

Submitted by: Chair of the Assembly at the
Request of the Mayor
Prepared by: Port of Anchorage
For reading: July 17, 2007

CLERK'S OFFICE
APPROVED

Date: 8-14-07

ANCHORAGE, ALASKA
AO No. 2007- 99

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.

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

WHEREAS, the Upper Cook Inlet Area Maritime Security Committee has recommended to the Port Commission a \$0.58 per ton surcharge to cover anticipated Facility Security Plan contract costs; and

WHEREAS, the Port Commission recommends the establishment of a security surcharge of \$0.58 per ton; now therefore,

THE ANCHORAGE ASSEMBLY ORDAINS:

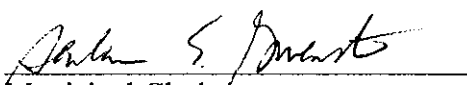
Section 1. Amendment #2 to the Port of Anchorage Terminal Tariff No. 6 Security Surcharge Tariff, increasing the surcharge from \$0.38 per ton to \$0.58 per ton is approved.

Section 2. Upon passage and approval by the Assembly, this ordinance shall be retroactive to August 1, 2007.

PASSED AND APPROVED by the Anchorage Assembly this 14th day of August, 2007.


Chair

ATTEST:


Municipal Clerk

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	\$ -	\$ -	\$ -	\$ -	\$ -	
Operating Expenses:						
Current Security Annual Expense	\$ (229.1)	\$ (240.5)	\$ (252.5)	\$ (265.2)	\$ (278.4)	
Revised Security Annual Expense	\$ 235.4	\$ 248.2	\$ 259.5	\$ 272.5	\$ 286.2	
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	0	

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.
 Validated by OMB: _____
 Approved by: William J. Sheffield, Port Director

Telephone: 343-6204
 Date: _____
 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.

Prepared by: William J. Sheffield, Port Director
Concur: Mary Jane Michael, Executive Director
Office of Community and Economic Development
Concur: James N. Reeves, Municipal Attorney
Concur: Denis C. LeBlanc, Municipal Manager
Respectfully submitted: Mark Begich, Mayor

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. Notwithstanding 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.


Chair

Content Information**Content ID :** 005238**Type:** Ordinance-InvolvingFunds - AO**Title:** Security Surcharge Tariff No 6/ Amendment 2**Author:** scroggsjd**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**
MM/DD/YY: 7/17/07**Public Hearing Date MM/DD/YY:** 8/14/07

M.O.A.
 2007 JUL 10 AM 10:01
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Workflow History

Workflow Name	Action Date	Action	User	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	mitsonjl	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 PM	Approve	fehlenrl	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