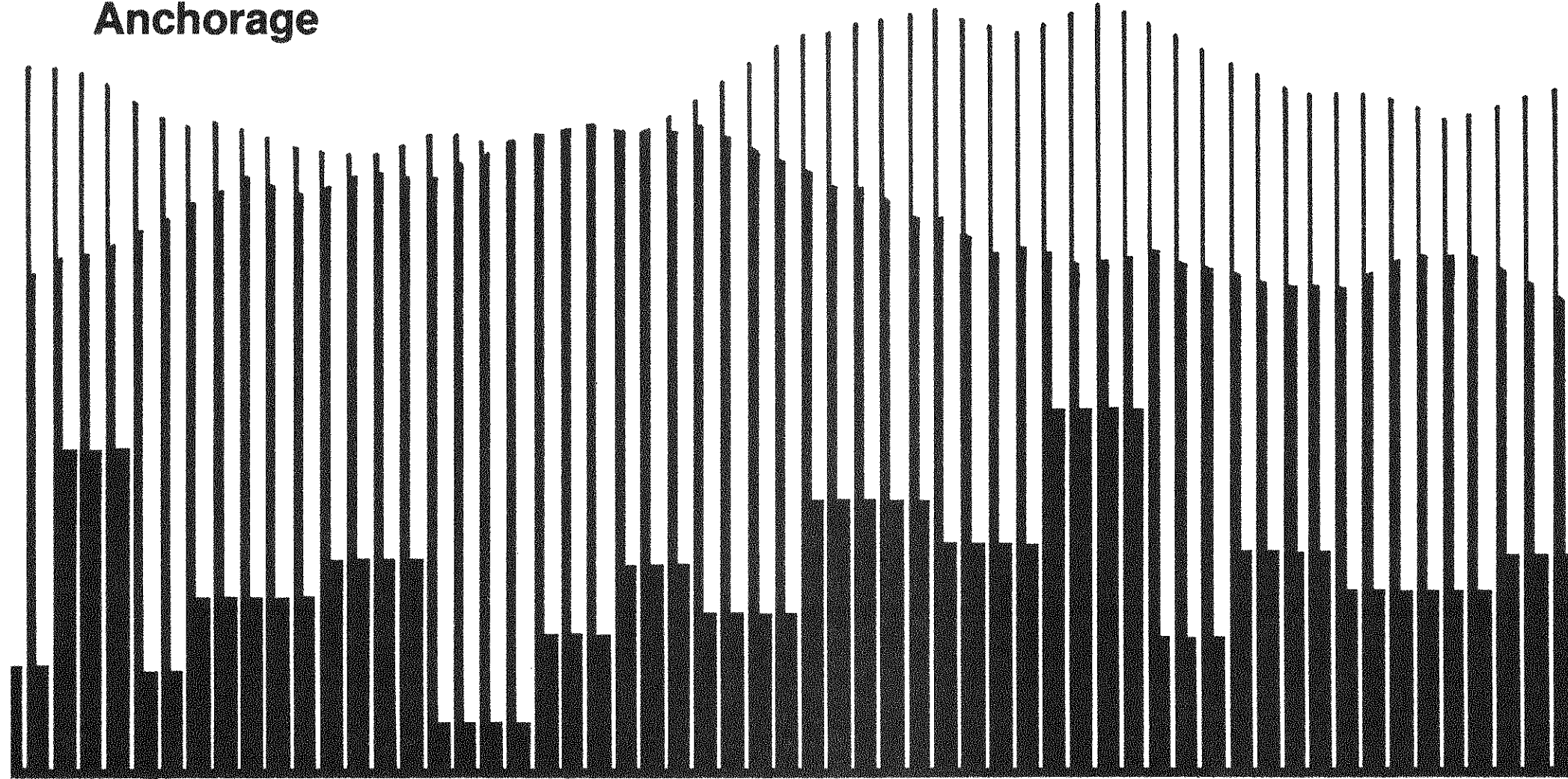


Municipality of Anchorage



Tom Fink, Mayor



1988
Public Utilities
Operating and Capital Budgets

1988

PUBLIC UTILITIES OPERATING AND CAPITAL BUDGETS

ASSEMBLY

Larry Baker, Chairman

Jim Barnett	Fred Dyson	Jim Kubitz
Brad Bradley	Joe Evans	Pat Parnell
Craig Campbell	Bill Faulkner	John Wood
	Heather Flynn	

**Municipality
of
Anchorage**



OFFICE OF THE MAYOR

January 14, 1988

Dear Residents of Anchorage:

I am transmitting the 1988 Utility Operating and Capital Budget as approved by the Assembly on November 24, 1987.

This budget was based on the key assumption that there would be substantial rate increases in 1988 and there would be an approximate 5% average reduction in the total cost of wages and benefits from 1988 contractual levels. If these assumptions do not materialize then the services and programs outlined within this budget will have to be curtailed.

Since I took office on January 2, 1988 my new administration has been reviewing existing programs, priorities, and the organizational structures of the utilities. As a result of this review I plan to present utility organizational changes and cost containment plans to the public and Assembly within the next several months. Those plans will include policies aimed at minimizing rate increases without severely impacting service levels. Revisions to the 1988 budget may occur as a result of this effort.

Sincerely,

Tom Fink
Mayor

DATE 11-25-87

Submitted by: Chairman of the Assembly
 at the Request of the Mayor
 Prepared by: Office of Management and
 Budget
 For Reading: October 13, 1987

ANCHORAGE, ALASKA
 AO NO. 87-123

AN ORDINANCE ADOPTING AND APPROPRIATING FUNDS FOR THE 1988 PUBLIC UTILITIES
 OPERATING AND CAPITAL BUDGETS FOR THE MUNICIPALITY OF ANCHORAGE

WHEREAS, the Mayor has presented his recommended 1988 Public Utilities Operating Budget and Capital Improvement Budget for the Municipality of Anchorage to the Assembly in accordance with Article XIII of the Municipal Charter; and

WHEREAS, the Assembly reviewed the budgets as presented; and

WHEREAS, on October 27 and November 10, 1987 duly advertised public hearings were held in accordance with Article XIII, Section 13.04 of the Municipal Charter; and

WHEREAS, the 1988 funds are now ready for appropriation by ordinance;

NOW, THEREFORE, the Assembly hereby ordains:

1. That the 1988 Public Utilities Operating and Capital Improvement Budgets are hereby adopted for the Municipality of Anchorage.

3. The 1988 appropriations for Utility Operating Budgets are:

<u>FUND NO.</u>		<u>AMOUNT</u>
0520	Anchorage Telephone Utility	\$100,941,000
0530	Municipal Light and Power	65,847,000
0540	Anchorage Water Utility	29,712,100
0550	Anchorage Wastewater Utility Service Area	30,239,420
0560	Refuse Collection	5,829,100
0562	Solid Waste Disposal	10,111,100
0570	Port of Anchorage	6,589,000
0580	Merrill Field	<u>1,620,000</u>
	Total Utility Operating Funds	<u>\$250,888,720</u>

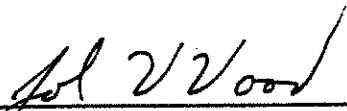
4. The 1988 appropriation for Agency Number 8906, Solid Waste Administration and Vehicle Maintenance, is \$2,797,000.

5. The appropriations for Utilities Capital Improvement Funds are:

<u>FUND NO.</u>	<u>CAPITAL IMPROVEMENT FUNDS</u>	<u>(\$000) AMOUNT</u>
0521	Anchorage Telephone Utility	\$26,859
0531	Municipal Light and Power	12,460
0541	Anchorage Water Utility	5,642
0551	Anchorage Wastewater Utility	7,061
0561	Refuse Collection	576
0563	Solid Waste Disposal	896
0571	Port of Anchorage	7,300
0581	Merrill Field	6,431
	Total Utility Capital Improvement	<u>\$67,225</u>

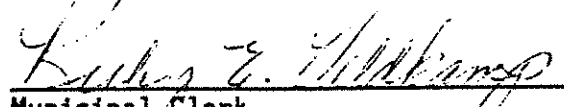
6. This ordinance shall take effect January 1, 1987.

PASSED AND APPROVED by the Anchorage Municipal Assembly, this 25th day of November, 1987.



Chairman

ATTEST:



Municipal Clerk

APPROVED
Date: 11-25-87

Submitted by: Chairman of the Assembly
at the Request of the Mayor
Prepared by: Office of Management and
Budget
For Reading: October 13, 1987

ANCHORAGE, ALASKA
AR NO. 87-125

A RESOLUTION ADOPTING THE 1988-1993 PUBLIC UTILITIES CAPITAL IMPROVEMENT PROGRAM

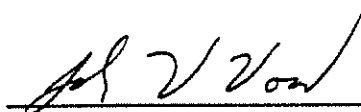
WHEREAS, the Assembly has reviewed the 1988-1993 Public Utilities Capital Improvement Program submitted by the Mayor, and

WHEREAS, on October 27 and November 10, 1987 duly advertised public hearings were held on the 1988-1993 Public Utilities Capital Improvement Program;

NOW, THEREFORE, the Assembly hereby resolves:

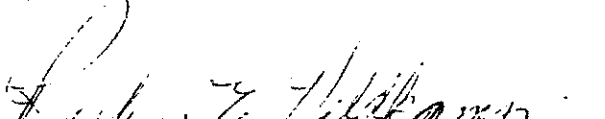
1. That the 1988-1993 Public Utilities Capital Improvement Program, as summarized on the attached table, is hereby adopted.
2. That this resolution shall become effective immediately upon approval.

PASSED AND APPROVED by the Anchorage Municipal Assembly this 25th day of November, 1987.



Chairman

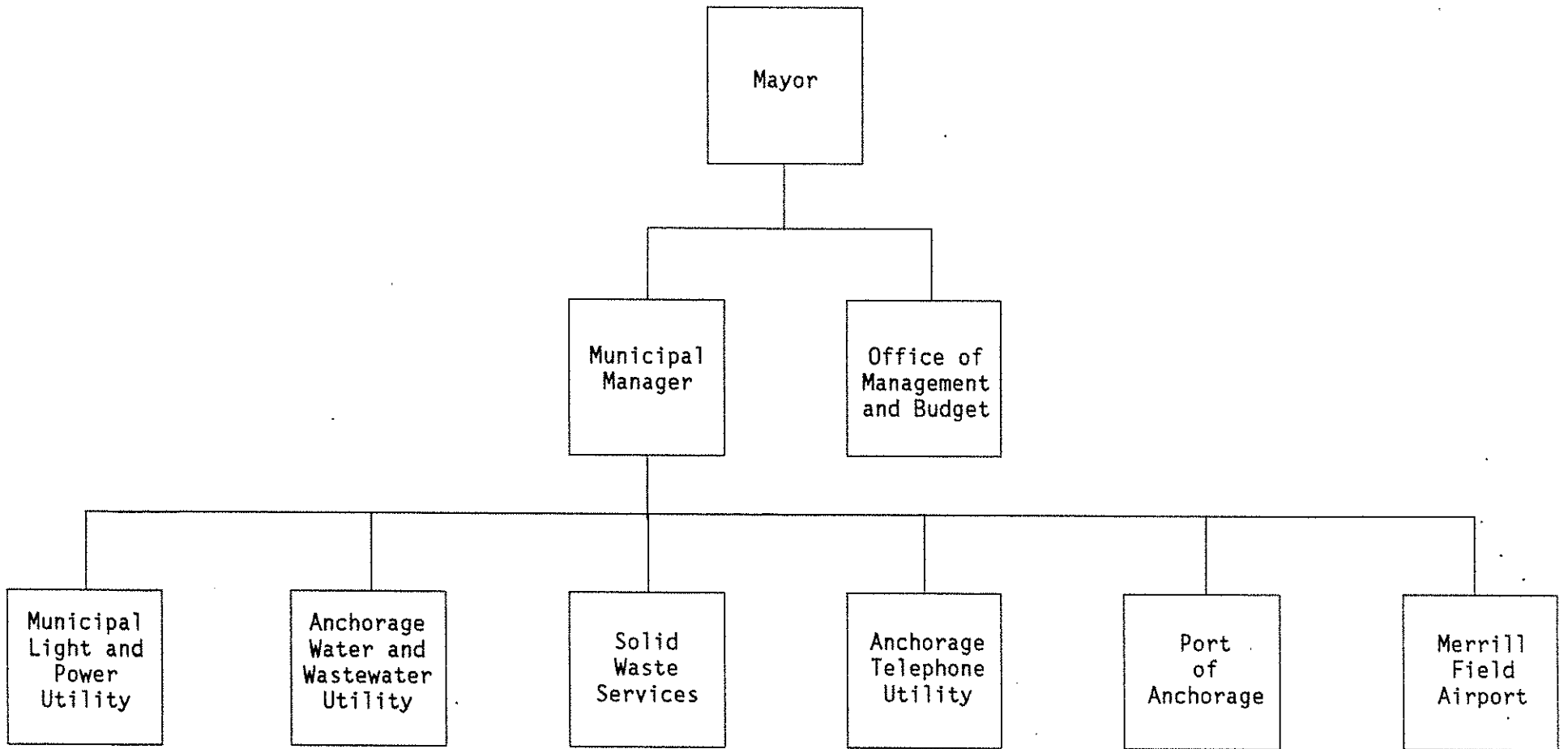
ATTEST:



Municipal Clerk

**1988-1993 PUBLIC UTILITIES
CAPITAL IMPROVEMENT PROGRAM BY UTILITY
(in thousands)**

<u>Title</u>	<u>1988</u>	<u>1989</u>	<u>1990</u>	<u>1991</u>	<u>1992</u>	<u>1993</u>	<u>Total</u>
Anchorage Telephone Utility	\$26,859	\$26,016	\$22,962	\$23,417	\$24,604	\$24,392	\$148,250
Municipal Light and Power	12,460	16,178	13,293	12,345	11,328	10,263	75,867
Anchorage Water Utility	5,642	7,129	11,234	16,995	18,209	17,430	76,639
Anchorage Wastewater Utility	7,061	8,394	11,663	13,495	16,326	14,702	71,641
Refuse Collection	576	535	533	886	715	570	3,815
Solid Waste Disposal	896	1,227	1,613	1,405	1,569	2,307	9,017
Port of Anchorage	7,300	3,500	3,000	3,800	5,000	4,000	26,600
Merrill Field Airport	6,431	900	1,900	1,300	1,600	800	12,931
Total	\$67,225	\$63,879	\$66,198	\$73,643	\$79,351	\$74,464	\$424,760



HOW TO USE THIS BUDGET DOCUMENT

This budget document is designed to provide concise and readable information about the 1988 Budget for Public Utilities. It summarizes anticipated revenues and expenses and displays the major business plans and capital programs for 1988 which forecasts for years 1989-1993.

The document is divided by utility, with each having nine major sections:

- **Business Plans** highlight the utility's mission, goals, objectives and planning assumptions.
- * - **1988 Budget Assumptions** include benefit rates, inflation factors, interest rates, and intragovernmental charges used in the financial statements.
- **Resource and Workforce Impacts** are forecast for a six-year period. Performance trends and key ratios indicate the utility's performance.
- * - **Reconciliations** summarize major programmatic and functional changes from the 1987 revised budget to the 1988 proposed budget.
- * - **Projected Rate Adjustments** forecast rates for five years with major reasons for those adjustments.
- **Current Year Operating Budgets** summarize anticipated revenues and expenses for 1988 with pro forma comparisons for 1987 and actual data for 1986. Statement of Changes in Fund Equity, Statement of Sources and Uses of Cash, Debt Service Coverage and Net Profit Margin are also included.
- * - **Annual Operating Budget Expense Comparisons** summarize changes in operating budget expenses such as personnel, professional services, travel, and other expense categories.
- **Current Year Capital Improvement Budgets** summarize projects by category and funding source followed by a detailed report of individual projects.
- **Long-Range Capital Improvement Programs** summarize projects for 1989-93. Details of individual projects give a long-range perspective of capital requirements.

A separate document, the 1988 Fiscal Trends Report, also has information pertaining to Public Utilities.

*New budget sections added in 1988 to provide more management information and assist in budget review.

1988 PUBLIC UTILITIES
OPERATING AND CAPITAL BUDGETS

TABLE OF CONTENTS

BUDGET OVERVIEW	<u>Page</u>
Overview Introduction	1-1
Utility Goals and Objectives	1-2
Annual Utility Budget Comparison	1-3
Projected Rate Adjustments Summary	1-4
Utility Workforce Projection Summary	1-5
1988 Operating Budget Summary	1-6
1988 Capital Improvement Program Budget Summary	1-7
1988-1993 Capital Improvement Program by Utility	1-8
1988-1993 Capital Improvement Program by Funding Source	1-9
Anchorage Telephone Budget in Brief	1-10
Anchorage Water and Wastewater Budgets in Brief	1-12
Municipal Light and Power Budget in Brief	1-17
Solid Waste Services Budgets in Brief	1-19
Port of Anchorage Budget in Brief	1-24
Merrill Field Airport Budget in Brief	1-26
UTILITY BUDGET DETAIL	
Anchorage Telephone Utility	
Business Plan	2-1
Workforce Projection	2-61
1988 Budget Assumptions	2-62
Reconciliation	2-64
Projected Rate Adjustments	2-68
Resource Impacts/Statistics.....	2-69
Operating Budget	2-70
Annual Operating Budget Expense Comparisons	2-79
Current Year Capital Improvement Budget	2-80
Future Years Capital Improvement Program	2-91

1988 PUBLIC UTILITIES
OPERATING AND CAPITAL BUDGETS

TABLE OF CONTENTS

	<u>Page</u>
Anchorage Water and Wastewater Utility	
Business Plan	3-1
Workforce Projection	3-18
1988 Budget Assumptions	3-19
Water	
Reconciliation	4-1
Projected Rate Adjustments	4-3
Resource Impacts/Statistics.....	4-4
Operating Budget	4-6
Annual Operating Budget Expense Comparisons	4-14
Current Year Capital Improvement Budget	4-15
Future Years Capital Improvement Program	4-25
Wastewater	
Reconciliation	5-1
Projected Rate Adjustments	5-3
Resource Impacts/Statistics.....	5-4
Operating Budget	5-6
Annual Operating Budget Expense Comparisons	5-14
Current Year Capital Improvement Budget	5-15
Future Years Capital Improvement Program	5-23
Municipal Light and Power Utility	
Business Plan	6-1
Workforce Projection	6-24
1988 Budget Assumptions	6-25
Reconciliation	6-26
Projected Rate Adjustments	6-27
Resource Impacts/Statistics.....	6-28
Operating Budget	6-32
Annual Operating Budget Expense Comparisons	6-38
Current Year Capital Improvement Budget	6-39
Future Years Capital Improvement Program	6-45

1988 PUBLIC UTILITIES
OPERATING AND CAPITAL BUDGETS

TABLE OF CONTENTS

	<u>Page</u>
Solid Waste Services	
Business Plan	7-1
Workforce Projection	7-15
1988 Budget Assumptions	7-16
Refuse Collection	
Reconciliation	8-1
Projected Rate Adjustments	8-2
Resource Impacts/Statistics.....	8-3
Operating Budget	8-5
Annual Operating Budget Expense Comparisons	8-11
Current Year Capital Improvement Budget	8-12
Future Years Capital Improvement Program	8-14
Solid Waste Disposal	
Reconciliation	9-1
Projected Rate Adjustments	9-2
Resource Impacts/Statistics.....	9-4
Operating Budget	9-6
Annual Operating Budget Expense Comparisons	9-11
Current Year Capital Improvement Budget	9-12
Future Years Capital Improvement Program	9-14
Administration - Operating Budget	9-16
Vehicle Maintenance - Operating Budget	9-17
Port of Anchorage	
Business Plan	10-1
Workforce Projection	10-6
1988 Budget Assumptions	10-7
Reconciliation	10-8
Projected Rate Adjustments	10-10
Resource Impacts/Statistics.....	10-11
Operating Budget	10-14
Annual Operating Budget Expense Comparisons	10-21
Current Year Capital Improvement Budget	10-22
Future Years Capital Improvement Program	10-28

1988 PUBLIC UTILITIES
OPERATING AND CAPITAL BUDGETS

T A B L E O F C O N T E N T S

	<u>Page</u>
Merrill Field Airport	
Business Plan	11-1
Workforce Projection	11-5
1988 Budget Assumptions	11-6
Reconciliation	11-7
Projected Rate Adjustments	11-8
Resource Impacts/Statistics.....	11-9
Operating Budget	11-12
Current Year Capital Improvement Budget	11-17
Future Years Capital Improvement Program	11-23