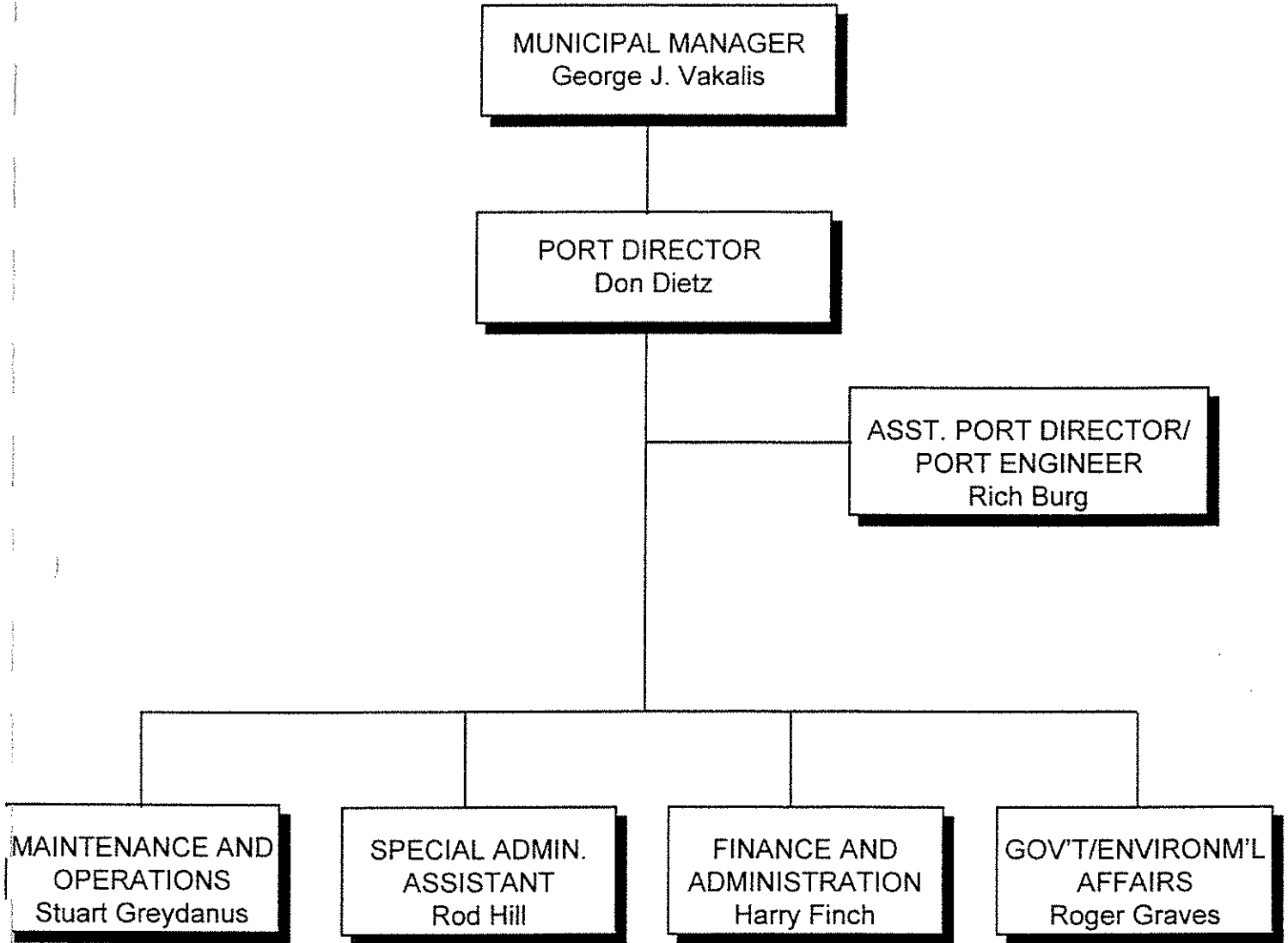


**PORT OF ANCHORAGE**

# PORT OF ANCHORAGE ORGANIZATION CHART



# PORT OF ANCHORAGE PROFILE

## ORGANIZATION

The Port of Anchorage is organized into three functional areas: Port Administration, Port Development and Port Operations & Maintenance. The Administrative responsibility entails day-to-day business functions, construction management/engineering, and real estate management. The Port Development involves marketing, planning, permitting, environmental issues and public and intergovernmental affairs tasks. Current Operations & Maintenance functions include Port customer relations, management of vessel movements and dockside activities, general upkeep and operation of the facilities, equipment, and security.

## HISTORY

The Port of Anchorage commenced operation in September 1961 with a single berth. 38,000 tons of cargo crossed the Port's dock that first year. 3,315,892 tons crossed the dock in 1997, the highest annual tonnage level achieved in the history of the Port. The Port was ranked 17<sup>th</sup> among United States container ports, including San Juan and Honolulu, in 1997 for the movement of container TEUs (twenty foot equivalent units). The Port of Anchorage is a major economic factor and the strongest link in the transportation chain which enables Alaskan residents from Juneau to Barrow to take full advantage of the benefits of inexpensive waterborne commerce through this Port.

## SERVICES

Approximately 90% of the consumer goods and foodstuffs sold within the Railbelt and beyond move through this facility on a year-round basis. Container service is provided twice weekly from Puget Sound by two domestic ocean carriers and is augmented seasonally by one additional container vessel per week and barge activities. Bulk shipments are both domestic and international, involving imports of basic commodities such as cement, refined petroleum products, automobiles and construction materials. The Port serves as the primary export facility for the state's largest petroleum refinery in North Pole and as the major export terminal for frozen and canned seafood products that are packed in Anchorage, Valdez and on the Kenai Peninsula.

## REGULATION

Port of Anchorage Dock Revenue rates are established in the Port of Anchorage Terminal Tariff #4 and Terminal Preferential Use Agreements. Changes to the tariff and adjustments to the Preferential Usage Agreements' charges require approval by the Anchorage Port Commission subject to approval by the Anchorage Municipal Assembly and the Federal Maritime Commission.

Port Industrial Park Revenue is derived from long-term leases of properties in the Port Industrial Park. The leases provide for five-year rate adjustments. Leases and lease

options are subject to Municipal Assembly approval.

### **ENVIRONMENTAL MANDATES**

The Port complies with a broad range of local, state and federal environmental standards, including all provisions of the Clean Water Act, Clean Air Act, National Pollution Discharge Elimination System (NPDES), Endangered Species Act and Coastal Zone Management Plan.

### **PHYSICAL PLANT**

Real Estate:

- 128 acres of developed uplands
- 400 acres of economically developable tidelands to the north and south of the existing Industrial Park and dock area
- 1,000 acres of submerged lands offshore from tidelands holdings
- 1,528 total acres

Terminals:

- Three General Cargo Terminals, 2,109 ft. of dock face, container, roll on\roll off, bulk cement and break bulk capabilities
- Two Bulk Petroleum Product Terminals with 600 feet each of berthing space with four 2,000 bbl./hr. product pipelines each
- Operating depth at all facilities: dredged to -35' MLLW
- Maximum vessel tonnage: 60,000 DWT
- Maximum length and breadth: No limit
- On-dock Transit Shed with 27,000 square foot heated storage/office space

Cargo Handling Equipment:

- Rail mounted, electric Container Cranes:
  - 30 ton (2)
  - 40 ton (1)
- Portable Cranes to 150 tons available
- Forklifts to 30 tons available

U.S. Port of Entry: Foreign Trade Zone service available

**PORT OF ANCHORAGE  
WORKFORCE PROJECTIONS**

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
<b><u>DIVISION</u></b>							
Administration/Engineering	7	7	7	7	7	7	7
Operations/Maintenance	12	12	12	12	12	12	12
Port Development	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>
<b>Subtotal</b>	<u>21</u>	<u>21</u>	<u>21</u>	<u>21</u>	<u>21</u>	<u>21</u>	<u>21</u>
Part Time/Temporary	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total</b>	<u>21</u>	<u>21</u>	<u>21</u>	<u>21</u>	<u>21</u>	<u>21</u>	<u>21</u>

**Port of Anchorage**

**1999**

**Operating Budget**

## PORT OF ANCHORAGE RECONCILIATION OF 1998 BUDGET TO 1998 PRO-FORMA

	1998 BUDGET	1998 PRO-FORMA	VARIANCE	
<b>OPERATING REVENUE</b>	7,883,000	7,709,000	(174,000)	A
<b>OPERATING EXPENSE</b>				
Labor	1,501,000	1,459,000	(42,000)	B
Supplies	145,000	149,000	4,000	
Other Services & Charges	1,665,500	1,669,000	3,500	
IGC's	243,000	246,000	3,000	
Depreciation/Amortization	<u>2,516,000</u>	<u>2,221,000</u>	<u>(295,000)</u>	C
Subtotal	6,070,500	5,744,000	(326,500)	
<b>NON-OPERATING REVENUE</b>	886,000	1,002,000	116,000	D
<b>NON-OPERATING EXPENSE</b>	825,440	666,000	(159,440)	E
<b>NET INCOME (REGULATORY)</b>	<u>1,873,060</u>	<u>2,301,000</u>	<u>427,940</u>	
<b>ADJUSTMENTS FOR GAAP</b>	(952,000)	(902,000)	50,000	C
<b>NET INCOME GAAP</b>	<u><u>921,060</u></u>	<u><u>1,399,000</u></u>	<u><u>477,940</u></u>	

Explanation of Significant Variances:

- A) Wharfage revenues are now able to be based on year-to-date figures. Petroleum Wharfage is anticipated to be lower in 1998. This reduction is being partially offset by 1998 General Cargo Wharfage being greater than originally anticipated.
- B) 1998 Labor expense reduced by personnel turn-over/vacancies.
- C) Depreciation adjusted to reflect anticipated plant in-service.
- D) Correction to an originally projected reduction in the 1998 Tesoro Right-Of-Way Fee.
- E) Principal portion of the 1998 Ship Creek G.O. Bond debt payment is not recognized as an expense by generally accepted accounting principals for enterprise activities and was paid from fund balance. This Assembly mandated Bond debt payment by the Port is not anticipated in the future.

## PORT OF ANCHORAGE RECONCILIATION OF 1998 PRO-FORMA TO 1999 BUDGET

	1998 <u>PRO-FORMA</u>	1999 <u>BUDGET</u>	<u>VARIANCE</u>	
<b>OPERATING REVENUE</b>	7,709,000	7,744,000	35,000	A
<b>OPERATING EXPENSE</b>				
Labor	1,459,000	1,483,000	24,000	
Supplies	149,000	145,000	(4,000)	
Other Services & Charges	1,669,000	2,167,000	498,000	B
IGC's	246,000	292,000	46,000	
Depreciation/Amortization	<u>2,221,000</u>	<u>2,473,000</u>	<u>252,000</u>	C
Subtotal	5,744,000	6,560,000	816,000	
<b>NON-OPERATING REVENUE</b>	1,002,000	1,011,000	9,000	
<b>NON-OPERATING EXPENSE</b>	666,000	536,000	(130,000)	D
<b>NET INCOME (REGULATORY)</b>	<u>2,301,000</u>	<u>1,659,000</u>	<u>(642,000)</u>	
<b>ADJUSTMENTS FOR GAAP</b>	(902,000)	(923,000)	(21,000)	
<b>NET INCOME GAAP</b>	<u><u>1,399,000</u></u>	<u><u>736,000</u></u>	<u><u>(663,000)</u></u>	B

Explanation of Significant Variances:

- A) Reimbursement by major Port tenants for shared expenses associated with a new consolidated Port Security Services contract offset by reduced petroleum and cruise vessel revenues.
- B) This increase, which also results in a decrease in Net Income, is the net impact of the new Port MESA payment in 1999 being offset by the one-time payment of General Government items by the Port in 1998.
- C) Depreciation has been adjusted to reflect anticipated booking of new plant in-service.
- D) Reduction in the interest portion of debt service payments in 1999.



## PORT OF ANCHORAGE STATEMENT OF REVENUE AND EXPENSES

	1997 <u>ACTUAL</u>	1998 <u>PRO-FORMA</u>	1999 <u>BUDGET</u>
<b>OPERATING REVENUE</b>			
Dock Revenue	5,762,838	5,658,000	5,617,000
Industrial Park Revenue	2,016,906	2,031,000	2,001,000
Crane Lease/Rental Revenue	17,813	15,000	15,000
Other Operating Revenue	36,036	5,000	111,000
<b>TOTAL OPERATING REVENUE</b>	<u>7,833,593</u>	<u>7,709,000</u>	<u>7,744,000</u>
<b>OPERATING EXPENSE</b>			
Labor	1,377,467	1,459,000	1,483,000
Supplies	164,929	149,000	145,000
Other Services & Charges	1,141,034	1,669,000	2,167,000
IGC's	197,602	246,000	292,000
Depreciation/Amortization	2,284,841	2,221,000	2,473,000
<b>TOTAL OPERATING EXPENSE</b>	<u>5,165,873</u>	<u>5,744,000</u>	<u>6,560,000</u>
<b>OPERATING INCOME</b>	2,667,720	1,965,000	1,184,000
<b>NON-OPERATING REVENUE</b>			
Interest Income	935,549	897,000	906,000
Pipeline Right-Of-Way Fee	107,934	105,000	105,000
Gain/Loss-Disposal of Property	(913,676)	0	0
Other Non-Operating Revenue	0	0	0
<b>TOTAL NON-OPERATING REVENUE</b>	<u>129,807</u>	<u>1,002,000</u>	<u>1,011,000</u>
<b>NON-OPERATING EXPENSE</b>			
Interest on Long-Term Debt	605,475	666,000	536,000
Other Non-Operating Expense	0	0	0
<b>TOTAL NON-OPERATING EXPENSE</b>	<u>605,475</u>	<u>666,000</u>	<u>536,000</u>
<b>NON-OPERATING INCOME</b>	(475,668)	336,000	475,000
<b>NET INCOME (REGULATORY)</b>	2,192,052	2,301,000	1,659,000
<b>ADJUSTMENTS FOR GAAP</b>	(951,863)	(902,000)	(923,000)
<b>NET INCOME GAAP</b>	<u><u>1,240,189</u></u>	<u><u>1,399,000</u></u>	<u><u>736,000</u></u>

## PORT OF ANCHORAGE STATEMENT OF SOURCES AND USES OF CASH

	1997 <u>ACTUAL</u>	1998 <u>PRO-FORMA</u>	1999 <u>BUDGET</u>
<b>SOURCES OF CASH FUNDS:</b>			
Net Income GAAP	1,240,189	1,399,000	736,000
Depreciation/Amortization	3,236,704	3,123,000	3,396,000
Grants	0	905,000	1,150,000
Bonds	0	0	0
Amortization of Debt Discount	51,421	52,000	52,000
Principal Payments, Financing Leases	333,474	268,000	262,000
Disposition of Assets	923,123	0	0
Other	0	0	0
<b>TOTAL SOURCES OF FUNDS</b>	<u>5,784,911</u>	<u>5,747,000</u>	<u>5,596,000</u>
<b>USES OF CASH FUNDS:</b>			
Additions to Plant	3,465,969	4,493,000	3,320,000
Bond Principal Payments	1,092,718	1,175,000	890,000
Enterprise Fund Dividend	696,000	0	0
Net Effect of Changes on Balance Sheet Which Affect Cash	320,449	0	0
<b>TOTAL USES OF FUNDS</b>	<u>5,575,136</u>	<u>5,668,000</u>	<u>4,210,000</u>
<b>NET INCREASE/(DECREASE) IN CASH FUNDS</b>	209,775	79,000	1,386,000
<b>CASH BALANCE JANUARY 1,</b>	<u>9,099,867</u>	<u>9,310,000</u>	<u>9,389,000</u>
<b>CASH BALANCE DECEMBER 31,</b>	<u>9,309,642</u>	<u>9,389,000</u>	<u>10,775,000</u>
<b>DETAIL OF CASH BALANCE</b>			
Equity In General Cash Pool	2,703,531	2,718,000	2,248,000
Equity In Construction Cash Pool	5,607,107	5,671,000	7,527,000
Revenue Bond Maintenance Reserve	999,004	1,000,000	1,000,000
<b>TOTAL CASH DECEMBER 31,</b>	<u>9,309,642</u>	<u>9,389,000</u>	<u>10,775,000</u>

## PORT OF ANCHORAGE OPERATING BUDGET DETAIL

	1997 <u>ACTUAL</u>	1998 <u>PRO-FORMA</u>	1999 <u>BUDGET</u>
<b>LABOR</b>			
Wages	913,297	949,000	965,000
Overtime	25,420	35,000	35,000
Benefits	432,487	465,000	473,000
Other	6,263	10,000	10,000
Subtotal	1,377,467	1,459,000	1,483,000
<b>SUPPLIES</b>			
Office & Operating Supplies	26,772	28,000	28,000
Fuel	8,638	11,000	11,000
Repair & Maintenance Supplies	127,468	98,000	95,000
Other	2,051	12,000	11,000
Subtotal	164,929	149,000	145,000
<b>INTRAGOVERNMENTAL CHARGES</b>			
IGC's From Others	197,816	249,000	295,000
IGC's To Others	(214)	(3,000)	(3,000)
Subtotal	197,602	246,000	292,000
<b>OTHER SERVICES</b>			
Professional Services	189,521	319,000	423,000
Contributions to Outside Organizations	21,000	296,000	30,000
Repairs & Maintenance-Contracted	268,899	238,000	226,000
Municipal Enterprise Service Assessment	0	0	576,000
Contract Services	206,442	206,000	313,000
Rentals/Leases	86,798	170,000	170,000
Utilities	236,801	250,000	250,000
Other	131,573	190,000	179,000
Subtotal	1,141,034	1,669,000	2,167,000
<b>OTHER EXPENSES</b>			
Depreciation/Amortization	3,236,704	3,123,000	3,396,000
Interest on Long Term Debt	605,475	666,000	536,000
Other	0	0	0
Subtotal	3,842,179	3,789,000	3,932,000
<b>TOTAL EXPENSES</b>	<b>6,723,211</b>	<b>7,312,000</b>	<b>8,019,000</b>

**Port of Anchorage**

**1999-2004**

**Capital Improvement  
Budget/Program**

## PORT OF ANCHORAGE

### 1999-2004 CAPITAL IMPROVEMENT BUDGETS FINANCIAL SUMMARY (000)

<u>PROJECT CATEGORY</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>TOTAL</u>
LAND DEVELOPMENT							0
TERMINAL DEVELOPMENT	2,050	1,500	500	1,000	1,000	2,000	8,050
HARBOR DEVELOPMENT	2,300	3,000					5,300
REPAIRS & RENOVATIONS	390	400	200				990
EQUIPMENT	425	305	183	65	45	855	1,878
<b>TOTAL</b>	<b>5,165</b>	<b>5,205</b>	<b>883</b>	<b>1,065</b>	<b>1,045</b>	<b>2,855</b>	<b>16,218</b>

<u>SOURCE OF FUNDING</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>TOTAL</u>
G.O. BONDS							0
REVENUE BONDS							0
EQUITY/OPERATIONS	4,015	5,205	883	365	1,045	1,155	12,668
STATE GRANT	1,150			700		300	2,150
FEDERAL GRANT						1,400	1,400
LOAN							0
DIRECT APPROPRIATION							0
PVT INDUST PARTICIPATION							0
<b>TOTAL</b>	<b>5,165</b>	<b>5,205</b>	<b>883</b>	<b>1,065</b>	<b>1,045</b>	<b>2,855</b>	<b>16,218</b>