

CLERK'S OFFICE

APPROVED
Date: 8-29-06

Submitted by: Chair of the Assembly at the
Request of the Mayor

Prepared by: Port of Anchorage

For reading: July 25, 2006

ANCHORAGE, ALASKA

AO NO. 2006- 109

**AN ORDINANCE AUTHORIZING AMENDMENT #1 TO THE PORT OF
ANCHORAGE TERMINAL TARIFF NO. 6 TO DECREASE THE SECURITY
SURCHARGE TARIFF RETROACTIVE TO AUGUST 1, 2006.**

WHEREAS, Federal regulation 33 CFR 105 for Port Facilities requires a Facility Security Plan for Maritime Ports; and

WHEREAS, on June 22, 2004 the Municipal Assembly approved Ordinance #2004-101 establishing a Port Security Surcharge Tariff of Forty Cents (\$0.40) per ton; and,

WHEREAS, the Upper Cook Inlet Area Maritime Security Committee recommended a reduction of the tariff to the Port Commission to a \$.38 per ton surcharge for 2006/2007; and

WHEREAS, the Port Commission recommends the amendment to the Port of Anchorage Terminal Tariff #6, decreasing the security surcharge from \$.40 per ton to \$.38 per ton effective August 1, 2006; now therefore,

THE ANCHORAGE ASSEMBLY ORDAINS:

Section 1. Amendment #1 to the Port of Anchorage Terminal Tariff No. 6 Security Surcharge Tariff, decreasing the surcharge from \$.40 per ton to \$.38 per ton, is approved.

Section 2. Upon passage and approval by the Assembly, this ordinance shall be retroactive to August 1, 2006.

PASSED AND APPROVED by the Anchorage Assembly this 29th day of August, 2006.

Dan Sullivan
Chair of the Assembly

ATTEST:

Sharon S. Jensen
Municipal Clerk

MUNICIPALITY OF ANCHORAGE

Summary of Economic Effects -- Utilities

AO Number: 2006 - 109

Title: AN ORDINANCE OF THE ANCHORAGE MUNICIPAL ASSEMBLY
AUTHORIZING AMENDMENT #1 TO THE PORT OF ANCHORAGE
TERMINAL TARIFF NO. 6 DECREASING THE SECURITY SURCHARGE
TARIFF RETROACTIVE TO AUGUST 1, 2006.

Sponsor: William J. Sheffield
Preparing Agency: Port of Anchorage
Others Impacted: None

CHANGES IN REVENUES AND EXPENSES:		(In Thousands of Dollars)				
	FY06	FY07	FY08	FY09	FY10	
Operating Revenues:	\$ -	\$ -	\$ -	\$ -	\$ -	
TOTAL OPERATING REVENUES	\$ -	\$ -	\$ -	\$ -	\$ -	
Operating Expenses:						
Current Security Annual Expense	\$ (224.7)	\$ (224.7)	\$ (224.7)	\$ (224.7)	\$ (224.7)	
Revised Security Annual Expense	\$ 221.1	\$ 229.1	\$ 229.1	\$ 229.1	\$ 229.1	
TOTAL OPERATING EXPENSES	\$ (3.6)	\$ 4.4	\$ 4.4	\$ 4.4	\$ 4.4	
Non-Operating Revenues:						
Stakeholder's Annual Contribution	\$ 1,548.3	\$ 1,603.7	\$ 1,603.7	\$ 1,603.7	\$ 1,603.7	
TOTAL NON-OPERATING REVENUES	\$ 1,548.3	\$ 1,604	\$ 1,604	\$ 1,604	\$ 1,604	
Non-Operating Expenses:						
Security Contract	\$ 1,769.5	\$ 1,832.8	\$ 1,832.8	\$ 1,832.8	\$ 1,832.8	
TOTAL NON-OPERATING EXPENSES	\$ 1,769.5	\$ 1,833	\$ 1,833	\$ 1,833	\$ 1,833	
NET INCOME (REGULATED)	\$ 3.6	\$ (4.4)	\$ (4.4)	\$ (4.4)	\$ (4.4)	
POSITIONS: FT/PT and Temp	0	0	0	0	0	

PUBLIC SECTOR ECONOMIC EFFECTS:

The Security Surcharge Tariff is decreased from .40¢ per ton charge on all Port of Anchorage stakeholders to .38¢ per ton. Annual revenue will fund 87.5% of security program to comply with Coast Guard regulations. Port revenues will fund the Port's contract share of 12.5%. One year contract with four one-year options will began July 2004 and is entering the second option phase.

SUMMARY OF ECONOMIC EFFECTS

PRIVATE SECTOR ECONOMIC EFFECTS:

The Port of Anchorage's cost of security is allocated 12.5% to the Port and 87.5% to the stakeholders. Stakeholder contributions are via a Security Surcharge Tariff per ton based on their respective percentage of the prior year's tonnage. Resulting primarily from increase tonnage, the per ton tariff rate has DEcreased from \$0.40 per ton initiated in 2004 to \$0.38 per ton for this next contract renewal period.

Prepared by: Edward Leon, Director of Finance & Admin.
Validated by OMB: _____
Approved by: William J. Sheffield, Port Director

Telephone: 343-6204
Date: _____
Date: _____

MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

No. AM 539 -2006

Meeting Date: July 25, 2006

From: MAYOR

Subject: AN ORDINANCE AUTHORIZING AMENDMENT #1 TO THE PORT OF ANCHORAGE TERMINAL TARIFF NO. 6 TO DECREASE THE SECURITY SURCHARGE TARIFF RETROACTIVE TO AUGUST 1, 2006.

The cost and related expenses to comply with the United States Department of Homeland Security regulations are substantially greater than the security costs historically incurred by the Port of Anchorage. To resolve the added cost, the Port Users, via the Upper Cook Inlet Area Maritime Security Committee, recommended a per ton tariff to cover the majority of the Security Contract cost and related expenses.

On June 22, 2004, the Assembly approved Ordinance #2004-101 establishing a Port Security Surcharge Tariff of Forty Cents (\$0.40) per ton. The Security Surcharge Tariff is computed by allocating Twelve and One-half Percent (12.5%) of the cost first to the Port of Anchorage. The remaining Eighty Seven and One-half Percentage (87.5%) is allocated to participating Port Users pro-rated on their respective percentages of the previous year's total tonnage for the combined Port Users.

The 2006/2007 security contract costs are \$1,832,898. After deduction of the Port's 12.5%, the current per ton tariff rate is calculated to be \$0.38.

On June 26, 2006, the Port Commission for the Port of Anchorage approved a resolution decreasing the security surcharge tariff from \$.40 per ton to \$.38 per ton, effective retroactive to August 1, 2006.

THE ADMINISTRATION RECOMMENDS APPROVAL OF THE ORDINANCE AUTHORIZING AMENDMENT #1 TO THE PORT OF ANCHORAGE TERMINAL TARIFF NO. 6 TO DECREASE THE SECURITY SURCHARGE TARIFF RETROACTIVE TO AUGUST 1, 2006.

Prepared by:	Port of Anchorage
Approved by:	William Sheffield, Director, Port of Anchorage
Concurrence:	Mary Jane Michael, Executive Director Department of Community & Economic Development
Concurrence:	Denis C. LeBlanc, Municipal Manager
Respectfully submitted:	Mark Begich, Mayor

WHEREAS, the contractor desires to exercise the second year option for the amount of One Million Eight Hundred Thirty-two Thousand Eight Hundred Ninety-eight Dollars (\$1,832,898); and

Anchorage Port Commission
Resolution R04-02
May 27, 2004

WHEREAS, Twelve and One-half percent (12.5%) of the contract cost is allocated to the Port and the remaining Eighty Seven and One-half percent (87.5%) to participating stakeholders based on their respective percentage of total tonnage for the previous year (total 2005 tonnage for participating stakeholders was 4,276,215);

NOW THEREFORE, the Anchorage Port Commission resolves:

Section 1. That the Port Commission approves the following amendment to the Port of Anchorage Terminal Tariff No. 6:


Section 2. *Wharfage, Item 250*, paragraph "H" is amended as follows:

H. Notwithstanding any other schedule of charges, The Port of Anchorage shall assess a security surcharge of \$0.38 per ton for all commodities crossing the Port of Anchorage.

Section 3. That the Port Commission and Port staff will review the Port's security surcharge tariff for appropriate modifications and adjustments by March 1st.

Section 4. This amendment shall become effective August 1, 2006.

PASSED AND APPROVED by the Anchorage Port Commission, this 28th day of June, 2006.



Chair

Content Information**Content ID :** 004175**Type:** Ordinance - AO**Title:** Amendment to the Port Security Tariff**Author:** kostersa**Initiating Dept:** Port**Description:** Amendment to Port Security Tariff**Keywords:** Port Security Tariff**Date Prepared:** 7/17/06 1:59 PM**Director Name:** William Sheffield**Assembly Meeting Date** 7/25/06
MM/DD/YY:**Public Hearing Date** 8/15/06
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2006 JUL 21 PM 12:45
CLERKS OFFICE**Workflow History**

<u>Workflow Name</u>	<u>Action Date</u>	<u>Action</u>	<u>User</u>	<u>Security Group</u>	<u>Content ID</u>
AllOrdinanceWorkflow	7/17/06 2:02 PM	Checkin	kostersa	Public	004175
Port_SubWorkflow	7/17/06 2:03 PM	Approve	sheffieldwj	Public	004175
ECD_SubWorkflow	7/17/06 2:06 PM	Approve	thomasm	Public	004175
AllOrdinanceWorkflow	7/17/06 5:00 PM	Reject	mitsonjl	Public	004175
AllOrdinanceWorkflow	7/18/06 8:14 AM	Checkin	kostersa	Public	004175
Port_SubWorkflow	7/18/06 8:30 AM	Approve	sheffieldwj	Public	004175
ECD_SubWorkflow	7/18/06 9:07 AM	Approve	thomasm	Public	004175
OMB_SubWorkflow	7/18/06 4:44 PM	Approve	mitsonjl	Public	004175
Legal_SubWorkflow	7/18/06 4:54 PM	Approve	fehlenrl	Public	004175
MuniManager_SubWorkflow	7/21/06 11:36 AM	Approve	leblancdc	Public	004175
MuniMgrCoord_SubWorkflow	7/21/06 11:39 AM	Approve	abbottmk	Public	004175

Addendum -

CONSENT AGENDA - INTRODUCTION