

Submitted by: Chairman of the Assembly at the
Request of the Mayor
Prepared by: Office of Management and
Budget
For Reading: November 1, 2005

CLERK'S OFFICE

APPROVED

Date: 11-22-05 ANCHORAGE, ALASKA
AO NO. 2005- 166

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5 AN ORDINANCE ADOPTING AND APPROPRIATING FUNDS FOR THE 2006
6 OPERATING AND CAPITAL BUDGETS OF ANCHORAGE COOPERATIVE SERVICES
7 AUTHORITY AND ANCHORAGE COMMUNITY DEVELOPMENT AUTHORITY.

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9 WHEREAS, the Anchorage Assembly approved Assembly Ordinance 2004-124(S) on
10 September 21, 2004, establishing the Anchorage Cooperative Services Authority; and

11
12 WHEREAS, the Anchorage Assembly approved Assembly Ordinance 2004-181(S) as
13 amended on January 18, 2005, establishing the Anchorage Community Development
14 Authority; and

15
16 WHEREAS, both authorities are instruments of the municipality, but exist independently of
17 and separate from the municipality; and

18
19 WHEREAS, 2006 operating and capital budgets for the authorities have been reviewed and
20 approved by the respective boards of each authority; now, therefore

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23 **THE ANCHORAGE ASSEMBLY ORDAINS:**

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25 **Section 1.** Fiscal year 2006 Operating and Capital Improvement Budgets of the
26 Anchorage Cooperative Services Authority (ACSA) and the Anchorage Community
27 Development Authority (ACDA) are hereby adopted.

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29 **Section 2.** The 2006 Operating Budget fund appropriations for ACSA and ACDA are:

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<u>Fund No.</u>		<u>Amount</u>
598	Anchorage Community Development Authority	\$6,788,744
599	Anchorage Cooperative Services Authority	1,246,000
Total Municipal Authorities Operating Funds		\$8,034,744

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37 **Section 3.** Fiscal year 2006 Capital Improvement Budget appropriations for ACSA and
38 ACDA are:

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<u>Fund No.</u>		<u>Amount</u>
598	Anchorage Community Development Authority	\$4,954,432
599	Anchorage Cooperative Services Authority	215,000
Total Municipal Authorities Capital Funds		\$5,169,432

Section 4. This ordinance shall be effective immediately upon passage and approval by the Assembly.

PASSED AND APPROVED by the Anchorage Assembly this 22nd day of November, 2005.

Anna J. Fairbough
Chair

ATTEST:

Barbara S. Jensen
Municipal Clerk

MUNICIPALITY OF ANCHORAGE
ASSEMBLY MEMORANDUM

No. AM 801-2005

Meeting Date: November 1, 2005

1 FROM: MAYOR

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3 SUBJECT: AN ORDINANCE ADOPTING AND APPROPRIATING FUNDS FOR THE
4 2006 OPERATING AND CAPITAL BUDGETS OF ANCHORAGE
5 COOPERATIVE SERVICE AUTHORITY AND ANCHORAGE
6 COMMUNITY DEVELOPMENT AUTHORITY.
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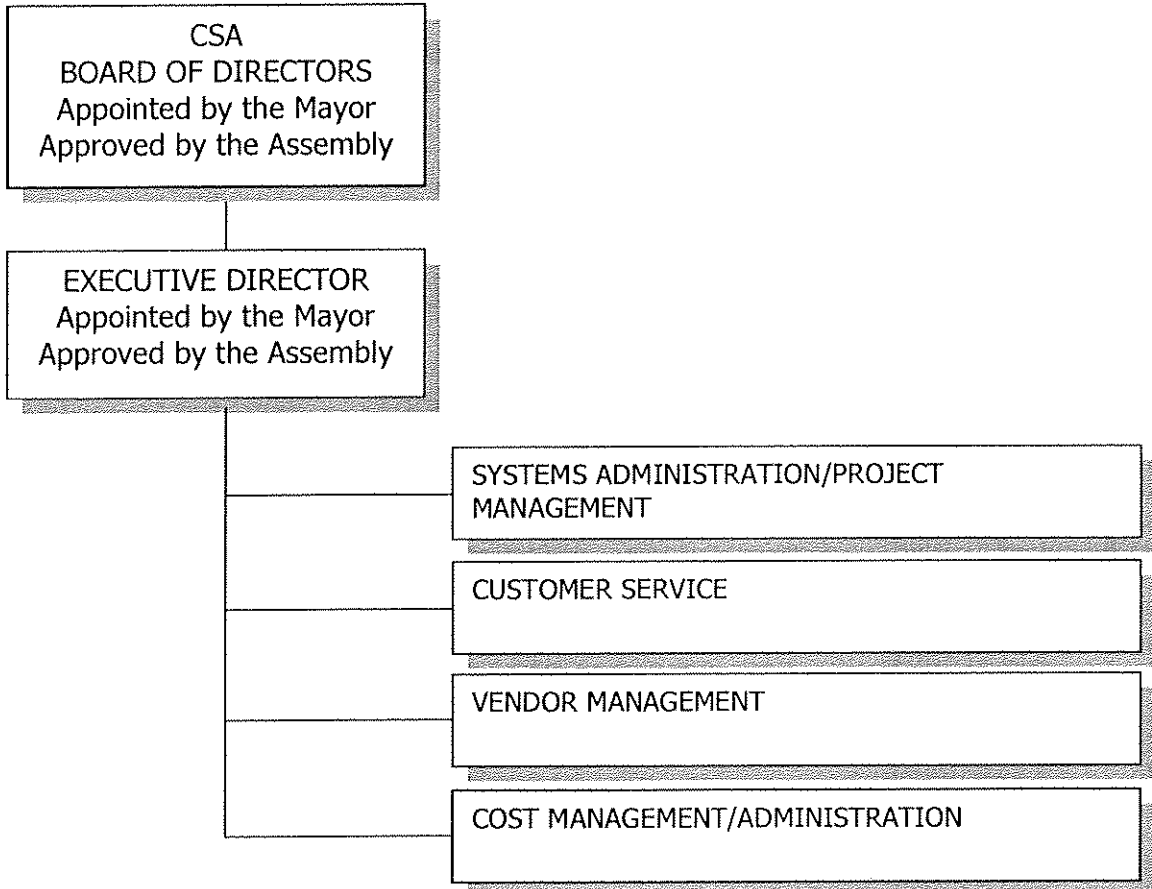
8 The Anchorage Assembly approved Assembly Ordinance 2004-124(S) on September 21,
9 2004, establishing the Anchorage Cooperative Services Authority and Assembly
10 Ordinance 2004-181(S) as amended, on January 18, 2005, establishing the Anchorage
11 Community Development Authority. Municipal legal review determined the need for
12 formal adoption and appropriation of operating and capital budgets for the two municipal
13 authorities. Proposed budgets are attached.
14

15 This ordinance also sets the pattern for adoption and appropriation of funding for future
16 annual operating and capital budgets for municipal authorities. In future years, this
17 process will occur in conjunction with the annual review of operating and capital budgets
18 of general government and municipal utilities/enterprise activities.
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20 THE ADMINISTRATION RECOMMENDS ADOPTION OF THE ORDINANCE AND
21 APPROPRIATION OF 2006 OPERATING & CAPITAL IMPROVEMENT BUDGET
22 FUNDING FOR ANCHORAGE COOPERATIVE SERVICES AUTHORITY AND
23 ANCHORAGE COMMUNITY DEVELOPMENT AUTHORITY.
24

25 Prepared by: Janet L. Mitson, Director, OMB
26 Concur: Jeffrey E. Sinz, Chief Fiscal Officer
27 Concur: Denis C. LeBlanc, Municipal Manager
28 Respectfully submitted: Mark Begich, Mayor
29

COOPERATIVE SERVICES AUTHORITY ORGANIZATION CHART



COOPERATIVE SERVICES AUTHORITY 2006 Profile

MISSION

The Cooperative Services Authority (CSA) seeks to lower the Municipality's costs by forming cooperative arrangements with other governments. To date, the Municipality has formed a buying cooperative with the Alaska Housing and Finance Corporation to lower the prices that are collectively paid for purchases by these two groups. As part of the service, an e-commerce system is customized and installed to ensure that pricing arrangements with suppliers are met and that costs are as low as possible. Other groups expressing interest in joining this arrangement include the Mat-Su Valley, the Anchorage School District, departments at the State, and a few cities.

ORGANIZATION

The CSA has eight staff members led by an executive director. Office space is housed on 1225 International Airport Road.

HISTORY / CHARTER

The CSA was formed September 21, 2004 by ordinance through a \$1,575,000 loan and a budget transfer from the Division of Efficiency totaling \$225,000. The loan is repayable, with interest in five annual installments. The Assembly will review the performance level of the Authority five years from the ordinance date to determine the continued usefulness of this entity.

BUDGET ASSUMPTIONS

Regulation

Guidance provided by original ordinance and accompanying assembly memorandum.

Ownership

The CSA is fully owned Authority of the Municipality of Anchorage.

Revenues

Revenues are received in the form of monthly or annual participation fees from member organizations.

Debt repayment

Repayment of loan is in five annual installments of \$343,000 per year, due on December 31, beginning in 2005.

Intra-governmental Charges (IGCs)

Operating costs beginning in 2005 will be charged to departments of the Municipality based upon appropriate allocation criteria. Charges will be based upon dollar value of purchases. The amount to be charged out to the Municipality will be the difference between expenses and revenues.

Cooperative Services Authority
Statement of Revenues and Expenses 2006

	2005 Approved Budget	2006 Budget Request
Revenues		
Municipality of Anchorage	1,166,046	1,004,000
AHFC	180,000	242,000
	<u>1,346,046</u>	<u>1,246,000</u>
 Expenses		
Labor / Professional services	647,693	556,026
Technology	257,190	302,580
Office / communications related	65,786	10,700
Office lease	17,377	29,694
Debt repayment	343,000	343,000
Training	15,000	4,000
	<u>1,346,046</u>	<u>1,246,000</u>

Cooperative Services Authority
Operating Budget Detail 2006

	<u>2005 Approved Budget</u>	<u>2006 Budget Request</u>
Labor / Professional services		
Wages Professional services	647,693	556,026
	<u>647,693</u>	<u>556,026</u>
Technology		
Ariba licensing fee - maintenance	117,000	120,000
Hosting / help desk	132,690	181,080
Website development / maintenance	7,500	1,500
	<u>257,190</u>	<u>302,580</u>
Office / communications related		
Operating Expenses	50,000	3,000
Copy costs for communication efforts	10,000	1,000
Computer / printer / fax setup	3,567	-
Phone system setup	120	-
Furniture setup	594	-
Other	1,505	6,700
	<u>65,786</u>	<u>10,700</u>
Office lease		
International Airport Rd address	17,377	29,694
	<u>17,377</u>	<u>29,694</u>
Debt repayment		
2005 loan repayment to Municipality	343,000	343,000
	<u>343,000</u>	<u>343,000</u>
Training		
Employee training	15,000	4,000
	<u>15,000</u>	<u>4,000</u>
Total Expenses	<u><u>1,346,046</u></u>	<u><u>1,246,000</u></u>

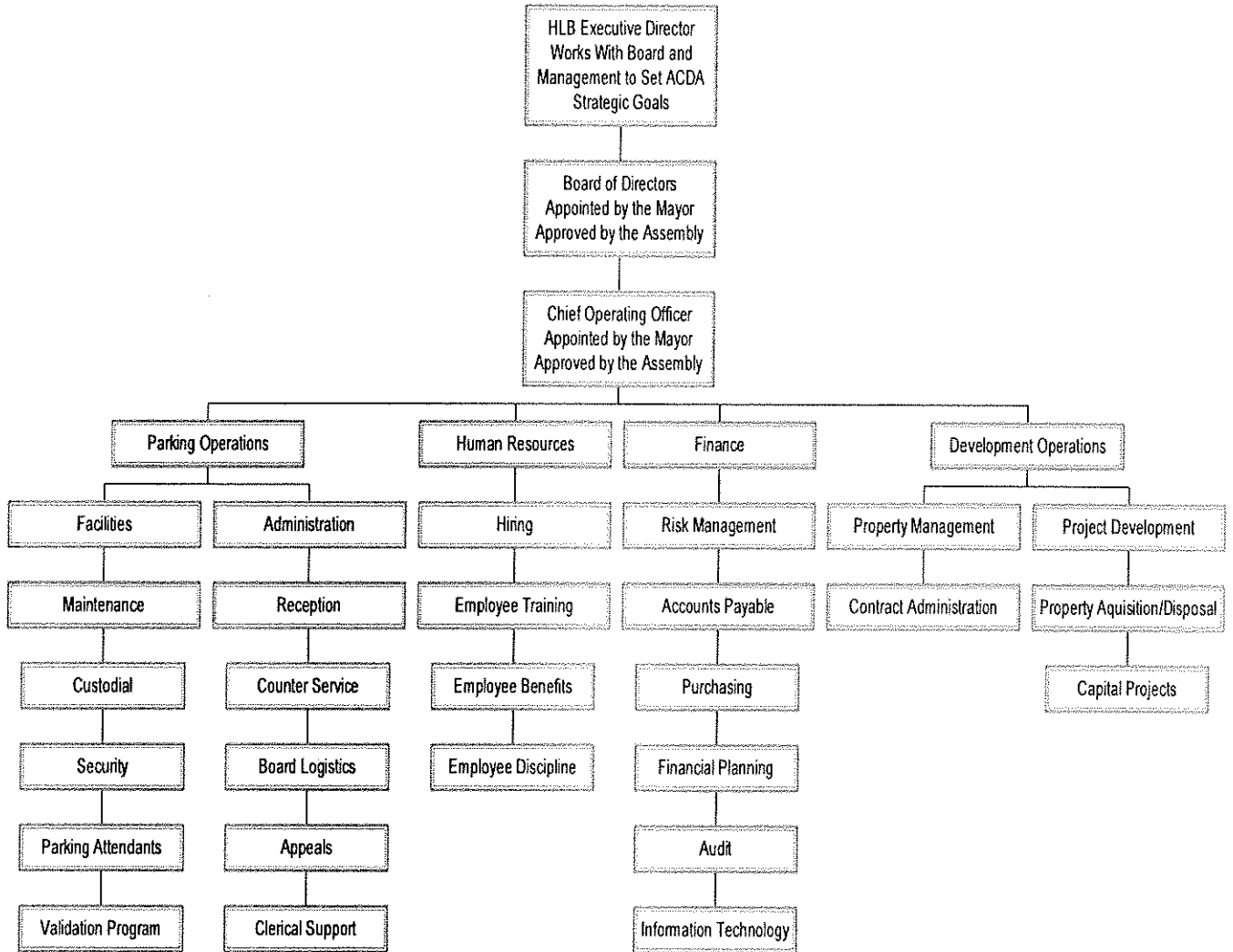
Cooperative Services Authority
Capital Improvement Budget 2006*

	<u>2005 Approved Budget</u>	<u>2006 Budget Request</u>
Software License Purchase <i>Electronic Contracting module</i>	-	115,000
Labor	314,000	100,000
Training	70,000	-
Software integration costs	<u>207,680</u>	<u>-</u>
Total Capital Plan	<u>591,680</u>	<u>215,000</u>

* 2006 Capital Plan will vary depending upon customers to be added. Each opportunity will be submitted to the CSA board of directors for evaluation. Capital spending could vary depending upon opportunities presented. This document is for planning purposes only - resources will be allocated only upon appropriate approvals.

Above capital plan is necessary to support existing installations.

Anchorage Community Development Authority Functional Organization



ANCHORAGE COMMUNITY DEVELOPMENT AUTHORITY
Incorporated as a Public Authority
2005

ORGANIZATION

Pursuant to Municipal Code, AMC 25.35.010(A), the Authority is “an instrument of the municipality, but exists independently of and separately from the municipality.” A nine-member board of directors appointed by the mayor and approved by the assembly governs the Authority. Two of the nine members are executive employees of the municipality. In addition, two assembly members serve as ex officio members of the board. The board and management of the Authority works with and reports to the Executive Director of the Heritage Land Bank.

The Authority currently has an authorized operational staff of 36 employees. These employees operate all municipal parking facilities, maintain and clean public garages and parking lots, maintain on-street parking meters, manage APD’s parking citation system, plan and develop public projects, and manage municipal property in the Authority’s inventory. The Authority’s planning and development staff will be hired as needed for projects and property that is transferred from MOA to the Authority.

HISTORY

The Anchorage Parking Authority was originally created as a separate public authority on February 28, 1984. Anchorage Parking was created “[t]o help create an environment in the Anchorage area such that parking and parking policies are a positive influence for the community as a whole.” Within four years, Anchorage Parking operated three public garages (two of which were new), six surface lots and the on-street spaces within the CBD. Total parking operated by Anchorage Parking was approximately 5,800 spaces. Revenues from parking operations were used to help pay debt service on the parking garages built in the 1980’s.

In 2004, the municipality began considering creation of a Community Development Authority that could aid in developing public lands identified for their development potential and redevelopment of run down areas or properties. On January 18, 2005, the assembly adopted an amendment to the Anchorage Parking Authority Ordinance that created the Anchorage Community Development Authority.

Pursuant to the ordinance creating the Authority, ACDA has begun a strategic planning process. The initial phases of the strategic planning process have identified key values, objectives and processes as well as identifying our mission. “The mission of the Anchorage Community Development Authority is to create development opportunities for the highest public benefit, using innovation, partnerships, sound planning and incentives.”

BUDGET ASSUMPTIONS

The three public parking structures will remain at or near capacity for monthly parking sales during 2005. 60% of the covered spaces in the 5th Avenue Garage and 20% of the spaces at the 6th Avenue Garage are reserved for daily parking.

Employer contributions for the most significant employee benefit expenses (PERS and medical insurance) will continue to escalate. Medical insurance is expected to increase by approximately 20% while employer contributions for PERS are expected increase 50%.

The addition of project management staff for the development authority is expected to increase total wages by approximately 10%.

Monthly parking rates were increased in 2003 and in 2004. The base hourly rate for public parking within the CBD was increased to \$0.75 an hour in 2004. Based on these recent rate increases, no increase is anticipated for 2005. These rate increases allow ACDA to build reserves for needed facility repairs, future development and facility replacement.

Lease Revenue is primarily generated by one lease for the retail space at the 5th Avenue Garage. The lease rate for that facility is \$480,000.00 annually through 2007.

With the changes in MESA calculations (payment in lieu of taxes) it is anticipated that ACDA's payment to the municipality will increase by approximately \$150,000.00 for 2005.

Pursuant to our contractual obligations with the municipality, net revenue from the operation of the 5th Avenue Garage will be paid to the municipality through 2008. It is anticipated that the payment will exceed \$500,000.00 for 2005.

Highlights and Future Events

The three public parking structures within the CBD are currently operating at or near capacity for monthly parking. We continue to maintain waiting lists for these facilities with more than 100 people currently waiting to park. Annually, more than 1,100,000 vehicle transactions occur in these three public facilities.

There are two new publicly owned facilities planned for the CBD. The RFP for a new facility near 3rd and "H" Streets with a minimum of 350 parking spaces has been issued. The current due date for proposals is July 19, 2005. The second facility is being developed to meet parking demand for the Federal Building and the new Museum. This facility is planned at 7th and "C" Streets and is awaiting some federal funding to help with construction of the garage and a sky bridge.

ACDA is currently debt free and is poised to provide infrastructure and resources to encourage economic development. By partnering with community groups and the private sector ACDA is ideally situated to obtain the maximum benefit from public investment.

ANCHORAGE COMMUNITY DEVELOPMENT AUTHORITY
Statement of Sources and Uses of Cash
For All Departments
For the Years Ending 12/31/2006, 2005 and 2004

	2004 Actual	2005 Approved Budget	2006 Proposed Budget
Sources of Cash Funds:			
Parking Revenue	4,063,396	4,493,530	4,760,200
Leased Space Revenue	643,587	639,500	640,000
Other Operating Revenue	301,300	312,500	365,000
Federal Appropriation	-	-	1,150,000
Development Authority	-	133,830	5,300,000
Total Sources of Cash Funds	5,008,283	5,579,360	12,215,200
Uses of Cash Funds:			
Parking Operations	3,404,761	3,806,934	4,310,559
Development Operations	-	152,000	495,762
Payment in Lieu of Taxes	708,168	891,000	890,000
Depreciation	1,182,573	1,160,000	1,137,960
Capital Investment-Parking Operations	304,303	486,500	3,850,000
Capital Investment-Development Operations	-	-	1,104,432
Total Uses of Cash Funds	5,599,805	6,496,434	11,788,713
 Net Increase (Decrease) In Cash Funds	 (591,522)	 (917,074)	 426,487
 Cash Balance January 1	 3,124,032	 3,715,083	 3,958,009
Depreciation Reserves	1,182,573	1,160,000	1,137,960
 Cash Balance December 31	 3,715,083	 3,958,009	 5,522,456
 Detail of Cash Balance			
Unrestricted	1,389,415	1,431,983	1,857,970
Board Designated - Future Development	2,290,526	2,490,526	3,628,486
Restricted	35,142	35,500	36,000
Total Cash December 31	3,715,083	3,958,009	5,522,456

ANCHORAGE COMMUNITY DEVELOPMENT AUTHORITY
Revenue and Expenditures
For All Departments
For the Years Ending 12/31/2006 and 2005

	2005 Approved Budget	2006 Proposed Budget
Revenue:		
Parking Revenue	4,119,200	4,760,200
Leased Space Revenue	639,500	640,000
Other Operating Revenue	312,500	365,000
Federal Appropriation Museum Garage		1,150,000
Real Estate Sales - Development - Mt. View	-	5,300,000
Total Operating Revenue	5,071,200	12,215,200
Costs and expenses:		
Wages & Benefits	1,974,909	2,188,370
Professional Fees	188,950	349,438
Contract Services	508,350	570,500
Information Services	76,245	109,100
Direct Maintenance Costs	230,550	341,050
Facility Maint. Contract Services	247,800	296,350
Utility Expenses	359,147	414,607
General Expenses	267,933	374,369
MOA MESA Expense	371,000	390,000
Office Expenses	65,350	75,000
Employee Expenses	39,700	42,000
Depreciation	1,160,000	1,137,960
Expenses Subtotal	5,489,934	6,288,744
Earnings Subtotal	(418,734)	5,926,456
Nonoperating Expense (To MOA through 2008)	(520,000)	(500,000)
Nonoperating Income	170,330	96,000
Net earnings (loss) for year	(768,404)	5,522,456

Note: As a board policy, the Authority has begun a reserve account to provide for future development and major repair or replacement of aging facilities. Our goal is to have annual appropriations to the reserve account that exceed depreciation within the next five years.

ANCHORAGE COMMUNITY DEVELOPMENT AUTHORITY
 CAPITAL BUDGET
 FOR YEAR ENDING DECEMBER 31, 2006

Project Category	Amount
Mt. View Improvements	1,104,432
Purchase of Interest in CC Garage	3,000,000
JCP Garage	
Revenue Control Interior	225,000
Painting	250,000
Plaza Improvements	125,000
System Upgrades and Office furniture	8,200
Pay-N-Lane System for 5th Ave. Garage	45,000
6th Avenue Wear Coat Replacement	20,000
Bridge removal between 6th & 7th Ave Garages	62,000
Replacement meter housings, timers, posts	30,000
Maintenance Truck	25,500
Chassis mounted sander	4,900
Epoxy Injection System	6,000
Arctic Entrances 6th Avenue	30,000
5th Avenue Wear Coat Replacement	18,400
Total	<u>4,954,432</u>

Note: All projects are funded out of cash reserves.

Content Information

Content ID : 003429

Type: Ordinance-InvolvingFunds - AO

Title: Adopting and Appropriating 2006 Municipal Authorities Budgets

Author: holmesba

Initiating Dept: OMB

Description: Adopting and Appropriating Municipal Authorities Proposed 2006 Operating and Capital Budgets

Keywords: CSA CDA Budgets 2006 Authorities

Date Prepared: 10/20/05 4:20 PM

Director Name: Janet Mitson

Assembly Meeting Date
MM/DD/YY: 11/1/05

Public Hearing Date
MM/DD/YY: 11/22/05

Workflow History

<u>Workflow Name</u>	<u>Action Date</u>	<u>Action</u>	<u>User</u>	<u>Security Group</u>	<u>Content ID</u>
AllFundOrdinanceWorkflow	10/20/05 4:30 PM	Checkin	holmesba	Public	003429
OMB_SubWorkflow	10/20/05 4:41 PM	Approve	mitsonjl	Public	003429
AllFundOrdinanceWorkflow	10/21/05 1:37 PM	Reject	sinzje	Public	003429
AllFundOrdinanceWorkflow	10/21/05 2:50 PM	Checkin	holmesba	Public	003429
OMB_SubWorkflow	10/21/05 2:52 PM	Approve	mitsonjl	Public	003429
CFO_SubWorkflow	10/21/05 3:03 PM	Approve	sinzje	Public	003429
Legal_SubWorkflow	10/21/05 3:06 PM	Approve	gatesdt	Public	003429
MuniManager_SubWorkflow	10/21/05 4:08 PM	Approve	leblancdc	Public	003429
MuniMgrCoord_SubWorkflow	10/28/05 8:48 AM	Approve	abbottmk	Public	003429

M.O.A.
 2005 OCT 28 AM 10:10
 CLERKS OFFICE

Adrian Dem - CONSENT AGENDA - INTRODUCTION