



MUNICIPALITY OF ANCHORAGE

M.O.A.

2016 SEP -2 PM 4: 24

CLERKS OFFICE

September 2, 2016

TO: Anchorage Assembly

FROM: Mayor Ethan Berkowitz *EAB*

SUBJECT: 2017 Preliminary Data – 120 Day Memo

Anchorage Municipal Code 6.10.040 (A) requires the Administration to provide preliminary information regarding the 2017 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 2017 revenue estimate
- Preliminary 2017 tax limit calculation
- Administration's priorities including any major departmental changes
- Preliminary 2017 CIB and 2017-2022 CIP for general government
- Preliminary Utility and Enterprise budget information

Preliminary 2017 Revenue Estimate

Attachment A is the preliminary revenue estimate for 2017 that shows an overall estimated decrease in revenues of \$2.0M. The primary changes are: \$5.4M increase in Taxes in Tax Limitation, which includes Municipal Service Utility Assessment (MUSA) revenue increase from ML&P Plant 2A anticipated to go live in 2016; \$4.7M decrease in State Revenues due to anticipated reduction in State Revenue Sharing; and \$2.7M decrease in Program, Fees, Interest, Other revenues anticipated to be driven down due to the impact of the anticipated decrease and cap of Permanent Fund Dividend (PFD) that will affect municipal collections of traffic and trail court fines and also projected decrease in new construction.

Preliminary 2017 Tax Limit Calculation

Attachment B is the preliminary Tax Limit calculation. When compared to the 2016 Tax Limit, the preliminary 2017 calculation provides:

- The preliminary limit of all taxes that can be collected for 2017 is estimated to be up \$15.7M.
- The calculation for 2017 starts with the prior year (2016) amount of all taxes collected. That amount is then adjusted for population, inflation, new construction, voter approved ballot measures, debt, and other non-property tax revenues that contribute to the total amount of all taxes that can be collected.

- Limit on property taxes that can be collected is up \$10.3M. It is lower than the limit on all taxes that can be collected due to the anticipated net increase in non-property taxes. One of the primary contributors is the Municipal Utility Service Assessment (MUSA) from ML&P due to Plant 2A anticipated go-live in 2016. 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 2017 property tax rates will be set.

Administration's Priorities

In 2017, the Administration will focus on providing essential government services as the State retreats from previous responsibilities. Areas of concentration include public safety, maintaining and upgrading Anchorage roads and trails, and a focus on fostering economic development in the currently challenging fiscal environment. Additional attention will be dedicated to address homelessness, workforce development, and an investment in technology to streamline and create a more efficient, responsive, and transparent government. The Administration set a goal of housing 300 individuals by 2018 and made substantial progress towards this metric in 2016.

As our relationship with the State is redefined, we must move forward in a careful, prudent, and fiscally responsible manner.

Preliminary 2017 CIB and 2017-2022 CIP for General Government

Attachment C is the preliminary 2017 Capital Improvement Budget (CIB).

Attachments D and E are the preliminary 2017-2022 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 or before October 2, 2016.

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 Merrill Field Airport
- F-3 Municipal Light and Power
- F-4 Port of Anchorage
- F-5 Solid Waste Services

2017 Preliminary Data - 120 Day Memo Attachment A

General Government Revenue

Description	2016 Revised	2017 Preliminary	Increase / (Decrease)
Taxes in Tax Limitation			
Payment in Lieu of Taxes (State & Federal)	824,000	836,000	12,000
Automobile Tax	12,091,000	11,802,000	(289,000)
Tobacco Tax	22,402,000	22,122,000	(280,000)
Aircraft Tax	210,000	210,000	-
Motor Vehicle Rental Tax	5,920,000	6,361,000	441,000
MUSA/MESA	22,196,000	27,712,000	5,516,000
Total Taxes in Tax Limitation	63,643,000	69,043,000	5,400,000
Room Tax	26,909,000	26,961,000	52,000
State Revenues	12,341,000	7,611,000	(4,730,000)
Federal Revenues	830,000	830,000	-
Program, Fees, Interest, Other	60,372,000	57,660,000	(2,712,000)
Total Non-Property Tax Revenue	164,095,000	162,105,000	(1,990,000)

2017 Preliminary Data - 120 Day Memo Attachment B

Tax Limit Calculation Anchorage Municipal Charter 14.03 and Anchorage Municipal Code 12.25.040

Line		2016		2017	
		at Revised		Preliminary at 120 Day Memo	
1	<u>Step 1: Building Base with Taxes Collected the Prior Year</u>				
2	Real/Personal Property Taxes to be Collected	249,693,455		266,494,607	
3	Payment in Lieu of Taxes (State & Federal)	804,176		824,275	
4	Automobile Tax	11,936,552		12,090,673	
5	Tobacco Tax	22,647,362		22,401,673	
6	Aircraft Tax	210,000		210,000	
7	Motor Vehicles Rental Tax	5,835,268		5,920,407	
8	MUSA/MESA	22,052,512		22,195,957	
9	Step 1 Total	313,179,325		330,137,592	
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)	(1,025,050)		(320,050)	
14	Debt Service (One-Time)	(54,681,024)		(55,015,146)	
15	Step 2 Total	(56,146,074)		(55,775,196)	
16					
17	Tax Limit Base (before Adjustment for Population and CPI)	257,033,251		274,362,396	
18					
19	<u>Step 3: Adjust for Population, Inflation</u>				
20	Population 5 Year Average	0.50%	1,285,170	0.10%	274,360
21	Change in Consumer Price Index 5 Year Average	2.10%	5,397,700	1.50%	4,115,440
22	Step 3 Total	2.60%	6,682,870	1.60%	4,389,800
23					
24	The Base for Calculating Following Year's Tax Limit	263,716,121		278,752,196	
25					
26	<u>Step 4: Add Taxes for Current Year Items Not Subject to Tax Limit</u>				
27	New Construction	3,161,970		5,194,081	
28	Taxes Authorized by Voter-Approved Ballot - O&M	1,678,350		725,250	
29	Taxes Authorized by Voter-Approved Ballot - O&M Reserves (One-Time)	440,000		440,000	
30	Judgments/Legal Settlements (One-Time)	320,050		25,050	
31	Debt Service (One-Time)	55,015,146		54,879,097	
32	Step 4 Total	60,615,516		61,263,478	
33					
34	Limit on ALL Taxes that can be collected	324,331,637		340,015,674	
35					
36	<u>Step 5: To determine limit on property taxes, back out other taxes</u>				
37	Payment in Lieu of Taxes (State & Federal)	(824,275)		(836,275)	
38	Automobile Tax	(12,090,673)		(11,801,673)	
39	Tobacco Tax	(22,401,673)		(22,121,673)	
40	Aircraft Tax	(210,000)		(210,000)	
41	Motor Vehicle Rental Tax	(5,920,407)		(6,360,407)	
42	MUSA/MESA	(22,195,957)		(27,712,122)	
43	Step 5 Total	(63,642,985)		(69,042,150)	
44					
45	Limit on PROPERTY Taxes that can be collected	260,688,652		270,973,524	
46					
47	Add General Government use of tax capacity within the Tax Cap	5,805,955		-	
48					
49	Limit on PROPERTY Taxes that can be collected within Tax Cap	266,494,607		270,973,524	
50					
51	<u>Step 6: Determine property taxes to be collected if different than Limit on Property Taxes that can be collected</u>				
52	Property taxes to be collected based on spending decisions minus other available revenue.				
53					
54	Property taxes TO BE COLLECTED	266,494,607		TBD	

**2017 Preliminary Data - 120 Day Memo
Attachment C**

**General Government
2017 Capital Improvement Budget
Department Summary by Funding Source**

(in thousands)

Department	Bonds	State	Federal	Other	Total
Fire	3,000	-	-	400	3,400
Health & Human Services	-	-	-	100	100
Information Technology	-	-	-	4,900	4,900
Maintenance & Operations	6,000	-	-	2,700	8,700
Parks & Recreation	4,000	-	-	-	4,000
Police	3,000	-	-	-	3,000
Project Management & Engineering	30,000	-	200	600	30,800
Public Transportation	800	-	3,600	-	4,400
Traffic	2,000	-	-	-	2,000
Total	48,800	-	3,800	8,700	61,300

2017 Preliminary Data - 120 Day Memo Attachment D

General Government 2017 - 2022 Capital Improvement Program Department Summary by Year

(in thousands)

Department	2017	2018	2019	2020	2021	2022	Total
Fire	3,400	5,700	3,400	2,300	3,500	1,100	19,400
Health & Human Services	100	-	-	-	-	-	100
Information Technology	4,900	3,700	3,300	1,100	900	1,100	15,000
Library	-	1,000	2,000	-	-	-	3,000
Maintenance & Operations	8,700	46,800	34,500	18,800	19,500	17,800	146,100
Parks & Recreation	4,000	2,300	2,800	2,500	1,000	300	12,900
Police	3,000	23,700	90,000	-	-	-	116,700
Project Management & Engineering	30,800	111,400	197,000	126,300	200,500	124,600	790,600
Public Transportation	4,400	2,400	2,400	2,400	2,400	2,400	16,400
Traffic	2,000	2,200	2,200	2,200	1,700	1,700	12,000
Total	61,300	199,200	337,600	155,600	229,500	149,000	1,132,200

2017 Preliminary Data - 120 Day Memo Attachment E

General Government 2017 - 2022 Capital Improvement Program Department Summary by Funding Source

(in thousands)

Department	Bonds	State	Federal	Other	Total
Fire	17,700	-	-	1,700	19,400
Health & Human Services	-	-	-	100	100
Information Technology	-	-	-	15,000	15,000
Library	3,000	-	-	-	3,000
Maintenance & Operations	16,000	84,600	3,000	42,500	146,100
Parks & Recreation	12,900	-	-	-	12,900
Police	116,700	-	-	-	116,700
Project Management & Engineering	245,200	540,600	1,200	3,600	790,600
Public Transportation	3,300	-	13,100	-	16,400
Traffic	12,000	-	-	-	12,000
Total	426,800	625,200	17,300	62,900	1,132,200

Anchorage Water and Wastewater Utility Business Plan

Vision

Excellence through innovation.

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 Wastewater Utility (ASU).

Business Goals

AWWU is in the process of preparing an updated strategic plan. The plan calls for the focus on the following goals:

- Be responsive to the needs of the community
- Be the model of innovation and efficiency in service to the public
- Be a responsible steward of ratepayer funds
- Be the employer of choice for existing and future staff

Commitments to Customers

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 prepare for the future.

Performance Measures to Track Progress in Achieving Goals

AWWU measures progress in achieving these customer commitments using quantifiable performance measures, including the following:

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. Recordable incident rate (of lost-time injuries and accidents).
5. Execution of capital improvement budget.
6. Debt to equity ratio.

**2017 Preliminary Data - 120 Day Memo
Attachment F-1**

**Anchorage Water Utility
2017 Capital Improvement Budget
(in thousands)**

Project Title	Debt *	State/Fed Grant	Equity/ Operations *	Total
ADOT-MOA Emergency	-	-	2,917	2,917
Facility Master Plan	-	-	1,100	1,100
IT Hardware/Software	-	-	1,795	1,795
Miscellaneous Equipment	-	-	880	880
Other Plant & Facilities	-	-	860	860
Transmission/Distribution	21,963	-	1,102	23,065
Vehicles	-	-	966	966
Water Plant	-	-	1,380	1,380
Total	21,963	-	11,000	32,963

* Debt and Equity/Operations funding amounts by project are estimates and subject to change as actual loans are awarded by the State of Alaska.

2017 Preliminary Data - 120 Day Memo Attachment F-1

Anchorage Water Utility 2017 - 2022 Capital Improvement Program (in thousands)

Project Category	2017	2018	2019	2020	2021	2022	Total
ADOT-MOA Emergency	2,917	2,824	2,032	2,335	3,908	3,897	17,913
Facility Master Plan	1,100	-	650	-	52	250	2,052
IT Hardware/Software	1,795	2,145	1,445	1,520	1,553	1,553	10,011
Miscellaneous Equipment	880	850	850	850	850	850	5,130
Other Plant & Facilities	860	-	-	400	-	-	1,260
Transmission/Distribution	23,065	23,704	22,315	25,165	23,924	26,825	144,998
Vehicles	966	1,097	868	880	1,264	1,276	6,351
Water Plant	1,380	2,000	4,700	2,850	3,204	1,104	15,238
Total	32,963	32,620	32,860	34,000	34,755	35,755	202,953

Funding Source	2017	2018	2019	2020	2021	2022	Total
Debt	21,963	23,620	24,860	28,000	29,755	30,755	158,953
Equity/Operations	11,000	9,000	8,000	6,000	5,000	5,000	44,000
Grants	-	-	-	-	-	-	-
Total	32,963	32,620	32,860	34,000	34,755	35,755	202,953

**2017 Preliminary Data - 120 Day Memo
Attachment F-1**

**Anchorage Wastewater Utility
2017 Capital Improvement Budget
(in thousands)**

Project Title	Debt	State/Fed Grant	Equity/ Operations	Total
ADOT-MOA Emergency	-	-	3,000	3,000
Collection System	19,369	-	-	19,369
Facility Master Plan	-	-	600	600
IT Hardware/Software	-	-	1,820	1,820
Miscellaneous Equipment	-	-	850	850
Other Plant & Facilities	-	-	2,115	2,115
Vehicles	-	-	966	966
Wastewater Plant	4,281	-	649	4,930
Total	23,650	-	10,000	33,650

* Debt and Equity/Operations funding amounts by project are estimates and subject to change as actual loans are awarded by the State of Alaska.

2017 Preliminary Data - 120 Day Memo Attachment F-1

Anchorage Wastewater Utility 2017 - 2022 Capital Improvement Program (in thousands)

Project Category	2017	2018	2019	2020	2021	2022	Total
ADOT-MOA Emergency	3,000	4,883	2,285	4,928	2,347	4,000	21,443
Collection System	19,369	23,136	13,480	18,727	24,644	24,711	124,067
Facility Master Plan	600	-	-	-	702	250	1,552
IT Hardware/Software	1,820	2,170	1,455	1,535	1,535	1,535	10,050
Miscellaneous Equipment	850	850	850	850	850	850	5,100
Other Plant & Facilities	2,115	-	-	-	-	-	2,115
Vehicles	966	893	868	880	892	904	5,403
Wastewater Plant	4,930	4,430	17,772	9,980	6,030	4,750	47,892
Total	33,650	36,362	36,710	36,900	37,000	37,000	217,622

Funding Source	2017	2018	2019	2020	2021	2022	Total
Debt	23,650	26,362	26,710	26,900	28,000	29,000	160,622
Equity/Operations	10,000	10,000	10,000	10,000	9,000	8,000	57,000
Grants	-	-	-	-	-	-	-
Total	33,650	36,362	36,710	36,900	37,000	37,000	217,622

Merrill Field Airport Business Plan

Background

Merrill Field Airport (MRI) is a municipally owned and operated enterprise. It is operated as a city Enterprise Fund department under the direction of the Municipal Manager.

Services

Merrill Field is a primary commercial service airport and serves as a general aviation reliever for Anchorage International Airport. Home base to 8.8% of all aircraft registered in Alaska, Merrill Field was the 102nd busiest airport in the nation in 2015.

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 and pricing that attracts aviation support services and related businesses to Merrill Field and encourages 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 technologies to maximize the use and efficiency of available resources.
- 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.
- Meet requisite FAA sponsor assurances resultant from AIP grant acceptance.

Strategies to Achieve Goals

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

1. Maintain a pro-active anti-noise policy, asking pilots to follow established noise-reducing practice. Maintain a close working relationship and coordinate with the MRI FAA ATCT.
2. Maintain positive relations with neighboring Community Councils by encouraging their comments and actively addressing their concerns.
3. Work in close coordination with the Municipal Airports Aviation Advisory Commission, Fixed Based Operators, and Airport users.
4. Continue to aggressively seek and obtain both FAA and State grant funding for the Airport Capital Improvement Program.
5. Provide infrastructure to meet customer demand.
6. Maintain revenues at a level adequate to cover inflation, fund MOA and FAA mandated costs, and meet airport objectives by:
 - a. increasing facility productivity

2017 Preliminary Data - 120 Day Memo Attachment F-2

- b. adjusting user fees and/or lease rates annually
7. 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
8. Take advantage of new technology:
 - a. Continue refinement and enhancement of existing programs to facilitate better data resource management, including enabling fiber optic cabling and surveillance cameras airport-wide.
 - b. Continue replacing computer hardware, as required, to ensure the efficient processing of data.
9. Maintain database and management reporting capabilities.
10. Maintain runways, taxiways, and tie-down aprons in a safe and secure condition.
11. Expediently and systematically remove snow from all surfaces. Ensure NOTAMs (Notices to Airmen) and ATIS (Air Traffic Information Service) are both proactive and current.
12. Continue long term planning, development, and construction of quality airport facilities through the Airport Master Plan process.
13. Provide technical assistance to lessees on issues associated with federally mandated environmental programs.
14. Endeavor to reduce the number of runway incursions (Vehicle/Pedestrian Deviations or VPDs).
15. Manage and develop Orca Street properties to maintain and maximize lease rental revenue.
16. Pursue development of new lease lots and encourage development of commercial aviation facilities on current leaseholds.
17. Perform asphaltic crack sealing of runways/taxiways/apron areas to extend the life expectancy of these surfaces.
18. Fund pre-grant expenses for engineering services on grant-eligible projects.
19. Enhance the utility of existing tiedown aprons, taxiways, and roadways.
20. Expand aircraft aprons and taxiways as needed to meet demand.
21. Actively market Airport facilities and services.
22. Acquire planned acquisition of identified parcels west of the Runway 16/34 safety area to ensure compatible land use.
23. Identify high priority projects to be included in the FAA 5-Year Airport Capital Improvement Plan (ACIP) thereby helping Merrill Field to more effectively compete nationally for AIP grant funds.
24. Secure engineering services for project preliminary design, final design, contract specifications, bid award, and construction supervision.

Performance Measures to Track Progress in Achieving Goals

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

1. Number of Vehicle-Pedestrian Deviations (VPDs)
2. Number of unfulfilled requests for aircraft parking space – Electrical Drive-Through
3. Percentage of lease spaces currently leased
4. Percent of runway pavement above the minimum PCI value of 70
5. Percent of apron pavement above the minimum PCI value of 60
6. Percent of taxiway pavement above the minimum PCI value of 60

**2017 Preliminary Data - 120 Day Memo
Attachment F-2**

**Merrill Field Airport
2017 Capital Improvement Budget
(in thousands)**

Project Title	Federal Grants	State Grants	Equity/ Operations	Total
Acquire Replacement Airport Pickup Truck	-	-	24	24
Acquire SRE - Dump Truck	375	-	25	400
Building Upgrades - Orca St. Facilities	-	-	100	100
Rehab Taxiway Quebec and Apron, Phase 6	1,900	-	100	2,000
Security Upgrades, Phase 5	950	-	50	1,000
Total	3,225	-	299	3,524

2017 Preliminary Data - 120 Day Memo Attachment F-2

Merrill Field Airport 2017 - 2022 Capital Improvement Program (in thousands)

Project Category	2017	2018	2019	2020	2021	2022	Total
Buildings and Equipment	524	100	800	-	1,000	-	2,424
Land Acquisition	-	-	-	-	-	-	-
Land Improvements	1,000	3,500	1,000	3,500	3,500	3,500	16,000
Runways and Taxiways	2,000	2,000	2,000	2,000	2,000	2,000	12,000
Total	3,524	5,600	3,800	5,500	6,500	5,500	30,424

Funding Source	2017	2018	2019	2020	2021	2022	Total
Equity/Operations	299	406	200	306	369	306	1,886
Federal Grants	3,225	5,194	3,600	5,194	6,131	5,194	28,538
State Grants	-	-	-	-	-	-	-
Total	3,524	5,600	3,800	5,500	6,500	5,500	30,424

Municipal Light & Power Business Plan

Mission

Provide energy at competitive rates that is safe and reliable.

Services

Municipal Light and Power's (ML&P) service area is roughly 20-square-miles. ML&P has approximately 31,000 residential and commercial customers. The utility provides service to the Municipality's economic drivers including: commercial, industrial (Ship Creek area and the Port of Anchorage), Universities, Major Medical Campuses, the Downtown and Midtown business districts. ML&P also serves Joint Base Elmendorf-Richardson and sells electricity to other Railbelt utilities. The utility has a 56.67 percent working interest in the Beluga River Unit gas field, making it one of the only vertically integrated utilities on the West Coast. ML&P is subject to economic regulation by the Regulatory Commission of Alaska.

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
 - Support and assistance to wholesale power customers
- Maintain equity and earn net income at a level sufficient to continue to pay annual dividends to the Municipality of Anchorage
- 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 equipment and technology.
- 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
- Foster teamwork and an integrated approach to decision-making within the utility

Strategies to Achieve Goals

- Attain the financial objectives established in the Equity Management Plan
- Replace old generation with more efficient, state-of-the-art fuel efficient generation
- Implement industry best practices and streamline business processes to ensure the financial and operational integrity of the utility
- Cooperate with other Railbelt utilities to implement Economic Dispatch of generating resources
- Implement operational and financial procedures to maintain the highest bond rating
- Implement predictive maintenance program to reduce or eliminate outages and interruptions

2017 Preliminary Data - 120 Day Memo Attachment F-3

Performance Measures to Track Progress in Achieving Goals

1. Maintain competitive residential and commercial rates as measured in revenue per kilowatt-hour (kWh) sold
2. Maintain Total Recordable Incident Rates (TRIR) below industry average
3. Maintain Days Away Restricted Transferred (DART) rate below industry standard
4. Achieve 80% of bills that go out within 1 day of meter read date
5. At a minimum, maintain an A bond rating
6. Maintain Customer Average Interruption Duration Index (CAIDI) below industry average
7. Maintain System Average Interruption Duration Index (SAIDI) below industry average
8. Maintain System Average Interruption Frequency Index (SAIFI) below industry average
9. Manage workers' compensation claims

2017 Preliminary Data - 120 Day Memo Attachment F-3

Municipal Light & Power 2017 Capital Improvement Budget (in thousands)

Project Title	Equity/ Operations	Revenue Bond/ Commercial Paper	Contribution in Aid of Construction	Beluga Contributed	Total
Beluga River Gas Field	-	-	-	8,501	8,501
Distribution	17,705	-	2,400	-	20,105
General Plant	3,582	-	-	-	3,582
Production	7,246	-	-	-	7,246
Transmission	3,330	-	-	-	3,330
ML&P TOTAL	\$ 31,863	\$ -	\$ 2,400	\$ 8,501	\$ 42,764

2017 Preliminary Data - 120 Day Memo Attachment F-3

Municipal Light & Power 2017 - 2022 Capital Improvement Program (in thousands)

Project Category	2017	2018	2019	2020	2021	2022	Total
Beluga River Gas Field	8,501	2,267	11,901	2,267	11,901	2,267	39,104
Distribution	20,105	20,635	17,615	14,130	16,875	22,090	111,450
General Plant	3,582	3,125	3,365	2,275	2,780	2,505	17,632
Production	7,246	4,100	17,695	9,118	9,058	455	47,672
Transmission	3,330	6,480	3,430	4,260	3,480	4,130	25,110
Total	42,764	36,607	54,006	32,050	44,094	31,447	240,968

Funding Source	2017	2018	2019	2020	2021	2022	Total
Equity/Operations	31,863	31,890	39,605	27,233	29,593	26,530	186,714
Revenue Bond/Commercial Paper	-	-	-	-	-	-	-
Contribution in Aid of Construction	2,400	2,450	2,500	2,550	2,600	2,650	15,150
Beluga Contributed	8,501	2,267	11,901	2,267	11,901	2,267	39,104
Total	42,764	36,607	54,006	32,050	44,094	31,447	240,968

Port of Anchorage Business Plan

Mission

The Port of Anchorage is committed to 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. The staff of the Port is responsible for maintaining all of the land, docks, and municipal buildings that encompass the Port of Anchorage.

Business Goals

- Provide Port operating expertise and management to the Anchorage Port Modernization Project (APMP) with the Port Engineer serving as Project Administrator.
- Plan for future facility and service needs of business and public entity customers.
- Conduct periodic facility condition surveys to anticipate age-related challenges and to ensure uninterrupted operations and safety.
- Maintain affordable and competitive tariff rates sufficient to cover operating and capital requirements.
- Provide a safe work environment for both employees and tenants.
- Maintain financially sound operating ratios.
- Deliver accurate and timely billings to tenants and customers; demand timely payments from all users.
- Provide required level of Port security under U.S. Coast Guard/Homeland Security directives through a consortium of private tenants and the Port.

Strategies to Achieve Goals

1. Provide year-round access to suitable terminals and docks for movement of containers, dry bulk cargo, and liquid bulk cargo to include petroleum products.
2. Provide seasonal maintenance of and access to the Small Boat Launch.
3. Plan, develop, and operate facilities to accommodate market growth and modernization.
4. Schedule all vessels that call on the Port.
5. Provide centralized Port and tenant security services and emergency management leadership.
6. As a landlord port, manage short-term permits (revocable use permits) and long-term leases of land and buildings.
7. Maintain and ensure uninterrupted 24/7/365 availability of Port owned facilities.
8. Ensure environmental quality of the land within the Port boundaries
9. Assess and manage the collection of all tariffs and user fees associated with vessels calling on the Port and land tenant operations.
10. Manage the Foreign Trade Zone (FTZ) and all FTZ applicants.
11. Coordinate U.S. Army Corps of Engineers dredging of channel, turning basin, and dock face dredging to provide for safe commerce.
12. Host official U.S. Navy, U.S. Coast Guard, NOAA, foreign navy and Arctic research vessels on behalf of the Municipality of Anchorage, as needed.

2017 Preliminary Data - 120 Day Memo Attachment F-4

Performance Measures to Track Progress in Achieving Goals

Progress in achieving goals will be measured by:

1. Overtime hours and pay compared to base compensation for current vs prior year.
2. Operating Net Income YTD for current vs prior year.
3. Reportable incidents for current vs prior year (# of incidents, loss of time & cost).

**2017 Preliminary Data - 120 Day Memo
Attachment F-4**

**Port of Anchorage
2017 Capital Improvement Budget
(in thousands)**

Project Title	Debt	State/Fed Grant	Equity/ Operations	Total
Anchorage Port Modernization Project	-	223,000	-	223,000
Anchorage Port GIS Mapping	-	-	250	250
Ship Creek Boat Launch Repairs	-	689	1,350	2,039
Storm Drain Repair & Enhancement	-	-	500	500
Wharf Pile Enhancements	-	-	3,000	3,000
Total	-	223,689	5,100	228,789

2017 Preliminary Data - 120 Day Memo Attachment F-4

Port of Anchorage 2017 - 2022 Capital Improvement Program (in thousands)

Project Category	2017	2018	2019	2020	2021	2022	Total
Anchorage Port Modernization Project	223,000	-	-	-	-	-	223,000
Anchorage Port GIS Mapping	250	-	-	-	-	-	250
Ship Creek Boat Launch Repairs	2,039	-	-	-	-	-	2,039
Storm Drain Repair & Enhancement	500	500	250	250	250	250	2,000
Wharf Pile Enhancements	3,000	3,000	3,000	3,000	3,000	3,000	18,000
Total	228,789	3,500	3,250	3,250	3,250	3,250	245,289

Funding Source	2017	2018	2019	2020	2021	2022	Total
Equity/Operations	5,100	3,500	3,250	3,250	3,250	3,250	21,600
State/Fed Grants	223,689	-	-	-	-	-	223,689
Total	228,789	3,500	3,250	3,250	3,250	3,250	245,289

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 (RCU) 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 customers of the RCU service area. The RCU provides three types of service: commercial dumpster; automated roll cart service; and, can and bag service.

The Solid Waste Disposal Utility (SWDU) 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 Solid Waste Services (SWS) from the central transfer station (CTS) 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 customers and SWS 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.
- Research and explore new revenue options.

Strategies to Achieve Goals

SWS's strategic plan provides a framework to achieve results for customers.

RCU

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

SWDU

1. Optimize solid waste transfer truck utilization.
2. Set 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.

RCU

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

SWDU

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

2017 Preliminary Data - 120 Day Memo Attachment F-5

Solid Waste Services - Disposal 2017 Capital Improvement Budget (in thousands)

Project Title	Debt	State/Fed Grant	Equity/ Operations	Total
Tractors (5)	-	-	850	850
Trailers (4)	-	-	540	540
Wheel Loader	-	-	650	650
D8 Dozer/Crawler	-	-	950	950
Pickup Truck (2)	-	-	100	100
Light Plant	-	-	35	35
Office Equipment and technology purchase	-	-	25	25
Cash Register System (Scalehouses and Cash Booths)	-	-	60	60
ARL Warm Storage Heating	-	-	125	125
Litter Control System	-	-	400	400
ARL Perimeter Slope Interim Closures (4/5/6)	-	-	150	150
CTS Roof Replacement	-	-	1,300	1,300
Energy Efficiency	-	-	200	200
GDW Upgrade Video Monitoring Equipment	-	-	25	25
GDW Expansion of Trailer Bay	-	-	30	30
Total	-	-	5,440	5,440

2017 Preliminary Data - 120 Day Memo Attachment F-5

Solid Waste Services - Disposal 2017 - 2022 Capital Improvement Program (in thousands)

Project Category	2017	2018	2019	2020	2021	2022	Total
ARL Improvements	675	11,807	1,250	-	10,872	-	24,604
CTS Improvements	1,500	-	-	-	-	-	1,500
Equipment & Vehicles	3,125	2,835	1,840	5,735	4,010	2,035	19,580
Girdwood Improvements	55	-	-	-	-	-	55
Office Equipment & Technology	85	30	30	30	30	30	235
Total	5,440	14,672	3,120	5,765	14,912	2,065	45,974

Funding Source	2017	2018	2019	2020	2021	2022	Total
Clean Water Loan	-	11,807	-	-	10,872	-	22,679
Commercial Loan	-	-	-	-	-	-	-
Equity/Operations	5,440	2,865	3,120	5,765	4,040	2,065	23,295
Total	5,440	14,672	3,120	5,765	14,912	2,065	45,974

**2017 Preliminary Data - 120 Day Memo
Attachment F-5**

**Solid Waste Services - Refuse Collection
2017 Capital Improvement Budget
(in thousands)**

Project Title	Debt	State/Fed Grant	Equity/ Operations	Total
Frontloader (2)	-	-	650	650
Side loaders (2)	-	-	690	690
Forklift	-	-	35	35
Dumpsters	-	-	275	275
Lids	-	-	75	75
Residential Roll Carts	-	-	10	10
Dumpster Dolly (additional funding)	-	-	60	60
Replace Office Equipment	-	-	5	5
Replace Data Processing Equipment (Cash Registers)	-	-	30	30
Energy Efficiency Improvements	-	-	200	200
CTS Building Heating System/Chillers	-	-	150	150
Total	-	-	2,180	2,180

2017 Preliminary Data - 120 Day Memo Attachment F-5

Solid Waste Services - Refuse Collection 2017 - 2022 Capital Improvement Program (in thousands)

Project Category	2017	2018	2019	2020	2021	2022	Total
Building Improvements	350	50	-	-	-	-	400
Containers/Dumpsters/Roll-offs & Lids	360	360	360	360	360	360	2,160
Data Processing	30	30	30	30	30	30	180
Office Equipment	5	5	5	5	5	5	30
Vehicle Replacement	1,435	1,090	645	1,460	1,140	1,100	6,870
Total	2,180	1,535	1,040	1,855	1,535	1,495	9,640

Funding Source	2017	2018	2019	2020	2021	2022	Total
Equity/Operations	2,180	1,535	1,040	1,855	1,535	1,495	9,640
Total	2,180	1,535	1,040	1,855	1,535	1,495	9,640