



MUNICIPALITY OF ANCHORAGE

MEMORANDUM

September 2, 2014

TO: Anchorage Assembly

FROM: Mayor Dan Sullivan

SUBJECT: 2015 Preliminary Data – 120 Day Memo

2014 SEP - 2 PM 4:22
CLEAN'S OFFICE
M.O.A.

Anchorage Municipal Code 6.10.040 (A) requires the Administration to provide preliminary information regarding the 2015 budget for general government, utilities and enterprises at least 120 days prior to the end of the preceding fiscal year. The required information included in this memo is:

- Preliminary 2015 revenue estimate
- Preliminary 2015 tax limit calculation
- Administration's priorities
- Preliminary 2015 CIB and 2015-2020 CIP for general government
- Preliminary Utility and Enterprise budget information

Preliminary 2015 Revenue Estimate

Attachment A is the preliminary revenue estimate for 2015. The estimate shows an overall increase in revenues of \$2.8M. The primary changes are in Program, Fees, Interest, Other revenues, and include \$1.2M increase in dividend from ML&P; \$4M increase in Taxicab Permits related to anticipated increase in disability taxicab permits; and \$.3M increase in Contribution from MOA Trust Fund. Additionally, Room Tax is anticipated to increase \$.4M primarily due to a projected increase in tourism. These increases are offset by an anticipated \$.8M reduction in State Revenue Sharing.

Preliminary 2015 Tax Limit Calculation

Attachment B is the preliminary Tax Limit calculation. When compared to the 2014 Tax Limit, the preliminary 2015 calculation provides:

- Limit on all taxes that can be collected is up \$3.9M, primarily due to the base increase of \$4.7M. The items that the limit can be adjusted for (not subject to the Tax Limit) create a \$.8M decrease primarily due to the removal of the \$.9M 2014 Hilltop Settlement.
- Limit on property taxes that can be collected is up \$3.1M. It is \$.8M lower than the limit on all taxes that can be collected due to anticipated increases in non-

property taxes. Thus, every dollar increase in non-property tax translates into a dollar less in property taxes.

The Tax Limit will be finalized in April during the first quarter amendment process at which time 2015 property tax rates will be set.

Administration's Priorities

The Mayor's goal is to continue to manage spending in a manner that is sustainable and affordable to taxpayers both today and into the future. A key priority is to complete the negotiation of the final two labor contracts (IAFF, APDEA) in a manner that is consistent with other completed labor contracts and is aligned with CPI and revenue growth. The Administration will continue to identify opportunities that will enable city government to be more efficient. The Mayor's 2015 budget is targeted to reduce the growth of spending while minimizing service impact to citizens.

The Administration will continue its effort to keep debt to a minimum by issuing new debt in a manner that is lower than the principal amount that is paid off.

Preliminary 2015 CIB and 2015-2020 CIP for General Government

Attachment C is the preliminary 2015 Capital Improvement Budget (CIB).

Attachments D and E are the preliminary 2015-2020 Capital Improvement Plan (CIP) presented in summary by departments over the years and by funding source.

Project details of the CIB and CIP will be provided in the submittals to the Assembly on October 1st.

Utility and Enterprise Budget Information

Attachments F 1-5 are the updated strategic and business plans and preliminary CIB and CIP information for:

- F-1 Anchorage Water and Wastewater Utility
- F-2 Merrill Field Airport
- F-3 Municipal Light and Power
- F-4 Port of Anchorage
- F-5 Solid Waste Services

General Government Revenue

Description	2014 Revised	2015 Preliminary	Increase / (Decrease)
Taxes in Tax Limitation			
Payment in Lieu of Taxes (State & Federal)	800,290	776,406	(23,884)
Automobile Tax	11,448,632	11,558,832	110,200
Tobacco Tax	23,001,852	23,205,864	204,012
Aircraft Tax	210,000	210,000	-
Motor Vehicle Rental Tax	5,449,649	5,550,900	101,251
MUSA/MESA	22,091,221	22,512,696	421,475
Total Taxes in Tax Limitation	63,001,644	63,814,698	813,054
Room Tax	23,762,345	24,102,764	340,419
State Revenues	17,825,626	17,048,702	(776,924)
Federal Revenues	858,337	842,972	(15,365)
Program, Fees, Interest, Other	63,934,814	66,325,240	2,390,426
Total Non-Property Tax Revenue	169,382,766	172,134,376	2,751,610

Attachment B

Tax Limit Calculation

Anchorage Municipal Charter 14.03 and Anchorage Municipal Code 12.25.040

Line		2014		2015	
		Revised		Preliminary	
1	<u>Step 1: Building Base with Taxes Collected the Prior Year</u>				
2	Real/Personal Property Taxes to be Collected	237,750,950		239,317,214	
3	Payment in Lieu of Taxes (State & Federal)	794,746		800,290	
4	Automobile Tax	11,300,053		11,448,632	
5	Tobacco Tax	22,019,634		23,001,852	
6	Aircraft Tax	210,000		210,000	
7	Motor Vehicles Rental Tax	4,970,037		5,449,649	
8	MUSA/MESA	20,556,995		22,091,221	
9	Step 1 Total	297,602,415		302,318,858	
10					
11	<u>Step 2: Back out Prior Year's Exclusions Not Subject to Tax Limit</u>				
12	Taxes Authorized by Voter-Approved Ballot - O&M Reserves (One-Time)	(440,000)		(440,000)	
13	Judgments/Legal Settlements (One-Time)	(3,989,621)		(895,050)	
14	Debt Service (One-Time)	(50,264,138)		(53,015,313)	
15	Step 2 Total	(54,693,759)		(54,350,363)	
16					
17	Tax Limit Base (before Adjustment for Population and CPI)	242,908,656		247,968,495	
18					
19	<u>Step 3: Adjust for Population, Inflation</u>				
20	Population 5 Year Average	1.10%	2,672,000	0.90%	2,231,720
21	Change in Consumer Price Index 5 Year Average	2.30%	5,586,900	2.30%	5,703,280
22	Step 3 Total	3.40%	8,258,900	3.20%	7,935,000
23					
24	The Base for Calculating Following Year's Tax Limit	251,167,556		255,903,495	
25					
26	<u>Step 4: Add Taxes for Current Year Items Not Subject to Tax Limit</u>				
27	New Construction	2,250,267		2,289,000	
28	Taxes Authorized by Voter-Approved Ballot - O&M	843,000		589,000	
29	Taxes Authorized by Voter-Approved Ballot - O&M Reserves (One-Time)	440,000		440,000	
30	Judgments/Legal Settlements (One-Time)	895,050		25,050	
31	Debt Service (One-Time)	53,015,313		53,297,313	
32	Step 4 Total	57,443,630		56,640,363	
33					
34	Limit on ALL Taxes that can be collected	308,611,186		312,543,858	
35					
36	<u>Step 5: To determine limit on property taxes, back out other taxes</u>				
37	Payment in Lieu of Taxes (State & Federal)	(800,290)		(776,406)	
38	Automobile Tax	(11,448,632)		(11,558,832)	
39	Tobacco Tax	(23,001,852)		(23,205,864)	
40	Aircraft Tax	(210,000)		(210,000)	
41	Motor Vehicle Rental Tax	(5,449,649)		(5,550,900)	
42	MUSA/MESA	(22,091,221)		(22,512,696)	
43	Step 5 Total	(63,001,644)		(63,814,698)	
44					
45	Limit on PROPERTY Taxes that can be collected	245,609,542		248,729,160	
46					
47	<u>Step 6: Determine property taxes to be collected if different than Limit on Property Taxes that can be collected</u>				
48	Property taxes to be collected based on spending decisions minus other available revenue.				
49					
50	Property taxes TO BE COLLECTED	239,317,214		-	

General Government 2015 Capital Improvement Budget

Department Summary by Sources of Funds
(in thousands)

Department	Bonds	State Grants	Federal Grants	Other	Total
Fire	2,410	4,745	-	545	7,700
Information Technology	-	-	-	2,050	2,050
Library	-	205	-	981	1,186
Parks & Recreation	2,750	32,220	-	-	34,970
Police	5,900	600	-	-	6,500
Public Transportation	250	600	1,100	-	1,950
Public Works	21,030	323,620	1,500	5,366	351,516
Total	32,340	361,990	2,600	8,942	405,872

General Government 2015 - 2020 Capital Improvement Program**Summary by Department by Year**
(in thousands)

Department	2015	2016	2017	2018	2019	2020	Total
Fire	7,700	7,885	2,835	2,595	3,045	1,735	25,795
Information Technology	2,050	225	425	900	-	-	3,600
Library	1,186	1,186	1,186	1,186	1,186	1,186	7,116
Parks & Recreation	34,970	1,330	1,100	600	900	50	38,950
Police	6,500	600	600	600	600	600	9,500
Public Transportation	1,950	5,170	2,170	7,240	11,750	2,250	30,530
Public Works	351,516	253,353	255,312	167,983	110,910	142,288	1,281,362
Total	405,872	269,749	263,628	181,104	128,391	148,109	1,396,853

General Government 2015 - 2020 Capital Improvement Program**Department Summary by Sources of Funds**

(in thousands)

Department	Bonds	State Grants	Federal Grants	Other	Total
Fire	13,505	11,745	-	545	25,795
Information Technology	-	-	-	3,600	3,600
Library	-	1,230	-	5,886	7,116
Parks & Recreation	5,750	33,200	-	-	38,950
Police	5,900	3,600	-	-	9,500
Public Transportation	3,755	6,600	20,175	-	30,530
Public Works	185,100	1,038,525	6,700	51,037	1,281,362
Total	214,010	1,094,900	26,875	61,068	1,396,853

Anchorage Water and Wastewater Utility Business Plan

Vision

Excellence through innovation.

Mission

Supporting the public health, safety and economic interests of the community by providing quality water and wastewater services in a responsible, efficient and sustainable manner.

Services

The Anchorage Water and Wastewater Utility (AWWU) is the largest water and wastewater utility in Alaska. AWWU currently serves the Municipality of Anchorage extending from Eklutna to as far south as Girdwood. Although they share one workforce, AWWU operates as two separate economic and regulated entities: the Anchorage Water Utility (AWU) and the Anchorage Wastewater Utility (ASU).

Business Goals

AWWU's strategic plan for 2014-2016, as recommended by the Utility Board of Directors on August 6, 2014, calls for the focus on the following goals:

- Build a customer relationship that recognizes and advocates for our core purpose.
- Enhance focus on environmental compliance.
- Provide robust infrastructure that meets customer needs.
- Maintain fair and affordable rates.
- Make sound business decisions.
- Improve human capital management.
- Develop a knowledge management strategy plan.
- Become hazard response ready.
- Ensure effective organizational communication.

Commitments to Customers

AWWU has identified the following customer commitments which represent the outcomes or accomplishments of the Utilities activities as viewed by the customer:

1. Provide safe drinking water that meets or exceeds all standards.
2. Protect the environment through appropriate wastewater collection, treatment, and disposal.
3. Provide reliable service.
4. Have timely, professional, and courteous interactions with customers.
5. Manage finances responsibly and transparently.
6. Set rates that fairly reflect the cost of providing service and maintaining infrastructure.
7. Deliver services affordably to promote a strong Anchorage economy.
8. Invest wisely to minimize risk and maintain service levels.
9. Continuously improve the efficiency of our operations.
10. Anticipate change and prepare for the future.

Performance Measures to Track Progress in Achieving Goals

AWWU measures progress in achieving these customer commitments using quantifiable performance measures, including the following:

1. Compliance with all State and Federal drinking water, wastewater and air standards
2. Number of planned and unplanned water outages

Attachment F - 1

3. Sanitary sewer overflows
4. Recordable incident rate (of lost-time injuries and accidents)
5. Execution of capital improvement budget
6. Debt to equity ratio

Anchorage Water Utility
2015 Capital Improvement Budget
(in thousands)

Project Title	Debt	State/Fed Grant	Equity/ Operations	Total
2015 Depreciation Study	-	-	130	130
880 Reservoir Site Acquisition	782	-	-	782
92nd Ave Pressure Reducing Valve	786	-	-	786
ADOT-MOA-Emergency	3,404	-	-	3,404
Aerial Photography Digital Elevation Model (DEM) Acquisition	-	-	120	120
Case Loader (96835, 96836)	-	-	420	420
Hansen	-	-	15	15
Customer Service: Customer Information Systems (CIS) Enhancements	-	-	650	650
Customer Service: Customer Call Center Workplace Upgrade	-	-	100	100
Dowling Road Pressure Reducing Valve	-	-	765	765
Dowling Road Water Transmission Main	2,870	-	-	2,870
Eagle River 690 Pressure Zone Intertie	1,500	-	-	1,500
Engineering: Workplace Upgrade	-	-	50	50
Engineering Project Management Tools-WTR	-	-	25	25
Eklutna Facility Plan Wtr	-	-	495	495
Facility Equipment-WTR	-	-	100	100
Facility Plant-WTR	1,000	-	-	1,000
GIS Application Development	-	-	223	223
Hydraulic Model Support	-	-	50	50
IT Infrastructure	-	-	814	814
Lake Otis 38th-42nd Wtr Rehabilitation	1,216	2,000	-	3,216
Miscellaneous IT Systems	-	-	420	420
Northern Lights Wesleyan to Bragaw	1,000	-	-	1,000
PDF Images Connection	-	-	35	35
Plant Oversize Improvement-WTR	-	-	50	50
PME Dimond Wtr Extension	-	-	400	400
Railroad Yard Water Rehabilitation 16"	1,000	-	-	1,000
Rosemary Street to ARCA Water Rehabilitation	2,581	-	-	2,581
SCADA Equipment	-	-	750	750
SCWTF Rehabilitation	4,000	-	-	4,000
Security Improvement-WTR	-	-	200	200
Vehicles-WTR	-	-	354	354
Water Quality Management: Environmental Compliance Monitoring Reporting	-	-	45	45
Wesleyan Drive-Checkmate to Queen WTR Rehabilitation	1,561	-	1,439	3,000
Work Management Systems (WMS)	-	-	200	200
Water Upgrade Preliminary Engineering	-	-	150	150
Total	21,700	2,000	8,000	31,700

Anchorage Water Utility
2015 - 2020 Capital Improvement Program
(in thousands)

Project Category	2015	2016	2017	2018	2019	2020	Total
Equipment	4,221	4,238	3,958	3,835	3,443	3,324	23,019
Plant	6,757	1,762	2,973	3,298	2,664	9,130	26,584
Pipe	20,722	26,226	26,149	25,085	26,893	21,546	146,621
Total	31,700	32,226	33,080	32,218	33,000	34,000	196,224

Funding Source	2015	2016	2017	2018	2019	2020	Total
Debt	21,700	20,726	19,080	17,718	21,000	22,000	122,224
Grants	2,000	2,000	2,000	2,000	2,000	2,000	12,000
Equity/Operations	8,000	9,500	12,000	12,500	10,000	10,000	62,000
Total	31,700	32,226	33,080	32,218	33,000	34,000	196,224

Anchorage Wastewater Utility
2015 Capital Improvement Budget
(in thousands)

Project Title	Debt	State/Fed Grant	Equity/ Operations	Total
2015 Depreciation Study	-	-	130	130
ADOT-MOA-Emergency	2,524	-	-	2,524
Aerial Photography Digital Elevation Model (DEM)	-	-	120	120
Acquisition				
Asplund Wastewater Treatment Facility Clarifiers	1,000	-	-	1,000
Asplund Wastewater Treatment Facility Gravity Thickener	400	-	-	400
Rehabilitation				
Asplund Wastewater Treatment Facility Old Incinerator	750	-	-	750
Removal				
Asplund Wastewater Treatment Facility Old Raw Pump	60		-	60
Station Heating and Ventilating				
Asplund Wastewater Treatment Facility Slope Protection	500	-	-	500
and Beach Tower				
Asplund Wastewater Treatment Facility Sludge	3,000	1,000	-	4,000
Dewatering Replacement				
Business Park Swr Rehabilitation	650	-	-	650
Hansen	-	-	15	15
Customer Service: Customer Information Systems (CIS)	-	-	650	650
Enhancements				
Downtown Pipe Replacement	-	-	1,000	1,000
Engineering Project Management Tools-WTR	-	-	25	25
Eagle River Wastewater Treatment Facility Rehabilitation	12,364	-	-	12,364
Facility Equipment-SWR	-	-	100	100
Facility Plant-SWR	-	-	500	500
Fish Creek Gravity Interceptor	-	-	900	900
Girdwood Inflow & Infiltration	-	-	500	500
GIS Application Development	-	-	223	223
Granite XP CCTV Upgr	-	-	120	120
Hydraulic Model Support	-	-	50	50
Interceptor Rehabilitation	1,000	-	-	1,000
IT Infrastructure	-	-	814	814
Line Truck (94218) Combination Cleaner (94940)	-	-	708	708
Miscellaneous IT Systems	-	-	420	420
PDF Images Connection	-	-	35	35
Plant Oversize Improvement-SWR	-	-	50	50
SCADA Equipment	-	-	750	750
Small Pipe Replacement	1,958	-	-	1,958
Sewer Upgrade Preliminary Engineering	139	-	291	430
Vehicles-SWR	-	-	354	354
Water Quality Management: Environmental Compliance	-	-	45	45
Monitoring Reporting				
Work Management Systems (WMS)	-	-	200	200
Total	24,345	1,000	8,000	33,345

Anchorage Wastewater Utility
2015 - 2020 Capital Improvement Program
(in thousands)

Project Category	2015	2016	2017	2018	2019	2020	Total
Equipment	4,629	4,323	3,958	3,671	3,443	3,324	23,348
Plant	19,704	14,450	11,620	9,980	13,322	980	70,056
Pipe	9,012	15,427	19,572	22,349	20,235	33,696	120,291
Total	33,345	34,200	35,150	36,000	37,000	38,000	213,695

Funding Source	2015	2016	2017	2018	2019	2020	Total
Debt	24,345	25,200	26,650	28,000	29,500	29,000	162,695
Grants	1,000	1,000	1,000	1,000	1,000	1,000	6,000
Equity/Operations	8,000	8,000	7,500	7,000	6,500	8,000	45,000
Total	33,345	34,200	35,150	36,000	37,000	38,000	213,695

Merrill Field Airport Business Plan

Background

Merrill Field Airport (MRI) is a municipally owned and operated enterprise. It is operated as a city department under the direction of the Municipal Manager.

Services

MRI is a primary commercial service airport and serves as a general aviation reliever for Anchorage International Airport. Home base to 8.7% of all aircraft registered in Alaska, MRI was the 101st busiest airport in the nation in 2013.

Mission

MRI is committed to operating and maintaining a safe and efficient airport that meets the aviation and business needs of the community.

Business Goals

- Enhance the Airport's role as the major general aviation transportation facility serving Anchorage and outlying areas within Alaska by providing services that promote and encourage use of the Airport by the general aviation community.
- Develop an overall Airport strategy, including leasing policies and pricing that attract aviation support services and related businesses to MRI and encourage long and short-term private sector investments.
- Practice sound fiscal management to enable MRI to increase its value, both to its customers and to its owner, the Municipality of Anchorage.
- Take advantage of new technologies to maximize the use and efficiency of available resources.
- Understand and be responsive to our customers to better meet their needs by providing the services and facilities they desire. This includes maintaining those facilities in a fully functional, efficient and safe condition by continually improving their utility, quality, and appearance.
- Maximize the use of Federal Airport Improvement Program (AIP) grants to provide facilities that will safely and adequately meet the needs of general aviation.
- Meet requisite FAA sponsor assurances resultant from AIP grant acceptance.

Strategies to Achieve Goals

MRI's strategic plan provides the following framework to achieve results for the customer:

1. Maintain a proactive anti-noise policy, asking pilots to follow established noise-reducing practice. Maintain a close working relationship and coordinate with FAA ATCT.
2. Maintain positive relations with neighboring Community Councils by encouraging their comments and actively addressing their concerns.
3. Work in close coordination with the Municipal Airports Aviation Advisory Commission, Fixed Based Operators, and Airport users.
4. Continue to aggressively seek and obtain both FAA and State grant funding for the Airport Capital Improvement Program.
5. Provide infrastructure to meet customer demand.
6. Maintain revenues at a level adequate to cover inflation, fund MOA and FAA mandated costs, and meet airport objectives by:
 - a. increasing facility productivity
 - b. adjusting user fees and/or lease rates annually.

7. Minimize expenses by:
 - a. Reducing services where the impact is minimal
 - b. Employing economies of scale whenever possible
 - c. Deferring expenses, within practical limits
 - d. Performing functions in-house when workloads permit.
8. Take advantage of new technology
 - a. Continue refinement and enhancement of existing programs to facilitate better data resource management, including enabling fiber optic cabling and surveillance cameras airport-wide.
 - b. Continue replacing computer hardware, as required, to ensure the efficient processing of data.
9. Maintenance of database and management reporting capabilities.
10. Maintain runways, taxiways, and tie-down aprons in a safe and secure condition.
11. Expediently and systematically remove snow from all surfaces. Ensure Notices to Airmen (NOTAMs) and Air Traffic Information Service (ATIS) are both proactive and current.
12. Continue long term planning, development, and construction of quality airport facilities through the Airport Master Plan process.
13. Provide technical assistance to lessees on issues associated with federally mandated environmental programs.
14. Endeavor to reduce the number of runway incursions (Vehicle/Pedestrian Deviations or VPDs).
15. Manage and develop Orca Street properties to maintain and maximize lease rental revenue.
16. Pursue development of new lease lots and encourage development of commercial aviation facilities on current leaseholds.
17. Perform asphaltic crack sealing of runways/taxiways to extend the life expectancy of these surfaces.
18. Fund pre-grant expenses for engineering services on grant-eligible projects.
19. Enhance the utility of existing tiedown aprons, taxiways, and roadways.
20. Expand aircraft aprons and taxiways as needed to meet demand.
21. Actively market Airport facilities and services.
22. Acquire planned acquisition of identified parcels west of the Runway 16/34 safety area to ensure compatible land use.
23. Identify high priority projects to be included in the FAA 5-Year Airport Capital Improvement Plan (ACIP) allowing MRI to more effectively compete nationally for AIP grant funds.
24. Secure engineering services for project preliminary design, final design, contract specifications, bid award, and construction supervision.

Performance Measures to Track Progress in Achieving Goals

Merrill Field measures progress in achieving these customer commitments using the following set of quantifiable performance measures:

1. Number of surface incidents
2. Number of unfulfilled requests for aircraft parking space – Electrical Drive Through
3. Percentage of lease spaces currently leased
4. Percent of runway pavement above the minimum PCI value of 70
5. Percent of apron pavement above the minimum PCI value of 60
6. Percent of taxiway pavement above the minimum PCI value of 60

Merrill Field Airport
2015 Capital Improvement Budget
(in thousands)

Project Title	Federal Grants	State Grants	Equity/ Operations	Total
Rehab TWY Quebec and Apron Ph 4	938	31	31	1,000
Building Acquisition - City Electric (1)	1,406	47	47	1,500
Update Airport Master Plan Study Ph 2	600	20	20	640
Building Upgrades - 1209 Orca St.	-	-	500	500
Total	2,944	98	598	3,640

(1) Land acquisition has no DBE component.

Merrill Field Airport
2015 - 2020 Capital Improvement Program
(in thousands)

Project Category	2015	2016	2017	2018	2019	2020	Total
Runways and Taxiways	1,000	-	1,000	1,000	1,000	1,000	5,000
Buildings and Equipment	500	-	-	-	-	-	500
Land Improvements	640	1,000	-	-	-	-	1,640
Land Acquisition	1,500	1,000	-	-	-	-	2,500
Total	3,640	2,000	1,000	1,000	1,000	1,000	9,640

Funding Source	2015	2016	2017	2018	2019	2020	Total
Federal Grants	2,944	1,875	938	938	938	936	8,569
State Grants	98	63	31	31	31	32	286
Equity/Operations	598	62	31	31	31	32	785
Total	3,640	2,000	1,000	1,000	1,000	1,000	9,640

Municipal Light & Power Business Plan

Mission

Provide Service with competitive, safe, reliable energy.

Business Goals

- Provide electricity on demand to ML&P customers 24 hours a day 365 days a year
- Meet the needs and expectations of our customers by providing:
 - Competitive rates and reliable service for all customer classes.
 - Prompt, reliable and courteous customer assistance.
 - Support and assistance to the military bases.
 - Support and assistance to wholesale power customers.
- Replace old turbines with more efficient, state-of-the-art turbines capable of achieving over 25% fuel savings.
- Operate the electrical system with optimum economic efficiency and strict adherence to environmental standards.
- Provide for the safety of both the public and our employees in the operation of the electrical system.
- Recruit and retain a highly skilled, diverse workforce dedicated to serving the Anchorage community.
- Improve system reliability by incorporating new components, technologies, and methods of cooperation with interconnected utilities.
- Maintain competitive rates by incorporating cost cutting technologies and streamlining business processes without jeopardizing the financial and operational integrity of the utility.
- Attain the financial objectives established in the Equity Management Plan.
- Promote efficient use of electrical energy.
- Continue to provide educational programs to school children and the community on electrical safety. Communicate factual information to customers and the public-at-large on issues affecting ML&P and the utility industry, including means by which the customer may undertake on their own volition measures to install cost-effective, energy efficient technologies and promote energy conservation.
- Foster teamwork and an integrated approach to decision-making within the utility.
- Maintain equity and earn net income at a level sufficient to continue to pay annual dividends to the Municipality of Anchorage.

Strategies to Achieve Goals

Affordable and competitive rates
Low employee incident rate
Low number of lost work days
Highest possible bond rating
Highest possible net income
Low customer outages and interruptions

Performance Measures to Track Progress in Achieving Goals

1. Quarterly report on Residential Service Rates in Cents per Kilowatt Hour
2. Employee Incident reporting
3. Number of Lost Work Days report
4. Monthly Bond Rating Review
5. Monthly Net Income Statements
6. Annual report on Revenue per Kilowatt Hour Sold
7. As needed performance reporting on customer interruptions and outages

Municipal Light & Power
2015 Capital Improvement Budget
(in thousands)

Project Title	Equity/ Operations	Revenue Bond/ Commercial Paper	Contribution in Aid of Construction	Beluga Contributed	Total
Eklutna Power Plant	300	-	-	-	300
Structures & Improvements - Plant 1/Plant 2	1,250	-	-	-	1,250
Unit 3	100	-	-	-	100
Unit 6	200	-	-	-	200
Unit 7	7,100	-	-	-	7,100
Plant 2A	-	8,000	-	-	8,000
SPP	1,000	-	-	-	1,000
Transformer Services	2,346	-	-	-	2,346
Underground Lines	5,413	-	2,970	-	8,383
Structures & Improvements - General Plant	150	-	-	-	150
Transmission Lines	2,020	-	-	-	2,020
Transmission Stations	6,265	-	-	-	6,265
Meters	600	-	-	-	600
Transportation	460	-	-	-	460
Distribution Equipment	1,850	-	-	-	1,850
Communications	3,055	-	-	-	3,055
Land & Land Rights - Transmission	25	-	-	-	25
Land & Land Rights - Distribution	34	-	-	-	34
Overhead Lines	1,011	-	-	-	1,011
Street Lighting	40	-	-	-	40
Misc Equipment	95	-	-	-	95
Stores/Tools/Lab	425	-	-	-	425
Beluga River Gas Field	-	-	-	13,000	13,000
Total	33,739	8,000	2,970	13,000	57,709

Municipal Light & Power
2015 - 2020 Capital Improvement Program
(in thousands)

Project Category	2015	2016	2017	2018	2019	2020	Total
Production	16,950	7,350	4,000	8,300	1,950	2,800	41,350
Transmission	9,310	2,805	5,684	6,160	1,560	1,290	26,809
Distribution	14,264	12,916	12,301	15,211	10,851	14,456	79,999
General Plant	4,185	3,688	2,505	1,960	2,526	2,278	17,142
Beluga River Gas Field	13,000	13,000	6,000	6,000	3,000	3,000	44,000
Total	57,709	39,759	30,490	37,631	19,887	23,824	209,300

Source of Funding	2015	2016	2017	2018	2019	2020	Total
Equity/Operations	33,739	20,405	16,864	27,857	13,465	17,569	129,899
Revenue Bond/Commercial Paper	8,000	3,300	3,884	-	-	-	15,184
Contribution in Aid of Construction	2,970	3,054	3,742	3,774	3,422	3,255	20,217
Beluga Contributed	13,000	13,000	6,000	6,000	3,000	3,000	44,000
Total	57,709	39,759	30,490	37,631	19,887	23,824	209,300

Port of Anchorage Business Plan

Mission

Provide a modern, safe, and efficient facility to support the movement of goods throughout the State of Alaska.

Core Services

The Port of Anchorage is a landlord port committed to providing safe, efficient, and dependable facilities and support services to our private and public sector customers. The staff of the Port are responsible for maintaining and operating all of the land, docks, and municipal buildings that encompass the Port of Anchorage.

Direct Services

- Provide year-round access to suitable terminals and docks for movement of containers, dry bulk cargo, and liquid bulk cargo to include petroleum products.
- Provide seasonal access to the Small Boat Launch Ramp.
- Plan, develop, and operate facilities to accommodate market growth and modernization.
- Schedule all vessels that call on the Port.
- Provide centralized Port and tenant security services and emergency management leadership.
- As a landlord port, manage short-term permits (revocable use permits) and long-term leases of land and buildings.
- Maintain and ensure uninterrupted 24/7/365 availability of Port owned facilities.
- Ensure environmental quality of the land within the Port boundaries
- Assess and manage the collection of all tariffs and user fees associated with vessels calling on the Port and land tenant operations.
- Manage the Foreign Trade Zone (FTZ) and all FTZ applicants.
- Coordinate U.S. Army Corps of Engineers dredging of channel, turning basin, and dock face dredging to provide for safe commerce.
- Host official U.S. Navy, U.S. Coast Guard, NOAA, foreign navy and Arctic research vessels on behalf of the Municipality of Anchorage.

Goals

- Provide Port operating expertise and management to the Anchorage Port Modernization Project (APMP) with the Port Director and Deputy Port Director serving on the APMP Executive Committee and the Port Engineer serving as Project Administrator.
- Plan for future facility and service needs of business and public entity customers.
- Conduct periodic facility condition surveys to anticipate age-related challenges and to ensure uninterrupted operations and safety.
- Maintain affordable and competitive tariff rates sufficient to cover operating and capital requirements.
- Provide a safe work environment for both employees and tenants.
- Maintain financially sound operating ratios.
- Deliver accurate and timely billings to tenants and customers.

Attachment F - 4

- Provide required level of Port security under U.S. Coast Guard/Homeland Security directives through a consortium of private tenants and the Port.

Performance Measures

Progress in achieving goals will be measured by:

Measure #1: Overtime hours and pay compared to base compensation for current vs prior year.

Measure #2: Operating Net Income YTD for current vs prior year.

Measure #3: Reportable incidents for current vs prior year (# of incidents, loss of time & cost).

Port of Anchorage
2015 Capital Improvement Budget
(in thousands)

Project Title	Debt	State/Fed Grant	Equity/ Operations	Total
Port Modernization	-	350,000	-	350,000
Port Security	-	150	-	150
Power Upgrades	-	-	300	300
Ship Creek Boat Launch & Erosion	-	170	-	170
Terminal Road	-	-	1,500	1,500
Water/Sander/Boiler Truck	-	-	500	500
Wharf Pile Enhancements	-	-	1,500	1,500
Total	-	350,320	3,800	354,120

Port of Anchorage
2015 - 2020 Capital Improvement Program
(in thousands)

Project Category	2015	2016	2017	2018	2019	2020	Total
Buildings and Equipment	950	-	-	-	-	-	950
Land Improvements	1,670	1,500	-	-	-	-	3,170
Port Modernization Plan	350,000	-	-	-	-	-	350,000
Port Expansion	-	1,500	1,500	1,500	3,000	3,000	10,500
Wharf Pile Enhancements	1,500	1,500	1,500	1,500	-	-	6,000
Total	354,120	4,500	3,000	3,000	3,000	3,000	370,620

Funding Source	2015	2016	2017	2018	2019	2020	Total
State/Fed Grants	350,320	1,500	-	-	-	-	351,820
Equity/Operations	3,800	3,000	3,000	3,000	3,000	3,000	18,800
Total	354,120	4,500	3,000	3,000	3,000	3,000	370,620

Solid Waste Services Business Plan

Mission

Provide management of our solid waste resources to create a safe and sustainable waste system for the Municipality of Anchorage (MOA) in a way that is economical and environmentally responsible.

Services

The Refuse Collection Utility provides garbage collection to the service area of the former City of Anchorage, which is approximately 20% of the population of the MOA. Since at least 1952, there has been mandatory service for all occupants of the Refuse Collections Utility service area. The Refuse Collections Utility provides three types of service: commercial dumpster, automated roll cart service, and can and bag service.

The Solid Waste Disposal Utility serves the entire MOA. The services include the disposal of solid waste, the collection of household hazardous waste, and the promotion of community recycling. Municipal solid waste is received at three transfer stations located within MOA. The waste is then transported by the Utility to the Anchorage Regional Landfill for final disposal.

Business Goals

- Provide exceptional customer service for an equitable cost to the customer.
- Ensure facilities are safe for the customers and for Solid Waste Services employees
- Provide proper disposal of hazardous waste for commercial and residential generators.
- Promote community involvement through education and be responsive to the needs and concerns of municipal citizens.
- Use technology to optimize operations.
- Plan and prepare for current and future waste collection and disposal needs.
- Create incentives and programs to promote source reduction first, then recycling, then treatment, and finally disposal as the preferred means to handle waste.
- Research and explore new revenue options.

Strategies to Achieve Goals

Solid Waste Services strategic plan provides a framework to achieve results for customers.

Refuse Collection Utility

1. Reduce refuse volumes by promoting waste reduction and increased curbside recycling diversion.
2. Reduce injuries associated with residential refuse collection.

Disposal Utility

1. Optimize solid waste transfer truck utilization.
2. Set rates that reflect the cost of services while maintaining infrastructure.

Performance Measures to Track Progress in Achieving Goals

Solid Waste Services measures progress in achieving these goals using sets of quantifiable performance measures.

Refuse Collections Utility

1. Percent change in recyclable material diverted from the residential waste stream.
2. Percent change in worker injuries.

Disposal Utility

1. Solid waste transfer truck payload weight.
2. Maintain positive revenue stream.

Solid Waste Services - Disposal
2015 Capital Improvement Budget
(in thousands)

Project Title	Debt	State/Fed Grant	Equity/ Operations	Total
Tractors	401	-	259	660
Trailers	-	-	375	375
Misc Trucks	-	-	35	35
Light Plant	-	-	30	30
Trackless	-	-	160	160
Loader	-	-	650	650
Dozer	-	-	900	900
ARL Leachate Force Main Design	100	-	-	100
ARL Separate LFG Main Header for Blower Bldgs	-	-	250	250
ARL Construct GCCS A-2 Header	-	-	300	300
ARL HHW Fire Doors	-	-	80	80
ARL Alarm Panel Replacement	-	-	15	15
Office Equipment and technology purchase	-	-	25	25
Total	501	-	3,079	3,580

Solid Waste Services - Disposal
2015 - 2020 Capital Improvement Program
(in thousands)

Project Category	2015	2016	2017	2018	2019	2020	Total
Equipment & Vehicles	2,810	6,100	980	2,565	2,115	2,765	17,335
ARL Improvements	745	1,616	1,240	9,057	-	-	12,658
CTS Improvements	-	176	60	280	-	-	516
Office Equipment & Technology	25	25	25	25	25	25	150
Total	3,580	7,917	2,305	11,927	2,140	2,790	30,659

Funding Source	2015	2016	2017	2018	2019	2020	Total
Clean Water Loan	501	930	-	-	-	-	1,431
Commercial Loan	-	-	-	-	-	-	-
Equity/Operations	3,079	6,987	2,305	11,927	2,140	2,790	29,228
Total	3,580	7,917	2,305	11,927	2,140	2,790	30,659

Solid Waste Services - Refuse Collection
2015 Capital Improvement Budget
(in thousands)

Project Title	Debt	State/Fed Grant	Equity/ Operations	Total
Sideloaders	-	-	612	612
Lids	-	-	75	75
Dumpsters	-	-	275	275
Replace Office Equipment	-	-	5	5
Replace Data Processing Equipment	-	-	30	30
Energy Efficient Lighting/emergency	-	-	25	25
Carpet Admin Bldg	-	-	25	25
Total	-	-	1,047	1,047

Solid Waste Services - Refuse Collection
2015 - 2020 Capital Improvement Program
(in thousands)

Project Category	2015	2016	2017	2018	2019	2020	Total
Vehicle Replacement	612	1,960	1,382	663	816	994	6,427
Containers/Dumpsters & Lids	350	350	350	350	350	350	2,100
Office Equipment	5	5	5	5	5	5	30
Data Processing	30	30	30	30	30	30	180
Building Improvements	50	-	-	-	-	-	50
Total	1,047	2,345	1,767	1,048	1,201	1,379	8,787

Funding Source	2015	2016	2017	2018	2019	2020	Total
Equity/Operations	1,047	2,345	1,767	1,048	1,201	1,379	8,787
Total	1,047	2,345	1,767	1,048	1,201	1,379	8,787