>				
(1) 1949 Gravity Water System (\$1,200,000 @ 3 3/4%)	\$ 770,000	\$ 60,000	\$ 27,188	\$ 87,188
(1) 1956 Water Extension (\$275,000 @ 3 1/2%)				
(\$175,000 @ 3 1/4%)	420,000	20,000	14,788	34,788
(1) APW 50-A-62 Water Distribution (\$42,000 @ 2%)	35,000	5,000	634	5,634
(1) APW 50-A-157 Water Distribution (\$25,000 @ 2%)	10,000	5,000	159	5,159
(1) APW 50-A-177 Water Distribution (\$249,000 @ 2%)	225,000	15,000	4,300	19,300
(1) APW 50-A-181 Water Distribution (\$33,000 @ 2%)	27,000	2,000	517	2,517
(2) APW 50-A-157 Water Distribution (\$600,000 @ 2%)	541,000	23,000	10,628	33,628
(1) APW 50-A-198 Water Distribution (\$264,000 @ 2%)	244,000	10,000	4,880	14,880
Total Water	\$ 2,272,000	\$ 140,000	\$ 63,094	\$ 203,094
TOTAL DEBT REQUIREMENT.	\$ 21,361,856	\$ 1,161,503	\$ 742,052	\$ 1,903,555
<u>RECAPITULATION OF DEBT REQUIREMENTS, BY TYPE</u>				
(1) Total General Obligation Bonds	\$10,330,000	\$ 887,000	\$ 413,584	\$ 1,300,584
(2) Total Utility Revenue Bonds	10,991,000	263,000	327,849	590,849
(3) Total Certificates of Indebtedness	40,856	11,503	619	12,122
TOTAL DEBT REQUIREMENTS	\$ 21,361,856	\$ 1,161,503	\$ 742,052	\$ 1,903,555

1959 WORK PROGRAM - ANNUAL DEBT SERVICE REQUIREMENTS

EXPLANATIONS FOR: (1) CONTRIBUTION TO SPECIAL ASSESSMENT FUNDS (2) INTEREST EXPENSE (3) GENERAL FUND BOND MATURITIES (4) PRINCIPAL PAYMENTS TO ALASKA PUBLIC WORKS (5) PORT BOND PRINCIPAL AND INTEREST.

The debt service charges to be paid from General Fund revenues include five categories, as listed above. Since these expenditures are closely inter-related, the explanations are combined in one narrative.

The remarkable growth of Anchorage has resulted in public need and public demand for improved facilities at all levels of government. This has resulted in major requirements for capital expenditures for streets, sewers, public buildings, and utility plant. Obviously, it is impossible to finance these projects, except on a small scale, without resorting to sale of bonds.

The 1959 budget reflects the impact of the increased debt service caused by the capital improvement program in effect for the past several years. For example, the interest cost payable from General Fund revenues has increased during the past seven years from \$30,000 to \$277,185 during 1959. This constitutes over 20% of the anticipated property tax revenues for 1959. One of the major contributing factors to this increase is that Alaska law provides that all interest on both general purpose and special assessment bonds must be repaid from General Fund revenues. In many cities elsewhere, the interest costs on special assessment bonds are assessed to the property owners as part of the cost of improvement. In these places, payment of interest by the property owners encourages early payment of the assessments, which permits the cities to call bonds before the due dates. Of the \$277,185 previously mentioned, \$159,558 is attributable to special assessment bonds, \$88,441 to General Obligation Port bonds and \$29,186 to general purpose indebtedness. The \$159,558 figure includes \$40,000 interest estimated for 1959 on a \$1,500,000 issue of street improvement bonds. The issue date thereof is forecast as June, 1959.

In addition to the interest charges, principal payments must also be met. Payments by the affected property owners defray approximately 55% of the principal payments required for special assessment bonds. The balance due on these bonds, plus the entire amount due on general purpose bonds, must be paid from General Fund revenues. To summarize the principal payments required for 1959, \$240,000 will be needed for special assessment bonds; \$25,000 for general obligation port bonds; and \$77,000 for general purpose bonds, for a total of \$342,000. This constitutes over 25% of the property tax revenues in 1959. The total debt service consumes 48% of the tax revenues.

The following table exhibits the total General Fund debt service for the past seven years:

1953	\$ 98,390
1954	160,090
1955	268,160
1956	346,257
1957	441,010
1958	429,449
1959	619,185

In addition, property owners will pay approximately \$220,503 as special assessment payments in 1959.

It is apparent that the saturation point has almost been reached as to debt service which can be handled under the present revenue structure of the City. It is to be hoped that under Statehood, Anchorage will be able to broaden its revenue bases in order to finance properly the existing backlog of needed capital improvements.

A detailed statement of the City's debt requirements appears on the following pages.