

CITY OF ANCHORAGE

1964

BUDGET

GENERAL FUND REVENUES

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1964 BUDGET
GENERAL FUND REVENUES

	Actual Revenue 1961	Actual Revenue 1962	Original Approved Budget 1963	Adjusted Budget 1963	City Manager Budget Recommendation 1964	Council Approved Budget 1964
1100 Real Property Taxes	1,700,726	1,703,421	1,770,000	1,797,000	1,890,000	2,079,000
1101 Personal Property Taxes	433,180	400,054	420,000	420,000	440,000	484,000
1110 PILOT-Utilities & Parking Lots	411,073	411,300	469,021	471,109	381,221	397,093
1111 Other PILOT	34,904	36,702	38,000	38,000	38,000	38,000
1112 Gas Franchise Tax	-0-	2,055	28,000	22,700	54,200	54,200
1120 Building Permits	55,246	81,953	70,000	70,000	75,000	75,000
1121 Street Use Permits	1,425	2,244	1,800	1,800	2,000	2,000
1122 Licenses on Amusement Devices	13,547	17,489	17,500	17,500	18,000	18,000
1123 Building & Trade Licenses	8,375	8,923	9,000	9,000	9,500	9,500
1124 Chauffeur's Licenses	5,095	3,390	4,000	4,000	4,000	4,000
1125 Other Business Licenses	16,260	15,678	16,000	16,000	16,000	16,000
1126 Animal Licenses	2,261	5,970	6,000	6,000	6,000	6,000
1127 Taxi Zone & Terminal Fees	5,850	7,610	7,400	7,400	7,500	7,500
1128 Parking Meters	115,553	116,205	120,000	120,000	125,000	125,000
1129 Liquor Handler's Permits	2,034	2,533	2,300	2,300	2,500	2,500
1130.1 Court Fines & Forfeitures	304,030	384,600	125,000	125,000	135,000	135,000
1130.2 Traffic Violations *			235,000	250,000	265,000	265,000
1131 Penalty & Interest	27,300	29,823	25,000	25,000	30,000	30,000
1140 Interest Revenue	36,652	43,075	30,000	30,000	40,000	40,000
1141 Rentals to Utilities	57,900	57,900	57,900	57,900	36,900	36,900
1142 Other Rental Revenue	6,280	3,154	12,800	12,800	17,300	17,300
1143 Merrill Field Leases	40,934	48,537	55,000	60,000	60,000	60,000
1150 Alaska Liquor Licenses	92,509	91,350	100,000	100,000	100,000	100,000
1151 Alaska Business Licenses	380,111	366,232	400,000	400,000	400,000	400,000
1152 Fish Tax	4,199	-0-	2,000	660	3,500	3,500
1153 Loussac Foundation Grant	28,650	27,850	28,050	28,050	21,256	21,256
1154 Aviation Fuel Tax	-0-	3,685	7,000	7,000	7,000	7,000
1160.1 Garbage - Billing	347,741	367,834	390,000	373,300	430,000	430,000
1160.2 Garbage Dump Receipts				6,800	10,000	10,000
1160.3 Garbage Dumpmaster Rentals				17,600	18,000	18,000
1161 Sewer Connections	38,952	55,556	50,000	50,000	50,000	50,000
1161.1 Sewer Use Charges	-0-	148	500	500	500	500
1162 Recreation Activities	2,509	5,386	7,000	10,000	15,000	15,000
1163 Library	5,821	8,044	6,800	6,800	7,000	7,000

*Combined with Court 1961 and 1962

CITY OF ANCHORAGE

General Fund Revenues - Continued

	<u>Actual Revenue 1961</u>	<u>Actual Revenue 1962</u>	<u>Original Approved Budget 1963</u>	<u>Adjusted Budget 1963</u>	<u>City Manager Budget Recommendation 1964</u>	<u>Council Approved Budget 1964</u>
1164 Library Outside City	3,873	4,591	3,600	3,600	4,000	4,000
1165 Merrill Field Gas Tax	8,006	9,952	9,000	10,000	11,000	11,000
1166 Platting & Subdivision Fees	2,225	2,921	3,000	4,000	3,500	3,500
1167 Cemetery Fees	7,751	9,202	8,000	9,000	9,000	9,000
1168 Sewer Use Permits	3,927	1,100	1,400	1,400	1,400	1,400
1170 Sale of Property	59,738	573	30,000	30,000	600,000	-0-
1171 Miscellaneous Revenues	38,893	52,534	95,000	95,000	5,000	5,000
1180 Contribution - Telephone	328,719	309,130	331,637	228,495	489,953	489,953
1181 Contribution - Electric	435,273	450,870	605,436	597,782	638,279	638,279
1182 Contribution - Water	79,447	84,880	109,215	109,059	111,187	111,187
Parks Reserve Appropriation			28,700	28,700	25,000	25,000
Off-Street Parking Reserve Appropriation				122,000		
Surplus Appropriation	<u>-0-</u>	<u>-0-</u>	<u>218,000</u>	<u>303,172</u>	<u>83,087</u>	<u>83,087</u>
TOTALS	5,146,969	5,234,504	5,954,059	6,106,427	6,696,783	6,345,655

GENERAL FUND REVENUE INFORMATIONGeneral Property Taxes

A 10-mill City tax rate at 70% valuation has been used for the preparation of this budget. Estimated valuation for the 1964 Real Property Roll is \$189,000,000; Personal Property is \$44,000,000. This shows an increase over the 1963 Rolls of 9 million for Real and 2 million for Personal. Council adjusted to 11-mill rate.

Payments in Lieu of Taxes, Utilities

The City owned telephone and water utilities are charged a payment in lieu of taxes equivalent to that which would be paid if the utilities were privately owned. The payment in lieu of taxes is computed for the Electric Utility on the basis of 2% of the gross operating revenue. This puts the Electric Utility in a position of paying in lieu of taxes on the same basis as Chugach Electric Association, Inc. The estimated 1963 gross operating revenue for the Electric Utility is \$3,136,000 @ 2% equals \$62,720. Seventy percent of the estimated net plant value, as of January 1, 1964 is used as the assessed value for telephone and water. In past years 100% of net plant value has been used. This reduction from 100% to 70% represents a reduction of General Fund Revenue of \$137,331. Payment is computed at 23 mills. Revenues to be obtained are as follows:

Telephone UtilityCouncil Adjustments

Estimated Gross Plant	\$ 13,448,650		
Less Depreciation Reserve	<u>3,040,283</u>		
	\$ 10,408,367		
70% equals	7,285,856		
@ 23 mills equals	167,575	24 mills	174,860

Water Utility

Estimated Gross Plant	\$ 11,187,257		
Less Depreciation Reserve	<u>1,692,445</u>		
	\$ 9,494,812		
70% equals	6,646,368		
@ 23 mills equals	152,867	24 mills	159,513

The payment in lieu of taxes on City owned off-street parking lots which was levied in the amount of \$2,200 in 1963 has been eliminated in the 1964 budget since this levy acts only as a transfer within the General Fund and has not been consistent with proper values on off-street parking property.

Other Payments in Lieu of Taxes

Alaska State Housing Authority makes payments in lieu of taxes on certain rental property operated by the Government as a proprietary facility. The 1964 Revenue from this source is estimated to be \$8,000.

Chugach Electric Association, Inc. pays 2% of gross operating revenue to the State of Alaska. This is refunded to the City based upon the percentage of distribution facilities located within the City. 1964 revenue is estimated to be \$30,000 from this source.

Gas Franchise Tax

Anchorage Natural Gas, Inc. pays a franchise tax to the City equal to two percent of gross revenue. Anchorage Natural Gas has estimated the 1964 franchise tax to be \$54,200 based upon anticipated 1963 revenues.

Building Permits

This revenue is derived from fees charged by the Building Inspector's office for various types of permits to construct, excavate, demolish, or move. The 1964 revenue is estimated on the basis of a reasonable increase consistent with prior years.

Street Use Permits

A fee for Police escort of wide loads is established at \$10 per move. It is estimated that 200 such fees will be collected during 1964.

Licenses on Amusement Devices

The City licenses recreational non-gambling card games at the rate of \$125 per year for each establishment. In addition, a quarterly fee of \$25 per table is charged for these establishments. Three such establishments are estimated for 1964 for a total revenue of \$375. Nine card tables for each quarter will be issued licenses for fees of \$225 per quarter. Total annual revenue from the quarterly table fee is \$900. A refund from the State representing 50% of tax collected on coin operated amusement and gaming devices is estimated to be \$17,100 during 1964.

Building and Trade Licenses

Building contractors subject to regulations of the building code are issued regulatory licenses to cover the cost of regulation. These licenses are issued for \$25 each.

Chauffeur's Licenses

Taxi and bus drivers are issued new licenses for \$25 which are renewable for \$5.

Other Business Licenses

All businesses that affect public health or require other regulation in the interest of public safety are licensed. The annual fees vary from \$5 to \$150. Changes of ownership also require that an additional fee be paid.

Animal Licenses

Dog license fees are \$2 per male and spayed female, and \$5 per female. Also, 25¢ is charged for replacing tags. During 1962, an aggressive campaign was waged to license all animals within the City which resulted in nearly doubling the revenue for this program. Such a house-to-house program is anticipated again in 1964.

Taxi Zone and Terminal Fees

Each licensed taxicab company is charged \$100 per year per cab, or \$30 per quarter if paid quarterly. The total number of taxicabs presently authorized within the City may not exceed forty-seven. Additionally, busses, airline service vehicles, and driverless vehicles are charged minor fees for operation within the City.

Parking Meter Collections

Revenue received from parking meters is reserved for development of off-street parking facilities, purchase of additional street meters and maintenance of parking meters and City owned parking lots. The revenue estimate for 1964 is based on 1450 street meters and 515 parking lot meters, and is a slight increase over 1963.

Liquor Handler's Permits

Employees who dispense liquor for consumption in the establishment are required to secure a permit from the Police Department. The fee is \$5 for the first year and \$1 for yearly renewals.

Court Fines and Forfeitures

Fines levied by the District Magistrate's Court accrue to the City of Anchorage. In addition, monies paid to the City resulting from moving and non-moving violations and collected by the Traffic Violations Section of the City Treasurer's Division are credited to General Fund Revenue. The rapid increase of revenues from these sources is the direct result of greater traffic enforcement by the Police Department, improved accounting for and collection of citations, and a more vigorous prosecution of cases by the Law Department. During 1963 this account, which in the past was used to record revenue from both sources, was split so as to provide a better identification of actual source of revenue.

Penalties and Interest

Delinquent property taxes and special assessments are charged a penalty of 10% and 8% respectively and an additional 8% interest on the amount due for the period of delinquency.

Interest Revenue

Monies in the General Fund which are not immediately needed are placed on time deposit with local banks, or in short term Government securities. The interest received therefrom is credited to this account. A 33% increase in this revenue is anticipated as the result of improved investment practices by the City Treasurer.

Rentals to Utilities

Buildings and properties which are included in the general fund fixed assets are rented to the utilities at commercial rental rates. These buildings include the City electrical building at Third and Post Road, that portion of the City Hall utilized in utility billing and collection, and that portion of the Annex utilized by the Municipal Light and Power Department. The electrical building is rented for \$750 per month, the Annex at \$1,000 per month for an estimated 9 months in 1964, and various substation sites at \$75 per month. The warehouse has in the past been rented to the Purchasing and Warehouse Account at \$2,500 per month. However, in recent years the entire cost of maintenance and operation of that building has been charged directly to the Purchasing and Warehouse activity. Further, a review of past accounts indicates that the entire City cost of the building has been repaid through such rental, consequently the rental charge has been dropped in 1964. The City Hall space is charged at \$18,000 per year. Annual rental on the City Hall is charged as follows: Telephone - \$7,920; Electric - \$7,920; Water - \$2,160.

Other Rental Revenue

Properties owned by the City and leased include eight parcels of land at Lake Spenard, the Denali School site, and other property not immediately needed for municipal purposes. The lease of City-owned property for use as an off-street parking lot will increase the 1964 Revenue by approximately \$4,300.

Merrill Field Leases

Lease revenue at Merrill Field is received from 28 tenants. The increased rental in lieu of sewer assessments is credited directly to the special assessment fund.

Alaska Liquor Licenses

Alaska statutes provide for refund to municipalities of fees paid by liquor establishments in the State. The law provides that the following fees are refunded in full to the municipalities wherein the establishments are located:

Beverage Dispensary	\$ 1,000
Retail Stores with gross sales less than \$20,000	300
Retail Stores with gross sales in excess of \$20,000	600
Beer and Wine (Restaurants)	300
Clubs with gross sales less than \$5,000	200
Clubs with gross sales in excess of \$5,000	400

Alaska Business Licenses

Alaska statutes provide for a gross business tax to be collected by the State with a portion to be refunded to municipalities. Licenses are issued annually and initial fees must be paid not later than June 30 of the license year. The license fee for each business is \$25 plus a sum equal to 1/2 of 1% of gross receipts in excess of \$20,000 during the year. All gross receipts in excess of \$100,000 are taxed at the rate of 1/4 of 1%. Taxes are refunded to: incorporated cities, public utility districts, and independent school districts at the rate of 60% of all money collected within the incorporated area.

Fish Tax

Alaska statutes provide for a refund to municipalities wherein fisheries or canneries are operated. Ten per cent of the tax revenues collected within the municipality is refunded.

Aviation Fuel Tax

Alaska statutes provide that 60% of the proceeds from State taxes on aviation fuel shall be refunded to any municipality owning and operating an airport, in the proportion that such revenue was collected at the municipal airport.

Loussac Foundation Grant

The Z. J. Loussac Public Library was constructed from general obligation bonds which, by agreement, are to be repaid by the Loussac Foundation. The source of revenue represents the bond interest in the amount of \$6,256 and principal of \$15,000 to be paid in 1964. The considerable reduction in this grant from 1963 results from the refunding of the outstanding Library bonds at a lesser rate of interest.

Garbage Collection Service Fees

The Anchorage Code of Ordinances provides that all persons in the City are required to use the garbage disposal system provided by the City. The City itself has undertaken the collection of garbage, rubbish, and ashes. The operation of the City dump is contracted. The rates for garbage collection are established by the City Manager subject to the approval of the City Council. The rates were revised effective January 1, 1961. Dumpmaster cans are purchased by the City and are available for rent to customers who have a large quantity of trash or garbage. The rental rate is calculated so as to amortize the City's investment, plus a small interest factor, in ten years.

Due to recent negotiations with private firms regarding the franchising of portions of the City to garbage contractors which at time of final budget preparation have not been entirely resolved, this revenue forecast and expenditure needs shown elsewhere in this budget have been based upon the same service areas covered by the municipal service in 1963. Should extension of municipal service be made to the Turnagain area, an upwards revision of both revenues and expenditures would be required.

A re-evaluation of all current collection rates is being conducted. It is anticipated that a proper adjustment of such rates will be presented to Council early in 1964.

Sewer Connection Charges

These charges represent the cost of material and labor of the City to establish connections between private sewer lines and the City sewer lines. It is anticipated that 1000 new connections at \$50 each will be made during 1963. This revenue is offset by the cost of installations in the sewer expense account.

Sewer Use Charges

During 1961 the City instituted a sewer use charge for those properties located outside the City which are being served by City sanitary sewer. The total revenue from this source is presently minor.

Recreational Activities

Ice skates owned by the City are rented by the Recreation Department for 75¢ a pair to patrons of the City ice rink. Approximately sixty pair are available for rental during skating season. In addition, a charge of 25¢ per person for all adults is charged for use of the rink. Romig Hill ski tow receipts and concession fees at Goose Lake are included. The 1963 and 1964 revenues show a marked increase over prior years due to the rental of facilities of the Anchorage Community Center, acquired during 1962 and operated by the Parks and Recreation Department. During 1964 the revenue from the special classes held by the department and the Lion's Trailer Park receipts are included.

Library

The library charges fines for books which are not returned on the due date. In addition, individuals leave the City without claiming their library deposit of \$2 per card. The deposits on expired cards are transferred periodically to this revenue account. In 1957 the Council established a separate charge to non-residents for use of the library. Revenue from this source is estimated at \$4,000 for 1964.

Merrill Field Gasoline Tax

The gasoline tax revenue is based on a two cent per gallon tax on aviation gasoline sold at Merrill Field by private operators. During 1964 it is estimated that 480,000 gallons of gasoline will be sold.

Platting and Subdivision Fees

The Planning Department charges fees for special services. The estimated volume is 52 petitions for subdivisions and replats at \$27 each, 15 petitions for street vacations at \$60 each and 25 petitions for zoning exceptions at \$25 each.

Cemetery Fees

These fees represent the cost of opening the graves plus a permit and grave space fee. Winter burials are charged \$100 for each grave opening while openings made during the summer months are charged \$50.

Sewer Use Permits

As a health and regulatory measure a fee is charged cesspool pumper tank trucks for dumping in City sewers. Due to the construction of sanitary sewer systems, both inside and outside the City, the revenue from this source is gradually decreasing.

Sale of Property

Blocks 18 and 19, Original Townsite, along with a considerable variety of lesser parcels of land, are owned by the City without restriction and have no present or anticipated future use to the City. It is proposed in this budget that such land be sold at fair market value in 1964 to accomplish two basis purposes: (1) Place all available property in private ownership in order to make commercial development possible and give an increase so urgently needed to the general tax base; (2) Secure a source of revenue to temporarily relieve the increasing cost of government. Council eliminated land sales as source of operating income.

Miscellaneous Revenues

In past years the approximate \$30,000 received from the Anchorage Independent School District as their share of the cost of collection for taxes collected for the District has been budgeted as miscellaneous revenue. Due to the fact that this sum represents the sharing of Treasury Division cost and is not a revenue as such, it has been included in the 1964 budget under account 1207, Treasury, as a charge to other agencies. In 1963 approximately \$75,000 was received as the result of liquidation of the Fairview P.D.O. Therefore, the \$5,000 budgeted for 1964 represents only the estimated receipts from the overhead on reimbursable works.

Contribution from Utilities

Contributions from the utility funds represent a fair cash dividend from the three utilities that are owned and operated by the City of Anchorage. The contribution can be compared with cash dividends that are issued to private utility stock holders. This dividend is paid into general fund revenue after allowances are made for increasing the equity capitalization of each utility plant, either through construction of new facilities from current revenues or retirement of bonds. The Formula, as adopted by the City Council in 1955, follows a normal commercial practice of fixing the rate of return in proportion to the total plant investment.

Telephone Utility

During Council deliberations in 1963 regarding the sale of \$6,000,000 Telephone Bonds it was determined that the contribution to the General Fund from the Telephone Utility should, in future years, be computed on the basis of an 8% increase over the 1963 adjusted contribution. On this basis the calculation is as follows:

1963 Anticipated Contribution	\$345,408	Final adjusted 1963 \$228,495
Plus 8% Increase	<u>27,632</u>	due to deficit in Telephone.
	\$373,040	
Plus 1963 Shortage	<u>116,913</u>	
	\$489,953	

Electric Utility

Since the Electrical Utility has no bond payments to repay during 1964, the entire amount of the 8% of gross plant is available as a cash transfer to the General Fund. Although the utility will, during 1964, pay a considerable sum toward the installment purchase of the second Gas Turbine Generator, this sum has not been treated as a reduction to the contribution since the value of the new plant has not been included in gross plant value as of December 31, 1963. Computation for the contribution of the Electric Utility to the General Fund is as follows:

Gross Plant Value December 31, 1963	\$8,163,030
Less Value of Traffic Signals rented to General Fund	<u>184,546</u>
	\$7,978,484
@ 8%	<u>.08</u>
Net Available for Contribution	\$ 638,279

Water Utility

Based upon past precedent the contribution from the Water Utility is computed at 1% of gross plant value, estimated to be \$11,187,257 at December 31, 1963.

Surplus Appropriation

The entire estimated General Fund surplus at years end is customarily appropriated for use during the following year. The estimated \$200,000 surplus appropriation is based upon the balance of the 1963 contingency fund plus the planned reclassification of leave reserve funds to surplus at December 31, 1963, resulting from the City's new method of budgeting salaries. The remaining balance of \$25,000 of the Special Reserve for Parks and Recreation is likewise appropriated for use to purchase land. It is noted that the appropriation of \$122,000 from the Reserve for Off-Street Parking in 1963 provided for land purchase. No need exists for a similar use of this reserve in 1964.