Submitted by: Chair of the Assembly at the

Request of the Mayor

Prepared by: For reading:

Port of Anchorage July 17, 2007

CLUTR'S OFFICE

A. PROVLD

Date: [14-07]

ANCHORAGE, ALASKA AO No. 2007-<u>99</u>

1 2 3	AN ORDINANCE AUTHORIZING AMENDMENT #2 TO THE PORT OF ANCHORAGE TERMINAL TARIFF NO. 6 TO INCREASE THE SECURITY SURCHARGE TARIFF RETROACTIVE TO AUGUST 1, 2007.
4	
5	WHIEDEAG E 1 1 1 2 20 GPD 405 G D T WALL TO THE
6	WHEREAS, Federal regulation 33 CFR 105 for Port Facilities requires a Facility Security
7	Plan for Maritime Ports; and
8 9	WITEDEAC the Heavy Coals Inter Amer M. W. G. W. C. W. J.
10	WHEREAS, the Upper Cook Inlet Area Maritime Security Committee has recommended to
11	the Port Commission a \$0.58 per ton surcharge to cover anticipated Facility Security Plan
12	contract costs; and
13	WHEREAS, the Port Commission recommends the establishment of a security surcharge of
14	\$0.58 per ton; now therefore,
15	wo.56 per ton, now therefore,
16	THE ANCHORAGE ASSEMBLY ORDAINS:
17	THE THEORY OF THE PROPERTY OF
18	Section 1. Amendment #2 to the Port of Anchorage Terminal Tariff No. 6 Security
19	Surcharge Tariff, increasing the surcharge from \$0.38 per ton to \$0.58 per ton is approved.
20	de la companya de la
21	Section 2. Upon passage and approval by the Assembly, this ordinance shall be
22	retroactive to August 1, 2007.
23	
24	PASSED AND APPROVED by the Anchorage Assembly this / day of
25	Mighst , 2007.
26	
27	The state of the s
28	- OVY
29	Chair //
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31	ATTEST:
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34	Jala 5. Javensto
35	Municipal Clerk
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# MUNICIPALITY OF ANCHORAGE Summary of Economic Effects -- Utilities

AO Number: 2007 - 99

Title: AN ORDINANCE AUTHORIZING AMENDMENT #2 TO THE PORT OF ANCHORAGE TERMINAL TARIFF NO. 6 INCREASING THE SECURITY SURCHARGE TARIFF FROM \$0.38 TO \$0.58 PER TON.

Sponsor:

Mayor

Preparing Agency:

Port of Anchorage

Others Impacted:

None

CHANGES IN REVENUES AND EXPENSES:			(In Thousands of Dollars)								
		FY08		FY09		FY10		FY11		FY12	
Operating Revenues:											
	\$		\$	-	\$	-	\$	-	\$	-	
TOTAL OPERATING REVENUES	\$		\$	-	\$	_	\$	-	\$	<b>,</b>	
Operating Expenses:					_	()	_	(222.2)		(a=a 1)	
Current Security Annual Expense	\$	(229.1) 235.4	\$	(240.5) 248.2	\$ \$	(252.5) 259.5	\$ \$	(265.2) 272.5	\$ \$	(278.4) 286.2	
Revised Security Annual Expense	\$	235.4	\$	240.2	Ф	259.5	Ф	212.5	Ą	200.2	
TOTAL OPERATING EXPENSES	\$	6.3	\$	7.7	\$	7.0	\$	7.3	\$	7.8	
Non-Operating Revenues:											
Stakeholder's Annual Contribution	\$	1,648.2	\$	1,730.6	\$	1,817.1	\$	1,908.0	\$	2,003.4	
TOTAL NON-OPERATING REVENUES	\$	1,648.2	\$	1,731	\$	1,817	\$	1,908	\$	2,003	
Non-Operating Expenses:											
Security Contract	\$	1,883.6	\$	1,977.8	\$	2,076.7	\$	2,180.6	\$	2,289.6	
TOTAL NON-OPERATING EXPENSES	\$	1,883.6	\$	1,978	\$	2,077	\$	2,181	\$	2,290	
NET INCOME (REGULATED)	\$	(6.3)	\$	(7.7)	\$	(7.0)	\$	(7.3)	\$	(7.8)	
POSITIONS: FT/PT and Temp		0		0		0		0		О	

#### **PUBLIC SECTOR ECONOMIC EFFECTS:**

The Security Surcharge Tariff levies a .58¢ per ton charge on all Port of Anchorage stakeholders. 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 began August 1, 2004.

### **SUMMARY OF ECONOMIC EFFECTS**

PRIVATE SECTOR	ECONOMIC EFFECTS:			
None				
Prepared by:	Edward Leon, Director of Finance & Admin.	Telephone:	343-6204	
Validated by OMB:		Date: _		
Approved by:	William J. Sheffield, Port Director	Date:		

### MUNICIPALITY OF ANCHORAGE

## ASSEMBLY MEMORANDUM

No. AM 442 -2007

Meeting Date: July 17, 2007

From:

Mayor

Subject:

AN ORDINANCE AUTHORIZING AMENDMENT #2 TO THE PORT OF ANCHORAGE TERMINAL TARIFF NO. 6 TO INCREASE THE SECURITY SURCHARGE TARIFF RETROACTIVE TO AUGUST 1,

2007.

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 Anchorage Ordinance (AO) 2004-101 establishing a Port Security Surcharge Tariff of Forty Cents (\$0.40) per ton. On August 29, 2006, the Assembly approved AO 2006-109 decreasing the tariff from \$0.40 per ton to \$0.38 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 2007/2008 security contract increased Security Guard costs by three percent (3%) for a contract amount of \$1,883,697.99. After deduction of the Port's 12.5%, the current per ton tariff rate is calculated to be \$0.58. The decrease in 2006 total tonnage increased the Security Surcharge causing a disparity in individual Port User's surcharge amounts. To maintain relative parity in annual contract contributions, the Port agreed to maintain its twelve and one-half percent (12.5%) share and the Port Users agreed to increase individual existing contributions based on 2005 total tonnage by three percent (3%) to equal the amount of the Security Contract increase.

On June 27, 2007, the Port Commission for the Port of Anchorage approved a resolution increasing the security surcharge tariff from \$.38 per ton to \$.58 per ton, effective August 1, 2007.

THE ADMINISTRATION RECOMMENDS APPROVAL OF THE ORDINANCE AUTHORIZING AMENDMENT #2 TO THE PORT OF ANCHORAGE TERMINAL TARIFF NO. 6 TO INCREASE THE SECURITY SURCHARGE TARIFF RETROACTIVE TO AUGUST 1, 2007.

40 Prepared by: William J. Sheffield, Port Director
41 Concur: Mary Jane Michael, Executive Director

Office of Community and Economic Development
James N. Reeves, Municipal Attorney

44 Concur: Denis C. LeBlanc, Municipal Manager

45 Respectfully submitted: Mark Begich, Mayor



# PORT COMMISSION MEMORANDUM

R07-01

DATE:

June 27, 2007

FROM:

Port Commission

SUBJECT: Port Security Surcharge Tariff

A RESOLUTION APPROVING AN AMENDMENT TO ANCHORAGE TERMINAL TARIFF NO. 6 BY INCREASING THE SECURITY SURCHARGE TARIFF FROM \$0.38 PER TON TO \$0.58 PER TON.

WHEREAS, pursuant to Anchorage Municipal Code 11.50.030.C, the Anchorage Port Commission is charged with promulgating the Port's Terminal Tariff subject to approval of the Anchorage Municipal Assembly and the Federal Maritime Commission; and,

WHEREAS, the United States Department of Homeland Security, in response to security threats posed to the Nation since September 11, 2001, enacted new security requirements for qualified marine terminals under 33 CFR 105; and,

WHEREAS, in compliance with this regulation the Upper Cook Inlet Area Maritime Security Committee, representing all the major Port Stakeholders, adopted a facility security plan consistent with the requirements of 33 CFR 105; and

WHEREAS, the members of the Upper Cook Inlet Area Maritime Security Committee recommended that the Port of Anchorage adopt a tariff amendment in order to pay for a security force necessary to meet the facility security plan; and

WHEREAS, the Port of Anchorage, acting on behalf of the Upper Cook Inlet Area Maritime Security Committee, issued a Municipality of Anchorage procurement in order to identify the actual costs of providing a security force to meet the facility security plan: and

WHEREAS, a one year contract with four one-year options was approved by the Assembly in 2004 with Doyon Universal Services, Inc.; and,

WHEREAS, the contractor desires to exercise the fourth one-year option and increase the Security Guard portion of the contract by Three percent (3%) for a total contract amount of One Million Eight Hundred Eighty-three Thousand Six Hundred Ninety-seven Dollars and 99/100 (\$1,883,697.99); and

Anchorage Port Commission Resolution R07-01 June 27, 2007

WHEREAS, the Port of Anchorage Security Tariff is determined by dividing the cost of the Security Contract by the previous year's Total Tonnage; and,

WHEREAS, the decrease in 2006 Total Tonnage increased the Security Surcharge tariff amount from \$0.38 per ton to \$0.58 per ton and resulted in disparity in individual Stakeholders amounts; and

WHEREAS, to maintain relative parity in annual payment contract contributions the Port has agreed to maintain its Twelve and One-half percent (12.5%) share of the contract amount and the Stakeholders have agreed to increase individual existing contributions based on 2005 Total Tonnage by Three Percent (3%) to equal the amount of the Security Contract increase;

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. Not withstanding any other schedule of charges, the Port of Anchorage shall assess a security surcharge of \$0.58 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, 2007.

PASSED AND APPROVED by the Anchorage Port Commission, this 27th day of June, 2007.

Many Albaell
Chair

#### **Content Information**

**Content ID: 005238** 

Type: Ordinance-InvolvingFunds - AO

Title: Security Surcharge Tariff No 6/ Amendment 2

Author: scroggsid

Initiating Dept: Port

Description: Security Surcharge Tariff No 6/ Amendment 2

Keywords: Security Surcharge Tariff

Date Prepared: 7/3/07 5:11 PM **Director Name: William Sheffield** 

Assembly Meeting Date 7/17/07 MM/DD/YY:

Public Hearing Date MM/DD/YY: 8/14/07

M.O.A.

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#### **Workflow History**

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Workflow Name	Action Date	Action	<u>User</u>	Security Group	Content ID	
AllFundOrdinanceWorkflow	7/3/07 5:16 PM	Checkin	scroggsjd	Public	005238	
Port_SubWorkflow	7/5/07 9:37 AM	Approve	sheffieldwj	Public	005238	
ECD_SubWorkflow	7/5/07 9:47 AM	Approve	barkleyva	Public	005238	
AllFundOrdinanceWorkflow	7/5/07 11:20 AM	Reject	mitsonji	Public	005238	
AllFundOrdinanceWorkflow	7/5/07 1:12 PM	Checkin	scroggsjd	Public	005238	
Port_SubWorkflow	7/5/07 1:18 PM	Approve	sheffieldwj	Public	005238	
ECD_SubWorkflow	7/5/07 1:30 PM	Approve	barkleyva	Public	005238	
OMB_SubWorkflow	7/6/07 9:28 AM	Approve	mitsonjl	Public	005238	
CFO_SubWorkflow	7/6/07 2:46 PM	Approve	mitsonjl	Public	005238	
Legal_SubWorkflow	7/6/07 3:19 P <b>M</b>	Approve	fehlenri	Public	005238	
MuniManager_SubWorkflow	7/6/07 3:46 PM	Approve	leblancdc	Public	005238	
MuniMgrCoord_SubWorkflow	7/6/07 3:47 PM	Approve	hensleymb	Public	005238	