

CITY OF ANCHORAGE

1965

BUDGET

GENERAL FUND REVENUES

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## GENERAL FUND REVENUES

	Actual Revenue 1962	Actual Revenue 1963	Original Approved Budget 1964	Adjusted Budget 1964	City Manager Budget Recommendation 1965	Council Approved Budget 1965
1100 Real Property Taxes	1,703,421	1,799,313	2,079,000	1,941,000	2,574,500	2,276,400
1101 Personal Property Taxes	400,054	433,864	484,000	469,000	465,500	361,600
1110 PILOT-Utilities	411,300	471,109	397,093	386,493	424,620	424,620
1111 Other PILOT	36,702	33,361	38,000	38,000	40,000	40,000
1112 Gas Franchise Tax	2,055	22,710	54,200	45,200	59,000	59,000
1120 Building Permits	81,953	83,731	75,000	65,000	93,000	93,000
1121 Street Use Permits	2,244	1,774	2,000	2,000	1,500	1,500
1122 Licenses on Amusement Devices	17,489	12,780	18,000	15,000	14,900	14,900
1123 Building & Trade Licenses	8,923	9,765	9,500	9,500	9,500	9,500
1124 Chauffeur's Licenses	3,390	3,537	4,000	3,000	4,000	4,000
1125 Other Business Licenses	15,678	15,464	16,000	16,000	16,000	16,000
1126 Animal Licenses	5,970	2,533	6,000	3,500	6,000	6,000
1127 Taxi Zone & Terminal Fees	7,610	6,350	7,500	5,500	6,400	6,400
1128 Parking Meters	116,205	116,028	125,000	100,000	100,000	100,000
1129 Liquor Handler's Permits	2,533	2,179	2,500	2,500	2,500	2,500
1130.1 Court Fines & Forfeitures	384,600	112,564	135,000	130,000	135,000	135,000
1130.2 Traffic Violations		254,353	265,000	230,000	255,000	255,000
1131 Penalty & Interest	29,823	33,938	30,000	29,000	35,000	35,000
1140 Interest Revenue	43,075	24,605	40,000	1,500		
1141 Rental to Utilities	57,900	57,900	36,900	36,900	18,900	18,900
1142 Other Rental Revenue	3,154	7,243	17,300	17,300	37,600	37,600
1143 Merrill Field Leases	48,587	58,005	60,000	60,000	57,780	57,780
1150 Alaska Liquor Licenses	91,350	94,600	100,000	84,000	100,000	100,000
1151 Alaska Business Licenses	366,232	380,212	400,000	375,000	400,000	400,000
1152 Alaska Cannery Tax		667	3,500	3,500	2,500	2,500
1153 Loussac Foundation Grant	27,850	27,105	21,256	21,256	26,012	26,012
1154 Aviation Fuel Tax	3,685	3,605	7,000	7,000	7,800	7,800
1161 Sewer Connections	55,556	21,356	50,000	20,000	30,000	30,000
1161.1 Sewer Use Charges	148	439	500	500	600	600
1162 Recreation Activities	5,386	10,791	15,000	9,000	7,300	7,300
1163 Library	8,044	6,992	7,000	7,000	8,000	8,000

General Fund Revenues - continued

	Actual Revenue <u>1962</u>	Actual Revenue <u>1963</u>	Original Approved Budget <u>1964</u>	Adjusted Budget <u>1964</u>	City Manager Budget Recommendation <u>1965</u>	Council Approved Budget <u>1965</u>
1164 Library Outside City	4,591	4,386	4,000	1,115	- -	- -
1165 Merrill Field Gas Tax	9,952	11,394	11,000	13,000	13,000	13,000
1166 Platting & Subdivision Fees	2,921	3,975	3,500	3,500	3,500	3,500
1167 Cemetery Fees	9,202	9,043	9,000	9,000	12,000	12,000
1168 Sewer Use Permits	1,100	1,220	1,400	1,400	1,000	1,000
1170 Sale of Property	573	14,564	- -	3,000	- -	- -
1171 Miscellaneous Revenues	52,534	134,895	5,000	30,599	5,000	5,000
1180 Contribution - Telephone	309,130	228,495	489,953	489,953	402,880	402,880
1181 Contribution - Electric	450,870	597,782	638,279	638,279	625,603	625,603
1182 Contribution - Water	84,880	109,059	111,187	111,187	114,177	114,177
1183 Parks Reserve Appropriation			25,000	25,000	- -	- -
1184 Surplus Appropriation			83,087	153,432	- -	- -
1185 Off-Street Parking Reserve				53,000	47,700	47,700
1186 Alaska Transitional Grant				331,000	446,000	446,000
<b>TOTALS</b>	<u>4,866,670</u>	<u>5,223,686</u>	<u>5,887,655</u>	<u>5,997,114</u>	<u>6,609,772</u>	<u>6,207,772</u>

Refuse collection revenues  
not included above since this  
shown as separate Fund in  
1965.

367,834	401,554	458,000	432,000
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Council Review - General Property Taxes

- |   |           |            |
|---|-----------|------------|
| 1. Council reduced tax mill levy from 9.5 to 8.4 on a 100% assessed valuation basis resulting in a revenue reduction of | - - - - - | \$ 352,000 |
| 2. Household Personal Property taxes have been waived resulting in a reduction of                                       | - - - - - | 50,000     |
| 3. Total Reduction  | - - - - - | \$ 402,000 |

GENERAL FUND REVENUE INFORMATIONGeneral Property Taxes, 1100 and 1101

A 9 1/2-mill City tax rate at 100% valuation has been used for the preparation of this budget. Estimated valuation for the 1965 Real Property Roll is \$271,000,000; Personal Property is \$49,000,000. These values are based upon a combined replacement cost - market approach and will include changes over the 1964 assessed values due to a new overall evaluation as well as earthquake losses. Three-fourths mill is designated for working capital. See Council Adjustment information on page 34.

Payments in Lieu of Taxes, Utilities, 1110

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, Incorporated. The estimated 1964 gross operating revenue for the Electric Utility is \$3,319,000 @ 2% equals \$66,380. One hundred percent of the estimated net plant value, as of January 1, 1965 is used as the assessed value for telephone and water. Payment is computed at 18 mills. Revenues to be obtained are as follows:

Council Review

These items are subject to change based on final determination of City, Borough and School District taxes.

Telephone Utility

Estimated Gross Plant	\$ 13,972,917
Less Depreciation Reserve	<u>3,534,154</u>
	\$ 10,438,763
@ 18 mills equals	187,900

Water Utility

Estimated Gross Plant	\$ 11,417,668
Less Depreciation Reserve	<u>1,954,282</u>
	\$ 9,463,386
@ 18 mills equals	170,340

Other Payments in Lieu of Taxes, 1111

Alaska State Housing Authority makes payments in lieu of taxes on certain rental property operated by the Government as a proprietary facility. The 1965 Revenue from this source is estimated to be \$10,000.

Chugach Electric Association, Incorporated 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. 1965 revenue is estimated to be \$30,000 from this source.

Gas Franchise Tax, 1112

Anchorage Natural Gas, Inc. pays a franchise tax to the City equal to two percent of gross revenue. Anchorage Natural Gas has estimated the 1965 franchise tax to be \$59,000 based upon anticipated 1964 revenues.

Building Permits, 1120

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 1965 revenue is estimated at \$93,000 by the Building Official.

Street Use Permits, 1121

A fee for Police escort of wide loads is established at \$10 per move. It is estimated that 150 such fees will be collected during 1965.

Licenses on Amusement Devices, 1122

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 1965 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 \$14,000 during 1965.

Building and Trade Licenses, 1123

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. The City Clerk estimates a \$9,500 revenue from this source in 1965.

Chauffeur's Licenses, 1124

Taxi and bus drivers are issued new licenses for \$25 which are renewable for \$5. The Police Chief has estimated 1965 revenue to be \$4,000.

Other Business Licenses, 1125

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. The repeal by council of the ordinance requiring certain businesses do obtain a Special Dance License results in an estimated \$16,000 revenue in 1965.

Animal Licenses, 1126

Dog license fees are \$2 per male and spayed female, and \$5 per female. Also, 25¢ is charged for replacing tags. An aggressive campaign has been waged in recent years to license all animals within the City which has resulted in increased revenues for this program. Such a house-to-house program is anticipated again in 1965.

Taxi Zone and Terminal Fees, 1127

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. The City Clerk estimates the 1965 revenue from this source to be \$6,400.

Parking Meter Collections, 1128

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, as well as traffic engineering and traffic control devices. The revenue estimate for 1965 is based on 1221 street meters and 494 parking lot meters, which reflects the destruction of the Fourth Avenue area and resulting loss of meters. \$100,000 revenue is anticipated for 1965.

Liquor Handler's Permits, 1129

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. The Police Chief estimates 1965 revenue at \$2,500.

Court Fines and Forfeitures, 1130.1 and 1130.2

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. 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. The loss of some parking meters during the earthquake will result in a slight reduction of revenue from non-moving violations.

Penalties and Interest, 1131

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. The transfer of the tax assessment and collection function to the borough in 1965 is not expected to affect this City revenue as all such interest and penalties will continue to accrue to the City.

Interest Revenue, 1140

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. It is expected that no such idle dollars will be available in 1965 for deposit. Short term borrowing for working capital may, in fact, be necessary.

Rentals to Utilities, 1141

Buildings and properties which are included in general fund fixed assets are rented to the utilities at commercial rental rates. These buildings include that portion of the City Hall utilized for utility customer service and collection as well as the various substation sites rented to the Municipal Light and Power Department at \$75 per month. 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. Since the Municipal Light and Power Department now occupies its own building, revenue from its use of general fund buildings in the past is eliminated.

Other Rental Revenue, 1142

Properties owned by the City and leased include land at Lake Spenard, the Denali School site, and other property not immediately needed for municipal purposes. The Greater Anchorage Health District rents a city building @ \$12,000 per year. In prior years this has been shown as a credit in the expenditure budget for health. Since the Greater Anchorage Area Borough will in 1965 recognize the city health cost, this rental revenue is shown in this account. Anticipated 1965 revenue which will include rental income from the use of the Community Center Building by GSA is estimated to equal \$25,600.

Merrill Field Leases, 1143

City property at Merrill Field is leased. The portion of the rental which covers sewer assessments is credited directly to the special assessment fund. 1965 revenue is estimated by the property management offices at \$57,780.

Alaska Liquor Licenses, 1150

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

Estimated revenue in 1965 is \$100,000

Alaska Business Licenses, 1151

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. 1965 revenue is estimated at \$400,000.

Fish Tax, 1152

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. 1965 estimated revenue - \$2,500.

Loussac Foundation Grant, 1153

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 to be paid in the amount of \$6,012 and principal of \$20,000 to be paid in 1965.

Aviation Fuel Tax, 1154

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. 1965 revenue is estimated by the Airport Manager at \$7,800.

Garbage Collection Service Fees

This revenue, previously shown as general fund, is included in a separate section of the budget in 1965--  
Refuse Collection.



Sewer Connection Charges , 1161

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 600 new connections at \$50 each will be made during 1965. This revenue is offset by the cost of installations in the sewer expense account.

Sewer Use Charges, 1161.1

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 approximates \$600.

Recreational Activities, 1162

The Parks and Recreation Department estimates revenue from the following during 1965:

Community Center	\$ 5,000
Winter Recreation	1,000
Lions Camper Park	800
Concession Receipts	500
	<u>\$ 7,300</u>

Library, 1163

The Library charges fines for books which are not returned on the due date. During 1964, Council acted to eliminate Library security deposits. Total 1965 estimated revenue is \$8,000.

Merrill Field Gasoline Tax, 1165

The gasoline tax revenue is based on a two cent per gallon tax on aviation gasoline sold at Merrill Field by private operators. During 1965 it is estimated that 650,000 gallons of gasoline will be sold for a total revenue of \$13,000.

Platting and Subdivision Fees, 1166

The Planning Department charges fees for special services, including petitions for subdivisions and replats, petitions for street vacations, and petitions for zoning exceptions. The Planning Director estimates 1965 revenue to be \$3,500 with the note that this estimated revenue will be reduced if the planning and zoning function is transferred to the Borough during 1965.

Cemetery Fees, 1167

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. 1965 revenue is estimated at \$12,000 by the Public Works Department.

Sewer Use Permits, 1168

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. 1965 estimated revenue - \$1,000.

Sale of Property, 1170

In accordance with Council policy, no land sales as a source of operating income in 1965 are anticipated.

Miscellaneous Revenues, 1171

The \$5,000 budgeted for 1965 represents the estimated receipts from the overhead on general reimbursable projects.

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. Presently, this contribution for each utility is calculated on a different basis. While there is little question over the validity of a contribution of the profits to the owners of a utility, there are a variety of opinions as to the method this profit or return should be calculated. It is urged that consideration be given to the provision for an independent review during 1964 by outside consultants and the designation of new, long-range policies covering a reasonable return to the General Fund as owner of the various municipal utilities.

Telephone Utility, 1180

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
Plus 8% Increase	<u>27,632</u>
1964 Contribution (Base)	\$ 373,040
Plus 8% Increase	<u>29,840</u>
1965 Contribution	\$ 402,880

Electric Utility, 1181

In past years the contribution to the General Fund from the Electric Utility has been calculated on gross plant less traffic signals rented to the General Fund times 8%. Since in 1965 the utility will pay \$186,193 on the lease-purchase agreement covering the second gas turbine generator, this payment, which reflects an equity increase to the utility, acts to reduce the contribution.

Gross Plant Value December 31, 1964	\$10,364,160
Less Value of Traffic Signals rented to General Fund	216,716
	\$10,147,444
@ 8%	.08
	\$ 811,796
Less Gas Turbine Payments (Equity Increase)	186,193
Net available for contribution	\$ 625,603

Water Utility, 1182

Based upon past precedent the contribution from the Water Utility is computed at 1% of gross plant value, estimated to be \$11,417,668 at December 31, 1964.

Surplus Appropriation, 1184

The entire estimated General Fund surplus at year's end is customarily appropriated for use during the following year. At the time of budget preparation, no such surplus is anticipated to be available at the end of 1964 for appropriation.

Off-Street Parking Reserve Appropriation, 1185

Section 19-149 (c) of the Code of Ordinances provides that parking meter receipts will be used to defray the costs of parking and traffic. Since the 1965 traffic budget exceeds the budgeted revenue from parking meters, the remaining balance of the off-street parking reserve is appropriated. This will use up and eliminate the off-street parking reserve.