

ANNUAL BUDGET



Telephone
Utility

The revenue projections of this budget were based on approximately 10% station growth and the present 6.93% surcharge on all Local Services, except Coin Telephones. The 6.93% surcharge is the result of an Order issued by the Alaska Public Utilities Commission and still leaves the Utility with a deficiency in excess of a million dollars. The APUC Order, however, has been appealed to the Superior Court but unfortunately it will be some months before the case will be heard.

All labor costs were computed on present wages and did not take into account the fact that the Utility will negotiate a new contract with the IBEW effective next May 15. It should be noted that any change to this contract in wages would have a noticeable effect on the budget due to the highly labor-sensitive nature of the Utility.

With the growth we anticipate and the desire to meet service demands with the ultimate in telephone service, the operating expenses will continue to be on the increase. However, the increase in excess of \$2,200,000 in operating expenses for Fiscal Year 1977 over Fiscal Year 1976 is more than covered by the increase of almost \$4,000,000 in operating revenues for Fiscal Year 1977 over Fiscal Year 1976.

The major event for the Telephone Utility in 1977 will be the activation of a new wire center in the vicinity of International Airport. This new wire center will be served by the very latest state of the art 11,000-line electronic central office. All customers served from this new office will probably notice the improved service and for the first time will have custom calling features available to them.

MUNICIPALITY OF ANCHORAGE

Enterprise Activities - Anchorage Telephone Utility				Unappropriated Retained Earnings		PAGE
						941
ACC'T. NO.	CLASSIFICATION	1975 ACTUAL	1976 REVISED BUDGET	1977		
				REQUEST	RECOMMEND	APPROVED
	Balance, January 1	1,091,824	184,027	(864,802)	2,833,718	2,833,718
	Net Income (Loss)	922,674	4,176,600	(1,904,300)	1,408,360	1,408,360
	Depreciation	5,467,610	6,600,000	6,500,000	7,500,000	7,500,000
	Extraordinary Plant Retirement	179,275	17,700	17,700	17,700	17,700
	Adjustments to Investment in Plant	29,294	-0-	-0-	-0-	-0-
	<u>DISTRIBUTION</u>					
	Bond Principal Payments	(1,665,000)	(1,865,000)	(2,215,000)	(2,215,000)	(2,215,000)
	Bond Reserve Payments	(1,224,610)	(1,629,609)	(1,589,700)	(1,589,700)	(1,589,700)
	Operational Construction	(3,400,000)	(4,100,000)	(5,975,000)	(5,975,000)	(5,975,000)
	Contribution to City General Fund	(1,117,040)	(550,000)	-0-	(200,000)	(200,000)
	Balance, December 31	187,027	2,833,718	(6,031,102)	1,780,078	1,780,078

MUNICIPALITY OF ANCHORAGE

Enterprise Activities - Anchorage Telephone Utility				REVENUE DETAIL 20.0000.-----		PAGE 942
ACC'T. NO.	CLASSIFICATION	1975 ACTUAL	1976 REVISED BUDGET	1977		
				REQUEST	RECOMMEND	APPROVED
	<u>OPERATING REVENUE</u>					
	<u>Local Service Revenue</u>					
5000	Subscriber Station	14,870,315	18,362,000	18,510,000	20,058,000	20,058,000
5010	Public Telephone	191,773	200,000	379,000	294,000	294,000
	Total Local Revenue	15,062,088	18,562,000	18,889,000	20,352,000	20,352,000
	<u>Toll Service Revenue</u>					
5100	Message Tolls (Net)	5,605,111	11,137,000	9,864,400	12,900,000	12,900,000
	Total Toll Service Revenue	5,605,111	11,137,000	9,864,400	12,900,000	12,900,000
	<u>Miscellaneous Revenue</u>					
5210	Telegraph Commissions	17,915	24,000	24,000	24,000	24,000
5230	Directory Revenue	734,347	1,000,000	1,160,000	1,400,000	1,400,000
5240	Rent Revenue	20,742	140,000	155,000	155,000	155,000
5260	Other Operating Revenue	11,285	11,000	11,000	11,000	11,000
	Total Miscellaneous Revenue	784,289	1,175,000	1,350,000	1,590,000	1,590,000
5300	Uncollectible Operating Revenue	(537,603)	(740,000)	(641,200)	(825,000)	(825,000)
	Total Operating Revenue	20,913,885	30,134,000	29,462,200	34,017,000	34,017,000
	<u>NON-OPERATING REVENUE</u>					
3131	Interest	728,992	900,000	730,000	730,000	730,000
3132	Interest Charged to Constr.	753,893	200,000	820,000	820,000	820,000
3141	Bond Redemption Interest	116,267	150,000	150,000	150,000	150,000
	Extraordinary & Delayed Income	500,000	952,000	-0-	-0-	-0-
	Total Non-Operating Revenue	2,099,152	2,202,000	1,700,000	1,700,000	1,700,000
	Total Revenue	23,013,037	32,336,000	31,162,200	35,717,000	35,717,000
	Total Expenses	22,090,363	28,159,400	33,066,500	34,308,640	34,308,640
	NET INCOME (LOSS)	922,674	4,176,600	(1,904,300)	1,408,360	1,408,360

MUNICIPALITY OF ANCHORAGE

Enterprise Activities - Anchorage Telephone Utility				EXPENSE DETAIL 20.0000.-----.		PAGE 943
ACC'T. NO.	CLASSIFICATION	1975 ACTUAL	1976 REVISED BUDGET	1977		
				REQUEST	RECOMMEND	APPROVED
	<u>OPERATING EXPENDITURE</u>					
	<u>Maintenance Expense</u>					
6021	Repairs of Pole Line	23,787	24,000	27,200	27,200	27,200
6022	Repairs of Aerial Cable	207,924	269,500	354,000	354,000	354,000
6023	Repairs of UG Cable	48,139	115,000	146,200	146,200	146,200
6024	Repairs of Buried Cable	316,820	358,000	500,800	500,800	510,800
6026	Repairs of Aerial Wire	683	8,900	9,900	9,900	9,900
6027	Repairs of UG Conduit	27,071	26,600	28,200	28,200	28,200
6030	Test Desk Work	450,348	702,100	947,800	947,800	947,800
6040	Repairs of C.O. Equipment	2,173,202	3,231,700	4,062,000	4,062,000	4,062,000
6050	Repairs of Station Equipment	3,009,174	3,565,500	3,927,800	3,927,800	3,966,950
6060	Repairs of Buildings & Grounds	174,677	232,200	417,400	417,400	420,160
6100	Maintenance Trans. Power	37,898	45,300	57,400	57,400	57,400
	Total Maintenance Expense	6,469,723	8,578,800	10,478,700	10,478,700	10,530,610
	<u>Traffic Expense</u>					
6210	General Traffic Supervisor	72,822	81,800	199,900	199,900	199,900
6220	Customer Instruction	74,395	152,700	134,900	134,900	134,900
6240	Operators' Wages	1,163,231	1,609,000	1,913,200	1,913,200	1,913,200
6270	Operators' Employment & Trng.	10,373	70,500	91,200	91,200	91,200
6290	C.O. Stationary & Printing	29,066	63,900	165,600	165,600	165,600
6300	C.O. House Service	7,161	7,500	10,600	10,600	10,600
6310	Miscellaneous C.O. Expense	2,883	4,400	4,800	4,800	4,800
6350	Joint Traffic Expense (CR.)	(21,061)	(20,000)	(25,000)	(25,000)	(25,000)
	Total Traffic Expense	1,338,870	1,969,800	2,495,200	2,495,200	2,495,200

MUNICIPALITY OF ANCHORAGE

Enterprise Activities - Anchorage Telephone Utility				EXPENSE DETAIL 20.0000.-----.		PAGE 944
ACC'T. NO.	CLASSIFICATION	1975 ACTUAL	1976 REVISED BUDGET	1977		
				REQUEST	RECOMMEND	APPROVED
	<u>Commercial Expense</u>					
6400	General Commercial Expense	81,097	129,200	117,400	117,400	200,480
6420	Advertising	18,361	50,000	50,000	50,000	50,000
6430	Sales Expense	383,237	551,000	667,300	667,300	667,300
6440	Connecting Company Relations	137,429	255,100	240,500	240,500	240,500
6450	Local Comm. Operations	1,285,894	1,544,480	2,543,800	2,543,800	2,816,110
6480	Public Telephone Commissions	28,537	25,000	30,000	30,000	30,000
6490	Directory Expense	15,636	9,600	27,600	27,600	35,300
6500	Other Commercial Expense	304		100	100	100
	Total Commercial Expense	1,950,495	2,539,380	3,676,700	3,676,700	4,039,790
	<u>General Office Expense</u>					
6610	Executive Department	453,329	520,890	532,600	532,600	377,660
6621	General Accounting	396,491	515,590	401,300	401,300	543,270
6622	Revenue Accounting	590,388	857,060	566,300	566,300	387,800
6630	Treasury Department	8,166	9,960	11,500	11,500	169,920
6640	Law Department	60,445	98,000	84,100	84,100	79,150
6650	Other General Office Expense	20,993	70,900	82,000	82,000	82,000
	Total General Office Expense	1,529,812	2,072,400	1,677,800	1,677,800	1,639,800
	<u>Other Operating Expenses</u>					
6680	Insurance	111,716	122,310	131,400	131,400	101,270
6690	Accidents and Damages	1,893	1,500	1,900	1,900	1,900
6710	Operating Rents	58,261	64,300	51,900	51,900	51,900
6721	Relief and Pensions	175,991	115,000	135,000	135,000	135,000
6722	Operational Paid Leave	364,577	140,000	366,000	366,000	366,000
6730	Tel. Franchise Req. (Dr.)	157,599	162,300	162,300	162,300	162,300
6740	General Services & Licenses	3,868	9,900	15,000	15,000	18,140
6750	Other Expenses	188,829	336,610	208,400	208,400	220,530
6760	Tel. Franchise Req. (Cr.)	(157,599)	(162,300)	(162,300)	(162,300)	(162,300)
6770	Expense Cost to Construction	(486,728)	(493,000)	(634,500)	(634,500)	(634,500)
	Total Other Operating Expense	418,407	296,620	275,100	275,100	260,240

MUNICIPALITY OF ANCHORAGE

Enterprise Activities - Anchorage Telephone Utility				EXPENSE DETAIL 20.0000.-----.		PAGE 945
ACC'T. NO.	CLASSIFICATION	1975 ACTUAL	1976 REVISED BUDGET	1977		
				REQUEST	RECOMMEND	APPROVED
6806	Municipal Utility Service Assessment		442,700	1,658,000	1,538,000	1,538,000
6807	Social Security Taxes	37,088	42,000	42,000	42,000	42,000
6808	Depreciation	5,467,610	6,600,000	6,500,000	7,500,000	7,500,000
6809	Extraordinary Retirement	179,275	17,700	17,700	17,700	17,700
	NON OPERATING EXPENSE	5,683,973	7,102,400	8,217,700	9,097,700	9,097,700
6836	Other Interest	82,632	100,000	100,000	100,000	100,000
6835	Interest on Funded Debt	4,616,451	5,500,000	6,145,300	6,145,300	6,145,300
	Total Expense	22,090,363	28,159,400	33,066,500	33,946,500	34,308,640

MUNICIPALITY OF ANCHORAGE

PERSONNEL

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DEPT. Enterprise Activities	8001	DIV. Anchorage Telephone Utility	8300	SEC.				
Program		Service		Function				
CLASSIFICATION		RANGE & STEP	POSITIONS CURRENT *BUDGET	1977				
				* PROPOSED		* RECOMMENDED		* APPROVED
Manager and Staff								
Telephone Utility Manager		E-1	1	1	46,200	1	46,200	1 46,200
Assistant Telephone Managers/Operations		E-1	4	4	147,231	4	147,231	4 147,231
Plans and Programs		E-1	1	1	34,000	1	34,000	1 34,000
Senior Office Associate		10-D	1	1	15,372	1	15,372	1 15,372
Administration								
Senior Telephone Supervisor		18-E	1	1	42,221	1	42,221	1 42,221
Telephone Supervisor		17-B	2	2	61,539	2	61,539	2 61,539
Telephone Management Assistant		16-B	1	1	23,856	1	23,856	1 23,856
Senior Communications Consultant		16-B-F	8	8	238,682	8	238,682	8 238,682
Communications Consultants		15 A-F	7	7	176,255	7	176,255	7 176,255
Assistant Telephone Supervisor		15 A-B	4	4	104,785	4	104,785	4 104,785
Service Observer		15-A	1	1	22,568	1	22,568	1 22,568
Assistant Subscriber Services Consultants		12-A	1	1	16,607	1	16,607	1 16,607
Senior Office Associate		10-F	1	1	17,804	1	17,804	1 17,804
Office Associate		9 A-B	2	2	25,539	2	25,539	2 25,538
Senior Office Assistant		8 A-B	2	2	22,392	2	22,392	2 22,392
New Position								
Senior Communications Consultant		16-A	0	1	24,314	1	24,314	1 24,314
Plant Operations								
Plant Service Supervisor		18-A	1	1	30,596	1	30,596	1 30,596
Senior Telephone Supervisor		18 A-D	4	4	133,825	4	133,825	4 133,825
Office Associate		9-B	1	1	12,774	1	12,774	1 12,774
TOTAL								

* THIS COLUMN USED FOR NUMBER OF POSITIONS IN EACH CLASS.

COMMENTARY

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COMMENTARY

MUNICIPALITY OF ANCHORAGE

PERSONNEL

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DEPT. Enterprise Activities Program	8001	DIV. Anchorage Telephone Service Utility	8300	SEC. Function					
CLASSIFICATION		RANGE & STEP	POSITIONS CURRENT *BUDGET	1977					
				* PROPOSED		* RECOMMENDED		* APPROVED	
Central Office Engineering & Installations (continued)									
Office Associate		9B-E	5	5	70,779	5	70,779	5	70,779
Office Assistant		7C	1	1	14,105	1	14,105	1	14,105
New Positions									
Telephone Operations Administrator		14A	0	1	19,620	1	19,620	1	19,620
Office Assistant		7A-B	0	2	20,556	2	20,556	2	20,556
Outside Plant & Construction									
Senior Telephonic Engineer		18B	1	1	33,492	1	33,492	1	33,492
Senior Telephone Supervisor		18B-D	3	3	95,976	3	95,976	3	95,976
Telephone Supervisor		17B	1	1	27,636	1	27,636	1	27,636
Telephone Warehouse Supervisor		16D	1	1	29,292	1	29,292	1	29,292
Telephone Trainee		9A-B	2	2	23,904	2	23,904	2	23,904
Revenue & Accounting									
Senior Telephone Supervisor		18B	1	1	33,570	1	33,570	1	33,570
Telephone Management Assistant		16A-C	2	2	51,632	2	51,632	2	51,632
Accountant		13B	2	2	36,000	2	36,000	2	36,000
New Position									
Senior Accountant		14A-B	0	1	19,620	1	19,620	1	33,570
(Pages 1 - 3)	TOTAL		95	99	2,539,806	99	2,539,806	99	2,539,806

* THIS COLUMN USED FOR NUMBER OF POSITIONS IN EACH CLASS.

COMMENTARY

MUNICIPALITY OF ANCHORAGE

PERSONNEL - UNION TELEPHONE

OPERATIONAL FORCE ACCOUNT

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OPERATIONAL	<u>Foreman</u>	<u>Sub Foreman</u>	<u>Other</u>	<u>Estimated Man Hours</u>	<u>Estimated Cost</u>
<u>Outside Plant</u>					
Construction	3		8	9506	\$ 126,330
Splicing	1		14	15600	266,277
Engineering			12	2544	179,027
<u>Administration</u>					
Warehouse	1		11	25440	327,585
Instrument Repair Services		1	4	10520	138,659
<u>Accounting & Finance</u>					
Payroll			1	2080	16,000
Other			2	3128	29,263
<u>Operations</u>					
Service Center	3		55	72686	1,010,513
Installations - PBX	4		60	55444	959,546
Installations - S/L	4		45	44035	305,116
Maintenance - Station	1		7	19483	266,706
<u>Inside Plant</u>					
C. O. Maintenance	6	6	71	169066	2,612,000
Traffic			76	152632	1,613,850
C.O. Installations	2		31	12655	211,916
<u>Subscriber Services</u>					
Commercial			33	70620	550,559
Marketing			3	6240	44,829
	<u>25</u>	<u>7</u>	<u>433</u>	<u>671679</u>	<u>\$8,658,176</u>

MUNICIPALITY OF ANCHORAGE

PERSONNEL - UNION TELEPHONE

CONTRACT LABOR FORCES

PAGE

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OPERATIONAL - MAINTENANCE

	<u>Estimated Man Hours</u>	<u>Estimated Cost</u>
* Construction	857	\$ 30,000
* Splicing	1285	45,000
* PBX	7705	232,357
* Straight Line	2912	177,254
* Central Office	3648	152,000
	<u>16407</u>	<u>636,611</u>

CONSTRUCTION & INSTALLATION

* Construction	7714	270,000
* Splicing	11571	405,000
* C.O. Installations	40385	676,394
* PBX Installation	61467	2,091,218
* Straight Line Installation	11648	709,018
	<u>132785</u>	<u>4,151,630</u>

* Includes equipment costs

MUNICIPALITY OF ANCHORAGE

PERSONNEL - UNION TELEPHONE

CONSTRUCTION/INSTALLATION FORCE ACCOUNT

PAGE

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CONSTRUCTION/INSTALLATION

	<u>Foreman</u>	<u>Sub-Foreman</u>	<u>Other</u>	<u>Estimated Man Hours</u>	<u>Estimated Cost</u>
<u>Outside Plant</u>					
Construction				17654	\$ 234,616
Splicing				15600	266,284
Engineering				22896	277,333
<u>Operations</u>					
Service Center				44834	456,243
Installations - PBX				85588	1,351,971
Installations - S/L				60365	1,003,424
Maintenance - Station				1677	44,060
<u>Inside Plant</u>					
C. O. Installations				3289	55,120
				<u>251903</u>	<u>3,689,051</u>

Summary

Classified					2,539,086
Union Force Account - Operations	25	7	433		8,658,176
Union Force Account - Construction and Installations	*	*	*		3,689,051
					<u>14,886,313</u>

* The personnel required are included in the Operations Schedule