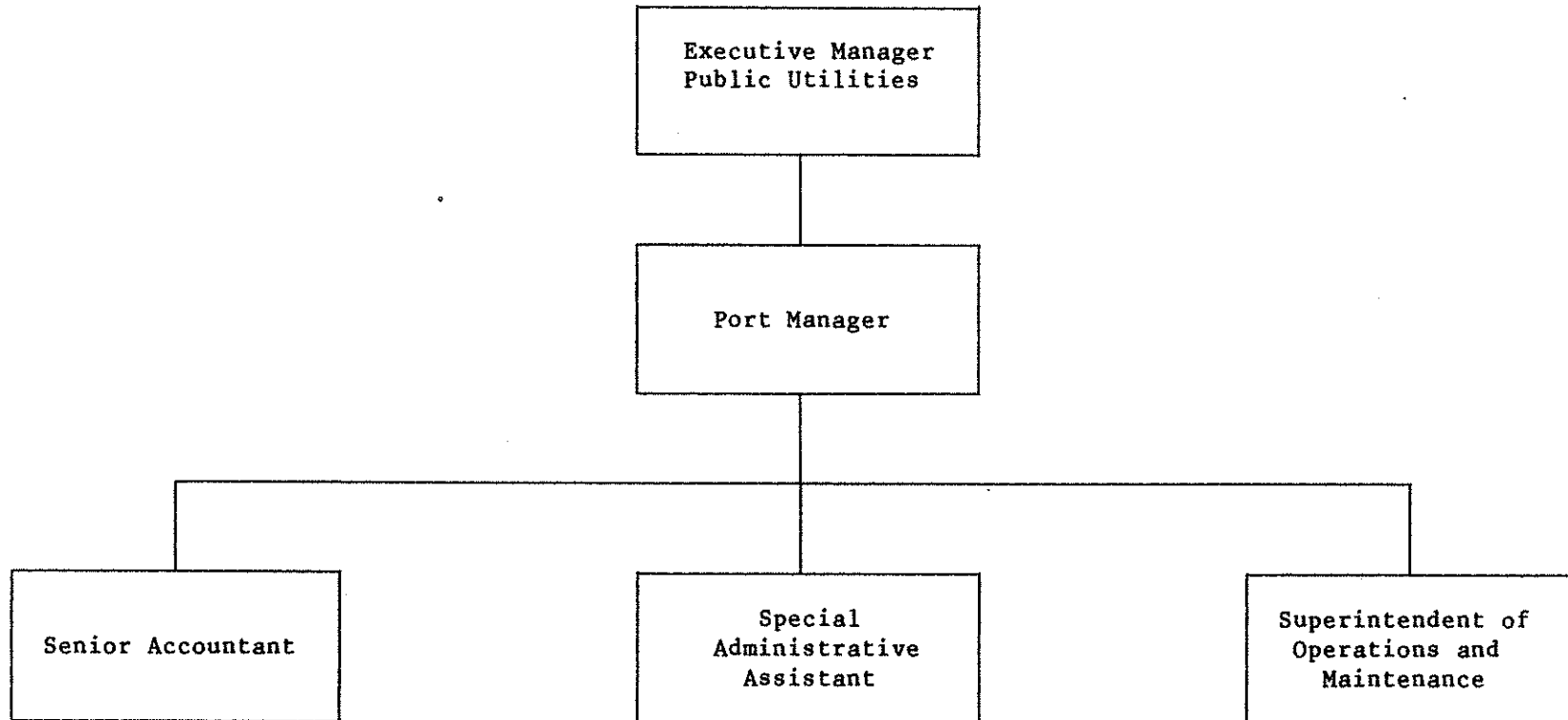


Public Utilities	Unit No. 8000	Utility PORT OF ANCHORAGE	Unit No. 8970	Division	Unit No.
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ORGANIZATIONAL CHART



MUNICIPALITY OF ANCHORAGE

Public Utilities	Unit No.	Utility	Unit No.	Division	Unit No.
Port of Anchorage	8000	Port of Anchorage	8970		

MISSION

Provide a modern, efficient Port facility for the movement of goods into and out of Southcentral Alaska. Expand and maintain existing property, facilities and equipment to meet growth in established marine trade and to handle new cargo movement. Support and assist increases in cargo movement that will aid and stimulate the economy and quality of life of Anchorage. Broaden the use and public benefit derived from the waterfront resources of Southcentral Alaska.

MAJOR GOALS

The goals of the Port of Anchorage are to:

1. Provide facilities for direct water transportation of commercial cargos to Anchorage, the Railbelt and the balance of Alaska.
2. Manage and maintain the facilities in a manner that enables carriers to operate efficiently, thereby holding down transportation costs for consumers.
3. Promote the movement of cargos that encourage sound economic development.
4. Insure the future viability of the Port by husbanding resources, monitoring transportation activities statewide and by conserving Anchorage's limited waterfront for marine-related activities.
5. Generate official and public support for fulfillment of the Port's Master Plan.

FACTORS DRIVING THE UTILITY

1. Present and projected demand for land by marine transportation companies.
2. Increases in population which directly affect marine transportation demands.

MUNICIPALITY OF ANCHORAGE

Public Utilities	Unit No	Utility	Unit No.	Division	Unit No.
Port of Anchorage - 1986	8000	Port of Anchorage	8970		

FACTORS DRIVING THE UTILITY - (CONTINUED)

3. Increased capacity by new and/or expanding marine carriers calling at competitive Southcentral ports.
4. Need to direct Municipal assets toward the development of general cargo handling facilities.
5. Entitlement of general public to use a portion of Anchorage waterfront for recreational and other public purposes.
6. The desire of the Matanuska-Susitna Borough and private interests to develop additional marine terminals.

PLANNING ASSUMPTIONS

The following assumptions have been used in developing the Port's 1986-1991 long-range plans. They are not intended to be a fixed course of action. They are, however, the best data available at this stage of planning.

1. Tonnage Growth

Increased activity by competitive Southcentral Ports and carriers will impede general cargo growth.

1986 general cargo will equal that of 1985 and increase by 2% each year thereafter.

Bulk petroleum tonnage will remain constant during the 1986-1991 period.

MUNICIPALITY OF ANCHORAGE

Public Utilities Port of Anchorage - 1986	Unit No. 8000	Utility Port of Anchorage	Unit No. 8970	Division	Unit No.
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Port Tonnage Estimates (Millions of Tons)

	<u>1986</u>	<u>1987</u>	<u>1988</u>	<u>1989</u>	<u>1990</u>	<u>1991</u>
General	1.29	1.33	1.37	1.41	1.45	1.50
POL	<u>.69</u>	<u>.69</u>	<u>.69</u>	<u>.69</u>	<u>.69</u>	<u>.69</u>
Totals	1.98	2.02	2.06	2.10	2.14	2.19

2. Sea-Land Service, Inc. will replace its ships now in service with larger vessels in 1986-87.
3. The private sector role in financing Port capital projects will markedly increase during the 1986-1991 period.

OBJECTIVES/PROGRAMS

1. Acquire and Develop Additional Staging and Storage Areas

- . Complete Transit Area D and Lot 1-E.
- . Initiate development of staging area on adjacent federal government lands.
- . Press for control of development of Alaska Railroad tidelands and other Railroad land within AAR Terminal Reserve.

2. Prepare for Expanded Service by Major Carriers

- . Modify the dock to meet new vessel and crane requirements of Sea-Land.

MUNICIPALITY OF ANCHORAGE

Public Utilities	Unit No	Utility	Unit No.	Division	Unit No.
Port of Anchorage - 1986	8000	Port of Anchorage	8970		

OBJECTIVES/PROGRAMS (CONTINUED)

- . Define and implement operational modifications.
- . Negotiate new preferential usage agreements with TOTE and Sea-Land.
- . Arrange for issuance of revenue or Industrial Development bonds to finance new cranes on a buy-back, lease-back basis.

3. Maintain and Renew Existing Port Facilities

Major Maintenance Projects:	Cost (Millions)
. Complete modification of cathodic protection electrical system on Terminals 1 and 2 and portion of Petroleum Terminal.	.5
. Replace sacrificial anodes which are part of cathodic protection system (anodes were installed in 1981 and have expected life of 3-5 years).	.5
. Complete renovation of gantry cranes.	.2
. Complete repair and replacement of damaged fender piling.	.4

4. Develop Rate Schedules and Financial Plans

- . Evaluate and implement revisions to tariff rates and policies as required.
- . Ensure that unexpected costs are recoverable wherever possible.

MUNICIPALITY OF ANCHORAGE

Public Utilities Port of Anchorage - 1986	Unit No. 8000	Utility Port of Anchorage	Unit No. 8970	Division	Unit No.
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5. Continue and Expand Organizational and Staff Development Efforts

- . Communicate information on Municipal programs and policies to all employees at special staff functions.
- . Conduct regular work sessions on the Port's values, norms and on its objectives and programs.
- . Involve staff at all levels in development of contract requirements affecting their work and Port efficiency.
- . Develop staff responsibilities consistent with broadened maintenance and traffic control requirements.

6. Develop Computerized Systems

- . Develop and provide training to fully utilize system.
- . Develop and implement automated computer-assisted programs.
- . Implement Municipal Business Systems Plan.

7. Modernize and Expand Existing Port Facilities

- . Modify Terminal No. 1. (Recommended in Port's Master Plan)
- . Implement Petroleum Terminal Renovation (Recommended in Port's Master Plan)
- . Construct rail spur to Lot 12-B. (Recommended in Port's Master Plan)

MUNICIPALITY OF ANCHORAGE

Public Utilities Port of Anchorage - 1986	Unit No. 8000	Utility Port of Anchorage	Unit No. 8970	Division	Unit No.
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7. Modernize and Expand Existing Port Facilities (Continued)

- . Consolidate bulk cement lines and construct cement header system. (Recommended in Port's Master Plan)
- . Implement Port access/security plan.

8. Develop a Strong Marketing Plan

- . Maintain marketing activity to heighten local, regional and statewide perception of Port's role.
- . Develop a transshipment/backhaul campaign.
- . Monitor fish processing/industrial park/new industry developments with an eye toward possible Port involvement.
- . Promote Port use by Pacific Rim shippers.

9. Attempt to Lessen Impact of Federal Dredging User Fees

- . Monitor Congressional actions concerning maintenance dredging and cost sharing.
- . Seek to ensure that any assessed dredging costs are recoverable.
- . Keep the Congressional delegation and others informed of the Port's position, via association memberships, to ensure an acceptable bill.
- . Promote Corps of Engineers review of dredging technology and applications in the Anchorage harbor.
- . Monitor the West Point Shoal for any movement.

MUNICIPALITY OF ANCHORAGE

Public Utilities	Unit No.	Utility	Unit No.	Division	Unit No.
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MANPOWER FORECAST

<u>DIVISIONS</u>	<u>1985</u>	<u>1986</u>	<u>1987</u>	<u>1988</u>	<u>1989</u>	<u>1990</u>	<u>1991</u>
Administration/Finance	6	7	7	7	7	8	8
Operations/Maintenance	<u>11</u>	<u>11</u>	<u>11</u>	<u>12</u>	<u>12</u>	<u>12</u>	<u>12</u>
Sub-Total	17	18	18	19	19	20	20
Summer Temporaries (Student)	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>
TOTAL	21	22	22	23	23	24	24

MUNICIPALITY OF ANCHORAGE

Public Utilities	Unit No	Utility	Unit No.	Division	Unit No.	
Port of Anchorage - 1986	8000	Port of Anchorage	8970			
<u>RESOURCE IMPACTS</u>						
	1986	1987	1988	1989	1990	1991
GROWTH FACTORS - TONNAGE	1,981,000	2,021,000	2,061,000	2,102,000	2,144,000	2,187,000
BOND SALES - REV/ INDUSTRIAL DEVELOPMENT	9,700,000	13,600,000	5,000,000	7,500,000	4,000,000	12,000,000
GRANTS ANTICIPATED	-0-	-0-	-0-	-0-	-0-	-0-
PERSONNEL INCREASES	1	-0-	1	-0-	1	-0-
REVENUE	7,086,000	7,148,000	7,212,000	7,277,000	7,343,000	7,849,000
EXPENSE	5,347,000	5,614,000	5,895,000	6,190,000	6,499,000	6,824,000
NET INCOME REGULATORY	1,739,000	1,534,000	1,317,000	1,087,000	844,000	1,025,000
POSSIBLE RATE INCREASE (YEAR REQUESTED)						15%

MUNICIPALITY OF ANCHORAGE

Public Utilities	Unit No.	Utility	Unit No.	Division	Unit No.
Port of Anchorage - 1986	8000	Port of Anchorage	8970		
MUNICIPALITY OF ANCHORAGE FINANCIAL DATA					
LINE ITEM DESCRIPTION	1984 ACTUAL	1985 PRO-FORMA	1986 PROPOSED	1986 ADOPTED	
<u>MISCELLANEOUS STATISTICAL DATA</u>					
<u>TONNAGE SUMMARY</u>					
<u>Commodity</u>					
General Cargo	1,399,623	1,229,000	1,252,000	1,252,000	
Bulk, Dry	48,599	55,000	39,000	39,000	
Bulk, Liquid (Petroleum)	<u>684,139</u>	<u>693,000</u>	<u>693,000</u>	<u>693,000</u>	
TOTAL TONNAGE	2,132,361	1,977,000	1,984,000	1,984,000	
ANNUAL % OF INCREASE (DECREASE)	6.2%	(7.3%)	0.4%	0.4%	
<u>REVENUE GENERATED BY COMMODITY</u>					
Wharfage/Service Charge: General Cargo	2,625,638	2,292,000	2,635,000	2,635,000	
Wharfage, Dry, Bulk	30,820	35,000	25,000	25,000	
Wharfage, Petroleum Bulk	345,525	350,000	350,000	350,000	
Other	<u>167,108</u>	<u>131,000</u>	<u>109,000</u>	<u>109,000</u>	
TOTAL DOCK REVENUE	3,169,091	2,808,000	3,119,000	3,119,000	
ANNUAL % OF INCREASE (DECREASE)	(2.3%)	(11.4%)	11.1%	11.1%	

MUNICIPALITY OF ANCHORAGE

Public Utilities Port of Anchorage - 1986	Unit No. 8000	Utility Port of Anchorage	Unit No. 8970	Division	Unit No.
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MUNICIPALITY OF ANCHORAGE
FINANCIAL DATA

LINE ITEM DESCRIPTION	1984 ACTUAL	1985 PRO-FORMA	1986 PROPOSED	1986 ADOPTED
<u>STATEMENT OF SELECTED RATIOS AND STATISTICS</u>				
Operating Income	2,032,000	152,000	645,000	645,000
Rate Base (Net Capital Assets)	29,695,000	38,144,000	43,927,000	43,927,000
Rate of Return	6.85%	0.40%	1.47%	1.47%
Operating Income	2,032,000	152,000	645,000	645,000
Operating Revenue	4,208,000	3,897,000	5,432,000	5,432,000
Operating Margin	48.29%	3.90%	11.87%	11.87%
Operating Expenses - Controllable	1,480,000	3,003,000	2,584,000	2,548,000
Operating Revenue	4,208,000	3,897,000	5,432,000	5,432,000
Operating Ratio	35.17%	77.06%	45.57%	45.57%
Debt/Equity Ratio	26/74	31/69	42/58	42/58

MUNICIPALITY OF ANCHORAGE

Public Utilities	Unit No.	Utility	Unit No.	Division	Unit No.
Port of Anchorage - 1986	8000	Port of Anchorage	8970		

1986 Budget ImpactsOperating

1. A revised Terminal Tariff and renegotiated Preferential Usage Agreements are scheduled to be effective January 1, 1986. Operating revenues are expected to increase approximately 14%.
2. Revenues and expenses have each been increased by \$1,000,000 to allow for possible dredging fees that may be assessed by the U.S. Congress. Fees would be recoverable from Port users.
3. Completed projects will increase 1986 depreciation allowance by \$461,000.

Capital

1. Land development for private and public use remains the Port's highest capital priority. Operating budget impacts are expected to be negligible.

MUNICIPALITY OF ANCHORAGE

Public Utilities	Unit No.	Utility	Unit No.	Division	Unit No.
Port of Anchorage - 1986	8000	Port of Anchorage	8970		
MUNICIPALITY OF ANCHORAGE FINANCIAL DATA					
LINE ITEM DESCRIPTION	1984 ACTUAL	1985 PRO-FORMA	1986 PROPOSED	1986 ADOPTED	
<u>OPERATING BUDGET</u>					
<u>STATEMENT OF REVENUE AND EXPENSE</u>					
<u>OPERATING REVENUE</u>					
Dock Revenue	3,117,000	2,769,000	3,079,000	3,079,000	
Gantry Crane Revenue	52,000	40,000	40,000	40,000	
Industrial Park Revenue	1,039,000	1,088,000	1,313,000	1,313,000	
Other Operating Revenue - Dredging User Fees	-0-	-0-	1,000,000	1,000,000	
TOTAL OPERATING REVENUE	4,208,000	3,897,000	5,432,000	5,432,000	
<u>OPERATING EXPENSE</u>					
Personal Services	798,000	1,062,000	1,095,000	1,095,000	
Supplies	74,000	612,000	118,000	118,000	
Other Services and Charges	486,000	1,161,000	1,195,000	1,195,000	
Other Operating Expense - Dredging	-0-	-0-	1,000,000	1,000,000	
Charges From Other Departments	121,000	168,000	176,000	176,000	
Depreciation, Non-Contributed Plant	697,000	742,000	1,203,000	1,203,000	
*TOTAL OPERATING EXPENSE	2,176,000	3,745,000	4,787,000	4,787,000	
OPERATING INCOME	2,032,000	152,000	645,000	645,000	
* Depreciation of Contributed Plant Not Included					

MUNICIPALITY OF ANCHORAGE

Public Utilities	Unit No.	Utility	Unit No.	Division	Unit No.
Port of Anchorage - 1986	8000	Port of Anchorage	8970		
MUNICIPALITY OF ANCHORAGE FINANCIAL DATA					
LINE ITEM DESCRIPTION	1984 ACTUAL	1985 PRO-FORMA	1986 PROPOSED	1986 ADOPTED	
<u>NON-OPERATING REVENUE</u>					
Container Crane Leaseback	66,000	63,000	60,000	60,000	
Trestle Leaseback	62,000	59,000	56,000	56,000	
Interest Earned	1,500,000	1,300,000	1,400,000	1,400,000	
Right-Of-Way Fees	<u>138,000</u>	<u>138,000</u>	<u>138,000</u>	<u>138,000</u>	
TOTAL NON-OPERATING REVENUE	1,766,000	1,560,000	1,654,000	1,654,000	
<u>NON-OPERATING EXPENSE</u>					
Interest on Long Term Debt	<u>639,000</u>	<u>607,000</u>	<u>560,000</u>	<u>560,000</u>	
TOTAL NON-OPERATING EXPENSE	639,000	607,000	560,000	560,000	
NON-OPERATING INCOME	<u>1,127,000</u>	<u>953,000</u>	<u>1,094,000</u>	<u>1,094,000</u>	
NET INCOME	3,159,000	1,105,000	1,739,000	1,739,000	
<u>RECONCILIATION</u>					
NET INCOME REGULATORY	3,159,000	1,105,000	1,739,000	1,739,000	
LESS: DEPRECIATION OF CONTRIBUTED PLANT	<u>484,000</u>	<u>537,000</u>	<u>567,000</u>	<u>567,000</u>	
NET INCOME FOR GOVERNMENT FINANCIAL REPORTING	2,675,000	568,000	1,172,000	1,172,000	

MUNICIPALITY OF ANCHORAGE

Public Utilities	Unit No.	Utility	Unit No.	Division	Unit No.
Port of Anchorage	8000	Port of Anchorage	8970		
MUNICIPALITY OF ANCHORAGE FINANCIAL DATA					
LINE ITEM DESCRIPTION	1984 ACTUAL	1985 PRO-FORMA	1986		
			PROPOSED	ADOPTED	
STATEMENT OF SOURCES AND USES OF CASH FUNDS					
SOURCES OF CASH FUNDS:					
Net Income	2,675,000	568,000	1,172,000	1,172,000	
Depreciation	1,181,000	1,279,000	1,770,000	1,770,000	
Grants	1,555,000	3,139,000	0	0	
Other	(253,000)	5,000,000	9,700,000	9,700,000	
TOTAL SOURCES OF CASH FUNDS	5,158,000	9,986,000	12,642,000	12,642,000	
USES OF CASH FUNDS:					
Additions to Plant	1,502,000	9,728,000	7,553,000	7,553,000	
Bond Principal Payment	929,000	985,000	1,246,000	1,246,000	
Other	(1,613,000)	0	0	0	
TOTAL USES OF CASH FUNDS	818,000	10,713,000	8,799,000	8,799,000	
Net Increase (Decrease) In Cash Funds	4,340,000	(727,000)	3,843,000	3,843,000	
Cash Balance January 1	11,093,000	15,433,000	14,706,000	14,706,000	
Cash Balance December 31	15,433,000	14,706,000	18,549,000	18,549,000	
DETAIL OF CASH BALANCE:					
Equity in General Cash Pool	9,714,000	7,841,000	8,807,000	8,807,000	
Equity in Construction Cash Pool	5,719,000	6,865,000	9,742,000	9,742,000	
TOTAL CASH DECEMBER 31	15,433,000	14,706,000	18,549,000	18,549,000	

MUNICIPALITY OF ANCHORAGE

Public Utilities	Unit No.	Utility	Unit No.	Division	Unit No.
Port of Anchorage - 1986	8000	Port of Anchorage	8970		
MUNICIPALITY OF ANCHORAGE FINANCIAL DATA					
LINE ITEM DESCRIPTION	1984 ACTUAL	1985 PRO-FORMA	1986 PROPOSED	1986 ADOPTED	
<u>STATEMENT OF CHANGES IN FUND EQUITY</u>					
Balance January 1	30,685,000	34,915,000	38,623,000	38,623,000	
Net Income (Loss)	2,675,000	568,000	1,172,000	1,172,000	
Contributions Received	<u>1,555,000</u>	<u>3,139,000</u>	<u>-0-</u>	<u>-0-</u>	
BALANCE	34,915,000	38,622,000	39,795,000	39,795,000	
Details of Fund Equity					
Retained Earnings	18,660,000	18,857,000	21,505,000	21,505,000	
Contributed Capital	<u>16,255,000</u>	<u>19,766,000</u>	<u>18,290,000</u>	<u>18,290,000</u>	
Total Fund Equity December 31	34,915,000	38,623,000	39,795,000	39,795,000	

MUNICIPALITY OF ANCHORAGE

Public Utilities	Unit No.	Utility	Unit No.	Division	Unit No.
Port of Anchorage - 1986	8000	Port of Anchorage	8970		
MUNICIPALITY OF ANCHORAGE FINANCIAL DATA					
LINE ITEM DESCRIPTION	1984 ACTUAL	1985 PRO-FORMA			
			1986 PROPOSED	1986 ADOPTED	
<u>NET PROFIT MARGIN</u>					
Net Income Governmental Reporting	2,675,000	568,000	1,172,000	1,172,000	
Operating Revenues	4,208,000	3,897,000	5,432,000	5,432,000	
Net Profit Margin Government Reporting	63.6%	14.6%	21.6%	21.6%	
Net Income (Regulatory)	3,159,000	1,105,000	1,739,000	1,739,000	
Operating Revenues	4,208,000	3,897,000	5,432,000	5,432,000	
Net Profit Margin (Regulatory)	75.1%	28.4%	32.0%	32.0%	

MUNICIPALITY OF ANCHORAGE

Public Utilities	Unit No. 8000	Utility PORT OF ANCHORAGE	Unit No. 8970	Division	Unit No.
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1986 CAPITAL IMPROVEMENT BUDGET FINANCIAL SUMMARY

<u>Project Category</u>	<u>Total Project Cost</u>	<u>FUNDING SOURCE</u>		
		<u>Bonds</u>	<u>Operations</u>	<u>Grants</u>
Terminal Development	310		310	0
Land Development	9,700	9,700 (R)		0
Repairs & Rehabilitation	380	0	380	0
New Equipment	<u>40</u>	<u>0</u>	<u>40</u>	<u>0</u>
TOTAL	10,430	9,700 (R)	730	0

Dollars in Thousands

MUNICIPALITY OF ANCHORAGE

PAGE

Public Utilities	Unit No.	Utility	Unit No.	Division	Unit No.						
	8000	PORT OF ANCHORAGE	8970								
CIB/CIP 1986-1991											
PROJECT TITLE	1986	1987	1988	1989	1990	1991	BONDS	OPER- ATIONS	STATE GRANTS	FEDERAL GRANTS	TOTAL
Terminal Development	310	10,600	440	3,000	0	0	13,600(R)	750	0	0	14,350
Land Development	9,700	0	5,000	0	0	5,000	19,700(R)	0	0	0	19,700
Harbor Development	0	3,000	0	4,500	4,000	7,000	18,500(R)	0	0	0	18,500
Repair/Rehabilitation	380	0	0	0	0	0	0	380	0	0	380
New Equipment	<u>40</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>40</u>	<u>0</u>	<u>0</u>	<u>40</u>
TOTAL	10,430	13,600	5,440	7,500	4,000	12,000	51,800(R)	1,170	0	0	52,970
SOURCE OF FUNDING:											
Revenue Bonds	9,700	13,600	5,000	7,500	4,000	12,000	51,800	0	0	0	51,800
Operations	<u>730</u>	<u>0</u>	<u>400</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,170</u>	<u>0</u>	<u>0</u>	<u>1,170</u>
TOTAL FUNDING	10,430	13,600	5,400	7,500	4,000	12,000	51,800	1,170	0	0	52,970