

CITY OF ANCHORAGE

1963

BUDGET

SECTION A

GENERAL FUND REVENUES

CITY OF ANCHORAGE
1963 BUDGET
GENERAL FUND REVENUES

	Actual Revenue 1960	Actual Revenue 1961	Original Approved Budget 1962	Adjusted Budget 1962	City Manager Budget Recommendation 1963	Council Approved Budget 1963
1100 Real Property Taxes	\$1,451,996	\$1,700,726	\$1,716,000	\$1,705,000	\$1,947,000	
1101 Personal Property Taxes	430,476	433,180	484,000	400,000	462,000	
1110 PILOT-Utilities & Parking Lots	306,884	411,073	416,320	411,300	424,121	
1111 Other PILOT	14,202	34,904	33,800	36,900	38,000	
1112 Gas Franchise Tax	-0-	-0-	-0-	2,050	28,000	
1120 Building Permits	78,212	55,246	48,800	65,000	70,000	
1121 Street Use Permits	2,185	1,425	1,800	1,800	1,800	
1122 Licenses on Amusement Devices	13,462	13,547	13,400	17,300	17,500	
1123 Building & Trade Licenses	8,250	8,375	8,500	8,900	9,000	
1124 Chauffeur's Licenses	2,700	5,095	3,000	4,000	4,000	
1125 Other Business Licenses	14,049	16,260	14,500	16,000	16,000	
1126 Animal Licenses	3,372	2,261	3,500	5,800	6,000	
1127 Taxi Zone & Terminal Fees	4,202	5,850	4,960	7,400	7,400	
1128 Parking Meters	110,931	115,553	115,000	115,000	120,000	
1129 Liquor Handler's Permits	1,894	2,034	1,300	2,300	2,300	
1130 Court Fines & Forfeitures	270,193	304,030	310,000	320,000	360,000	
1131 Penalty and Interest	23,012	27,300	20,000	25,000	25,000	
1140 Interest Revenue	41,146	36,652	33,000	34,000	30,000	
1141 Rentals to Utilities	51,900	57,900	57,900	57,900	57,900	
1142 Other Rental Revenue	3,230	6,280	4,800	4,800	12,800	
1143 Merrill Field Leases	41,120	40,934	44,650	46,000	55,000	
1150 Alaska Liquor Licenses	71,100	92,509	83,000	96,000	100,000	
1151 Alaska Business Licenses	291,393	380,111	300,000	380,000	400,000	
1152 Cannery Tax	2,206	4,199	2,000	2,000	2,000	
1153 Loussac Foundation Grant	28,400	28,650	27,850	27,850	28,050	
1154 Aviation Fuel Tax	-0-	-0-	-0-	7,000	7,000	
1160 Garbage	297,744	347,741	340,000	340,000	390,000	
1161 Sewer Connections	26,345	38,952	50,000	50,000	50,000	

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1161.1 Sewer Use Charges	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 500	
1162 Recreation Activities	2,844	2,509	2,000	5,200	7,000	
1163 Library	5,599	5,821	6,000	6,800	6,800	
1164 Library Outside City	3,775	3,873	3,600	3,600	3,600	
1165 Merrill Field Gas Tax	-0-	8,006	8,500	8,500	9,000	
1166 Platting & Subdivision fees	2,381	2,225	3,000	3,000	3,000	
1167 Cemetery Fees	7,452	7,751	7,000	8,000	8,000	
1168 Sewer Use Permits	-0-	3,927	5,000	1,400	1,400	
1170 Sale of Property	374	59,738	1,500	1,500	30,000	-
1171 Miscellaneous Revenues	45,548	38,893	37,000	38,000	95,000	
1180 Contribution - Telephone	167,080	328,719	320,240	309,130	331,637	
1181 Contribution - Electric	435,038	435,273	468,340	450,870	605,436	
1182 Contribution - Water	58,952	79,447	81,430	84,880	109,215	
Surplus Appropriation	<u>-0-</u>	<u>-0-</u>	<u>5,660</u>	<u>200,205</u>	<u>118,000</u>	
TOTALS	\$4,319,647	\$5,146,969	\$5,087,350	\$5,310,385	\$5,999,459	

GENERAL FUND REVENUE INFORMATIONGeneral Property Taxes

A 11-mill City tax rate at 70% valuation has been used for the preparation of this budget. Estimated valuation for the 1963 Real Property Roll is \$177,000,000; Personal Property is \$42,000,000. This shows an increase over the 1962 Rolls of 6.5 million for Real and 2 million for Personal.

Payments in Lieu of Taxes, Utilities, and Parking Lots

The City owned telephone and water utilities are charged a payment in lieu of taxes equivalent to that which would be paid if the utilities were privately owned. For 1963 the payment in lieu of taxes has been computed for the Electric Utility on the basis of 2% of the gross operating revenue for 1962. This puts the Electric Utility in a position of paying in lieu of taxes on the same basis as Chugach Electric Association, Inc. The estimated 1962 gross operating revenue for the Electric Utility is \$2,742,700 @ 2% equals \$54,874. The estimated net plant value, as of January 1, 1963 is used as the assessed value for telephone and water. Payment is computed at 23 mills. Revenues to be obtained are as follows:

Telephone Utility

Estimated Gross Plant	\$ 11,770,466
Less Depreciation Reserve	<u>2,535,018</u>
	\$ 9,235,448
- @70% valuation equals	\$ 6,464,813
@23 mills equals	\$ 148,690

Water Utility

Estimated Gross Plant	\$ 10,921,499
Less Depreciation Reserve	<u>1,432,073</u>
	\$ 9,489,426
@23 mills equals	\$ 218,257

A payment in lieu of taxes is levied for City owned off-street parking lots, a semi-proprietary function of the City. The value of such lots is estimated to be \$100,000 @ 23 mills equals \$2,300.

Other Payments in Lieu of Taxes

Alaska State Housing Authority makes payments in lieu of taxes on certain rental property operated by the Government as a proprietary facility. The 1963 Revenue from this source is estimated to be \$8,000.

Chugach Electric Association, Inc. pays 2% of gross operating revenue to the State of Alaska. This is refunded to the City based upon the percentage of distribution facilities located within the City. 1963 revenue is estimated to be \$30,000 from this source.

Gas Franchise Tax

Anchorage Natural Gas, Inc. pays a franchise tax to the City equal to two percent of gross revenue.

Building Permits

This revenue is derived from fees charged by the Building Inspector's office for various types of permits to construct, excavate, demolish, or move. The 1963 revenue is estimated on the basis of a reasonable increase consistent with prior years.

Street Use Permits

A fee for Police escort of wide loads is established at \$10 per move. It is estimated that 180 such fees will be collected during 1963.

Licenses on Amusement Devices

The City licenses recreational non-gambling card games at the rate of \$125 per year for each establishment. In addition, a quarterly fee of \$25 per table is charged for these establishments. Three such establishments are estimated for 1963 for a total revenue of \$375. Nine card tables for each quarter will be issued licenses for fees of \$225 per quarter. Total annual revenue from the quarterly table fee is \$900. A refund from the State representing 50% of tax collected on coin operated amusement and gaming devices is estimated to be \$16,225 during 1963.

Building and Trade Licenses

Building contractors subject to regulations of the building code are issued regulatory licenses to cover the cost of regulation. These licenses are issued for \$25 each.

Chauffeur's Licenses

Taxi and bus drivers are issued new licenses for \$25 which are renewable for \$5.

Other Business Licenses

All businesses that affect public health or require other regulation in the interest of public safety are licensed. The annual fees vary from \$5 to \$150. Changes of ownership also require that an additional fee be paid.

Animal Licenses

Dog license fees are \$2 per male and spayed female, and \$5 per female. Also, 25¢ is charged for replacing tags. During 1962, an aggressive campaign was waged to license all animals within the City which resulted in nearly doubling the revenue for this program.

Taxi Zone and Terminal Fees

Each licensed taxicab company is charged \$100 per year per cab, or \$30 per quarter if paid quarterly. The total number of taxicabs presently authorized within the City may not exceed forty seven. Additionally, busses, airline service vehicles, and driverless vehicles are charged minor fees for operation within the City.

Parking Meter Collections

Revenue received from parking meters is reserved for development of off-street parking facilities, purchase of additional street meters and maintenance of parking meters and City owned parking lots. The revenue estimate for 1963 is based on 1300 street meters and 521 parking lot meters.

Liquor Handler's Permits

Employees who dispense liquor for consumption in the establishment are required to secure a permit from the Police Department. The fee is \$5 for the first year and \$1 for yearly renewals.

Court Fines and Forfeitures

Fines levied by the District Magistrate's Court accrue to the City of Anchorage. In addition, monies paid to the City resulting from moving and non-moving violations and collected by the Traffic Violations Section of the City Treasurer's Division are credited to this revenue account. The rapid increase of revenues from these sources is the direct result of greater traffic enforcement by the Police Department, improved accounting for and collection of citations, and a more vigorous prosecution of cases by the Law Department.

Penalties and Interest

Delinquent property taxes and special assessments are charged a penalty of 10% and 8% respectively and an additional 8% interest on the amount due for the period of delinquency.

Interest Revenue

Monies in the General Fund which are not immediately needed are placed on time deposit with local banks, or in short term Government securities. The interest received therefrom is credited to this account.

Rentals to Utilities

Buildings and properties which are included in the general fund fixed assets are rented to the utilities at commercial rental rates. These buildings include the City electrical building at Third and Post Road, the central warehouse at First and Post Road, and that portion of the City Hall utilized in utility billing and collection. The electrical building is rented for \$750 per month, and various substation sites at \$75 per month. The warehouse is rented to the Purchasing and Warehouse Account at \$2500 per month. This cost along with other purchasing and warehouse costs is returned through an overhead charge on purchases and issues. The City Hall space is charged at \$18,000 per year. Annual rental on the City Hall is charged as follows: Telephone - \$7,920; Electric - \$7,920; Water - \$2,160.

Other Rental Revenue

Properties owned by the City and leased include eight parcels of land at Lake Spenard, the Denali School site, and other property not immediately needed for municipal purposes.

Merrill Field Leases

Lease revenue at Merrill Field is received from 28 tenants. The increased rental in lieu of sewer assessment is credited directly to the special assessment fund.

Alaska Liquor Licenses

State Statutes provide for refund to municipalities of fees paid by liquor establishments in the State. The law provides that the following fees are refunded in full to the municipalities wherein the establishments are located:

Beverage Dispensary	\$ 1,000
Retail Stores with gross sales less than \$20,000	300
Retail Stores with gross sales in excess of \$20,000	600
Beer and Wine (Restaurants)	300
Clubs with gross sales less than \$5,000	200
Clubs with gross sales in excess of \$5,000	400

Alaska Business Licenses

Chapter 43, Session Laws 1949, provides for a gross business tax to be collected by the State with a portion to be refunded to municipalities. Licenses are issued annually and initial fees must be paid not later than June 30 of the license year. The license fee for each business is \$25 plus a sum equal to 1/2 of 1% of gross receipts in excess of \$20,000 during the year. All gross receipts in excess of \$100,000 are taxed at the rate of 1/4 of 1%. Taxes are refunded to: incorporated cities, public utility districts, and independent school districts at the rate of 60% of all money collected within the incorporated area.

Cannery Tax

Chapter 66, Session Laws of 1954 provides for a refund to municipalities, independent school districts, and public utility districts wherein a salmon cannery is operated. Ten per cent of the revenues collected under provisions of Chapter 82 (Session Laws of 1949 as amended by Chapter 113, Session Laws of 1951) is refunded. Where overlapping districts exist, the refund is equally divided between the political subdivisions.

Aviation Fuel Tax

Chapter 110, Session Laws of 1961 provides that 60% of the proceeds from State Taxes on aviation fuel shall be refunded to any municipality owning and operating an airport, in the proportion that such revenue was collected at the municipal airport.

Loussac Foundation Grant

The Z. J. Loussac Public Library was constructed from general obligation bonds which, by agreement, are to be repaid by the Loussac Foundation. The source of revenue represents the bond interest in the amount of \$11,050 and principal of \$17,000 to be paid in 1963.

Garbage Collection Service Fees

The Anchorage Code of Ordinances provides that all persons in the City are required to use the garbage disposal system provided by the City. The City itself has undertaken the collection of garbage, rubbish, and ashes. The operation of the City dump is contracted. The rates for garbage collection are established by the City Manager subject to the approval of the City Council. The rates were revised effective January 1, 1961. Dumpmaster cans are purchased by the City and are available for rent to customers who have a large quantity of trash or garbage. The rental rate is calculated so as to amortize the City's investment, plus a small interest factor, in ten years.

Sewer Connection Charges

These charges represent the cost of material and labor of the City to establish connections between private sewer lines and the City sewer lines. It is anticipated that 1000 new connections at \$50 each will be made during 1963. This revenue is offset by the cost of installations in the sewer expense account.

Sewer Use Charges

During 1961 the City instituted a sewer use charge for those properties located outside the City which are being served by City sanitary sewer. The total revenue from this source is presently minor.

Recreational Activities

Ice Skates owned by the City are rented by the Recreation Department for 75¢ a pair to patrons of the City ice rink. Approximately sixty pair are available for rental during skating season. In addition, a charge of 25¢ per person for all adults is charged for use of the rink. Romig Hill ski tow receipts and concession fees at Goose Lake are included. The 1963 estimated revenue shows a marked increase over prior years due to the rental of facilities of the Anchorage Community Center, acquired during 1962 and operated by the Parks and Recreation Department.

Library

The library charges fines for books which are not returned on the due date. In addition, individuals leave the City without claiming their library deposit of \$2 per card. The deposits on expired cards are transferred periodically to this revenue account. In 1957 the Council established a separate charge to non-residents for use of the library. Revenue from this source is estimated at \$3,600 for 1963.

Merrill Field Gasoline Tax

The gasoline tax revenue is based on a two cent per gallon tax on aviation gasoline sold at Merrill Field by private operators. During 1963 it is estimated that 450,000 gallons of gasoline will be sold.

Platting and Subdivision Fees

The Planning Department charges fees for special services. The estimated volume is 52 petitions for subdivisions and replats at \$27 each, 15 petitions for street vacations at \$60 each and 25 petitions for zoning exceptions at \$25 each.

Cemetery Fees

These fees represent the cost of opening the graves plus a permit and grave space fee. Winter burials are charged \$100 for each grave opening while openings made during the summer months are charged \$50.

Sewer Use Permits

As a health and regulatory measure a fee is charged cesspool pumper tank trucks for dumping in City sewers. Due to the construction of sanitary sewer systems, both inside and outside the City, the revenue from this source is decreasing.

Sale of Property

Obsolete supplies and equipment, property acquired for delinquent accounts, and unclaimed property are sold by the City and the proceeds are recorded in this revenue account. It is planned that all real property owned by the City which has no present or future use to the City be sold during 1963. This will not only provide a direct cash revenue but will also place such property back on the tax rolls.

Miscellaneous Revenues

Revenues that are not classified in special revenue categories are reflected in this account. These include re-funds to the City, contributions and shared expenses that may be handled by the City and overhead on reimbursable work. Approximately \$30,000 will be received from the school district for collection and accounting for taxes collected for the district. It is anticipated that the proceeds of the Fairview Public Utility District will be released to the City in 1963. The Court-appointed Master advised that approximately \$55,000 will be available after the affairs of the P.U.D. are closed.

Contribution from Utilities

Contributions from the utility funds represent a fair cash dividend from the three utilities that are owned and operated by the City of Anchorage. The contribution can be compared with cash dividends that are issued to private utility stock holders. This dividend is paid into general fund revenue after allowances are made for increasing the equity capitalization of each utility plant, either through construction of new facilities from current revenues or retirement of bonds. The formula, as adopted by the City Council in 1955, follows a normal commercial practice of fixing the rate of return in proportion to the total plant investment.

Telephone Utility

The established formula for computing future years' contribution or dividend from the telephone utility is based on 8% of the gross plant value less bond payments and deposits to redemption reserves as follows:

Estimated Gross Plant Value December 31, 1962	\$ 11,770,466
@ 8%	.08
	\$ 941,637
Less: Bond Payments (Equity Increase)	(565,000)
Less: Redemption Reserve (Equity Increase)	(45,000)
Net Available for Contribution	\$ 331,637

Electric Utility

Since the electrical utility has no bond payments to repay during 1963, the entire amount of the 8% of gross plant is available as a cash transfer to the General Fund. Computation for the contribution of the Electric Utility to the General Fund is as follows:

Gross Plant Value December 31, 1962	\$ 7,833,097
Less Value of Traffic Signals rented to General Fund	265,150
	\$ 7,567,947
@ 8%	.08
Net Available for Contribution	\$ 605,436

Water Utility

Based upon past precedence, the contribution from the Water Utility is computed at 1% of gross plant value, estimated to be \$10,921,499 at December 31, 1962.