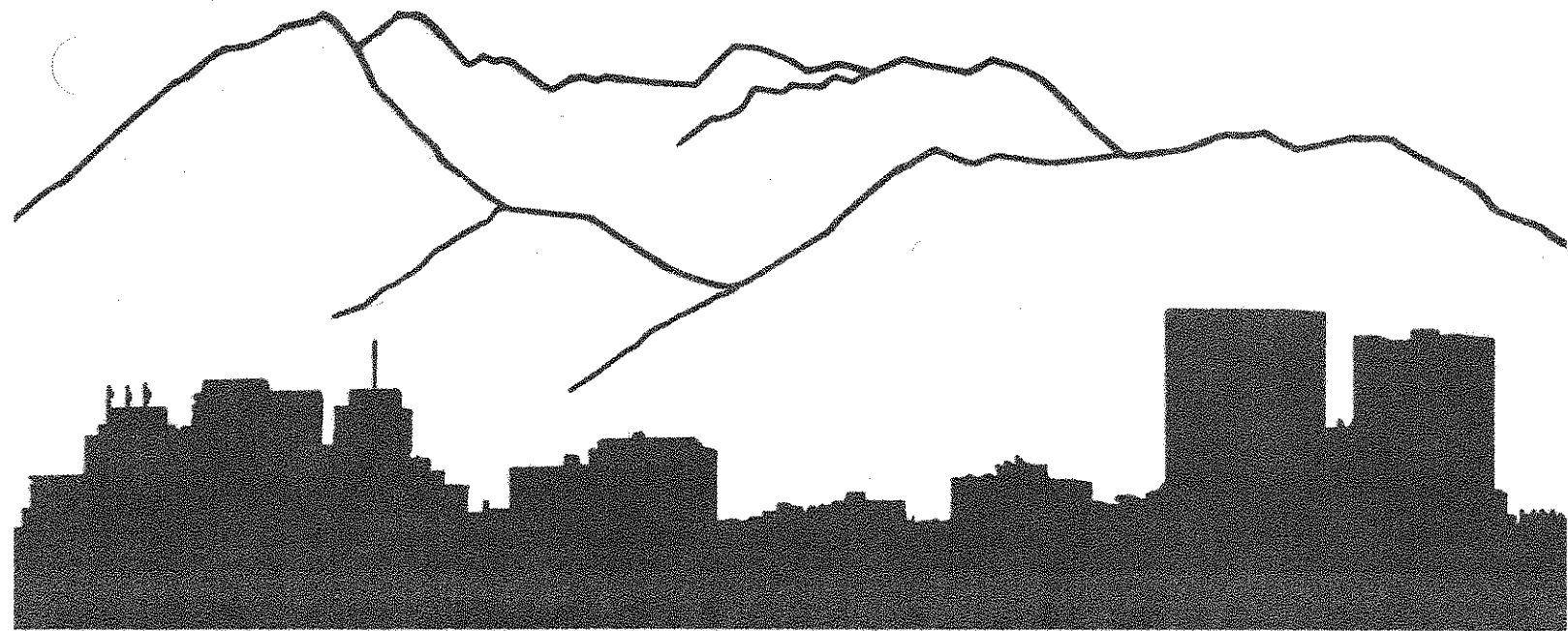


Municipality of Anchorage

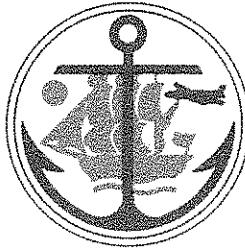


Tom Fink
Mayor



1992 Fiscal Trends Report

Municipality of Anchorage



OFFICE OF THE MAYOR

P.O. BOX 196650
ANCHORAGE, ALASKA 99519-6650
(907) 343-4431
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TOM FINK
MAYOR

October 2, 1991

Dear Assembly Members and Interested Residents of Anchorage:

The following report, which has been prepared by the Office of Management and Budget (OMB) under the direction of the Municipal Manager, presents a strategic planning approach to solving the fiscal gap facing the Municipality over the next six years. This process was designed so that the Assembly, Budget Advisory Commission, and other citizens could provide input and recommendations on problem determination, strategy evaluation and identification of solutions for the Municipality's long-range fiscal planning objectives.

The assumptions used are a compilation of data from several sources. State Revenue, inflation and population projections were derived with the concurrence of the Institute of Social and Economic Research (ISER). The New Requirements were formulated by each of the departments and analyzed by the Office of Management and Budget.

The Budget Advisory Commission (BAC) has been presented the planning assumptions, as well as the preliminary revenue and expenditure profiles including new requirements. The Administration will continue to update and inform the BAC, Assembly and citizens when the revenue or expenditure profile changes.

The following is a synopsis of the data presented in the "Most Likely Case" (1992-1997) for the Municipality:

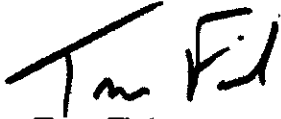
- State Revenues decline 2% after 1992
- Local revenues increase 2% after 1992
- Property taxes held at 1991 level plus new construction
- Utility Revenue Distribution at \$2.5 million
- Inflationary increases of 4% for non-personnel related goods and services

- The total Fiscal Gap for 1992 is \$17.1 million, increasing to over \$30 million in 1997 if no corrective strategies are implemented. The \$10 million shortfall contained in the General Government Operating Budget does not include discretionary new requirements. Therefore, reductions to existing programs and services will be necessary to stay within the proposed revenue level. The total Fiscal Gap does not include the Police/Fire retiree unfunded liability, which is estimated to be over \$21 million annually if no corrective actions are taken.

The recommended solution by the Administration centers on service and program reductions as outlined in the Proposed 1992 General Government Operating Budget. Police, Fire and Street Maintenance will continue at essentially the current level. Additionally, the sale of ATU would provide approximately \$4.3 million of new revenue for 1992, if approved by the voters.

In conclusion, all projections in the Fiscal Trends Report were developed with information that was considered the most reliable and current at the time of development. It is important to keep in mind that circumstances may arise which could change the assumptions and thus the projected results of the various scenarios.

Sincerely,

A handwritten signature in black ink that reads "Tom Fink". The signature is written in a cursive style with a large, sweeping initial "T" and "F".

Tom Fink
Mayor

**THE
FISCAL
TRENDS
REPORT**

1992

**Focus
on
Planning
for the
Future**



**Municipality of Anchorage
Tom Fink, Mayor**

**1992
FISCAL TRENDS REPORT
MUNICIPALITY OF ANCHORAGE**

ASSEMBLY

Jim Kubitz, Chairperson

Jim Barnett	Craig Campbell	Heather Flynn
Mark Begich	Fred Dyson	Brian Porter
H.A. "Red" Boucher	Joe Evans	John Wood
	Bill Faulkner	

ADMINISTRATION

Larry D. Crawford	Municipal Manager
Will Gay	Executive Manager, Enterprise Activities
Richard L. McVeigh	Municipal Attorney
Jerry Anderson	Chief Fiscal Officer

This Fiscal Trends Report was prepared by the Office of Management and Budget.

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I. EXECUTIVE SUMMARY

I. EXECUTIVE SUMMARY

During the late 1980's, the Municipality of Anchorage was faced with declining State revenues, lowered real estate values, losses in construction activity and employment, rising labor costs and a fairly shaky local economy. Today, some of these same fiscal difficulties remain, especially in the areas of decreasing State revenues and rising labor costs. On the positive side, the level of construction activity and real estate values seem to have taken an upward turn. In 1990 the average value of a home or condominium sold in Anchorage went up approximately 16% as compared to the steady decline since 1986.

The primary objective of this document is to enhance public understanding of the Municipality's fiscal situation by:

- Describing the Proposed 1992 budget and the anticipated future forecast;
- Describing the various trade-offs and corresponding implications for services and revenues; and
- Providing information to allow for participation in the budget balancing process.

The Fiscal Gap of \$22 million was discussed in great detail during 1991, but it did not seem real to many since programs and services were not cut. The 1991 Fiscal Gap was solved by postponing the impact of labor contracts along with discretionary new requirements. Many of the same issues presented in 1991 still exist, but have been postponed or left unresolved. Examples include:

- Police/Fire retiree unfunded liability
- Deferred and on-going street maintenance
- Deferred and on-going building maintenance

The \$17 million Gap for 1992 carries with it a mix of many of the same new requirements. Of the \$17 million, \$10 million will result in actual program and service reductions to balance the 1992 budget within the proposed revenue level. The remainder will continue to be postponed or absorbed through new sources of revenues.

After careful consideration of historical trends and economic projections, the impending budgetary shortfall for 1992 indicates a need for the city to become more active in setting the path for a six-year planning process coupled with the implementation of a corrective strategy. Strategic planning, management control and updated fiscal projections provide a powerful framework through which Anchorage can take the lead to reshape its economic picture. After the planning process, the management control system becomes the forum through which Anchorage can achieve the strategies

established under the planning process. Finally, joint involvement by the Administration, Assembly, advisory commissions, business leaders and interested citizen groups create the nucleus through which solutions to solve the Fiscal Gap are realized.

ASSUMPTIONS

To address the possible budget scenarios for Anchorage, we developed three cases using optimistic, most likely and pessimistic assumptions. The greatest variable in each case centers on the assumption used for State revenues: The optimistic case depicts State revenues increasing at 2% per year as compared to the pessimistic case of State revenues declining 5% per year. In order to present the information in a consolidated format, most of the information will be presented based on the "Most Likely Case." In this case, State revenues are projected to decline 2% each year beginning in 1992.

The variance that arises from revenue and expenditure differences is referred to as the Fiscal Gap. There are several ways to reduce this gap of approximately \$17 million for 1992, and we have attempted to outline some of the more feasible possibilities.

CORRECTIVE STRATEGIES

To effectively deal with the budgetary shortfall facing the Municipality, some of the following options should be considered:

- Service/program reductions;
- Postponement of discretionary new requirements;
- Funding of Police and Fire Retirement Medical benefits through an affordable benefit program;
- New revenues.

The balance among the above options can be summarized in the following chart, which depicts the options available to solve the Fiscal Gap in 1992.

Figure 2-1

"Fiscal Gap" Solution Options

1992

	<u>Option # 1</u>	<u>Option # 2</u>	<u>Option # 3</u>	<u>Option # 4</u>	<u>Option #5</u>
Sale of ATU	\$ 3.8 M	\$ 0.0 M	\$ 0.0 M	\$ 0.0 M	\$ 3.8 M
Police/Fire Retiree Medical (not funded)	0.0	0.0	0.0	0.0	0.0
Service/Program Reductions	5.4	9.9	7.0	6.3	3.2
Discretionary New Requirements (not funded)	2.0	6.7	6.2	2.0	2.0
Tax Cap	0.0	0.0	2.9	2.9	2.9
State Grants	0.7	0.0	0.0	0.7	0.0
Bonds	5.2	0.5	0.5	5.2	5.2
Increased User Fees	<u>0.0</u>	<u>0.0</u>	<u>0.5</u>	<u>0.0</u>	<u>0.0</u>
TOTAL OF ALL SOLUTIONS	\$17.1 M	\$17.1 M	\$17.1 M	\$17.1 M	\$17.1 M

NOTES: Each of the above options has a different focus, which is outlined below:

1. Sale of ATU, grants/bonds, expenditure reduction
2. Expenditure reduction
3. Tax Cap, user fees, expenditure reduction
4. Grants/bonds, tax cap, expenditure reduction
5. Sale of ATU (average between the \$450M and \$500M sale price for ATU less IGC impact of \$0.5K), tax cap, grants expenditure reduction

At this time, the Administration supports Option #1 for 1992; however, we are open to other possible solutions. A solution to the Police and Fire retiree medical problem should be in place prior to the 1993 budget.

II. INTRODUCTION

II. INTRODUCTION

The Fiscal Gap Report presents a strategic planning approach to solving the Fiscal Gap facing the Municipality over the next six years. This process was designed so that the Assembly, Budget Advisory Commission, and citizen groups can provide input and recommendations on problem determination, strategy evaluation and identification of solutions for the Municipality's long-range fiscal objectives.

The assumptions used are a compilation of data from several sources. State revenue and inflation projections were derived with the concurrence of the Institute of Social and Economic Research (ISER). Population projections were derived from the city demographer and assessed values from the Property Appraisal Division.

The Assembly and the Administration should develop and implement long-range solutions to correct the Fiscal Gap. Section IV of this report details the options available to fill the gap for 1992, which could be carried over to the outyears. Unfortunately the service and program reductions are very real for 1992 and reflect the reduction or the elimination of certain services.

* * * * *

The 1991 Revised Operating Budget for general government services totaled \$204,110,080 and was based on the following three goals:

1. Maintaining property taxes at the 1990 level plus new construction and voter approved increases for the community.
2. Funding the most essential public services and required administrative services and a contribution to the \$146 - \$167 million potential unfunded Police and Fire retiree medical liability.
3. Providing essentially the same services in 1991 as are provided in 1990, at a reduced cost.

These goals were attained in the 1991 general government operating budget with the exception being partial funding of the retiree medical cost.

As shown in this report, 1992 presents more difficult problems. Even continued savings and a slight upturn in the Anchorage economy have not been sufficient to offset the impact of increased labor costs and mandated new requirements, which result in a Fiscal Gap of over \$17 million for 1992.

We are definitely at the point where Anchorage residents will again feel the toll of budget reductions -- mainly in the area of cultural and recreational services, transit and community contributions.

As a result, the Administration has devoted an extensive section of this report to the identification of the problem facing the Municipality, as well as corrective strategies to "Fill the Gap."

LONG RANGE PLANNING

Currently, the Municipality of Anchorage requires a one-year operating budget, a six-year program for fiscal policies and a six-year capital improvement plan (AMC 6.10). By examining the Fiscal Trends Report, the Administration, Assembly and community groups can get a good indication of future funding levels for services and programs as well as anticipated revenues.

PLANNING PROCESS

For your reference, the following page contains a flow chart of the planning process that was used in the development of this year's long-range budget forecast. The planning process consisted of three key phases:

- I. Strategic Thinking - This is the phase where the external and internal factors affecting the budget are reviewed and analyzed, in conjunction with the development of assumptions. At the end of this phase, the problem is identified and the Fiscal Gap defined.
- II. Decisions - during this phase, three cases and available corrective strategies are presented. Each of the strategies is then evaluated and the optimal solution to each case identified. The final step in this phase is intended to be the joint agreement of the problem and solution by the Administration and the Assembly.
- III. Strategy Implementation - This final phase centers on the implementation, monitoring and review of the Fiscal Plan.

GENERAL GOVERNMENT SIX-YEAR BUDGET FORECAST PLANNING PROCESS

STRATEGIC THINKING

**External Factors/
Assumptions**

Review/analyze external factors - State revenues, inflation, economy, and oil production trends. (Threats/opportunities). Develop assumptions.

**Internal Factors/
Assumptions**

Review/analyze internal factors - labor contracts, liabilities, new requirements, program revenues and budget history (strengths/weaknesses). Develop assumptions.

Identify Problem

Define Fiscal Gap.

DECISIONS/PLAN ADOPTION

**Identify Objectives
and Strategies**

Presentation of the three cases and available corrective strategies/actions - "Fills to the Gap"

**Strategy Evaluation
and Identify Solutions**

Identification of **appropriate** solution to each case.

**Adoption/Acceptance
of the Fiscal Plan**

Joint agreement of problem and solution by Administration and Assembly.

STRATEGY IMPLEMENTATION

Implementation

Strategies are implemented.

Monitor/Review

OMB - Periodic updates/analysis.

III. FISCAL PROFILE

III. FISCAL PROFILE

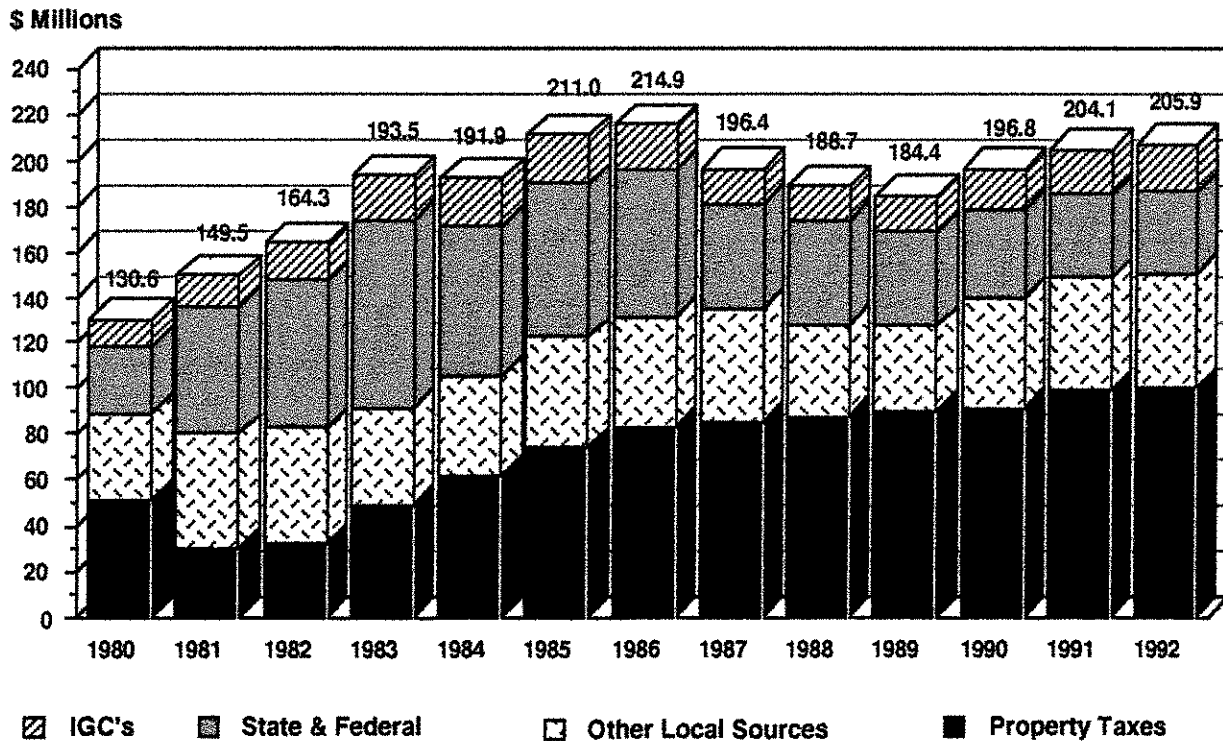
This section provides historical information on some important aspects of the Municipality of Anchorage's fiscal structure. Trends in this data give an indication of how the fiscal situation has changed over the last several years, and may lend perspective to current choices and projections of the future.

Operating Revenues

Under our balanced budget requirement, the level of local government services is dependent upon the availability of same-year revenues with which to fund these activities. The following charts summarize the level and sources of operating revenues over the past several years.

Figure 3-1

Budgeted Revenues General Government Operating Purposes 1980-1992 *

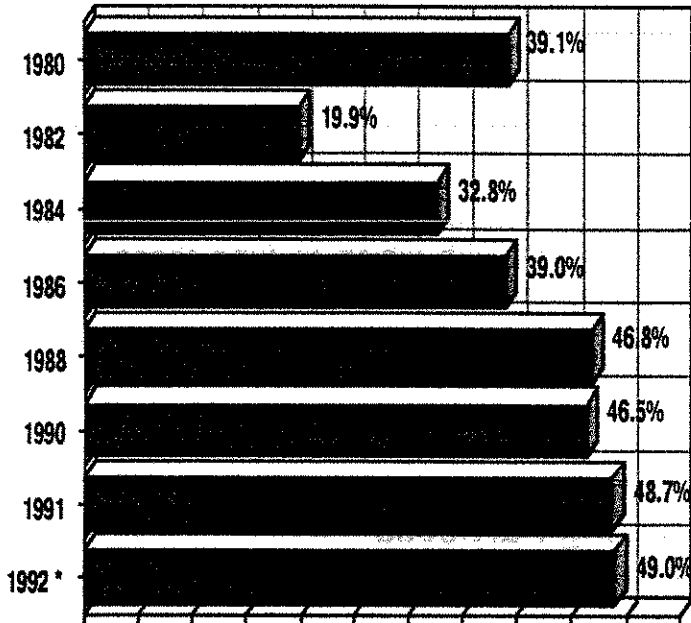


* 1980-1991 Revised Budgets; 1992 Proposed Budget.

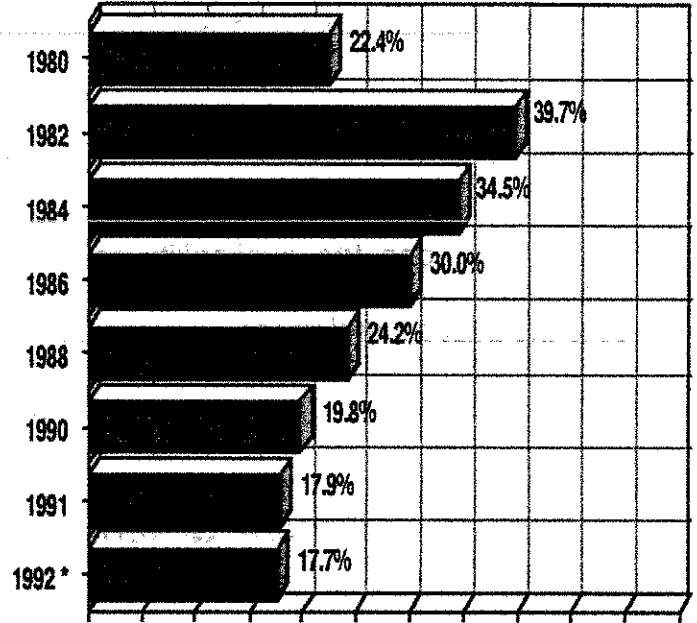
Figure 3-2

**Changes in General Government Operating Revenue Sources
(Revenues by Source as Percentage of Total Revenues) ***

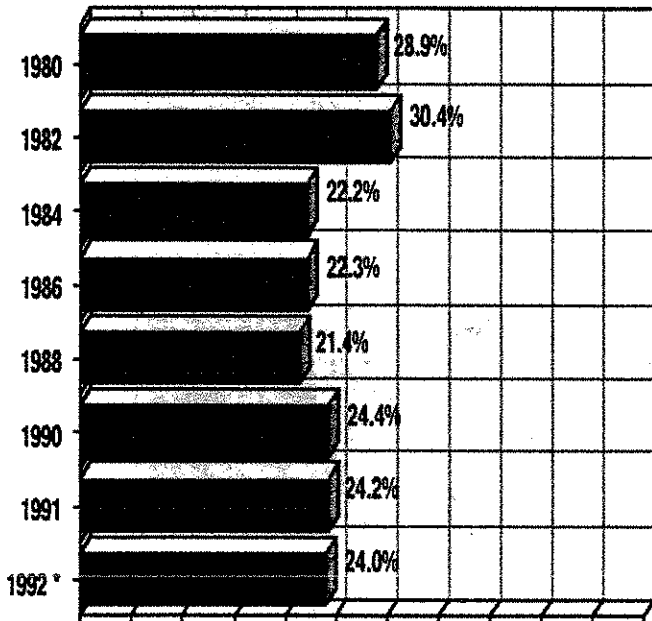
Property Taxes



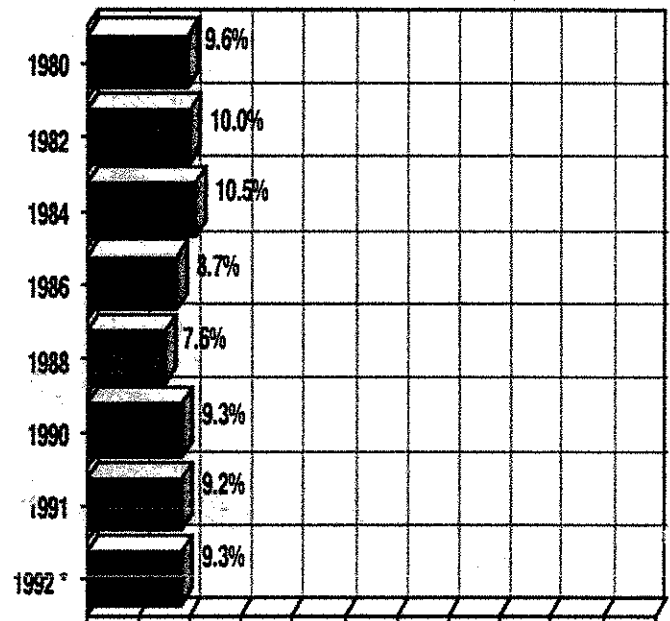
State and Federal Revenues



Other Local Sources **



Intragovernmental Charges



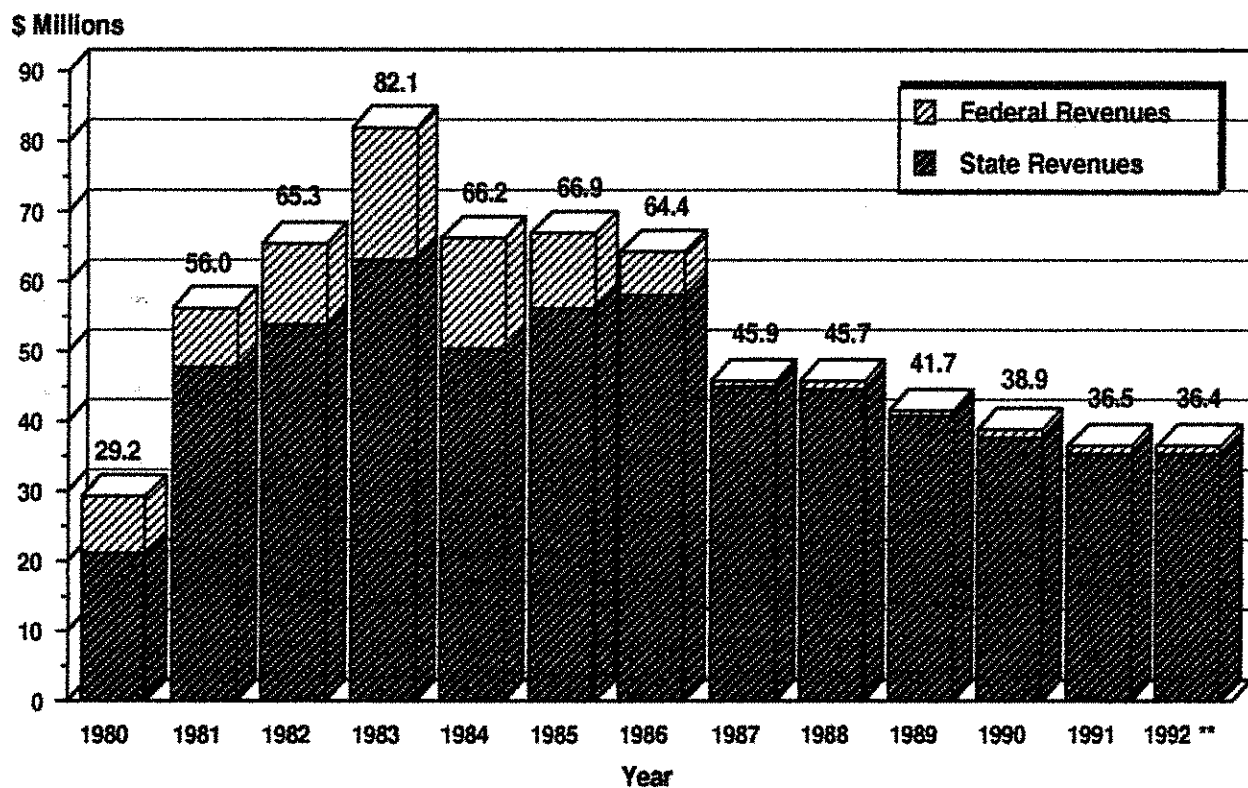
* 1980-1991 Revised Budgets; 1992 Proposed Budget.

** Other local sources include fees, charges, interest earnings, fund balance contributions, Utility Revenue Distribution, hotel/motel tax, automobile taxes, and other miscellaneous revenues. See Figure 3-9 for more detail on this category.

The major shifts among revenue sources have occurred in state/federal sources and property taxes. Figures 3-3 through 3-9 provide more detailed information on these sources.

Figure 3-3

**State and Federal Revenues
General Government Operating Budget *
(Millions of Dollars)**



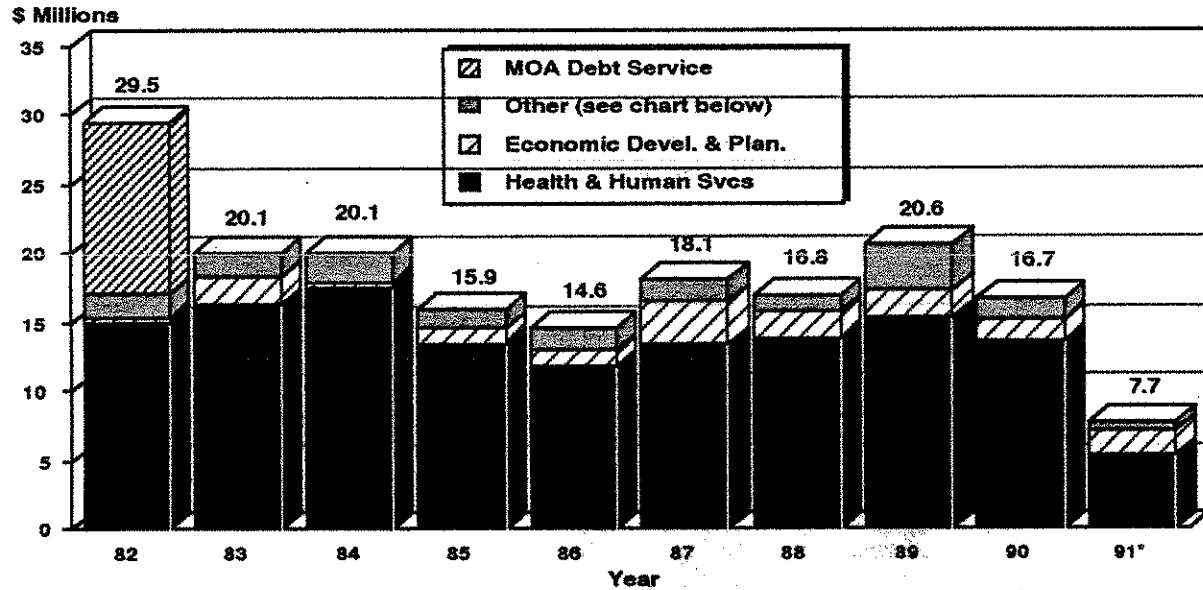
* Includes revenue sharing programs and Urban Mass Transit grants but not special categorical grants which are not part of the operating budget (see next page).

** 1980-1991 Revised Budgets; 1992 Proposed Budget.

In addition to state and federal revenues which are reflected in the General Government Operating Budget, the Municipality receives categorical grants, summarized by purpose or recipient department in Figures 3-4 and 3-5.

Figure 3-4

Summary of State and Federal Categorical Grants By Purpose **

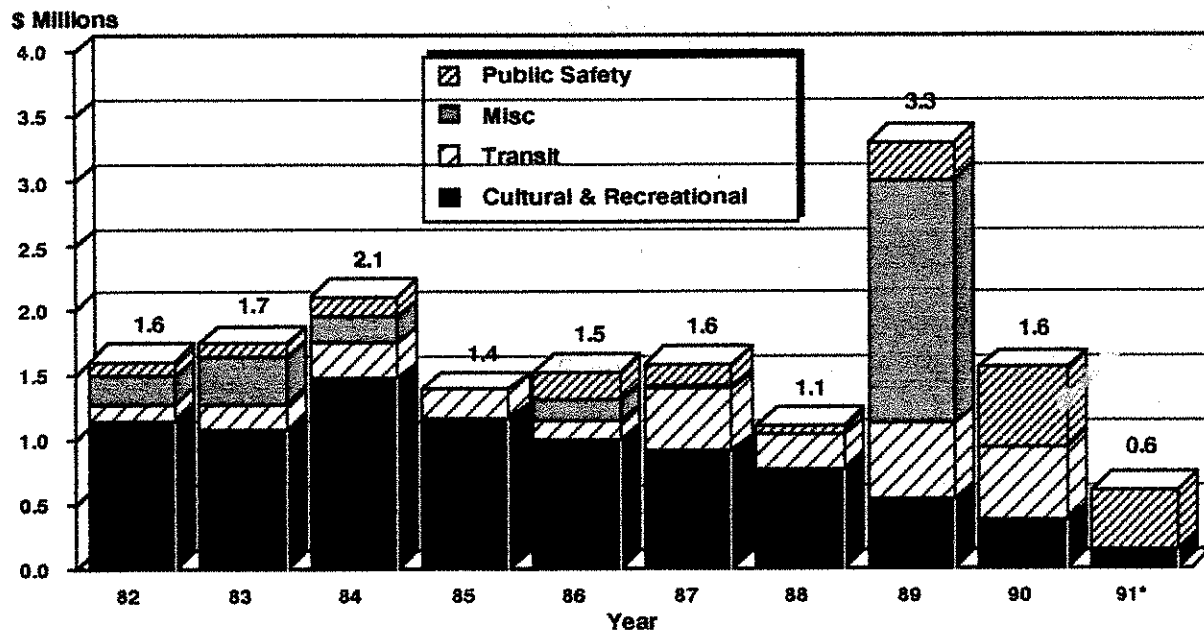


* As of August, 1991.

** These grants are not included in Figure 3-3 (State and Federal revenues which are part of the MOA operating budget).

Figure 3-5

Detail on "Other" Category Categorical Grants

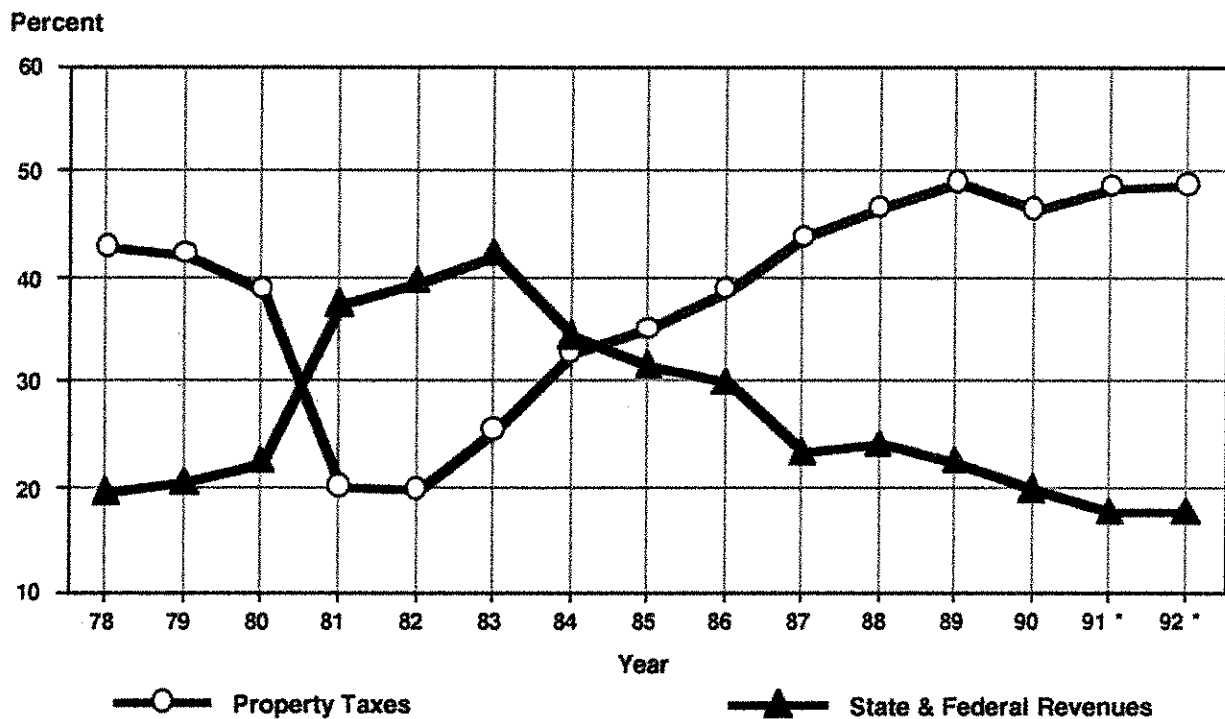


* As of August, 1991.

State and federal revenues have acted as an offset to local property taxes over the past ten years. As shown in Figure 3-6, the percentages of operating revenues from local and intergovernmental sources have tended to move in opposite directions. This relationship is reflected in mill levy trends over the same period (Figure 3-7).

Figure 3-6

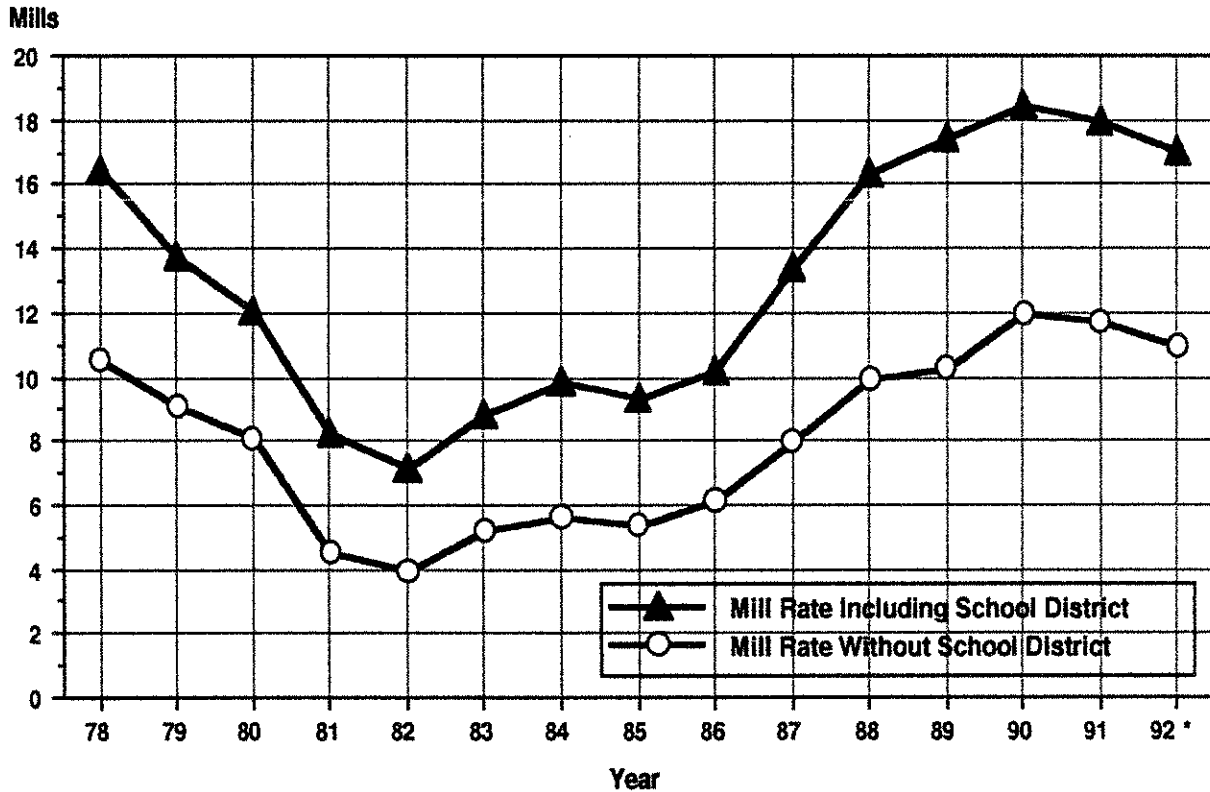
**Property Taxes and State/Federal Revenues
As Percentage of General Government Operating Revenues ***



* 1978-1991 Revised Budgets; 1992 Proposed Budget.

Figure 3-7

Mill Rate Trends
for Property Taxation *
(Downtown Area)



* 1978-1991 Revised Budgets; 1992 Proposed Budget.

A mill is one-tenth of 1¢. For each mill of taxation, the tax equals .001 times the assessed valuation of a property (one mill equals \$100 for each \$100,000 of assessed valuation).

Figure 3-8 shows the level of property taxes allowed under the charter tax limitation vis-a-vis the amount in the 1986-1991 revised budgets and in the 1992 proposed budget.

Figure 3-8

**Property Taxes Under Charter Limitation
(Millions of Dollars) ***

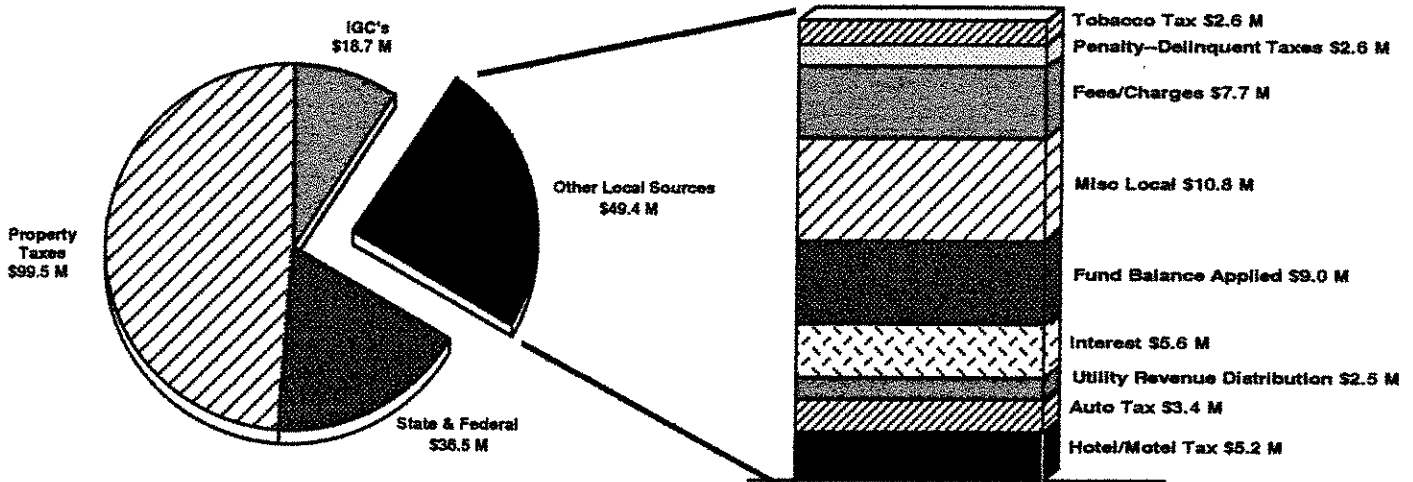
	<u>1986</u>	<u>1987</u>	<u>1988</u>	<u>1989</u>	<u>1990</u>	<u>1991</u>	<u>1992</u>
Property Taxes Allowed by Tax Limit	\$85.3	\$96.4	\$90.6	\$91.6	\$91.8	\$101.0	\$103.8
Budgeted	<u>83.9</u>	<u>86.5</u>	<u>88.3</u>	<u>90.5</u>	<u>91.6</u>	<u>97.8</u>	<u>100.9</u>
Under Tax Limit	\$ 1.4	\$ 9.9	\$ 2.2	\$ 1.1	\$ 0.2	\$ 3.2	\$ 2.9

* 1986-1991 Revised Budgets; 1992 Proposed Budget.

As state revenues decline, the revenue category labeled "Other Local Sources" becomes more important. Figure 3-8 shows some detail for this grouping based on the revised 1991 budget.

Figure 3-9

**Local Sources -- Detail
1991 Revenues ***



1991 Budgeted Revenues

* Revised Budget as of June 30, 1991.

In a nationwide comparative study of taxes, the Department of Finance and Revenue of the District of Columbia analyzed residential property taxes in the largest city in each state. The table below summarizes the effective real estate taxes for single-family owner-occupied dwellings within each of the cities. Shown are "effective" taxes, which represent the "announced" rates levied by jurisdictions adjusted for the relationship between each area's assessment levels and market values. Thus, if assessments were less than market values, effective tax rates were adjusted downward to reflect that discrepancy. As the data indicate, effective rates range from a high of \$4.40 per \$100 of assessed value in Detroit to 53 cents per \$100 of assessed value in Charleston, West Virginia.

Figure 3-10

**Residential Property Tax Rates in
Selected Large Cities; 1989
(Ranked from Highest to Lowest Effective Rates)**

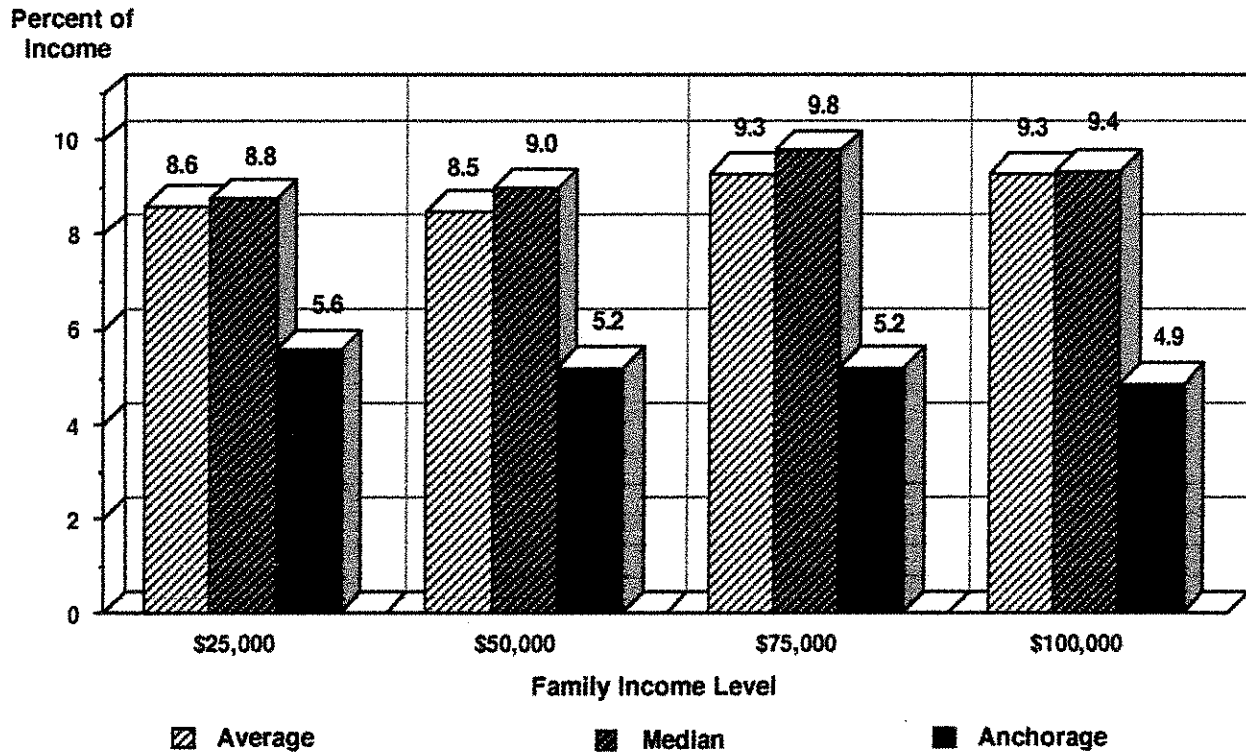
<u>City</u>	<u>Rank</u>	<u>Tax Per \$100,000</u>	<u>City</u>	<u>Rank</u>	<u>Tax Per \$100,000</u>
Detroit, MI	1	\$4,400	Louisville, KY	26	\$1,530
Milwaukee, WI	2	3,690	Jackson, MS	27	1,460
Portland, OR	3	3,320	New Orleans, LA	28	1,440
Des Moines, IA	4	3,110	Billings, MT	29	1,320
Cleveland, OH	5	2,750	Seattle, WA	30	1,300
Baltimore, MD	6	2,620	Columbia, SC	31	1,240
Newark, NJ	7	2,610	Norfolk, VA	32	1,220
Philadelphia, PA	8	2,520	Wichita, KS	33	1,170
Omaha, NE	9	2,440	St. Louis, MO	34	1,150
Providence, RI	10	2,390	Charlotte, NC	35	1,140
Sioux Falls, SD	11	2,330	Washington, DC	36	1,090
Minneapolis, MN	12	2,190	Little Rock, AR	37	1,080
Jacksonville, FL	13	2,130	Salt Lake City, UT	38	1,050
Atlanta, GA	14	2,080	Albuquerque, NM	39	1,030
Boise City, ID	15	1,950	Denver, Co	40	1,010
Bridgeport, CT	16	1,830	Oklahoma City, OK	41	970
Memphis, TN	17	1,770	Las Vegas, NV	42	940
Manchester, NH	18	1,740	New York City, NY	43	850
Anchorage, AK	19	1,710	Boston, MA	44	800
Fargo, ND	20	1,700	Casper, WY	45	720
Burlington, VT	21	1,590	Birmingham, AL	46	700
Chicago, IL	22	1,590	Phoenix, AZ	47	680
Indianapolis, IN	23	1,580	Honolulu, HI	48	640
Portland, ME	24	1,560	Los Angeles, CA	49	630
Houston, TX	25	1,530	Wilmington, DE	50	630
			Charleston, WV	51	530
		Unweighted Average			\$1,640
		Median			\$1,460

Source: Government of the District of Columbia, Department of Finance and Revenue, Tax Rates and Tax Burdens in the District of Columbia: A Nationwide Comparison, June 1990.

One measure of the burden of taxation is the percent of income devoted to paying taxes. The Department of Finance of the Government of the District of Columbia has estimated this burden for the largest city in each state. Figures 3-11 and 3-12 summarize some of their results.

Figure 3-11

**Estimated Burden of Major Taxes
For a Family of Four by Income Level
1989 Average for 51 Cities Compared to Anchorage**



NOTE: Burden is defined here as the percent of income going to pay taxes. Taxes included are state and local, income, sales, property, and automobile taxes.

Permanent Fund Dividend payments which are, in a sense, negative taxes are not included in the calculation.

SOURCE: Government of the District of Columbia, Department of Finance and Revenue, Tax Rates and Tax Burdens in the District of Columbia: A Nationwide Comparison, June 1990.

Figure 3-12

Estimated Burden of Major State and Local Taxes for a Family of Four, 1989

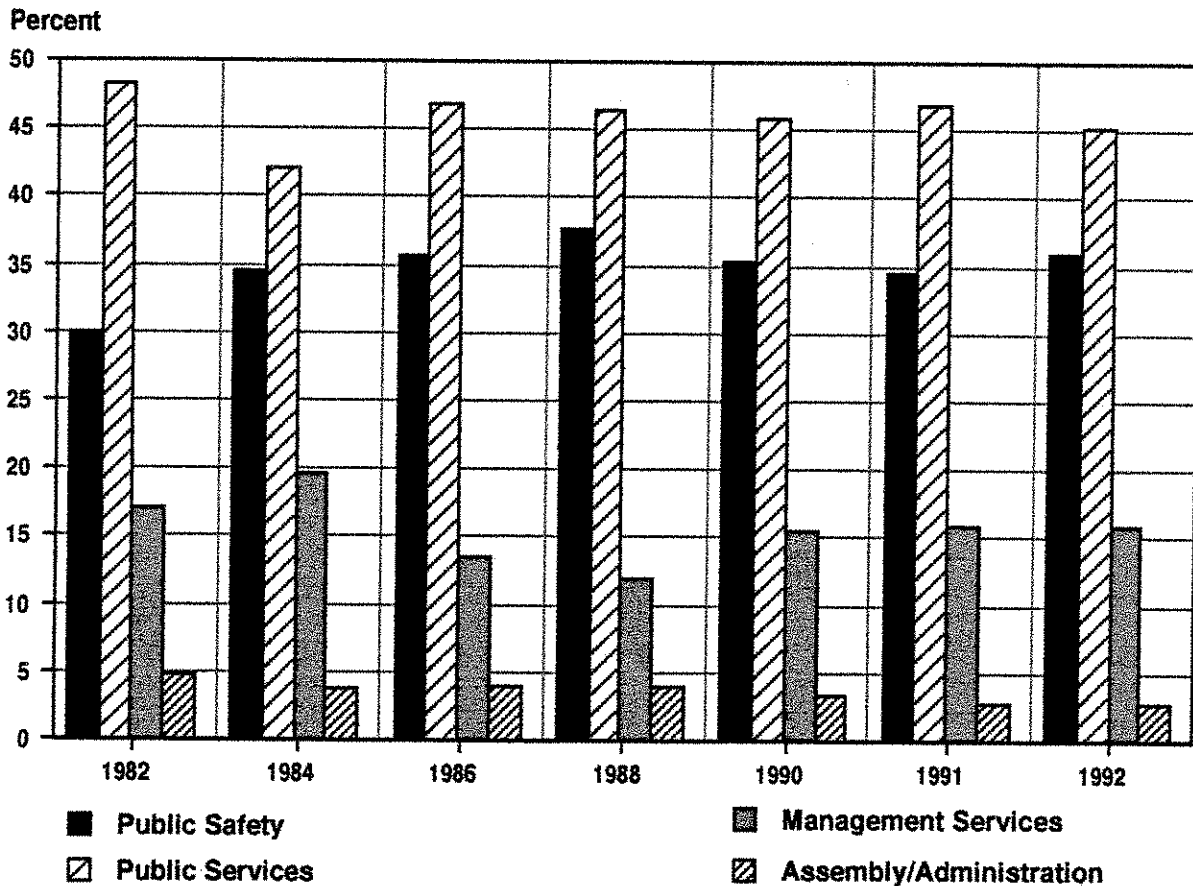
<u>Family Income Level</u>	<u>Rank</u>	<u>City</u>	<u>Percent of Income</u>	
\$ 25,000	Highest	1	Milwaukee, WI	14.2%
		45	Anchorage, AK	5.6%
	Lowest	51	Jacksonville, FL	4.3%
			51-City Average	8.6%
\$ 50,000	Highest	1	Milwaukee, WI	14.8%
		46	Anchorage, AK	5.2%
	Lowest	51	Casper, WY	3.6%
			51-City Average	8.5%
\$ 75,000	Highest	1	Portland, OR	15.2%
		48	Anchorage, AK	5.2%
	Lowest	51	Casper, WY	4.2%
			51-City Average	9.3%
\$100,000	Highest	1	Portland, OR	15.1%
		47	Anchorage, AK	4.9%
	Lowest	51	Casper, WY	3.9%
			51-City Average	9.3%

SOURCE: Government of the District of Columbia, Department of Finance and Revenue, Tax Rates and Tax Burdens in the District of Columbia: A Nationwide Comparison, June 1990.

The following chart describes the distribution of general government budgeted expenditures since 1982.

Figure 3-13

**Distribution of Budgeted Expenditures
By Major Functions *
(As a Percentage of Total Expenditures)**



Public Safety includes Health and Human Services, Fire, and Police.

Public Services includes Public Works, Cultural and Recreational Services, Transit, Economic Development and Planning, Property and Facility Management, and Non-Departmental.

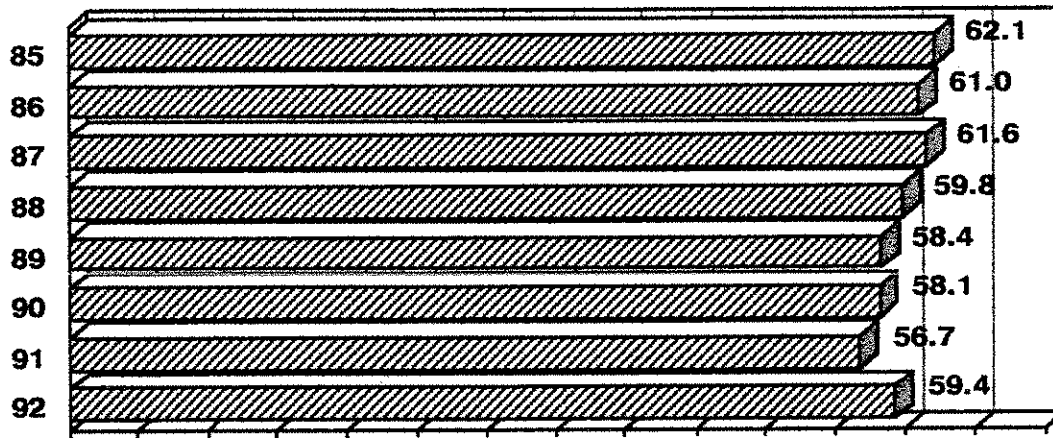
Management Services includes the Municipal Manager, Finance, Information Systems, Employee Relations, and Purchasing. In 1990, the increase is mainly attributable to the transfer of ATU's Management Information System section to General Government.

Assembly/Administration includes Assembly, Equal Rights Commission, Internal Audit, Office of the Mayor and Municipal Attorney.

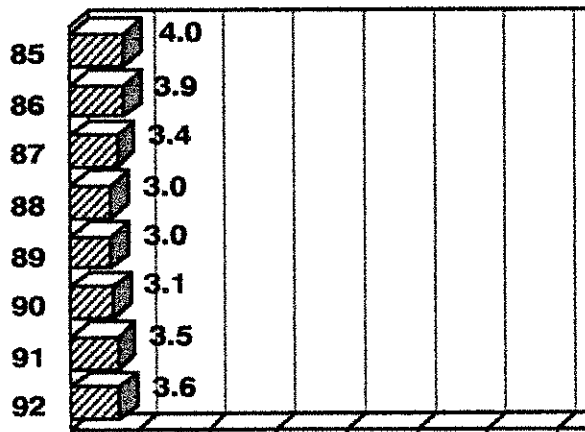
Figure 3-14

**General Government Budgeted Expenditures
Direct Cost By Type *(Percentage Distribution)**

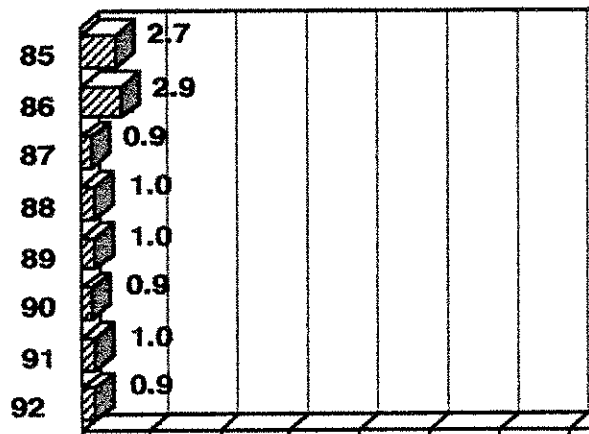
Personal Services (Percent of Total)



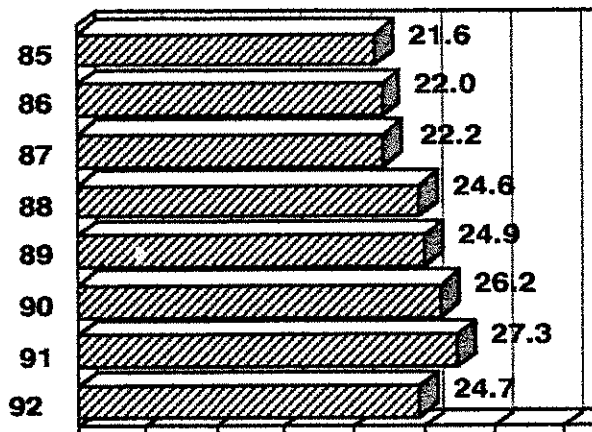
Supplies (Percent of Total)



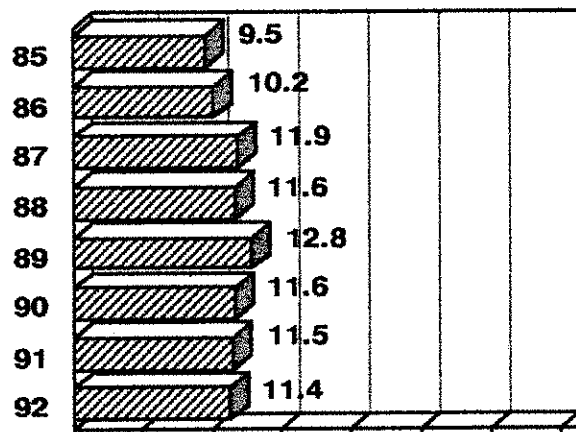
Capital Outlay (Percent of Total)



Other Services (Percent of Total)



Debt Service (Percent of Total)



* 1985-1991 Revised Budgets; 1992 Proposed Budget.

Capital Funding

The Municipality of Anchorage experienced substantial capital growth during the early 1980's with a substantial decrease during the last half of the decade. Figures 3-15 through 3-23 present historical information on the sources and uses of capital funds during this period.

Figure 3-15

**Categories of Capital Projects
Total Appropriations by MOA
1982-1991**

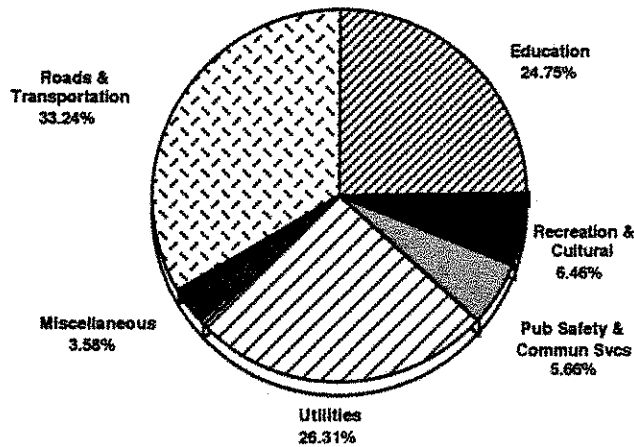
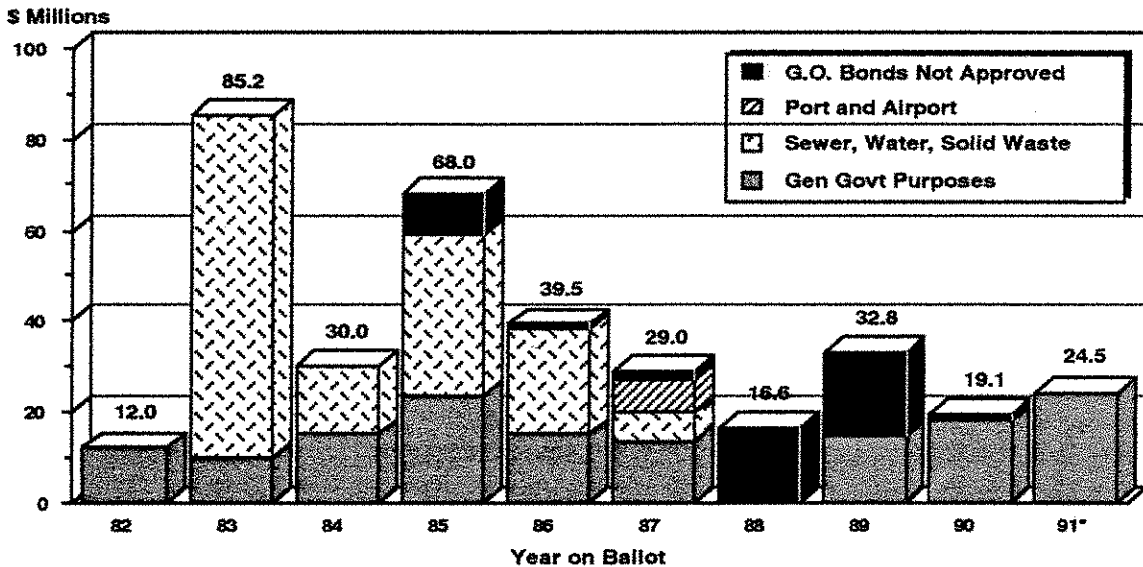


Figure 3-16

**General Obligation Bond Propositions
(Excluding School Bonds)
1982-1991**

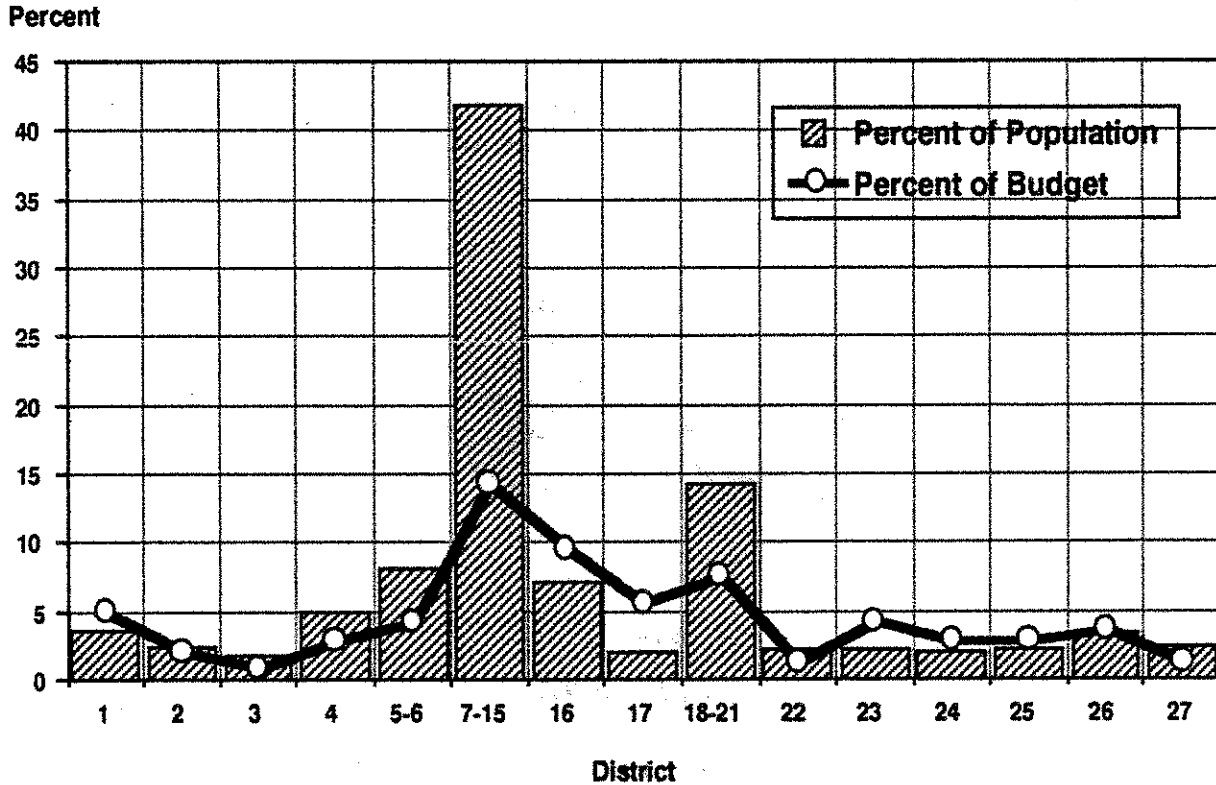


* Proposed on the October, 1991 ballot.

General Government purposes include roads, parks, fire, police, library, etc. Sewer, Water and Solid Waste totals include only general obligation bonds for these utilities; revenue bonds are excluded. Additional information on major municipal utilities is presented in Section V of this report.

Figure 3-17

District Comparison of Population to
Percentage of Fiscal Year 1992 State Capital Budget



District	Population		Capital Budget		
	Amount	Percent	Amount	Percent	
1	Ketchikan - Wrangell - Petersburg	20,043	3.6%	\$ 35.266 M	5.1%
2	Inside Passage	12,914	2.3%	15.196 M	2.2%
3	Baranoff - Chichagof	9,281	1.7%	6.446 M	0.9%
4	Juneau	26,751	4.9%	20.747 M	3.0%
5-6	Kenai - Cook Inlet - North Kenai - South Coast	44,287	8.1%	30.455 M	4.4%
7-15	Anchorage	229,843	41.8%	99.073 M	14.4%
16	Matanuska - Susitna	39,683	7.2%	66.797 M	9.7%
17	Interior Highways	11,028	2.0%	39.776 M	5.8%
18-21	S.E. Fairbanks-N. Star Borough - Fairbanks	77,950	14.2%	53.283 M	7.7%
22	North Slope- Kotzebue	12,092	2.2%	8.883 M	1.3%
23	Norton Sound	11,836	2.2%	29.240 M	4.3%
24	Interior Rivers	10,226	1.9%	20.776 M	3.0%
25	Lower Kuskokwim	11,768	2.1%	20.452 M	3.0%
26	Bristol Bay - Aleutians	18,889	3.4%	26.031 M	3.8%
27	Kodiak - East Alaska Peninsula	13,452	2.4%	9.595 M	1.4%
99	Other			206.544 M	30.0%
TOTAL STATE		550,043		\$688.560 M	

SOURCE: "Alaska Population Overview: 1990 Census & Estimates" by the Alaska Department of Labor and "Election District Report: Fiscal Year 1992" by the Alaska Legislative Finance Division.

Local voters approved nearly \$500 million in general obligation bonds during the 1980's. Approximately 34% of these bonds were for utilities, 41% were for schools; and 25% for general government purposes such as roads, drainage, water quality and parks.

Figure 3-18

**General Obligation Bonds
Approved by Voters**

<u>Year</u>	<u>General Government Purposes</u>	<u>Utilities</u>	<u>School District</u>	<u>Total</u>
1981	\$ -0- M	\$ -0- M	\$ -0- M	\$ -0- M
1982	12.0	-0-	69.9	81.9
1983	10.0	75.2 *	-0-	85.2
1984	15.0	15.0	-0-	30.0
1985	23.4	35.6	103.0	162.0
1986	14.8	23.7	-0-	38.5
1987	13.5	11.5	-0-	25.0
1988	-0-	-0-	-0-	-0-
1989	14.7	-0-	29.7	14.7
1990	17.9	-0-	-0-	17.9
1991 **	24.5 ***	-0-	51.9	76.4

* Includes a \$55 million bond issue for the Eklutna Water Project.

** Proposed bonds on the October 1, 1991 ballot.

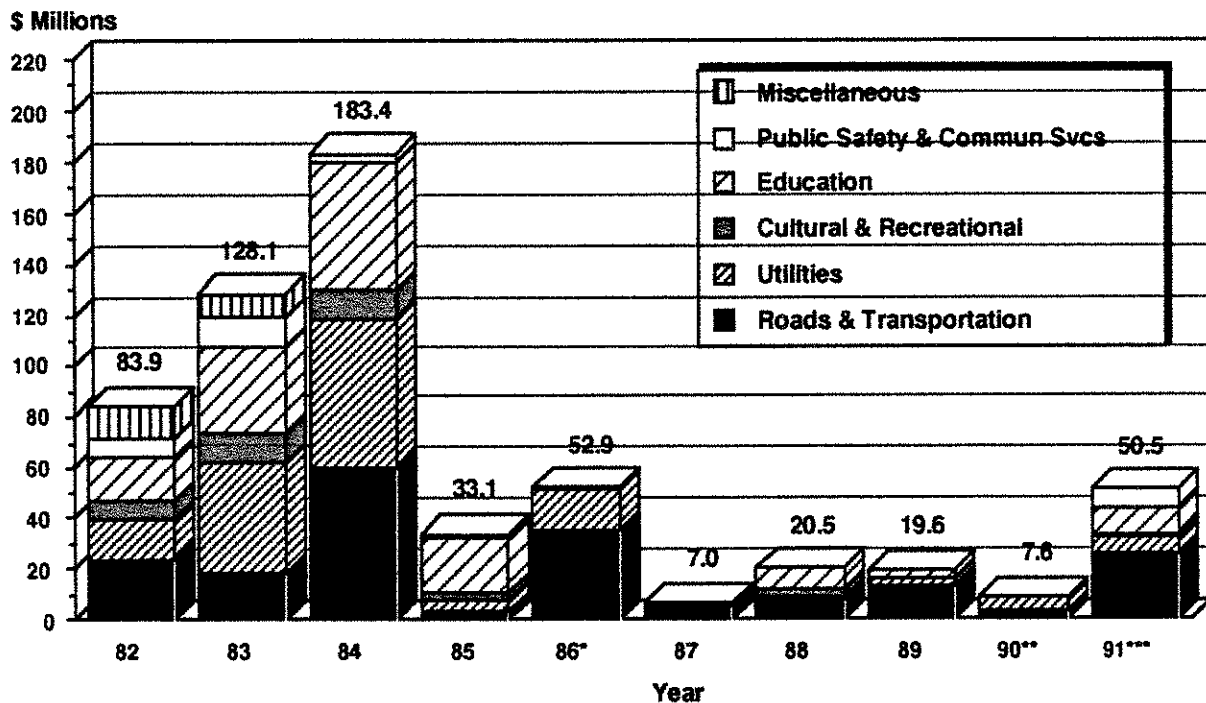
*** The 24.5 million General Government bond propositions include the following:

- \$15.0 M Anchorage Roads and Drainage Service Area
- 5.0 M Anchorage Parks and Recreation Service Area
- 2.0 M Underground storage tanks
- 2.5 M Major maintenance on Municipal facilities

Figure 3-19 shows capital grants from the State of Alaska to the Municipality. When final notice of these grants is received, the Assembly appropriates the funds for the purposes outlined in the grants. Grants are shown here in the year appropriated by the Assembly, which may differ from the State fiscal year of appropriation and from the year in which the funds are actually expended. Amounts shown are net of repeals and reappropriations.

Figure 3-19

**State Capital Grants
Appropriated by MOA
Net of Repeals**



* Grants for \$52.9 million were appropriated in 1986. However, oil revenue shortfalls resulted in State restrictions on release of the funds; only the released funds are shown for 1986. Impounded 1986 funds which were released in the following spring are shown in the 1987 totals, along with the new State capital budget grants for that year.

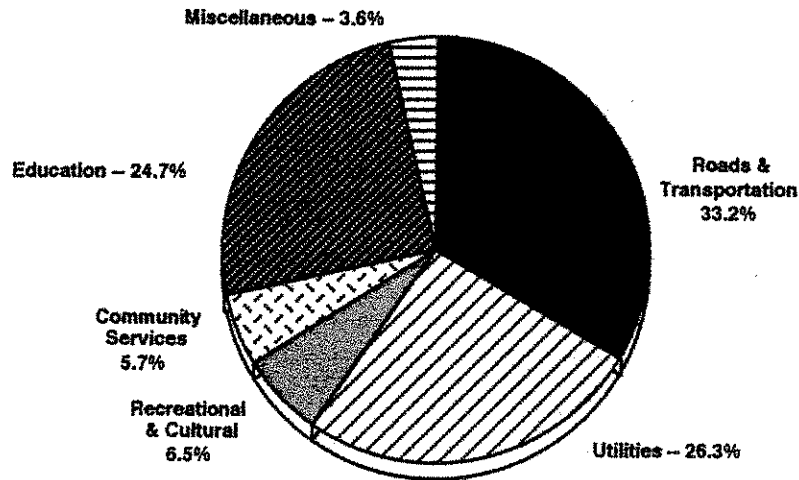
** The Governor's line item veto in July, 1990 resulted in net negative appropriations for the Anchorage School District and Department of Cultural and Recreational Services due to repeals of existing grants. Railbelt Energy Fund appropriations were composed of \$2.5 million for the Ship Creek Original Townsite Redevelopment Project and \$2.3 million to reconstruct and upgrade the Girdwood water system.

*** As of August, 1991.

Figure 3-20 summarizes the purposes of State grants over this period.

Figure 3-20

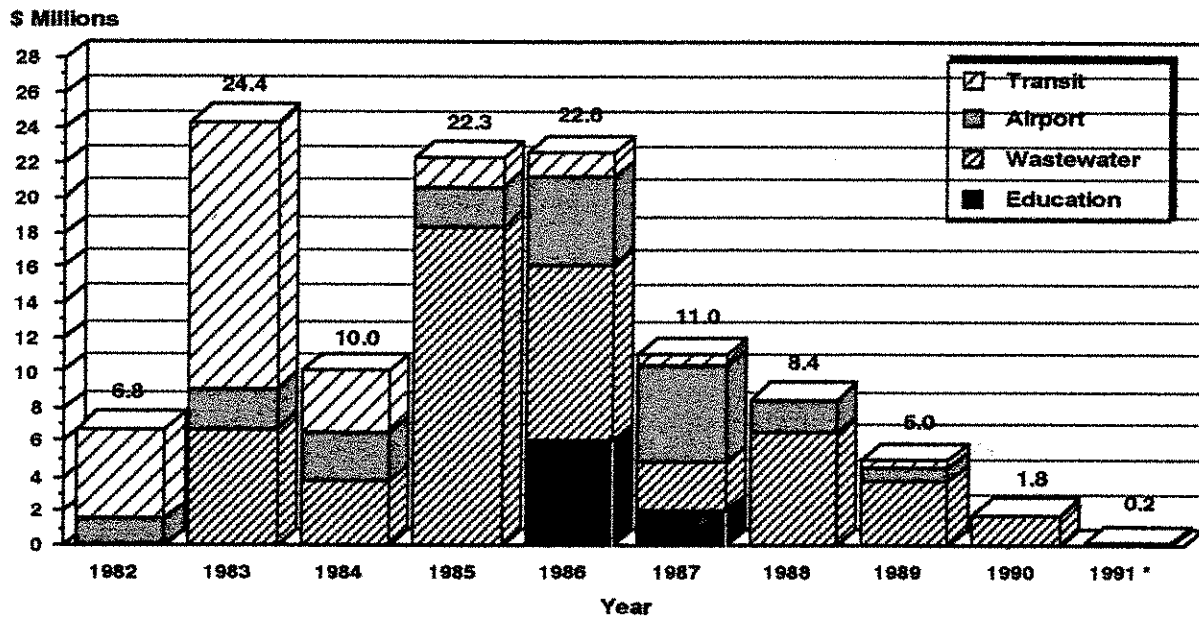
**State Capital Grants Appropriated by MOA
Total Distribution by Purpose 1981-1991 ***



Federal capital grants have been more modest in proportion. The bulk of federal capital funding has gone to Transit and Wastewater over the years shown.

Figure 3-21

**Major Federal Capital Grants
1982-1991**

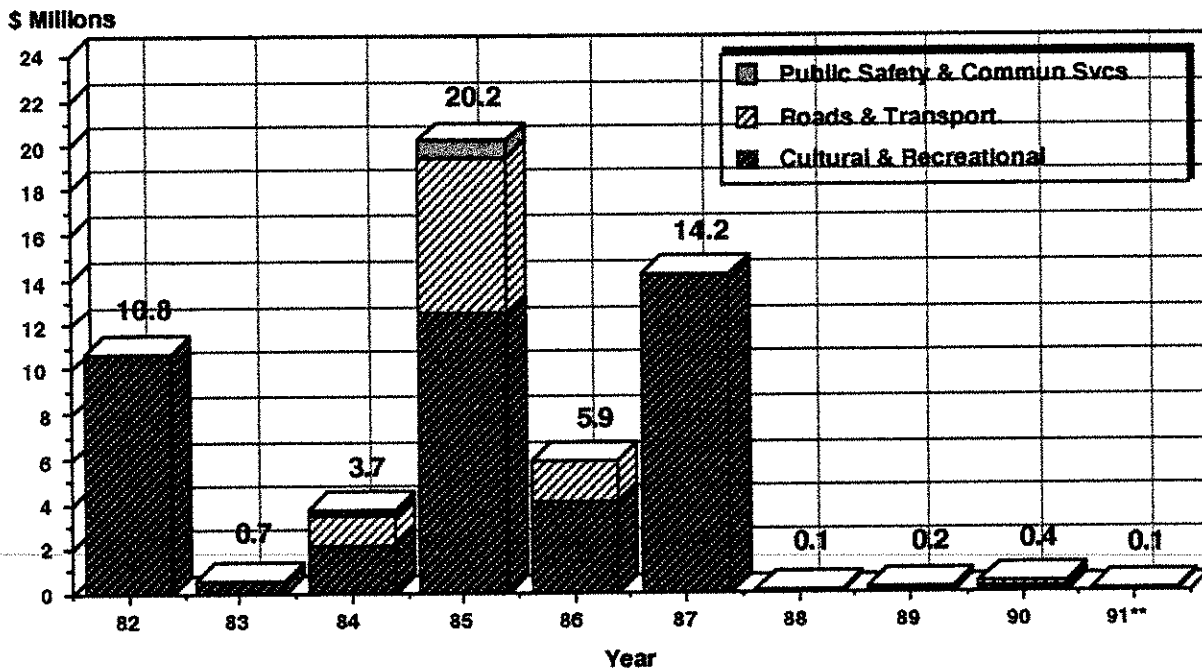


* As of August, 1990.

Through the mid 1980's, interest earned on capital grants was a funding source for capital projects. Figure 3-22 summarizes interest appropriation by broad program groupings. In prior years these interest earnings served to balance out the declines in State capital grants. Due to reduced State grants and a change in State grant payment procedures, the Municipality has had substantially lower grant fund balances in recent years, and lower interest earnings.

Figure 3-22

**Interest Appropriations
for General Government Capital Projects *
(1982-1991)**



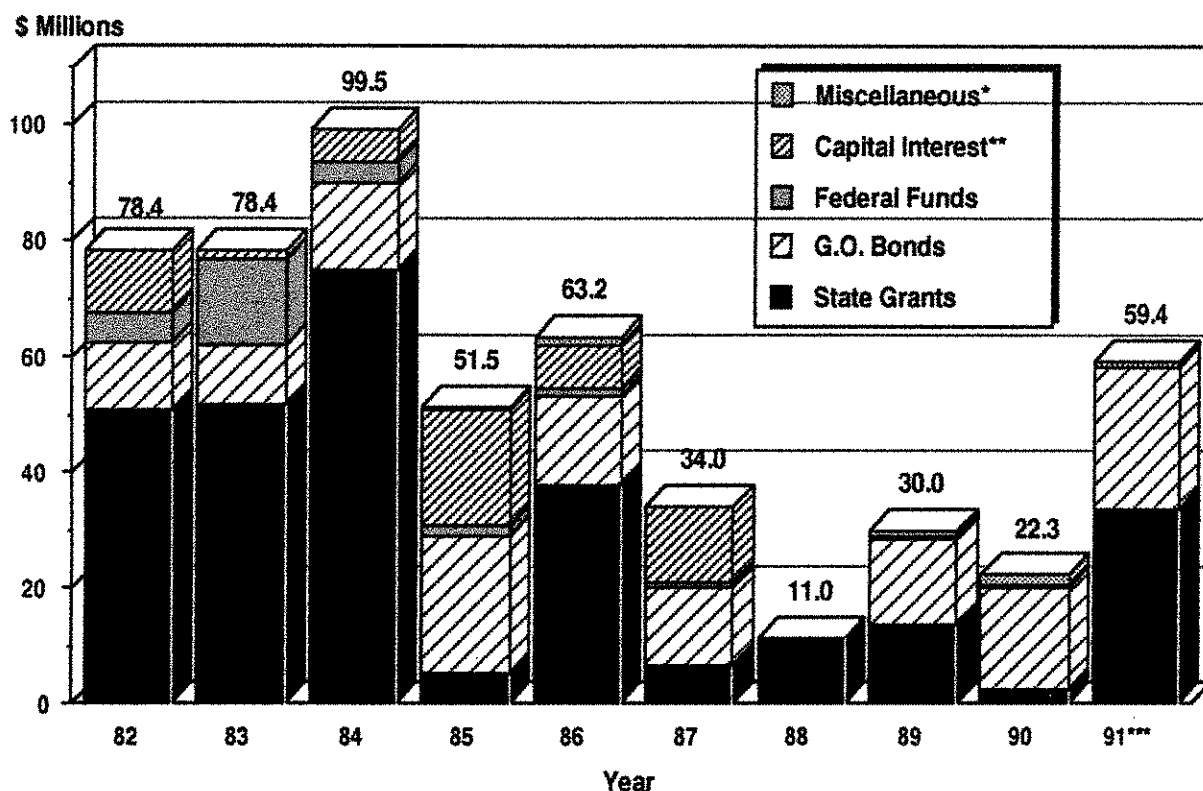
* Interest earned on General Government and Port of Anchorage State capital grants.

** As of August, 1991.

Figure 3-23 gives an overall summary of general government capital funding by source of funds. Here general obligation bonds are shown in the year of their voter approval.

Figure 3-23

**Summary of Appropriations to General Government
Capital Projects -- MOA
(Excludes Utilities and School District)**



* The Miscellaneous category consists of contributions from Heritage Land Bank, Anchorage School District, fund balance, assessment bonds, miscellaneous revenues, etc. Figures prior to 1985 represent Heritage Land Bank contributions only.

** Interest earned on General Government and Port of Anchorage State capital grants.

*** As of August, 1991. Bond amount represents what will be proposed on the October, 1991 ballot.

These tables depict the amount of taxes the Municipality collects each year and the ratio of tax collections to the tax levy. Keep in mind that tax collections will at times exceed the levy because of prior year collections.

Figure 3-24

Percent of Delinquent Taxes to Tax Levy

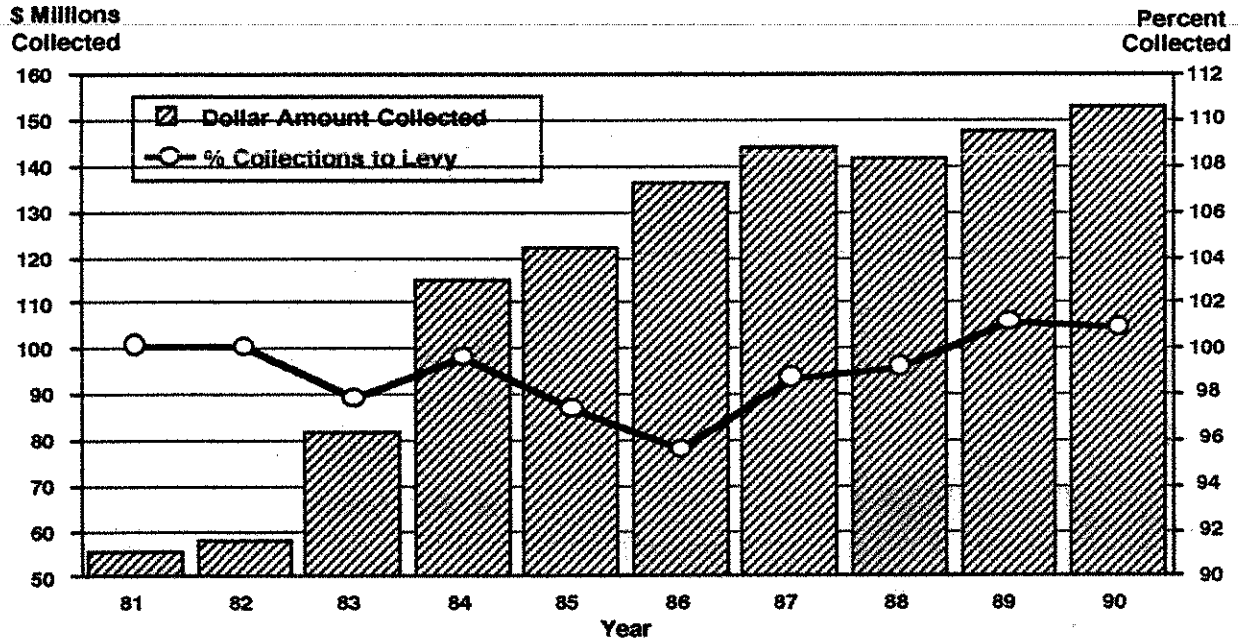
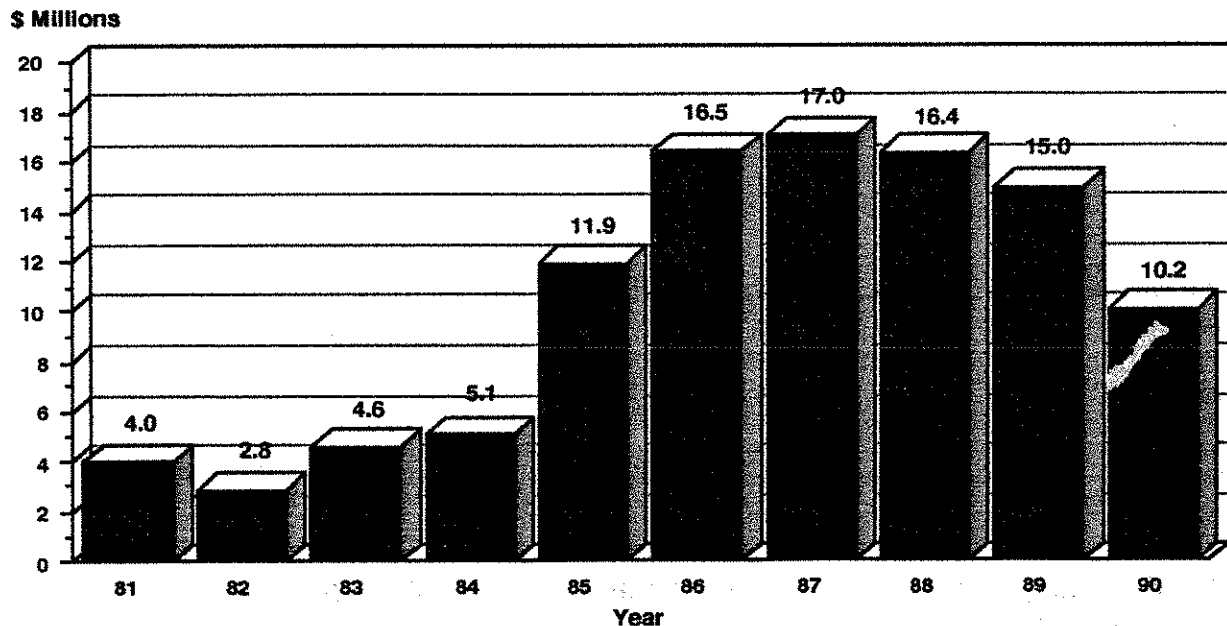


Figure 3 - 25

Outstanding Delinquent Taxes



**IV. "FISCAL GAP" --
PROBLEM AND SOLUTIONS**

IV. "FISCAL GAP" - PROBLEM AND SOLUTIONS

This section was developed in 1990 with the intent of identifying and providing corrective action to the Fiscal Gap facing the Municipality. The same approach was undertaken in 1991 to again address the fiscal shortfall facing the city. The term Fiscal Gap is derived from the shortfall that exists when desired expenditures are greater than available revenues. In order to alleviate this budgetary shortfall, corrective solutions were identified. The Administration's recommendation to resolve the Gap is contained later in this section.

PROCESS

The Municipality has undertaken an extensive planning process in the development, analysis and presentation of the data contained in this section. The process is defined in Section II of this report, along with the flow chart diagram utilized by the Administration in developing solutions to the Fiscal Gap.

"FISCAL GAP"

The proposed General Government operating budget contains the recommended reduction of about \$10 million in various programs and services. Additional cuts will also have to be made if the major maintenance bond proposition fails, since it entails federally mandated improvements to handicap access problems throughout the city. Figure 4-1 depicts the assumptions utilized for revenues and expenditures, resulting in the Fiscal Gap of \$17.1 million in 1992, which does not include the potential Police and Fire unfunded retiree medical liability of approximately \$22 million per year. Keep in mind that three cases with different Fiscal Gaps were developed during the planning process. We have presented the "Most Likely Case" for purposes of evaluating solutions to the Fiscal Gap in this document.

The new requirements have been developed by each of the departments in General Government. The direction given to these departments centered on providing realistic new requirements that would impact the operating budget during the 1992 to 1997 time frame. All cost information reflects expenditures over the 1991 approved budget level, adjusted for first quarter revisions and one-time expenditures.

The majority of the new requirements is derived from labor contract increases, safety, federal mandates, and prudent policy directives of the Municipality. They do not reflect a "wish list" of new programs for the departments, yet concentrate on maintaining public services and safety requirements.

In order to cover the costs of mandated new requirements, it is anticipated that the city will receive \$1.2 million in State program assistance to offset the cost of the National Pollution Discharge Elimination System (NPDES) program and handicap access improvements at various Municipal facilities. Additionally, the following components of new requirements will also be State grant requests:

- Underground storage tanks \$0.9 M
 - Building maintenance (deferred and ongoing) 2.1 M
 - Street maintenance and repair 2.1 M
- \$5.1 M**

By far the largest component of New Requirements would be the potential unfunded liability for Police and Fire retirees. This \$22 million number is shown below the line, but by no means is it any less important. The present value of benefits -- \$167-\$173 -- resulting from a valuation of the Municipality's Police, Fire and command officers Retiree Health Plan has been estimated by Mercer, Inc., health case consultants for the Municipality, and confirmed by Martin E. Segal Company.

Figure 4-1 on the following page outlines the Fiscal Gap if nothing is done to correct our current situation. All assumptions for revenues have been delineated within parentheses next to the revenue source. Wages and benefits are remaining constant and other services increasing at a rate of 4% during the future years. With recent projections on health care benefits indicating potential increases of 16%, the expenditure portion is conservative.

Figure 4-1

**"Fiscal Gap"
Before Implementation of Solutions
(In \$ Millions)**

	1992	1993	1994	1995	1996	1997
REVENUES						
Federal Revenues (0%)	\$ 1.1	\$ 1.1	\$ 1.1	\$ 1.1	\$ 1.1	\$ 1.1
State Revenues (-2% after 1992)	35.2	34.5	33.8	33.2	32.5	31.9
Local Revenues (2%)	30.6	31.2	31.8	32.4	33.1	33.7
Sales Tax (Hotel at 4%, Tobacco at 2%)	8.2	8.2	8.5	8.8	9.0	9.0
Utility Revenue Distribution	2.5	2.5	2.5	2.5	2.5	2.5
Property Taxes (Constant + New Construction)	100.9	102.1	103.3	104.5	105.7	106.8
Fund Balance Applied (2% Prior Yr. Expend.)	8.2	4.1	4.2	4.2	4.3	4.4
Services to Non-Govt. Units (IGC's at 2%)	19.2	20.0	20.8	21.6	22.5	23.4
TOTAL REVENUES	\$205.9	\$203.7	\$206.0	\$208.3	\$210.7	\$212.8
EXPENDITURES						
Wages/Benefits	\$122.3	\$122.3	\$122.3	\$122.3	\$122.3	\$122.3
Debt Service	23.4	23.4	23.5	23.4	23.4	23.4
Other (4%)	60.2	62.6	65.1	67.8	70.5	73.3
TOTAL EXPENDITURES	\$205.9	\$208.3	\$210.9	\$213.5	\$216.2	\$219.0
FISCAL GAP (Reference Figure 4-2)	\$ 0.0	\$ 4.6	\$ 4.9	\$ 5.2	\$ 5.5	\$ 6.2
ADDITIONAL REQUIREMENTS - INCREASES TO THE GAP						
Mandatory New Requirements	\$ 1.8	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0
Underground Storage Tanks	0.9	1.0	0.9	0.7	0.0	0.0
Building Maintenance (Deferred & Ongoing)	2.1	2.2	2.5	2.6	2.6	2.6
Street Maintenance and Repair	2.1	3.1	4.2	5.2	5.2	5.2
Health and Human Services	0.1	0.2	0.2	0.2	0.2	0.2
Property & Facility Management	0.5	0.6	0.6	0.1	0.1	0.1
Public Works - Federally Mandated Programs	0.0	0.5	0.6	0.6	0.6	0.6
Public Works	0.6	0.6	0.7	0.5	0.6	0.6
Cultural & Recreational Services	0.3	0.6	0.5	0.6	0.7	0.7
Police	0.1	0.1	0.1	0.1	0.1	0.1
Fire	0.2	0.5	2.4	2.6	2.8	2.8
Employee Relations	0.3	0.5	0.8	0.4	0.4	0.4
Transit	0.1	0.1	0.1	0.1	0.0	0.0
Subtotal	\$ 9.1	\$ 10.0	\$ 13.6	\$ 13.7	\$ 13.3	\$ 13.3
JCC Contract Increases	\$ 1.6	\$ 1.7	\$ 1.8	\$ 1.8	\$ 1.8	\$ 1.8
AMEA Contract Increases	1.3	2.0	2.7	2.7	2.7	2.7
Non-Rep Equity Increases	2.3	2.8	2.8	2.8	2.8	2.8
Police Contract Increases	1.6	1.6	1.6	1.6	1.6	1.6
Fire Contract Increases	1.1	1.1	1.1	1.1	1.1	1.1
IBEW Contract Increases	0.1	0.2	0.3	0.3	0.3	0.3
Subtotal Contracts - Gen Govt Only	\$ 8.0	\$ 9.4	\$ 10.3	\$ 10.3	\$ 10.3	\$ 10.3
Police/Fire Annual Medical Increases	\$ 0.0	\$ 0.3	\$ 0.4	\$ 0.8	\$ 0.4	\$ 0.6
Utility Increases	0.0	0.1	0.1	0.1	0.1	0.1
TOTAL NEW REQUIREMENTS	\$ 17.1	\$ 19.8	\$ 24.4	\$ 24.9	\$ 24.1	\$ 24.3
TOTAL FISCAL GAP						
with increases (Reference Figure 4-3)	\$17.1	\$24.4	\$29.3	\$30.1	\$29.6	\$30.5
P/F Retiree Med. Bnfts. (20 yr. % Payroll)	21.6	21.7	22.0	22.2	22.5	22.5
Gap Including P/F Unfunded Liability	38.7	46.1	51.3	52.3	52.1	53.0

Figure 4-2

TOTAL FISCAL GAP "MOST LIKELY CASE"

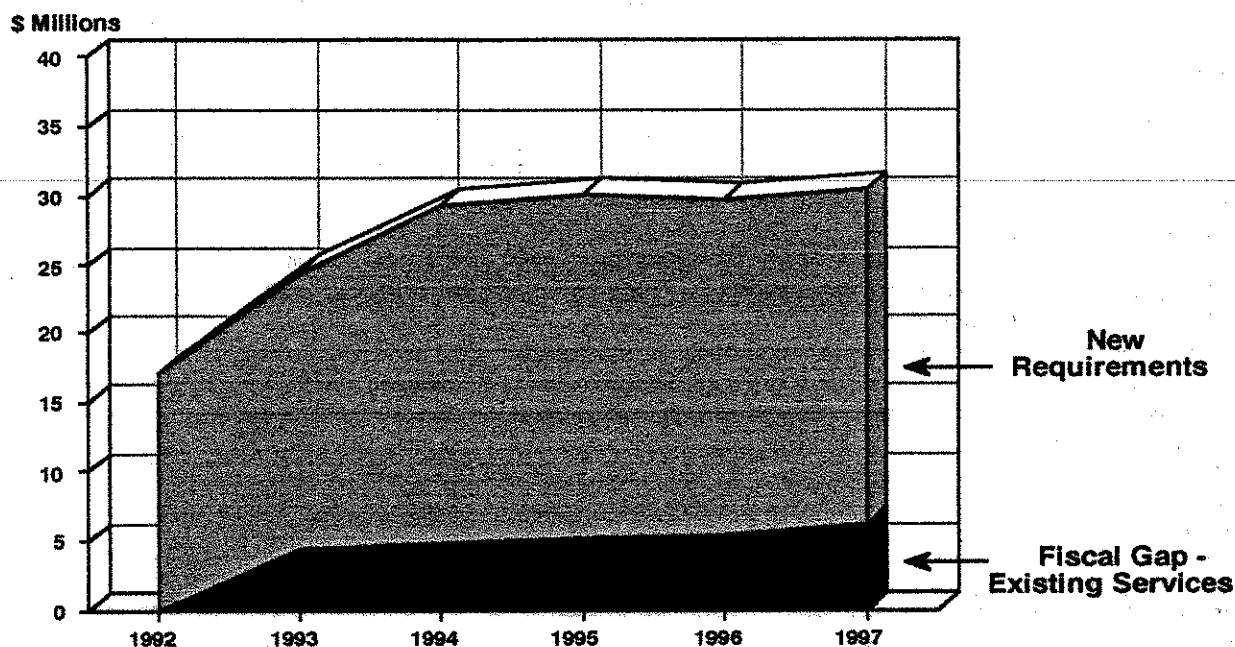
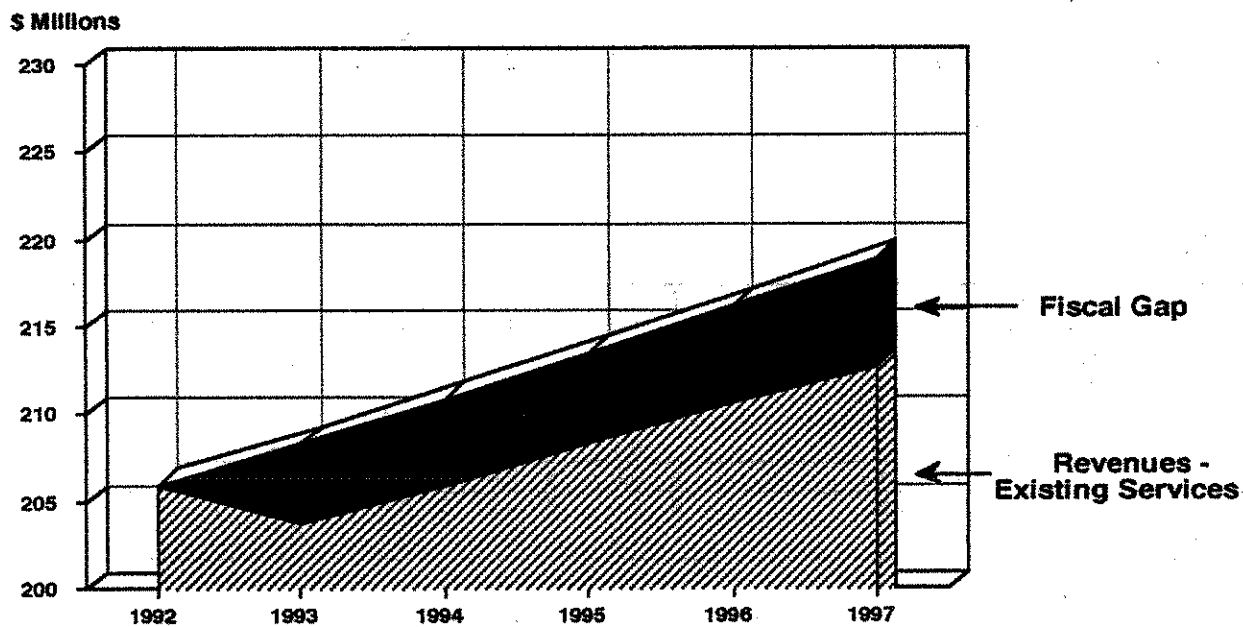


Figure 4-3

CURRENT LEVEL EXPENDITURES MINUS EXPECTED REVENUES



Based on First Quarter Budget Revisions - One-time expenditures

Property Taxes held at 1990 level plus New Construction

FISCAL POLICY ANALYSIS

This portion of the Fiscal Trends document explains the policy analysis that took place when solutions to the Fiscal Gap were being evaluated.

In order to develop a comprehensive plan to solve the Fiscal Gap, it was necessary to agree on the solution option that would resolve the projected gap. The feasibility of the most desirable public policy solution options was assessed as the final step in the process.

The Fiscal Gap is a projection prior to implementing any solutions to solve the problem. The fiscal model forces the identification and prioritization of solutions to ensure the Municipality's long-term fiscal integrity.

Once the Gap was identified, the next logical step was the establishment of solutions necessary to remedy the problem. Policy options were defined in the following categories:

- Compensation Concessions (not applicable)
- Utility Policy - Sale of ATU
- Service and Program Adjustments
- New Revenues

Compensation Concessions

Salaries - The result of labor negotiations has increased the cost of the various bargaining units and non-reps in the 1992 operating budget, which carries over to the outyears. The Police and Fire contracts have not been finalized, but additional increases are likely.

Cost of Living Adjustments (Benefits) - Inflationary increases for health benefits have not been included in the Fiscal Gap model. The impact of increases in this area could be fairly substantial with increases forecasted around 16%.

Police and Fire Retiree Medical Benefits - Martin E. Segal Company has confirmed the present value of benefits resulting from a valuation of the Municipality's Police and Fire retiree health plan at approximately \$173 million. This amount equates to a \$22-\$24 million a year (FASB 106) potential expense. A prudent fiscal policy objective would be to implement certain cost containment measures. The 1992 solution to the Gap does not account for any funding of this potential liability, yet the need still exists and should be resolved.

Utility Policy

Sale of ATU - Under this solution, the Municipality could sell ATU and use some of the revenues to assist in closing the Fiscal Gap. This solution would be utilized for half a year in 1992 and in total for 1993 and the outyears.

- \$150 million of outstanding debt at ATU would be eliminated.
- Invest \$100 million for retiring general obligation debt, which has a corresponding impact on the taxpayer.
- Establish a permanent fund for approximately \$201 - \$251 million. The interest earnings after inflation-proofing are approximately \$7.6 - \$9.5 million annually, which could be used to close the Fiscal Gap.

In addition, this solution would provide a source of funds for critical fiscal priorities upon approval of the voters.

Sale of Other Utilities - Solid Waste Collections and ML&P appear to be the only other feasible candidates. These two would not be expected to generate near the revenues predicted from the sale of ATU.

Increased Utility Revenue Distribution - These amounts are directly dependant on the Municipality's dividend policy and the Utilities' ability to pay. Projected utility rates will be affected by the anticipated URD's. As revenues increase, so would the MUSA surcharge percentage of the calculation.

Service and Program Adjustments

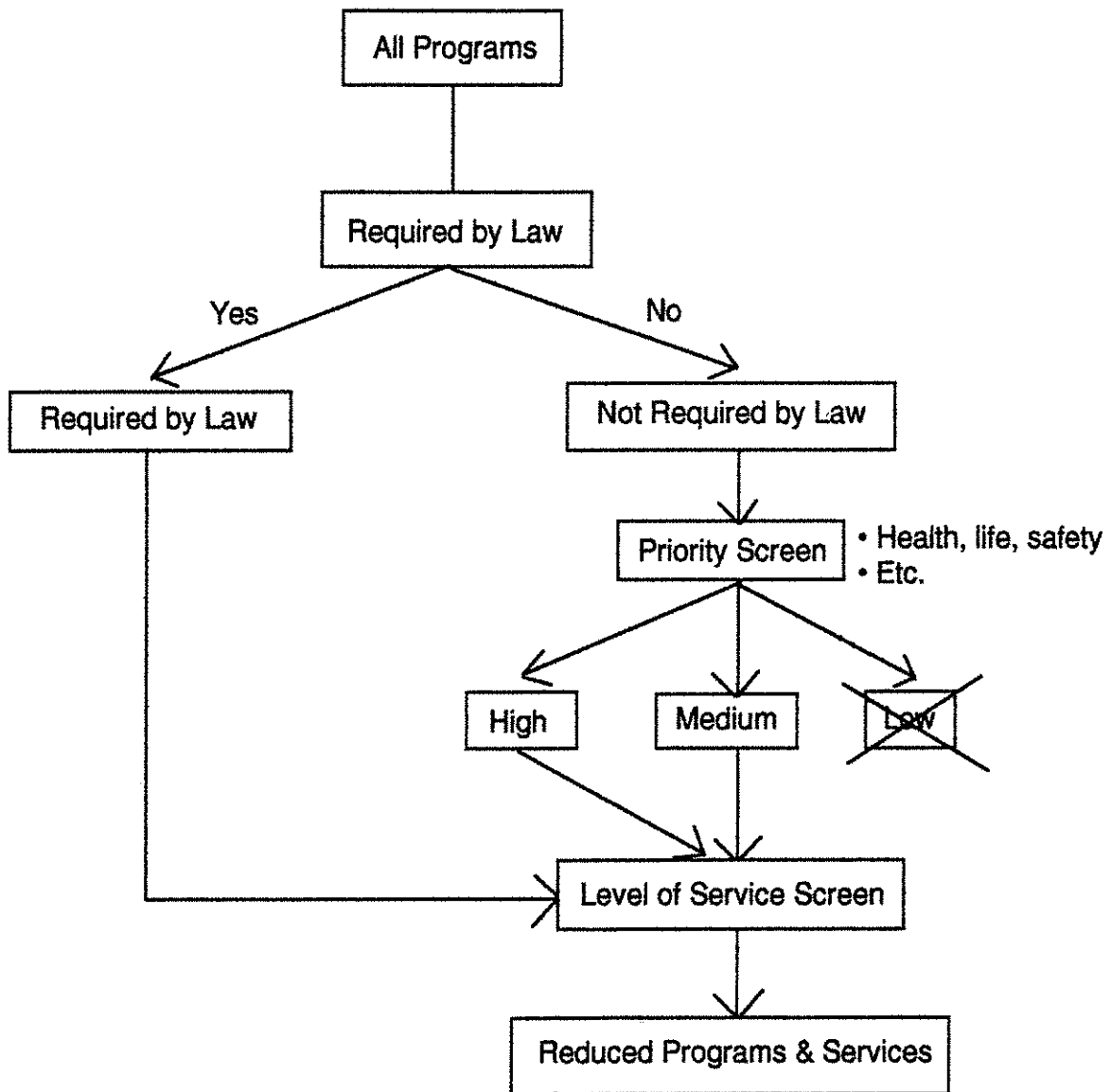
Consolidation and Efficiency Savings - Many of these reductions have already been implemented. The identification of additional savings in this category will likely require a comprehensive analysis. Any substantial savings will require time to implement.

Service and Program Reductions - This category will encompass a wide range of dollar savings for 1992, which will vary with the assumptions utilized in determining service/program priorities and desired levels of service.

- **Services** - The Mayor's Committee on Fiscal Policy (Sept. 1988) determined that the citizens of Anchorage receive a broad range of services, more than provided in many other cities. Many of these services were expanded and made more sophisticated when revenues were plentiful. The past level of State assistance has not continued, but some of the expanded services continue to be offered. Under this solution, some of the programs developed during the high revenue days will be reduced.

- Contributions - Organizations such as the Alaska Center for the Performing Arts, Anchorage Convention and Visitors Bureau and Anchorage Economic Development corporation currently receive operating assistance from the Municipality. Under this solution, the contribution will be reduced.

The following model of a decision tree can be referenced for an overview of prioritization of service and program adjustment:



New Revenues

Property Tax - This solution would incorporate taxing the maximum allowed under the cap.

State Assistance for Mandated Programs - The historical premise of the Municipality's Capital Budget has centered on projects that such as roads, facilities and recreational areas. The philosophy that would be more consistent with the economic conditions facing Anchorage would put more emphasis on federally mandated requirements. Under this component of our solution set, the Municipality would request approximately \$1.2 million from the State for the 1992 budget, which would further reduce the Fiscal Gap.

Major Repairs and New Requirements - Under this solution, Anchorage would place emphasis on major road and maintenance of the existing infrastructure.

Exemption Program Senior Citizens and Disabled Veterans - The Municipality could reduce taxes to existing taxpayers if the Legislature would fully fund the exemption program for senior citizens and disabled veterans, as set forth in Alaska Statute 29.45.030. Fully funded, this program would generate an additional \$4 million, which would be available for reallocation. The Municipality currently receives funding at approximately 27%.

User Fees - This category would entail an increase to the fee structure imposed by the Municipality on its users. Any increase in fees would provide a long-term solution to the Gap.

Additional Taxes - This solution has various possibilities for generating a range of revenues. It is presented here for analytical purpose. The Administration does not support substantial new taxes at this time. Additionally, recent surveys indicate that the public is opposed to any new form of general taxation. Examples are as follows:

- Alcohol Tax - Average package store retail prices from local sources (\$10 for a bottle of liquor, \$7 for a bottle of wine and \$12 for a case of beer) were used to estimate package store sales. Sales volumes for the remaining 18% of alcohol volume from restaurants and bars were calculated on a per drink basis. Both of the aforementioned sales were then multiplied by a 6% tax to arrive at estimated revenues of \$6.57 million per year after administrative costs.
- Sales Tax - \$10 million annually. Current estimates indicate that a broadly based tax at a 1% rate would raise approximately \$10 million after administrative costs.
- Sales Tax with a Sunset Clause - Same as above, but it would be for a fixed term.

- Seasonal Sales Tax with effective dates during the summer season (mainly May through September). The revenue from this tax varies with the level imposed. For purposes of this model, we can assume that \$3 million would be the net yield on a 1% sales tax, after administrative costs.
- Fuel Tax - By taxing the individuals benefitting from the fund's reserves, an equitable basis for taxation has been established. (There are several indirect benefits that individuals will receive in addition to the improved roads, such as cleaner air, increased usage of the transit system and possibly a reduction in traffic congestion.) It is difficult to determine at what point the indirect benefits will come into play, but for the purposes of this paper it can be assumed that with increasing levels of taxation the indirect benefits will also increase due to the increased burden on the taxpayer. The yield on a 4 cents per gallon fuel tax would be approximately \$3.6 million.
- Automobile Registration Tax - This solution would include a revision to the State statute which sets the fee schedule for automobile registration taxes. Currently, the fee schedule for automobile registration taxes is below the equivalent personal property tax, which might be levied as an alternative. This solution would be a redistribution of the taxes, rather than additive money, unless it was taken to the voters for specific approval.

* * * * *

Once the fiscal policy analysis was completed, the solutions to the Fiscal Gap were identified and presented to the Assembly in the Preliminary 1992 Operating Budget. The remainder of this section of the report outlines the various solutions and presents future recommendations

PROPOSED SOLUTION TO THE FISCAL GAP

Since June, the development of the Fiscal Gap solution matrix has been an evolutionary process. The final options have been identified in Figure 4-4 for a consolidated view of the solutions. Option 1 is the recommendation of the Administration and focuses on the sale of ATU, program and service reductions and some assistance from the State.

The Proposed 1992 General Government Operating Budget reduces the costs of existing services by \$10 million. Additional cuts will have to be made if Proposition #1 -- Major Maintenance on Municipal Facilities -- is not approved by the voters on October 1, 1991, since the federally mandated handicap access requirement must be met. Additional cuts may also be necessary if the voters do not approve Proposition #2 -- Replacement of Underground Storage Tanks.

Option 1 also establishes the use of bond proceeds to reduce the discretionary new requirements. These proceeds would be derived from:

- \$2.5 M major maintenance
- 2.0 M underground storage tanks
- 0.7 M heavy equipment
- \$5.2 M

Finally, this recommended option entails the postponement of \$2.0 million in discretionary new requirements. This option does not fund the potential Police/Fire retiree medical liability at this time, but does come with the recommendation that a comprehensive plan to resolve this problem should be adopted by the Assembly.

If the sale of ATU is forthcoming, \$3.8 million of services and programs can be reinstated. Additional programs (\$2.8 million) can also be reinstated if it becomes apparent that Anchorage citizens have weighted increased taxes against reduced services and a clear public consensus develops for increasing taxes to the cap. In this case, the Administration would not oppose Option 5 should be Assembly select this approach.

The "Most Likely" projection represents the Fiscal Gap if no solutions are implemented to solve the problem and the assumptions regarding revenues and expenditures actually occur. The reason for displaying the case in this manner is to present the full magnitude of the Fiscal Gap, which could materialize unless we take appropriate action.

Figure 4-4

**"FISCAL GAP" SOLUTION OPTIONS
1992**

	Option # 1	Option # 2	Option # 3	Option # 4	Option #5
Sale of ATU	\$ 3.8 M	\$ 0.0 M	\$ 0.0 M	\$ 0.0 M	\$ 3.8 M
Police/Fire Retiree Medical (not funded)	0.0	0.0	0.0	0.0	0.0
Service/Program Reductions	5.4	9.9	7.0	6.3	3.2
Discretionary New Requirements (not funded)	2.0	6.7	6.2	2.0	2.0
Tax Cap	0.0	0.0	2.9	2.9	2.9
State Grants	0.7	0.0	0.0	0.7	0.0
Bonds	5.2	0.5	0.5	5.2	5.2
Increased User Fees	<u>0.0</u>	<u>0.0</u>	<u>0.5</u>	<u>0.0</u>	<u>0.0</u>
TOTAL OF ALL SOLUTIONS	\$17.1 M	\$17.1 M	\$17.1 M	\$17.1 M	\$17.1 M

NOTES: Each of the above options has a different focus, which is outlined below:

1. Sale of ATU (average between the \$450M and \$500M sale price for ATU less IGC impact of \$0.5K) needs to be resolved during the 1992 budget period, grants/bonds, expenditure reduction
2. Expenditure reduction
3. Tax Cap, user fees, expenditure reduction
4. Grants/bonds, tax cap, expenditure reduction
5. Sale of ATU, tax cap, bonds, expenditure reduction

V. ENTERPRISE ACTIVITIES PROFILE

V. ENTERPRISE ACTIVITIES

The Municipality of Anchorage owns and operates eight Enterprise Activities -- Anchorage Telephone Utility, Municipal Light and Power, Anchorage Water and Wastewater Utilities, Solid Waste Disposal and Municipal Refuse Collection Utilities, the Port of Anchorage, and Merrill Field Airport. Detailed information on each of these entities is contained in the 1992 Public Utility Operating and Capital Budgets document. The intent here is to extract and summarize some information to provide an overview of these important Municipal activities.

This section highlights some of the interrelationships which exist among General Government functions and Enterprise Activities -- Intragovernmental Charges (IGC's), the Municipal Utility Service Assessment (MUSA), and Utility Revenue Distribution. Following a discussion of these linkages, summary income, expense, debt and rate data are also presented.

INTRAGOVERNMENTAL CHARGES

The intragovernmental charge system is the mechanism used by the Municipality to account for the costs of certain services provided by one unit of government for another.

An IGC represents the cost for a service which one budget unit (servicer) provides to another (requestor). Net charges to utilities, operating grants and capital improvements are counted as general government revenues.

General government provides administrative services to the Municipal utilities, e.g., financial services, insurance, purchasing, and management. Utilities also provide services to general government, but in general these charges are handled through the regular customer billing procedures of the utilities, rather than through a charge-back system.

Figure 5-1 summarizes the IGC's to utilities contained in the 1992 budgets. Charges to utilities are \$13.7 million, approximately 71% of the total of \$19.2 million IGC revenues in the general government operating budget. Figure 5-1 also summarizes the changes in IGC's since 1986. The increase in utility charges in 1989 reflects centralization of the Management Information System Department from ATU.

Major components of utility IGC's are for self-insurance and general liability funds, labor and human relations, financial information system accounting services, utility collections and remittance processing, purchasing, and information systems. Over the last few years, IGC's to utilities have been declining as utilities have developed their own accounting and data processing capabilities. As utilities require fewer services from general government and this source of revenue declines, the fixed costs of data processing and financial services will have to be spread among the remaining users or some changes will need to be made to reduce the burden and improve efficiencies.

Figure 5-1

**Intragovernmental Charges
From General Government
(\$000 Omitted)**

	ACTUAL							
	<u>ATU</u>	<u>ML&P</u>	<u>Water</u>	<u>Waste- Water</u>	<u>Disposal</u>	<u>Refuse</u>	<u>Port</u>	<u>Merrill Field</u>
1986	\$ 3,740	\$ 2,861	\$1,039	\$1,351	\$ 261	\$ 233	\$ 145	\$ 81
1987	3,614	2,063	875	1,014	271	188	182	83
1988	2,558	1,417	734	807	234	179	198	57
1989	7,488	1,465	807	1,089	220	174	225	62
1990	7,808	1,299	941	1,225	219	180	234	57
1991	<u>8,268</u>	<u>1,401</u>	<u>1,050</u>	<u>1,383</u>	<u>307</u>	<u>215</u>	<u>258</u>	<u>73</u>
TOTAL	\$33,476	\$ 10,506	\$5,446	\$6,869	\$1,512	\$1,169	\$1,242	\$413

	PROJECTED							
1992	\$ 8,530	\$ 1,485	\$1,236	\$1,559	\$ 317	\$ 215	\$ 273	\$ 90
1993	8,956	1,600	1,274	1,606	338	244	288	92
1994	9,404	1,680	1,312	1,654	352	253	303	96
1995	9,874	1,750	1,351	1,704	366	264	318	99
1996	10,368	1,850	1,392	1,755	381	274	333	103
1997	10,887	1,950	1,433	1,808	396	285	348	108

MUNICIPAL UTILITY SERVICE ASSESSMENT (MUSA)

Utilities receive general services provided by the Municipality to all residents and businesses in the service area, such as fire and police protection, and street maintenance. Therefore, utilities which are financially self-supporting help pay for these services through a MUSA, which is analogous to property taxes paid by private property owners. The mill rate applied is the same as that applied against the value of private properties; however, there are differences in the way in which the value of the property is assessed. The utilities are assessed on the book value of the property, not the market value.

The income approach is often used by private utilities as the basis for appeal of the assessed valuation computed by the Municipality using the cost approach.

Figure 5-2 summarizes MUSA payments by utilities since MUSA was established by ordinance in 1976. Initially MUSA was applied to the telephone, electric and water utilities. Wastewater and Refuse Collection Utilities were included in 1986. Merrill Field

and the Port, not being a utility, are exempt from MUSA. Beginning in 1989, MUSA was applied to Solid Waste Disposal Utility. MUSA revenues are used in the Anchorage School District and general government in the same ratio as other property tax collections.

Figure 5-2

MUSA Paid 1976 Through 1991

(\$000 Omitted)

<u>Year</u>	<u>ATU</u>	<u>ML&P</u>	<u>Water</u>	<u>Wastewater</u>	<u>Solid Waste</u>	<u>Total</u>
1976	\$ 443	\$ 152	\$ 190	\$	\$	\$ 785
1977	1,378	414	511			2,303
1978	1,536	438	556			2,530
1979	1,442	386	444			2,272
1980	1,372	561	387			2,320
1981	994	416	302			1,712
1982	904	348	279			1,531
1983	1,287	502	395			2,184
1984	1,477	679	493			2,649
1985	1,524	870	888			3,282
1986	1,657	1,025	1,299	1,424	25	5,430
1987	2,439	1,480	2,156	2,082	32	8,189
1988	3,185	1,788	2,661	2,832	65	10,531
1989	4,773	2,755	1,265	1,134	488	10,415
1990	4,422	947	2,040	1,152	470	9,031
1991	<u>4,271</u>	<u>1,747</u>	<u>1,478</u>	<u>1,029</u>	<u>490</u>	<u>9,015</u>
TOTAL	\$33,104	\$14,508	\$15,344	\$ 9,653	\$1,570	\$74,179

MUSA Projected 1992 Through 1997

(\$000 Omitted)

<u>Year</u>	<u>ATU</u>	<u>ML&P</u>	<u>Water</u>	<u>Wastewater</u>	<u>Solid Waste</u>
1992	\$4,368	\$1,860	\$1,579	\$1,256	\$507
1993	4,604	2,000	1,640	1,307	538
1994	5,010	2,000	1,640	1,305	559
1995	5,312	2,000	1,640	1,328	582
1996	5,541	2,100	1,640	1,345	605
1997	5,741	2,100	1,651	1,357	603

UTILITY REVENUE DISTRIBUTION

The Home Rule Charter for the Municipality of Anchorage (September 1975) provided that Municipal utilities were to operate at a reasonable profit and that net profits from former city utilities would be applied for the benefit of the old City Service Area for five years after unification. This was, in effect, the way in which the new Municipality "purchased" the utilities from the city. In 1978, the Assembly passed an ordinance which halved the payment rate (from 100% to 50% of net profits) and lengthened the payment period (from five to ten years) for ATU and the Anchorage Water Utility. The following chart details the actual payments which were made in conformance with these requirements.

Figure 5-3

Utility Net Profit Distributions to Former City Service Area 1976-1985

(\$000 Omitted)

<u>Year</u>	<u>ATU</u>	<u>ML&P</u>	<u>Water</u>	<u>Total</u>
1976	\$ 730	\$ 566	\$ 15	\$ 1,311
1977	914	608	292	1,814
1978	978	503	314	1,795
1979	1,046	474	337	1,857
1980	1,119			1,119
1981	1,198	223		1,421
1982	1,281			1,281
1983	1,371			1,371
1984	1,467			1,467
1985	<u>1,570</u>	<u> </u>	<u> </u>	<u>1,570</u>
TOTAL	\$11,674	\$2,374	\$958	\$15,006

In 1985, the net profit distribution was succeeded by an ordinance providing for an investment return to all the residents of the Municipality from their ownership of the utilities. This Utility Revenue Distribution is analogous to the return paid to owners of private utilities. The Utility Revenue Distribution allows for a distribution to general government from surplus utility revenues. A maximum of 5% of gross revenues may be distributed "where prudent fiscal management permits." Payment is made following evaluation of revenues restricted by grants or contracts, cash needed for reinvestment in the utility, bond ratings, prudent cash flow and debt management considerations.

The ordinance applies to ATU, AWWU, ML&P and SWS. To date, only ATU has met the evaluation criteria. The distribution from ATU was \$5,500,000 in 1986, \$7,000,000

in 1987, \$5,000,000 in 1988, \$2,583,000 in 1989, \$4,000,000 in 1990 and an estimated \$2,500,000 in 1991. Revenue distributions paid by the utilities have reduced the level of property taxes which would otherwise have been necessary to fund services at the levels provided over the last few years.

FISCAL SUMMARIES

This section presents fiscal information pertaining to Municipally-owned utilities. The information is not a complete fiscal picture of the utilities; rather, the charts provide a brief overview. More information regarding the financial history and the budget summaries for each of the utilities are contained in the 1991 Public Utilities Operating and Capital Budgets.

The Municipal utilities are self-supported through user rates and have received no local tax assistance since 1984. The utilities have eased the tax burden for the taxpayers, through the Utility Revenue Distribution, MUSA, and their self-supported businesses.

A brief description of some of the fiscal indicators used here may be useful.

Net income is calculated by subtracting total expenses from total revenues. It is closely tied to utility rates as most revenues are from charges for services provided. If net income is large, it may indicate that rates are sufficient and will not need to be raised in the near future. If it is low or negative, a utility's equity is being eroded and it may be an indicator that a rate increase needs to be requested. In either case, expenses are monitored closely to be sure they are being kept as low as possible while still providing services to all customers.

Income and expenses for the regulated utilities (Anchorage Water and Wastewater Utility, Anchorage Telephone Utility, and Municipal Light and Power) have been computed using methodology prescribed by the Alaska Public Utilities Commission. The major difference between the regulatory and non-regulatory approach is the exclusion of depreciation on contributed plant under the regulatory rules.

Debt Service coverage is determined by dividing income available for debt service (current net operating revenue with adjustments made for depreciation and debt service payments and, in some cases, MUSA and interest revenue) by the accrued debt service on revenue bonds for the year. Debt service coverage is an indication of a utility's ability to pay for existing debt as well as its ability to finance new debt. For a utility to issue new debt, it must satisfy a number of criteria in the bond covenants and be able to show that projected debt service coverage will be at least equal to the minimum requirement contained in its covenants. Projected debt service coverage is one of several indicators used by the utilities to determine when to file for a rate increase and the size of the increase needed.

All of the utilities have met their debt coverage requirements in recent years and have been able to issue new debt to finance their growth as needed. The minimum debt service coverage requirement contained in each utility's bond covenants is included as a benchmark on each of the following graphs. No debt service coverage graphs are included for the Anchorage Wastewater Utility or Merrill Field Airport because those entities have not issued revenue bonds. A \$4.0 million Solid Waste Disposal revenue bond was sold in August 1989. The pro forma coverage ratio on this bond is estimated to be 6.35 while the bond covenant requirement is 1.25.

ANCHORAGE TELEPHONE UTILITY

The Anchorage Telephone Utility is the largest municipally-owned local telephone operating system in the United States. The following two figures summarize ATU's revenues, expenses, and net income, 1982-1992.

Figure 5-4

Anchorage Telephone Utility Revenues and Expenses

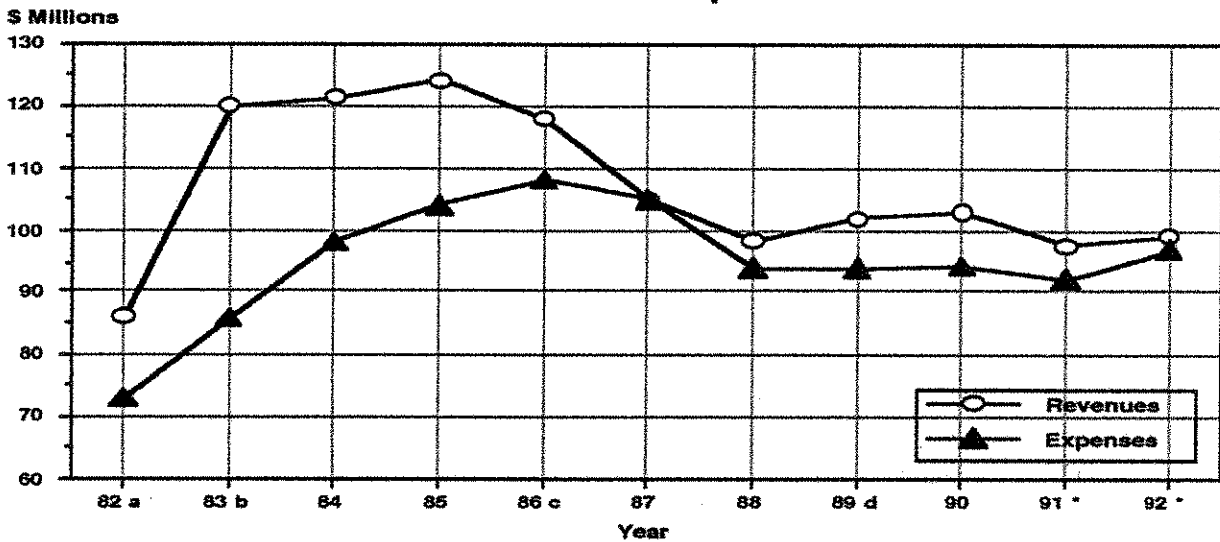
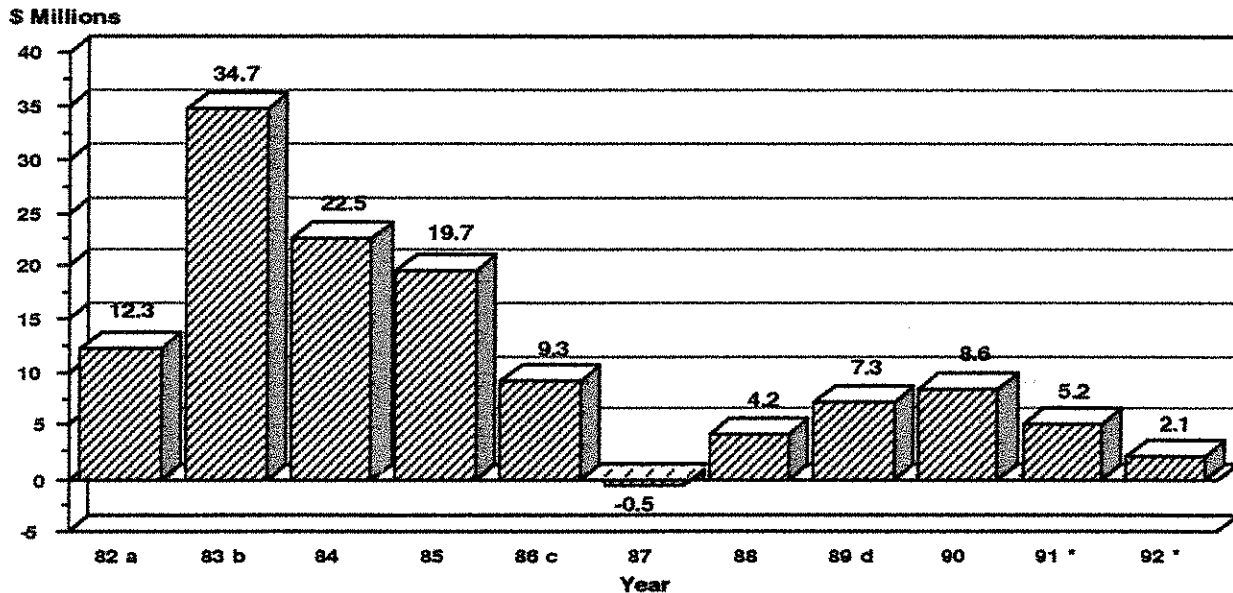


Figure 5-5

Anchorage Telephone Utility Net Income



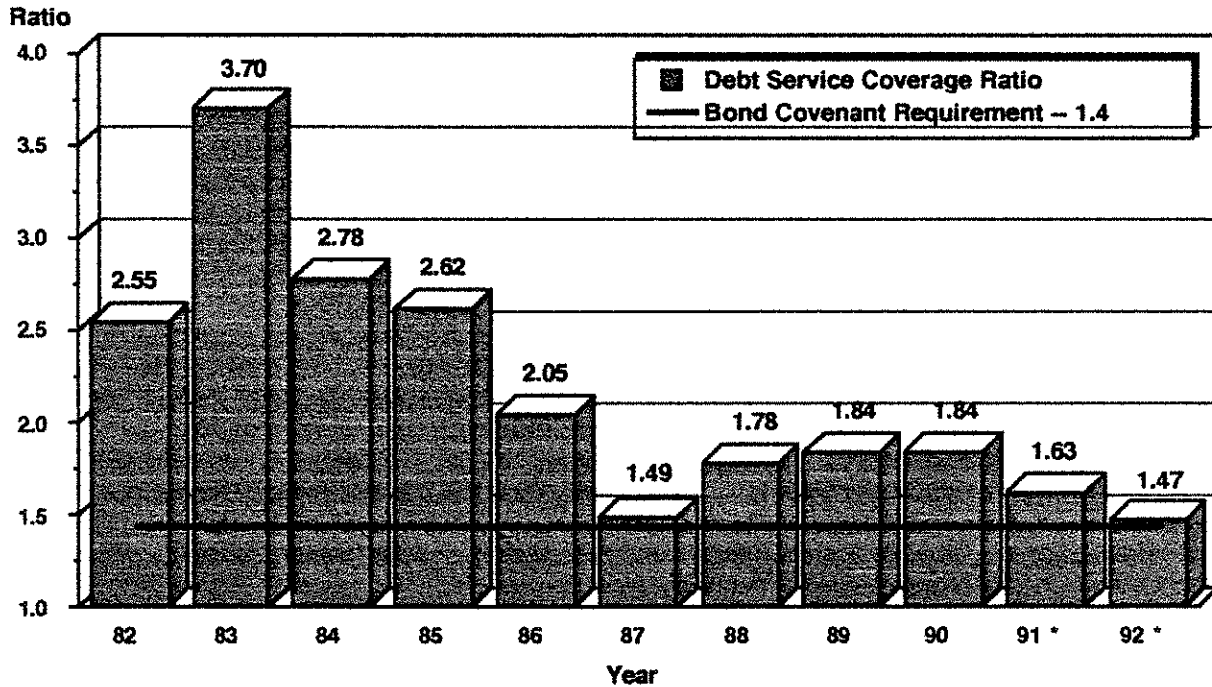
* Estimate

- Notes
- a) Included \$6.0 million in prior year toll settlement
 - b) Included \$20.8 million in prior year toll settlement
 - c) Expenses and adjusted net income don't include refunding loss of approximately \$12 million
 - d) Prior to extraordinary and unusual item adjustments totaling a loss of \$21.7 million

As of December 31, 1990, ATU had \$152 million in revenue bonds outstanding. Current debt service payments are approximately \$22 million per year. The following figure shows the debt service coverage ratio.

Figure 5-6

**Anchorage Telephone Utility
Debt Service Coverage**



* Estimate

ATU is a major local employer as shown below.

Figure 5-7

**Anchorage Telephone Utility
Actual Employees at Year End**

<u>Year</u>	<u>Employees</u>	<u>Year</u>	<u>Employees</u>
1982	729	1991*	654
1983	790	1992*	654
1984	854	1993*	654
1985	871	1994*	654
1986	1047	1995*	654
1987	865	1996*	654
1988	777	1997*	654
1989	657		
1990	630		

* Projected

The table below provides some comparative rates.

Figure 5-8

**Average Telephone Rates for
Private Line Rotary Service with Unlimited Calling,
Subscriber Line Charges, Surcharges, and Taxes**

<u>U.S. Cities</u>	<u>Average Rate*</u>	<u>Alaska Cities</u>	<u>Average Rate*</u>
National Average	\$17.78	Anchorage, AK	\$ 8.60
Honolulu, HI	\$17.51	Juneau, AK	\$ 9.42
Seattle, WA	\$17.54	Eagle River, AK	\$13.80
Buffalo, NY	\$27.11		

*These rates do not include additional charges for customer premise equipment.

ATU was granted a 9.42% permanent rate increase on July 1, 1989. Due to a shift in costs from long distance to local, a partial pass-through of these costs is represented in the local rate increases projected during the years 1992-1994. The projected changes in local service rates increase the average monthly bill as indicated in the following table.

Figure 5-9

**Projected Annual Rate Increases, Resulting Phone Rates
and Average Monthly Bills, and Cumulative Increases
1992 - 1997**

	<u>1991</u>	<u>1992</u>	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>
Annual Increase	0%	15%	27%	5%	0%	0%	0%
New Rate*	\$ 8.60	\$ 9.89	\$12.56	\$13.19	\$13.19	\$13.19	\$13.19
Cumulative Increase (from 1990)	0%	15%	46%	53%	53%	53%	53%
New Average Monthly Bill**	\$79.00	\$80.29	\$82.96	\$83.59	\$83.59	\$83.59	\$83.59
Cumulative Increase (from 1990)	0%	1.6%	5%	5.8%	5.8%	5.8%	5.8%

* These rates are for the phone service and charges priced in the previous table.

** Includes charges for enhanced services and long distance calls.

ANCHORAGE WATER AND WASTEWATER UTILITY

Figures 5-10 through 5-13 summarize revenue and expenses for water and wastewater operations.

Figure 5-10

Anchorage Water Utility Revenues and Expenses

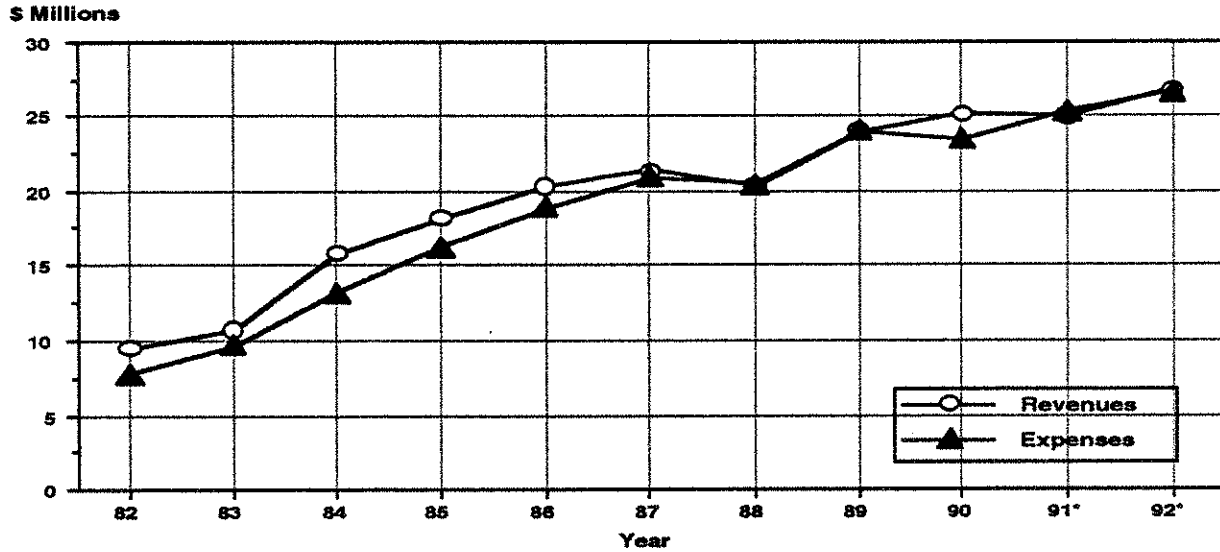
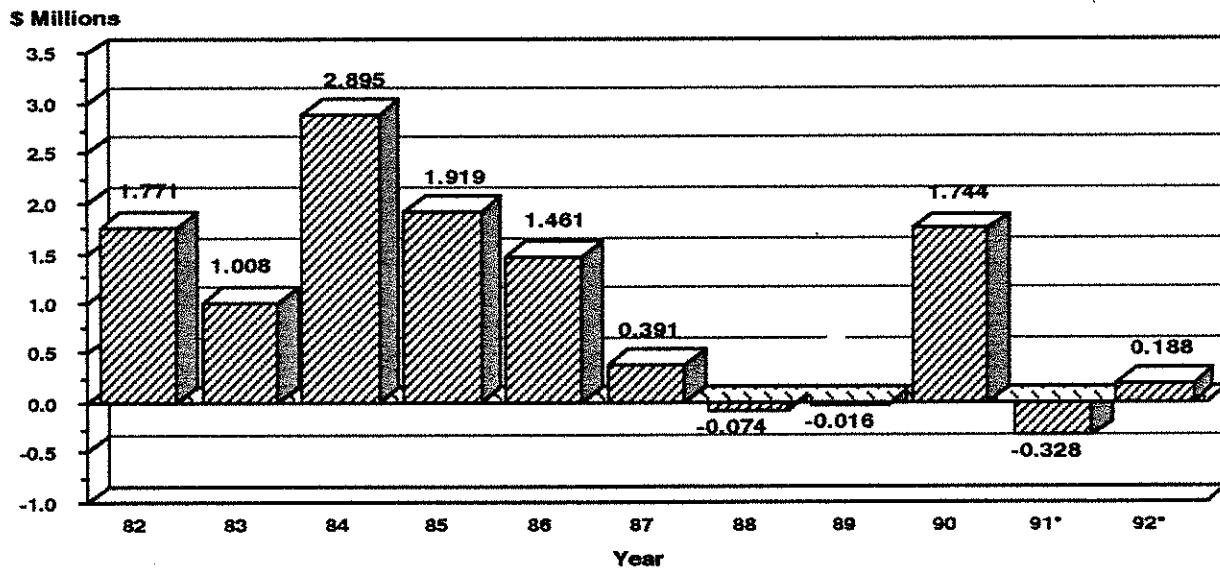


Figure 5-11

Anchorage Water Utility Net Income (Regulatory)



*Estimate

Figure 5-12

Anchorage Wastewater Utility
Revenues and Expenses

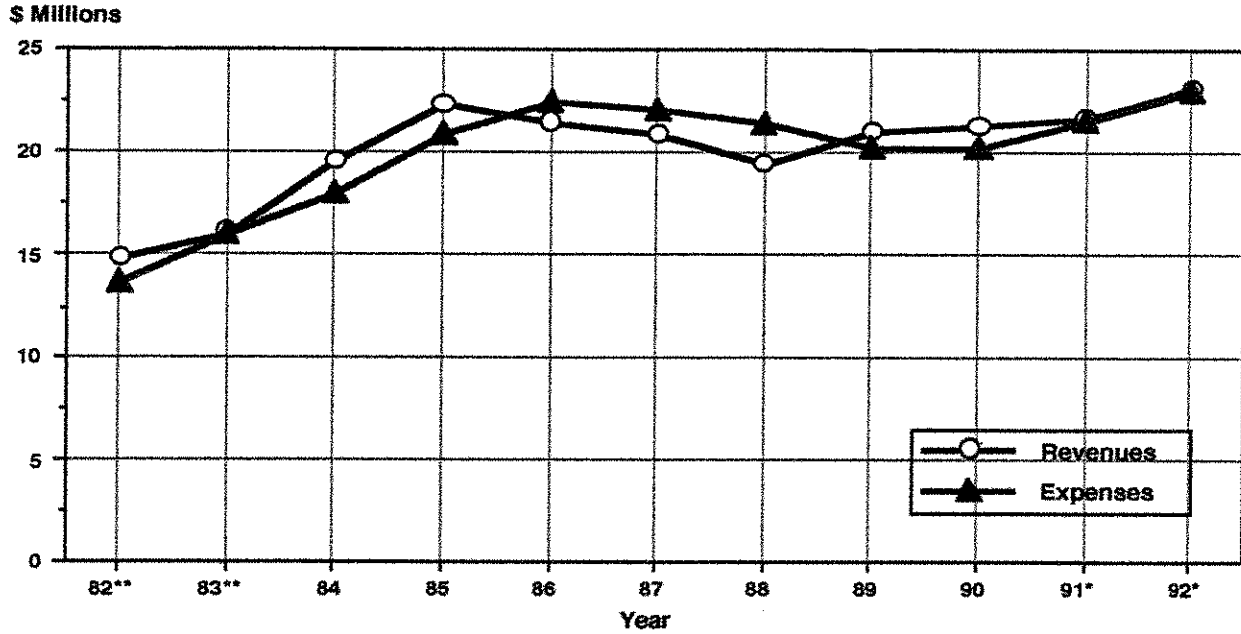
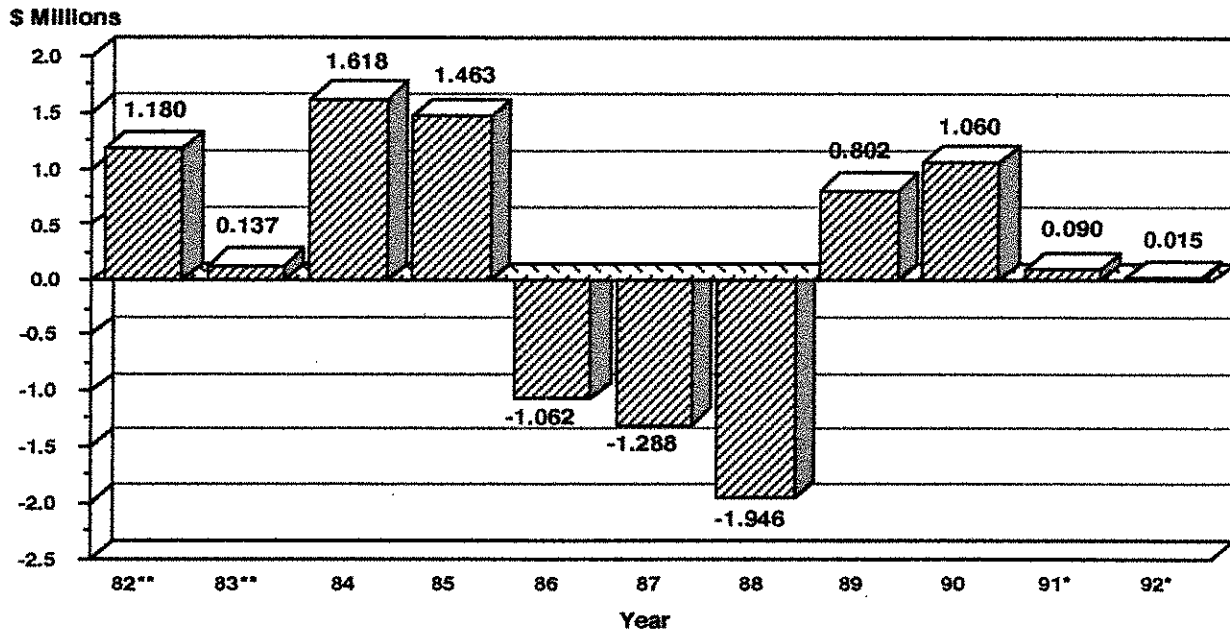


Figure 5-13

Anchorage Wastewater Utility
Net Income (Regulatory)



* Estimate

** Includes \$3.6 million operating transfer from areawide general fund each year for 1982 and 1983.

As of the end of 1990, the Water Utility had approximately \$47.2 million in revenue bonds and \$61.4 million in general obligation bonds outstanding, with combined debt service payments currently averaging about \$8.6 million per year. Wastewater has approximately \$79.4 million general obligation bonds outstanding with current debt service of about \$9.6 million annually. Debt coverage ratio applies only to revenue bonds and therefore is only shown for the Water Utility.

Figure 5-14

**Anchorage Water Utility
Debt Service Coverage**

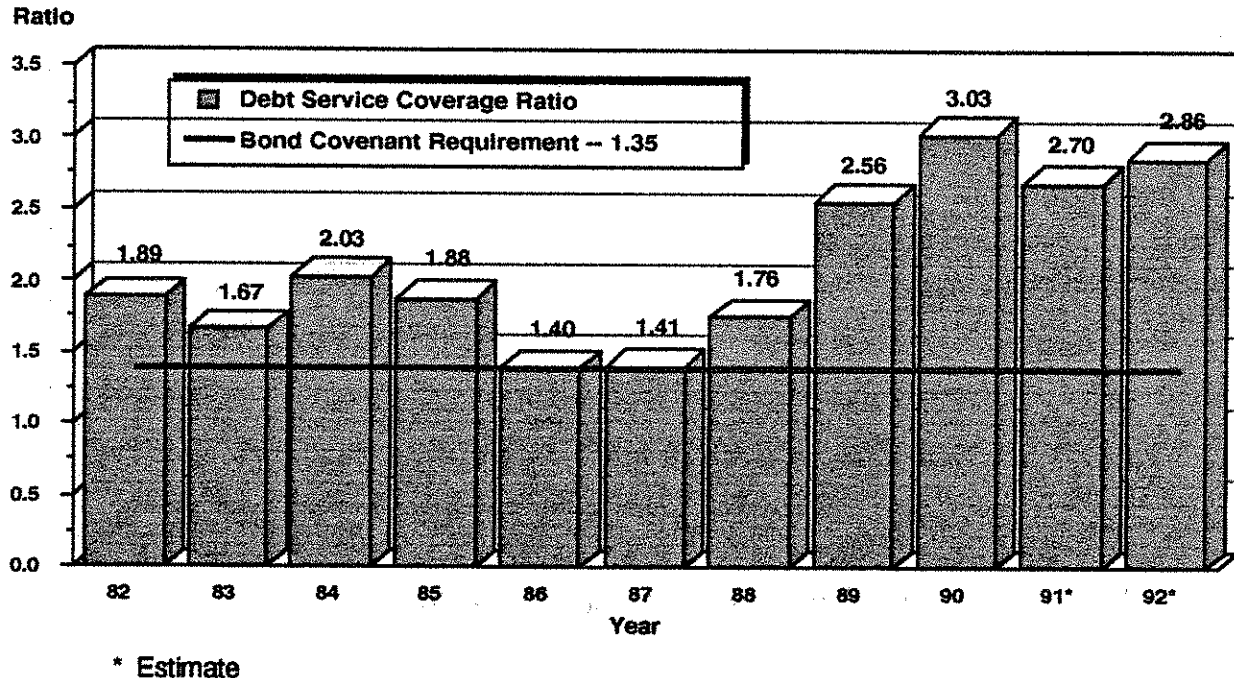


Figure 5-15 shows the employment history of AWWU.

Figure 5-15

**Anchorage Water and Wastewater Utility
Authorized Positions**

1981	202	1990	285
1982	229	1991*	285
1983	247	1992*	285
1984	284	1993*	285
1985	299	1994*	285
1986	315	1995*	291
1987	330	1996*	291
1988	312	1997*	291
1989	285		

* Projected.

Number of employees may be different than number of positions.

Figure 5-16 shows some comparative rates for water and wastewater services; while Figure 5-17 summarizes the history and timing of rate requests and approvals.

Figure 5-16

<u>Utility</u>	<u>Water Rate</u>	<u>Wastewater Rate</u>
Anchorage Water & Wastewater Utility Anchorage, Alaska	\$24.75 (Proposed)	\$21.55 (Proposed)
Norfolk Utilities Eagle River, Alaska	\$30.25	
Eklutna Utilities Eagle River, Alaska	\$34.97	
College Utilities Fairbanks, Alaska	\$48.67	\$43.66
Fairbanks Municipal Utilities Fairbanks, Alaska	\$27.25	\$30.85
City/Borough of Juneau Juneau, Alaska	\$19.00	\$31.00
North Slope Borough Barrow, Alaska	\$640.00	N/A (Included in Tax Base)

Rates as of September, 1991

Figure 5-17

**Anchorage Water and Wastewater Utility
Rate Change Summary
1986 - 1997**

WATER

<u>Year</u>	<u>Single Family Rate</u>	<u>Rate Change</u>
1986	\$15.65	15%
1987	19.60	25%
1988	18.25	(7%)
1989	23.35	28%
1990	23.35	0%
1991	24.75	6%
1992 *	24.75	0%
1993 *	24.75	0%
1994 *	26.25	6%
1995 *	26.25	0%
1996 *	28.10	7%
1997 *	28.10	0%

WASTEWATER

<u>Year</u>	<u>Single Family Rate</u>	<u>Rate Change</u>
1986	\$15.85	0%
1987	15.85	0%
1988 **	18.85	19%
1989	18.85	0%
1990	20.15	7%
1991	21.55	7%
1992 *	21.55	0%
1993 *	23.05	7%
1994 *	23.05	0%
1995 *	24.20	5%
1996 *	24.20	0%
1997 *	26.40	9%

* Projected

** Rate change due to cost-of-service study which shifted costs from commercial customers to residential customers. No overall revenue increase to the utility.

Figure 5-18

Anchorage Water and Wastewater Utility Financial Indicators

Debt to Equity Ratio (Regulatory)

<u>Year</u>	<u>Water</u>	<u>Wastewater</u>
1986	85/15	97/3
1987	84/16	98/2
1988	84/16	100/0
1989	85/15	99/1
1990	84/16	91/9
1991	84/16	91/9
1992 *	84/16	90/10
1993 *	83/17	89/11
1994 *	82/18	88/12
1995 *	81/19	86/14
1996 *	79/21	85/15
1997 *	77/23	81/19

* Projected

MUNICIPAL LIGHT AND POWER

Revenues, expenses and net income for the power utility, calculated on the regulatory basis prescribed by the Alaska Public Utilities Commission, are shown below.

Figure 5-19

Municipal Light and Power Revenues and Expenses

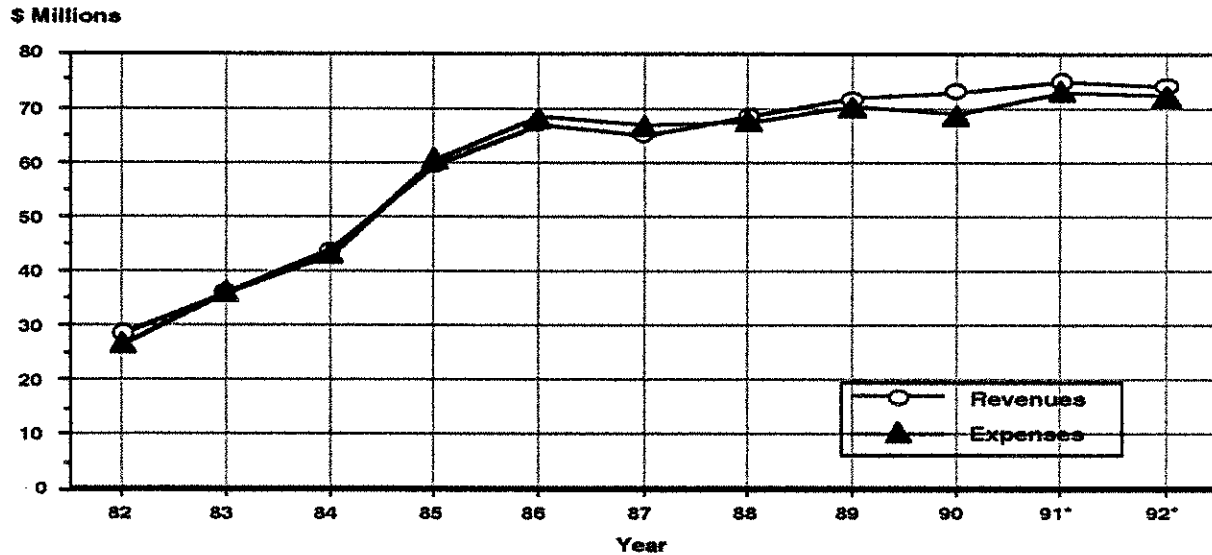
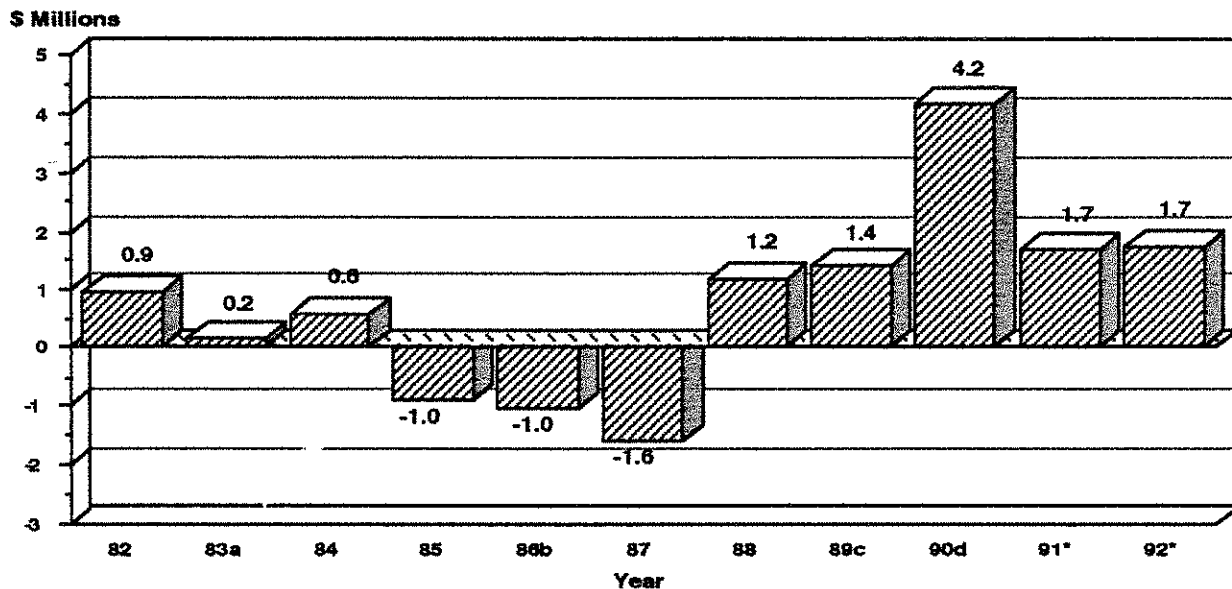


Figure 5-20

Municipal Light and Power Net Income (Regulatory)



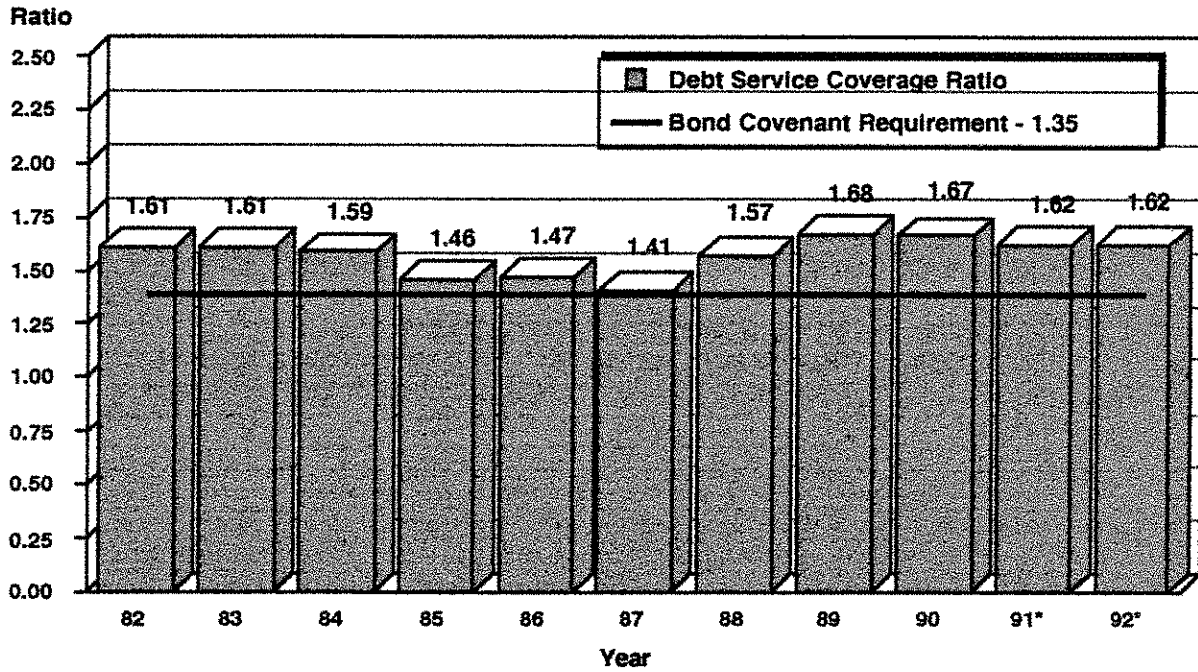
* Estimate

- Notes
- Gain on refunding of \$14.9 million not included
 - 1986 expenses and adjusted net income do not include refunding loss of \$19.7 million
 - 1989 does not include \$2,053,997 Extraordinary Gain
 - 1990 does not include unusual item of \$830,088 (return of the 1.25% gross receipts portion of MUSA rebated to ML&P by the Municipality in compliance with APUC Order U.89.60)

Municipal Light and Power will have \$194.4 million in revenue bonds outstanding as of December 31, 1991. Debt service coverage is shown below.

Figure 5-21

Municipal Light and Power Debt Service Coverage



* Estimate

The following table compares ML&P typical billings to those of selected electric utilities in Alaska and elsewhere in the United States.

Figure 5-22

Comparison of Average Revenues and Typical Billings

Utility	Typical Billings *			
	Residential (500 kWh)	Residential (1,000 kWh)	Commercial (1,500 kWh) (12 kW)	Commercial (10,000 kWh) (40 kW)
Selected Alaska Utilities				
Municipal Light & Power	\$51.95	\$ 98.39	\$151.67	\$ 965.80
Chugach Electric Association	43.26	80.27	125.03	762.70
Homer Electric Association	58.91	106.83	155.59	901.27
City of Seward	58.30	101.20	192.15	1,089.75
Fairbanks Municipal Utilities	52.05	91.55	174.40	1,032.90
GVEA (Fairbanks, Alaska)	58.36	96.72	172.33	866.70
Matanuska Electric Association (Palmer)	59.20	108.39	153.82	815.77
Selected Utilities Outside Alaska:				
Consolidated Edison Co. of New York	\$65.16	\$124.65	\$216.53	\$1,351.89
Florida Power & Light Co.	35.72	68.29	108.82	674.40
Georgia Power Co.	37.28	66.80	193.91	1,153.84
Houston Lighting & Power Co.	38.97	100.24	134.06	586.31
Los Angeles Department of Water & Power	45.86	91.41	136.15	890.60
Portland General Electric	30.58	58.57	98.37	545.75
Sacramento Municipal Utility District	37.14	90.91	124.09	770.60

* Compiled by ML&P staff based on rates in effect March 31, 1991.

The following table shows the rate increases granted to ML&P by the APUC in the last 12 years.

Figure 5-23

**Municipal Light and Power
Rate History**

<u>Date of Filing</u>	<u>Requested</u>	<u>Increase Granted</u>	<u>Date Granted</u>
January 1979	17.23%	14.40%	July 1979
February 1980	29.56%	35.06% *	October 1981
April 1982	14.98%	14.98%	September 1982
November 1983	10.77%	9.27%	April 1985
March 1986	16.13%	13.53%	February 1987
September 1987	11.60%	8.45%	January 1989
July 1990	4.14%	2.87% **	October 1, 1990

* Includes adjustments to base gas cost in permanent rates. This is the last time that gas cost adjustments were included in rate cases.

** Interim rate increase granted.

SOLID WASTE SERVICES

Solid Waste Services is composed of two utilities, Refuse Collection Utility and Solid Waste Disposal Utility. The information for these utilities is presented separately below.

Figure 5-24

Refuse Collection Utility Revenues and Expenses

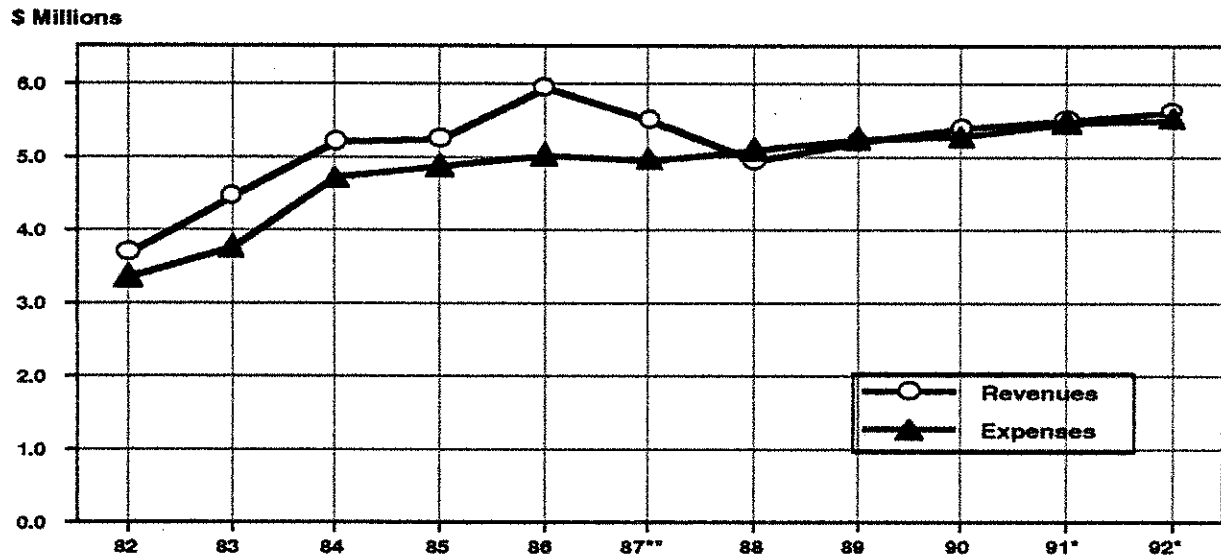
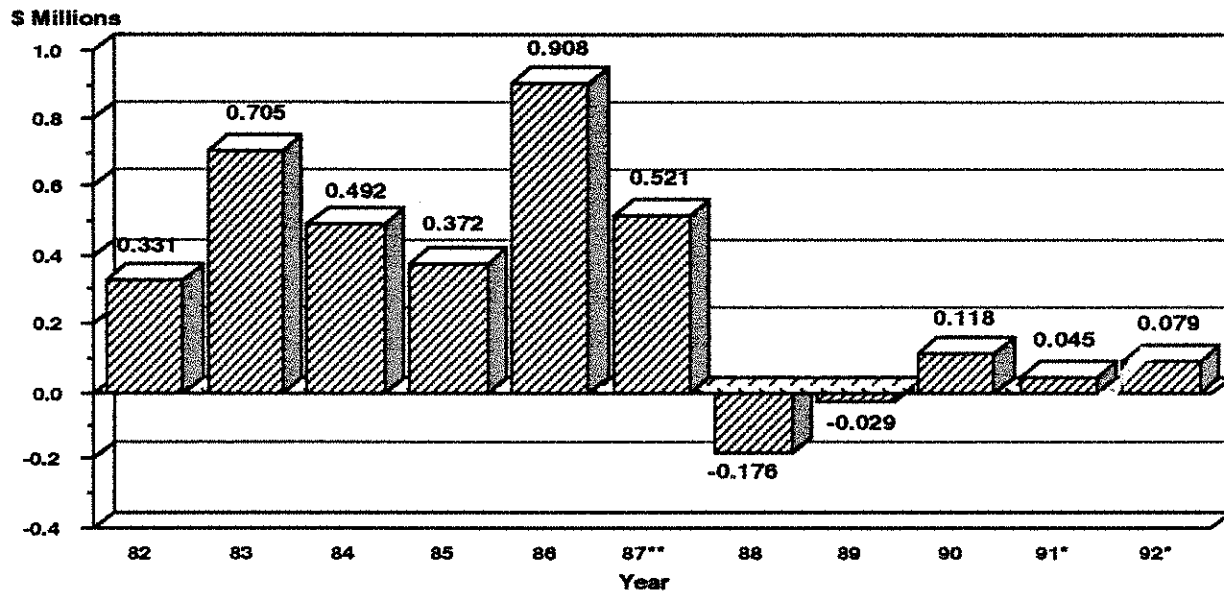


Figure 5-25

Refuse Collection Utility Net Income (Regulatory)



* Estimate

** 1987 expenses and net income do not include bond refunding loss of approximately \$600,000

Figure 5-26

Solid Waste Disposal Utility
Revenues and Expenses

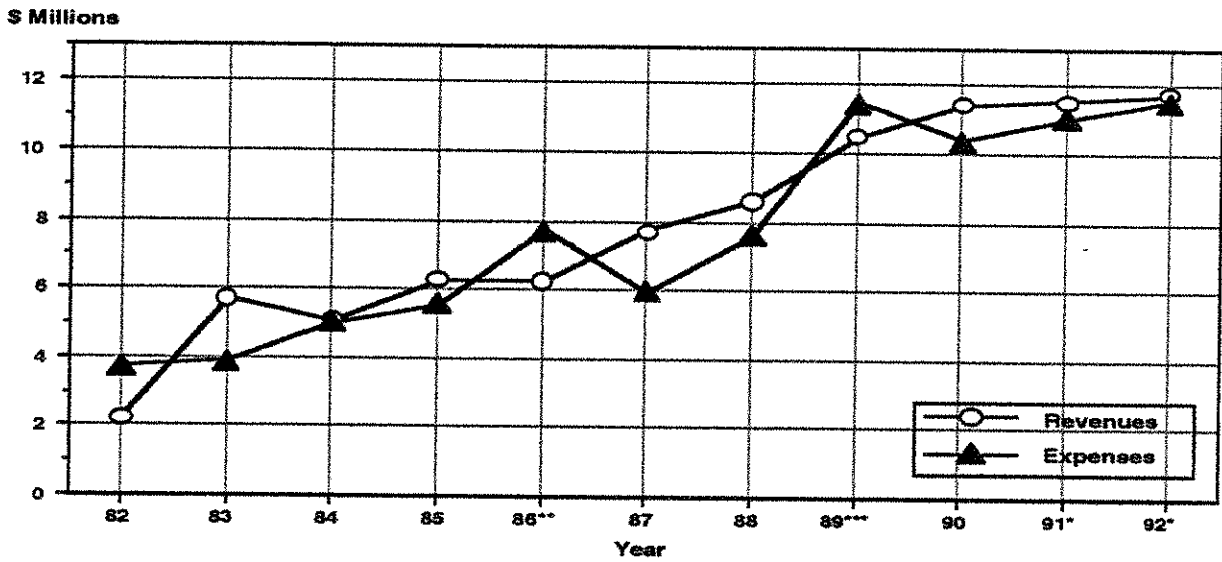
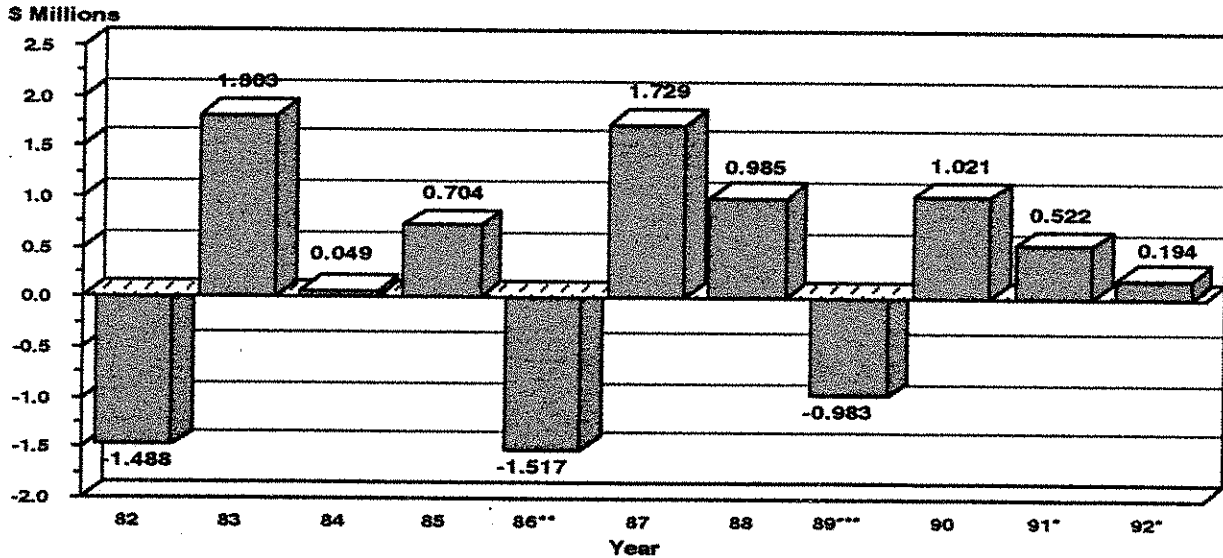


Figure 5-27

Solid Waste Disposal Utility
Net Income (Regulatory)



* Estimate

** 1986 loss due to accounting adjustment to reflect closing of shredder plant

*** 1989 loss includes approximately \$2,800,000 in Merrill Field landfill closure costs

As of the end of 1990 the Refuse Collection Utility had approximately \$3.31 million in revenue bonds outstanding, with debt service averaging about \$360,000 per year. As of the end of 1990 the Solid Waste Disposal Utility had approximately \$4 million in revenue bonds and \$24.1 million in general obligation bonds outstanding, with combined debt service averaging about \$2.8 million per year. The debt service coverage is shown below. Both utilities are required to maintain a ratio of at least 1.25.

Figure 5-28

**Refuse Collection Utility
Debt Service Coverage**

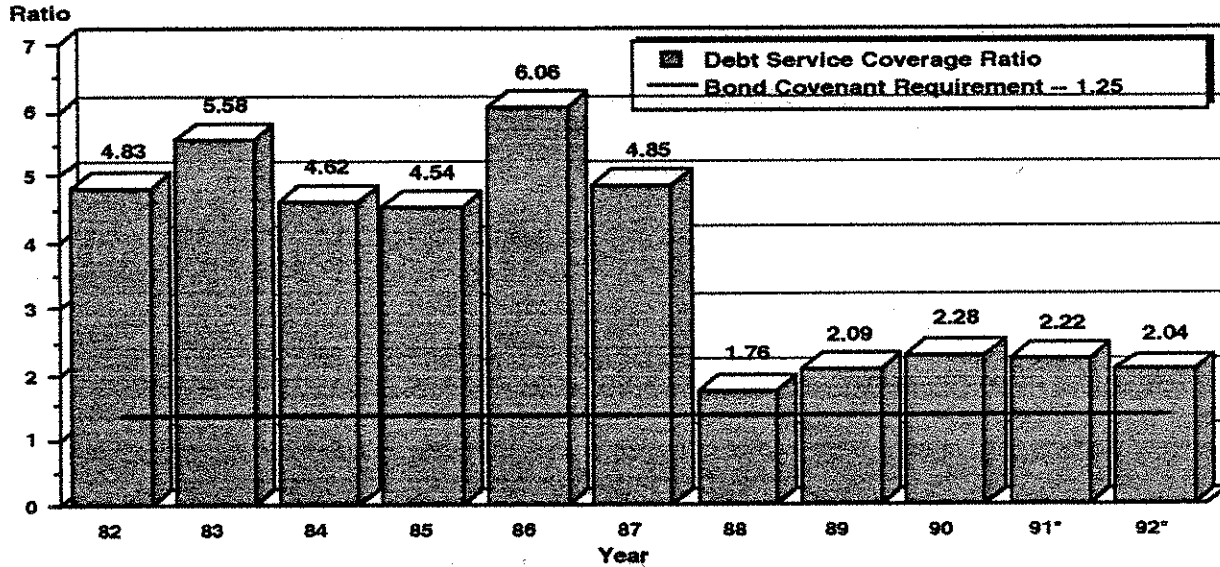
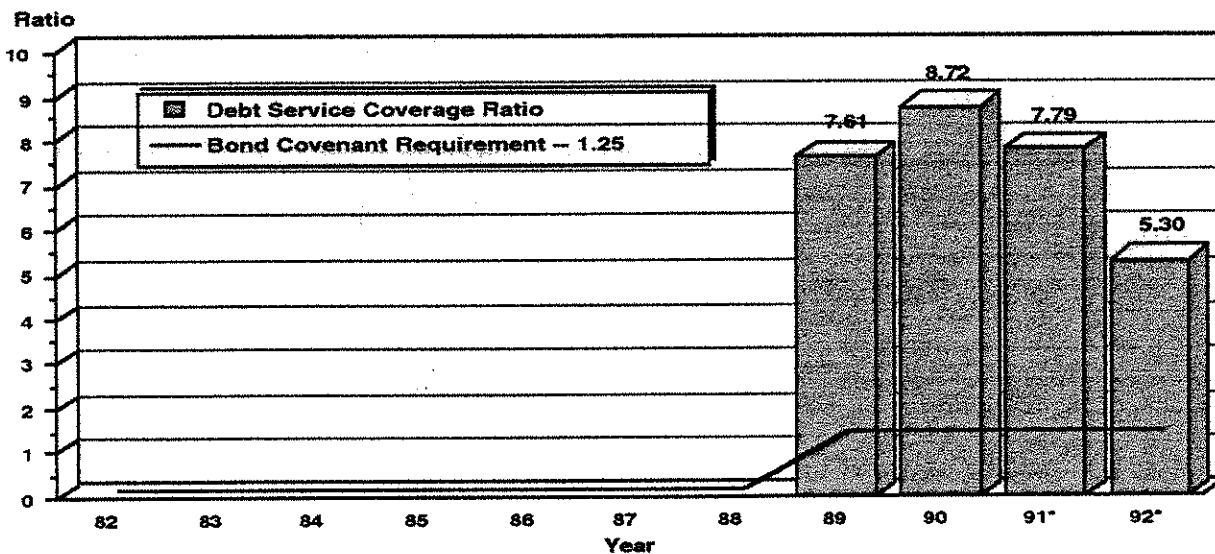


Figure 5-29

**Solid Waste Disposal Utility
Debt Service Coverage ****



* Estimate

** The Solid Waste Disposal Utility did not have any revenue bonds outstanding until 1989. Thus debt service coverage for the years 1982-1988 is not applicable.

A few comparative rates for refuse collection in other Alaska communities are shown below.

Figure 3-30

**Refuse Collection Utility
Comparative Rates**

<u>Utility</u>	<u>Approved</u>	<u>Residential Monthly</u>	<u>Commercial Monthly</u>
MOA Refuse Collection	07/31/90	\$15.00	\$ 50.50
Anchorage Refuse Inc.	01/01/89	14.04	66.68
Eagle River Refuse	09/15/89	14.37	57.39
Channel Sanitation (Juneau)	07/01/91	23.74	108.51
Peninsula Sanitation (Kenai)	06/11/91	13.73	54.34
Wasilla Refuse	11/24/86	20.00	65.00
Peninsula Sanitation (Girdwood)	06/11/91	21.37	105.82

It is difficult to make a valid comparison between the solid waste disposal rates charged in Anchorage and those charged in other Alaska communities. The type of disposal facility (landfill or waste to energy), the location of the landfill relative to population centers and the use of transfer facilities all complicate the comparison. In addition, some communities fund their disposal facilities fully or in part with tax dollars. There are currently no disposal systems in Alaska that are comparable to the Anchorage system. King County and the City of Seattle, Washington, have similar systems to Anchorage's system. A comparison of rates is shown below.

Figure 5-31

**Solid Waste Disposal Utility
Comparative Rates**

<u>Utility</u>	<u>Cars</u>	<u>Pickups</u>	<u>Commercial</u>
MOA Solid Waste Disposal	\$5.00 fixed	\$ 5.00 fixed	\$45.00/ton
King County, Washington	\$9.25 fixed	\$66.00/ton	\$66.00/ton
City of Seattle, WA	\$7.00 fixed *	\$83.00/ton *	\$83.00/ton *

* Scheduled to go into effect 06/01/92.

Rate histories are shown below.

Figure 5-32

**Solid Waste Services
Rate History**

<u>Refuse Collection Utility</u>			<u>Solid Waste Disposal Utility</u>	
<u>Date</u>	<u>Residential</u>	<u>Commercial</u>	<u>Date</u>	<u>Per Ton</u>
January 1, 1984	\$11.80	\$37.65	January 1, 1984	\$18.00
January 1, 1986	13.60	43.30	May 1, 1985	21.00
January 1, 1989	14.30	45.50	April 1, 1987	33.00
July 31, 1990	15.00	50.50	January 1, 1988	39.00
			January 1, 1989	45.00

PORT OF ANCHORAGE

Figure 5-33

Port of Anchorage Revenues and Expenses **

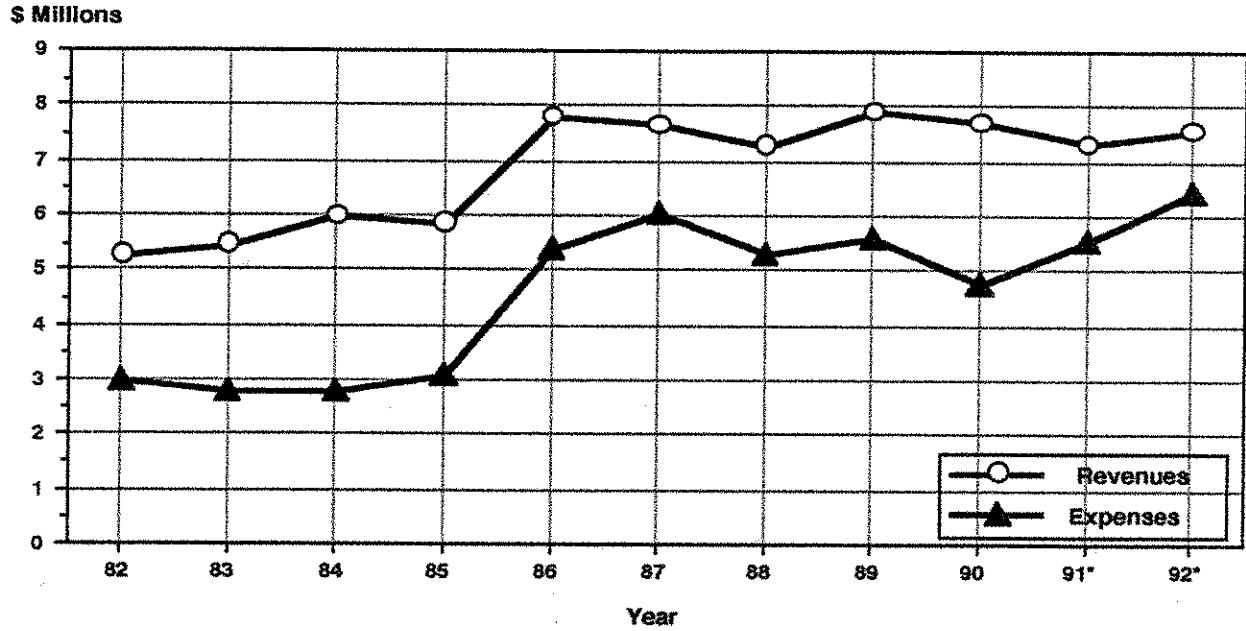
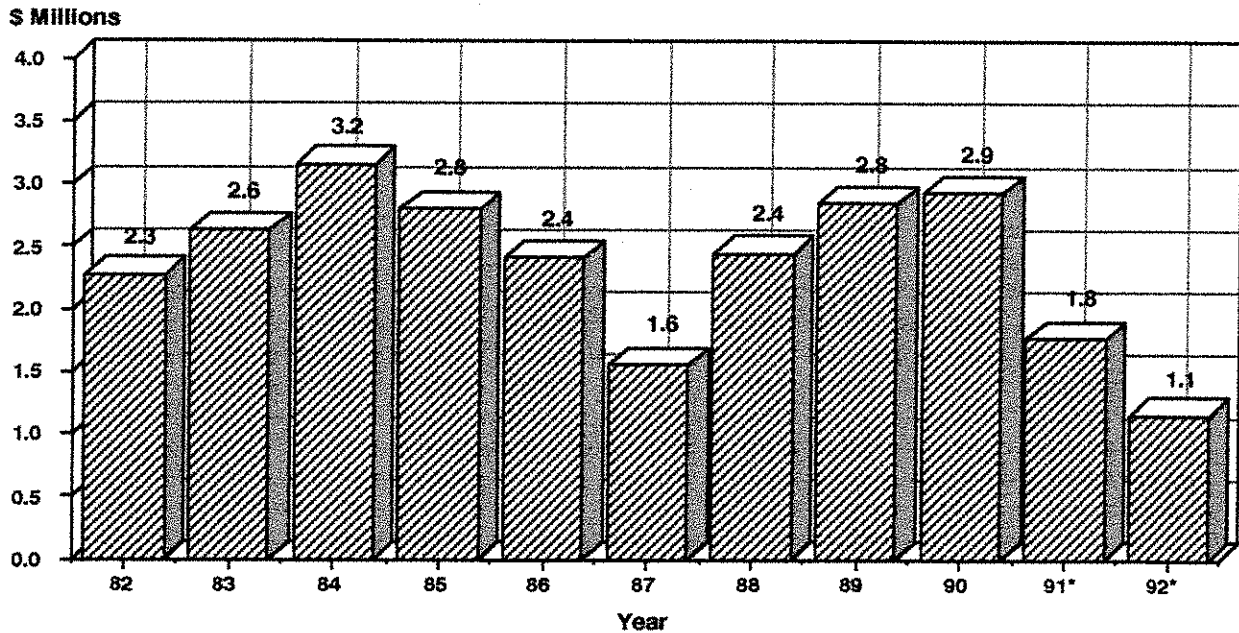


Figure 5-34

Port of Anchorage Net Income (Regulatory)



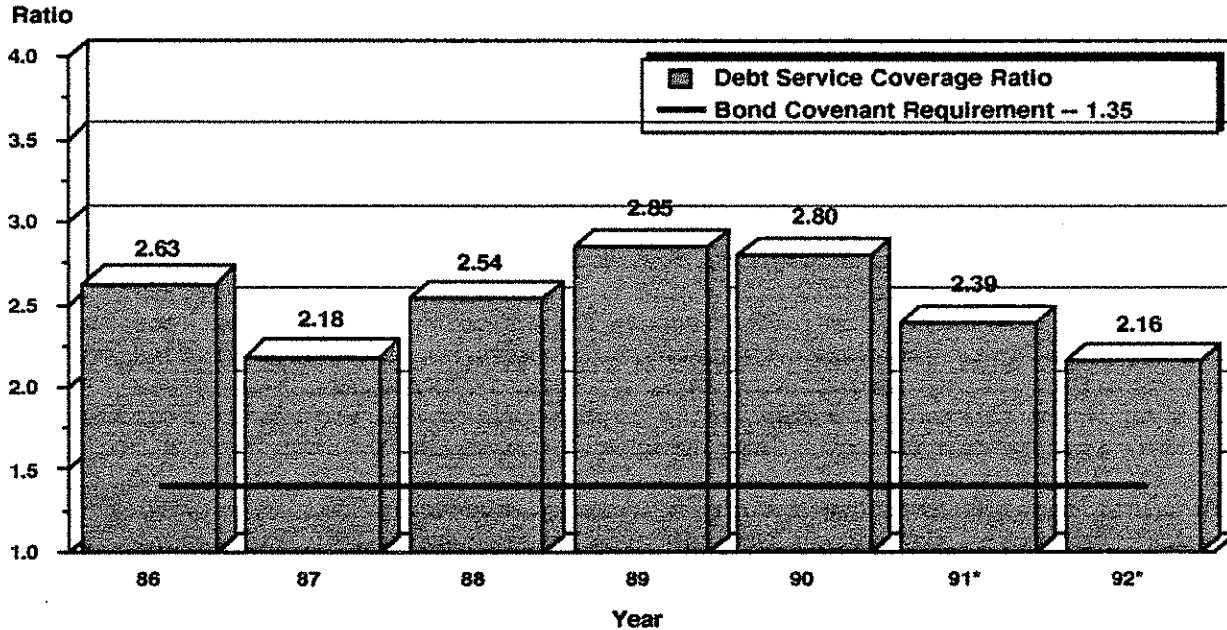
* Estimate

** Computed using methodology applied to regulated utilities.

As of December 31, 1990, the Port had \$4.7 million in general obligation bonds and \$16.2 million in revenue bonds outstanding. Combined debt service is currently about \$3.02 million per year. The coverage ratio for the revenue bond portion (approximately \$1.9 million in 1991) is shown in Figure 5-35:

Figure 5-35

**Port of Anchorage
Debt Service Coverage ****



* Estimate

** No Port Revenue Bonds outstanding prior to December, 1985.

A summary of rate changes is shown in Figure 5-36.

Figure 5-36

**Port of Anchorage
Rate Changes Percent of Increase**

Revenue Category	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989
Preferential Usage Agreement Rate Changes	0%	15.0%	0%	0%	0%	0%	19.25%	0%	0%	0%
	1990	1991	1992	1993	1994	1995	1996	1997		
	0%	(6%)*	0%	0%	0%	0%	10.0%	0%		

* Decrease in Preferential Usage Agreement rates offset by increased revenues from Port Industrial Park leases of the PUA customers. Net effect is that total combined revenues, from both leases and preferential use agreements, should increase 3.3%

MERRILL FIELD AIRPORT

Figures 5-37 and 5-38 summarize the airport's income picture, calculated on the regulatory basis.

Figure 5-37

Merrill Field Airport
Revenues and Expenses **

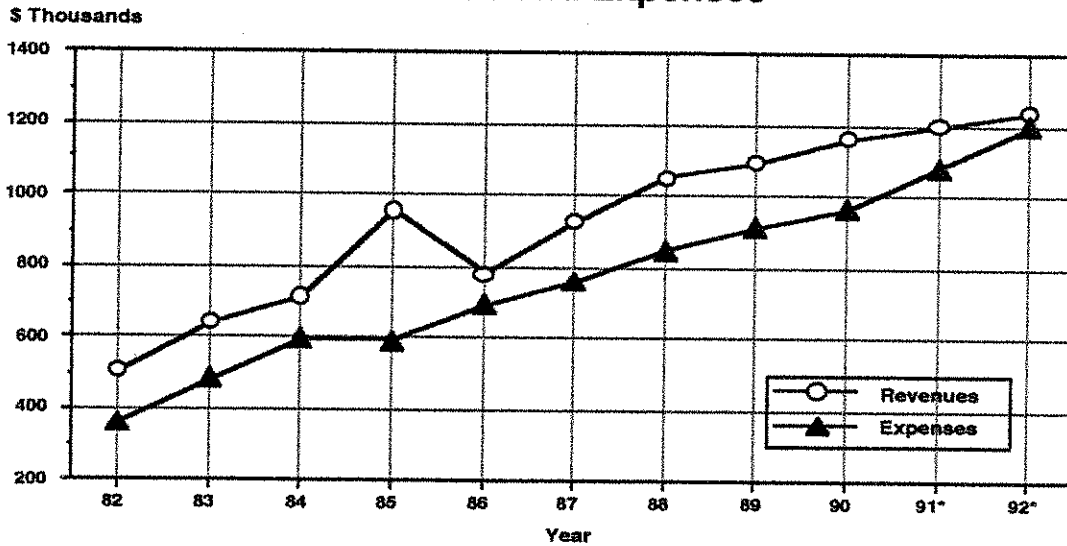
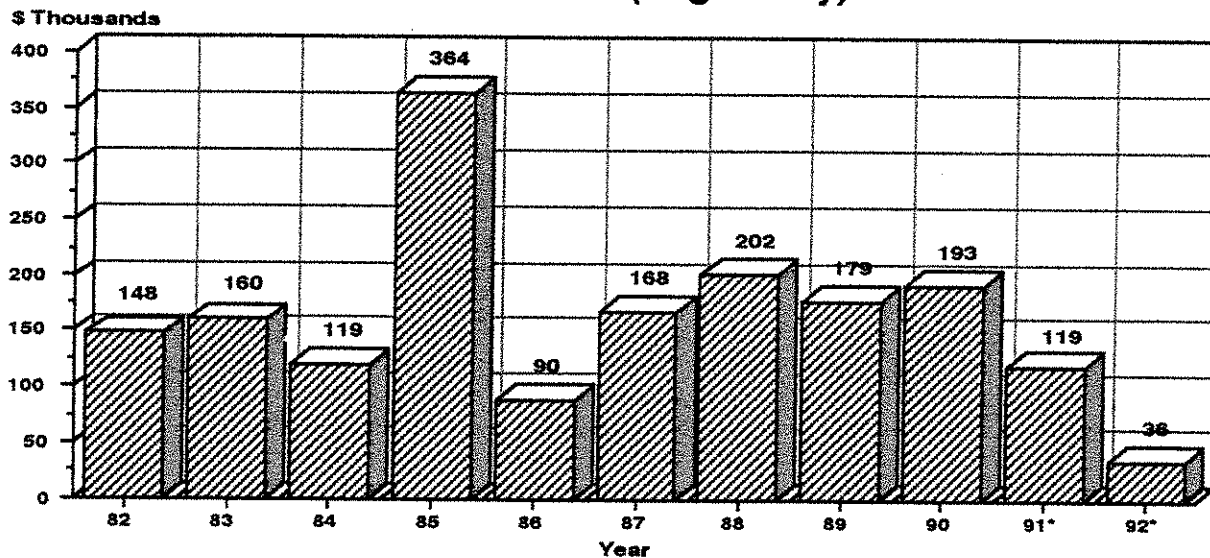


Figure 5-38

Merrill Field Airport
Net Income (Regulatory)



* Estimate

** Computed using methodology applied to regulated utilities.

At the end of 1990, the Airport had no outstanding indebtedness.

The table below summarizes rate changes at Merrill Field.

Table 5-39

**Merrill Field -- Summary of Rate Changes
Percent of Increase**

<u>Revenue Category</u>	<u>1980</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>1985</u>	<u>1986</u>	<u>1987</u>	<u>1988</u>	<u>1989</u>
Lease/Access Fees	5.9	---	---	11.1	15.0	8.7	8.0	3.7	---	---
Transient Parking	---	---	---	50.0 *	---	---	---	---	---	---
Permanent Parking	---	---	---	12.7	---	---	---	---	---	---

<u>Revenue Category</u>	<u>1990</u>	<u>1991</u>	<u>1992</u>	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>
Lease/Access Fees	7.1	---	5.0	3.3	3.2	3.1	3.0	2.9
Transient Parking	---	---	---	33.3 *	---	---	---	---
Permanent Parking	---	---	---	11.3	---	---	---	---

* Each increase represents one additional dollar per day.

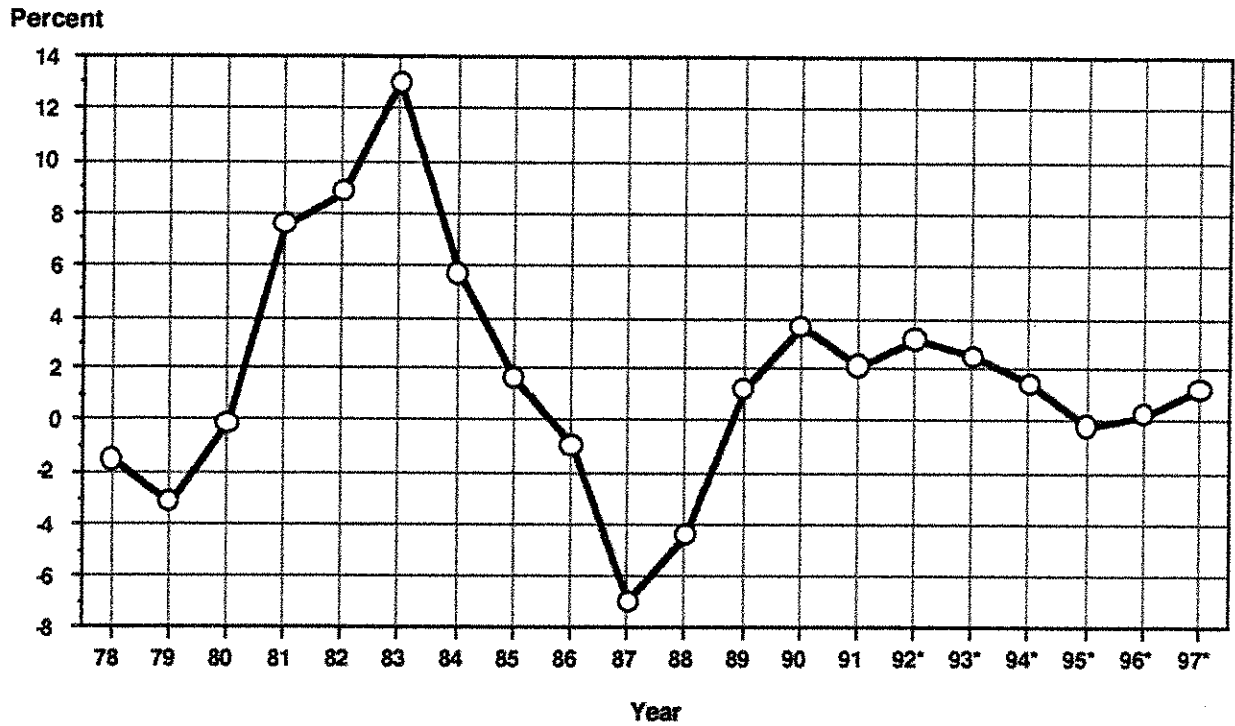
VI. COMMUNITY PROFILE

MUNICIPALITY OF ANCHORAGE

---- COMMUNITY PROFILE ----

The following pages contain a variety of indicators of general economic activity and public sector service delivery in Anchorage. Most of the historical data and projections are presented in graphic form, and are self-explanatory. Actual statistics for these charts are presented in the Appendix. If the reader has questions, please contact the Office of Management and Budget, Municipality of Anchorage.

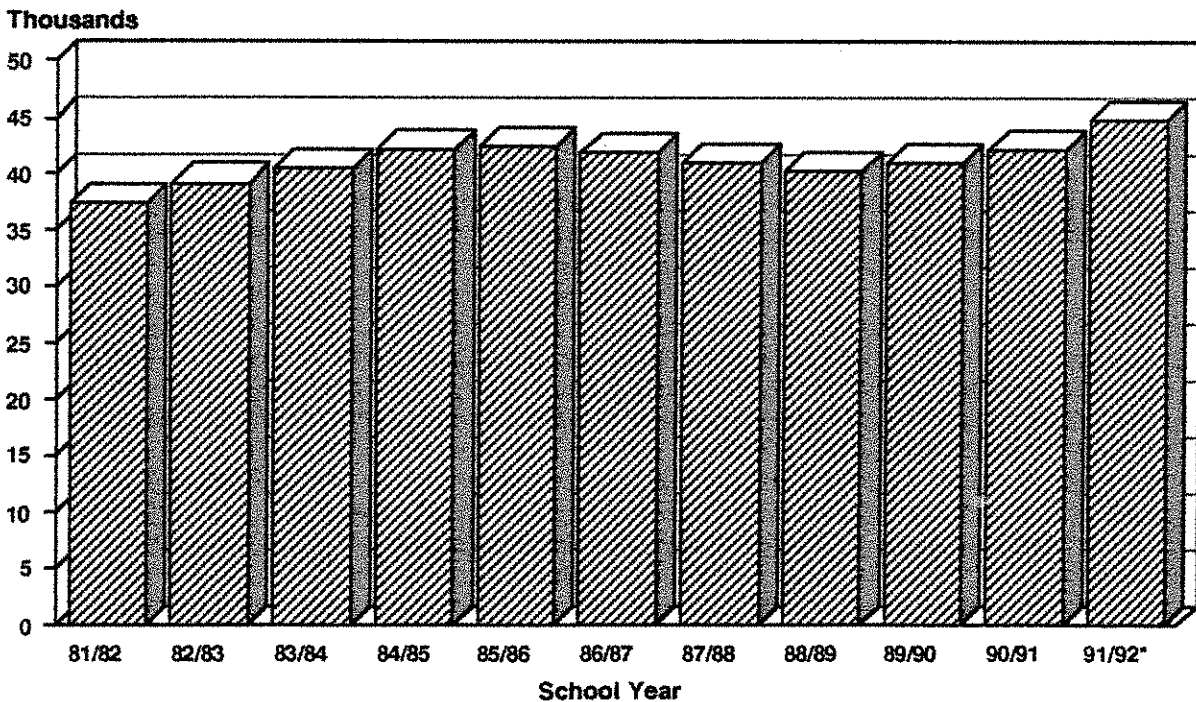
PERCENTAGE CHANGE IN ANCHORAGE POPULATION 1978 - 1997



* Estimate

SOURCE: Economic Development and Planning Department, MOA

ANCHORAGE SCHOOL DISTRICT STUDENT ENROLLMENT School Years 1981-82 Through 1991-92

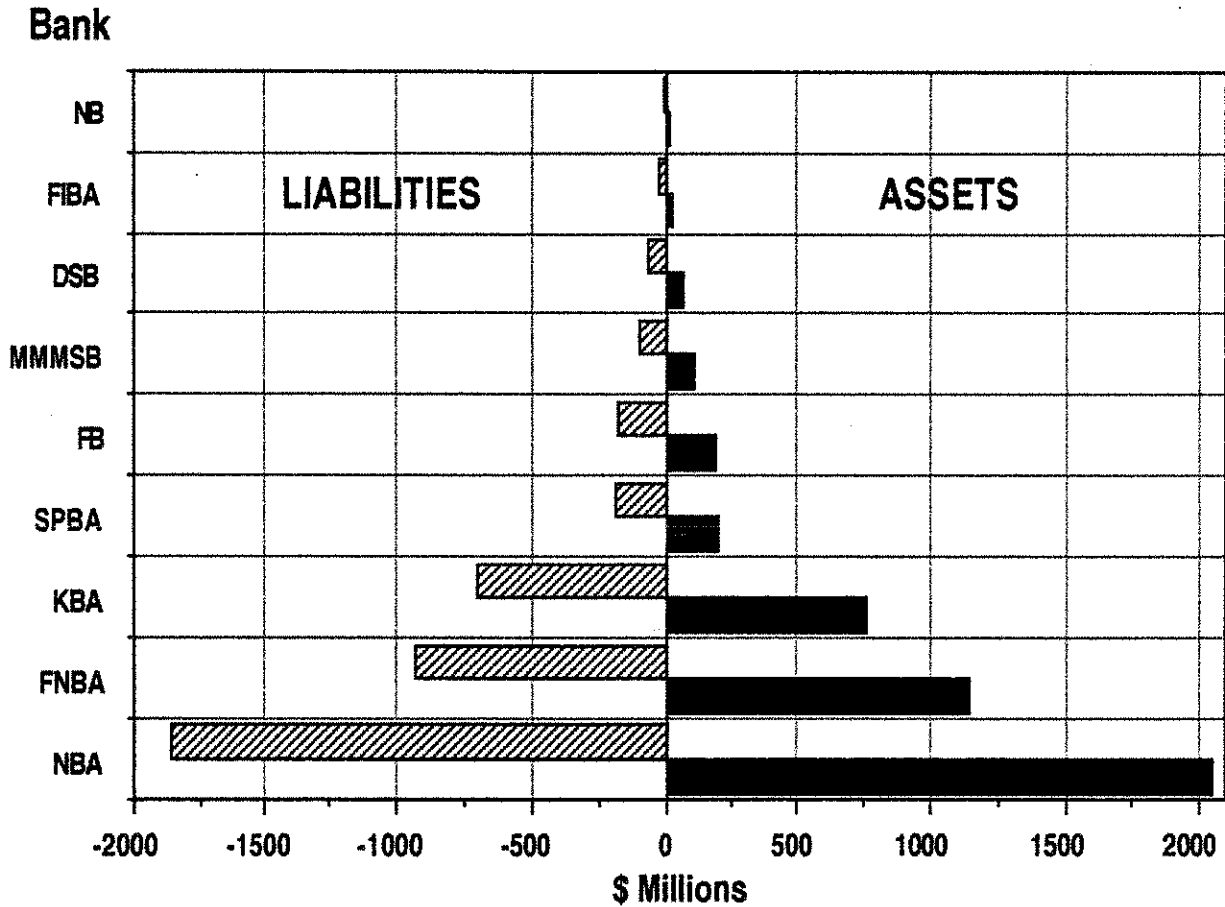


* Estimate

SOURCE: Anchorage School District

ECONOMY

ASSETS AND LIABILITIES OF ALASKA BANKS as of December 31, 1990

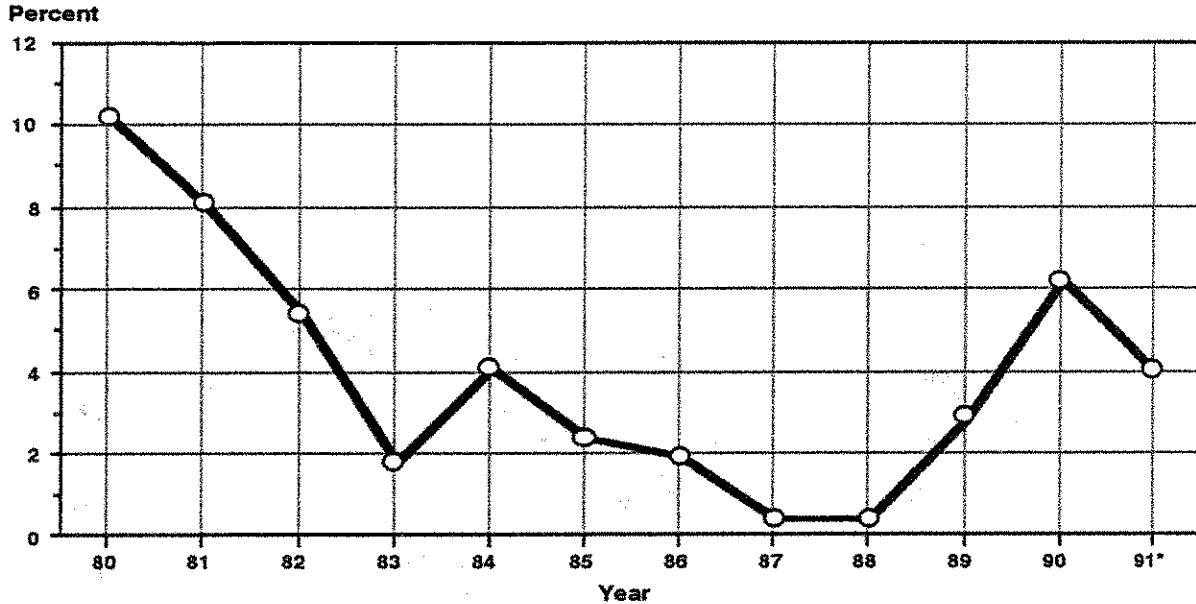


- NB Northrim Bank
- FIBA First Interstate Bank of Alaska
- DSB Denali State Bank
- MMMSB Mt. McKinley Mutual Savings Bank
- FB First Bank
- SPBA Security Pacific Bank Alaska
- KBA Key Bank of Alaska
- FNBA First National Bank of Anchorage
- NBA National Bank of Alaska

SOURCE: Alaska Department of Commerce and Economic Development

INFLATION IN ANCHORAGE

Annual Average Percent Change in Consumer Price Index



* Projected

NOTE: Projected rate of change for the years 1991 through 1997 is 4 percent per year.

SOURCE: U.S. Bureau of Labor Statistics

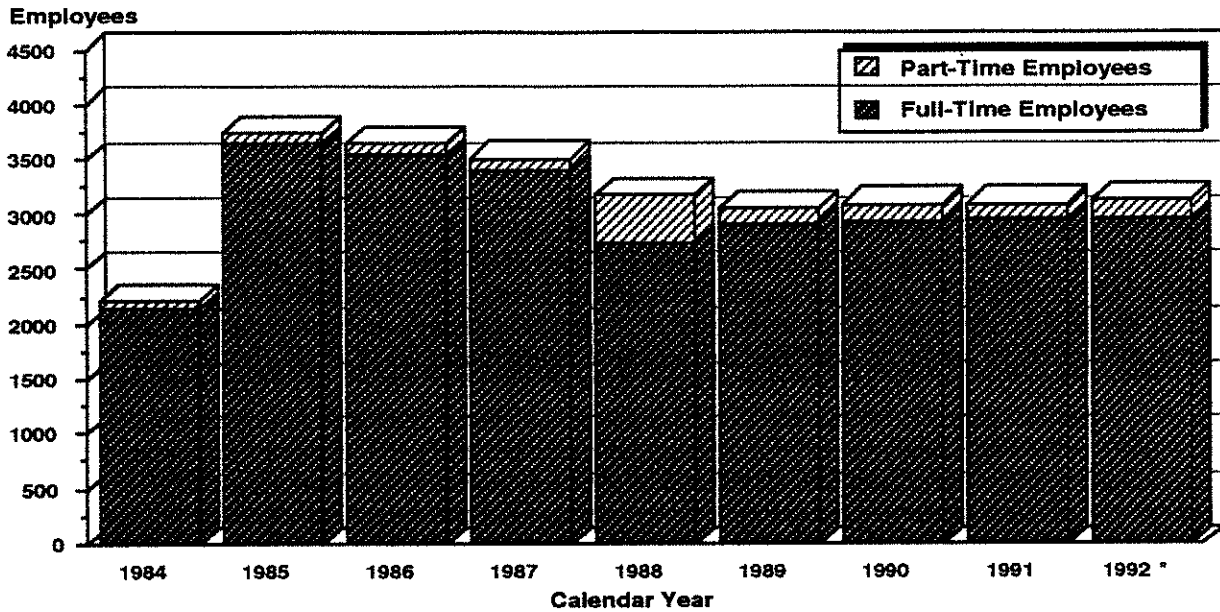
PER CAPITA PERSONAL INCOME ANCHORAGE / ALASKA / U.S.

	Anchorage	Alaska	U.S. Average	Alaska as % of Nation	Anchorage as % of Nation
1990	N/A	\$21,761	\$18,685	116	N/A
1989	\$24,773	\$21,365	\$17,592	121	141
1988	\$21,699	\$19,078	\$16,510	116	131
1987	\$20,810	\$18,210	\$15,425	118	135
1986	\$21,299	\$18,483	\$14,597	127	146
1985	\$20,974	\$18,785	\$13,910	135	151
1984	\$20,319	\$18,087	\$13,116	138	155
1983	\$20,051	\$18,161	\$12,100	150	166
1982	\$19,353	\$17,366	\$11,482	151	169
1981	\$16,977	\$15,486	\$10,949	142	155
1980	\$15,017	\$13,835	\$ 9,919	139	151
1979	\$13,386	\$12,582	\$ 9,033	139	148
1978	\$12,860	\$11,912	\$ 8,136	146	158
1977	\$13,063	\$11,831	\$ 7,294	162	179
1976	\$11,892	\$11,599	\$ 6,651	174	179
1975	\$10,340	\$10,189	\$ 6,073	168	170

SOURCE: Bureau of Economic Analysis, Regional Economic Measurement Division

EMPLOYMENT

MUNICIPALITY OF ANCHORAGE EMPLOYEES 1984 - 1992

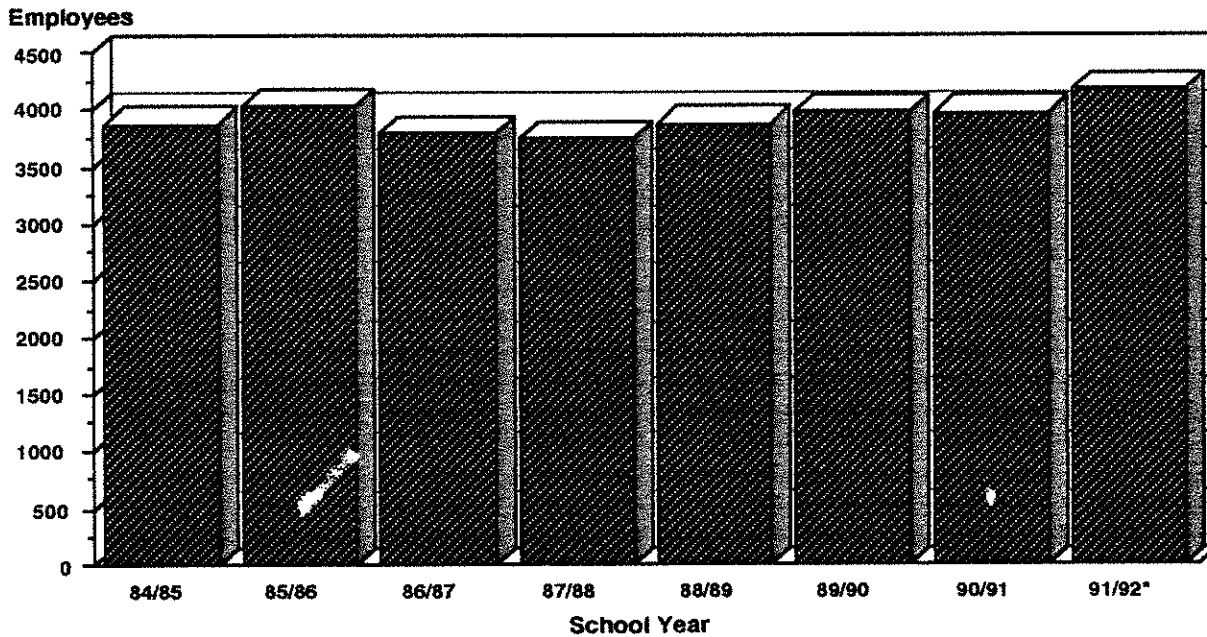


* Estimate

NOTE: A large number of AMEA positions were converted to part-time in 1988 and converted back to full-time in 1989.

SOURCE: Employee Relations Department, MOA

ANCHORAGE SCHOOL DISTRICT EMPLOYEES 1984/85 - 1991/92

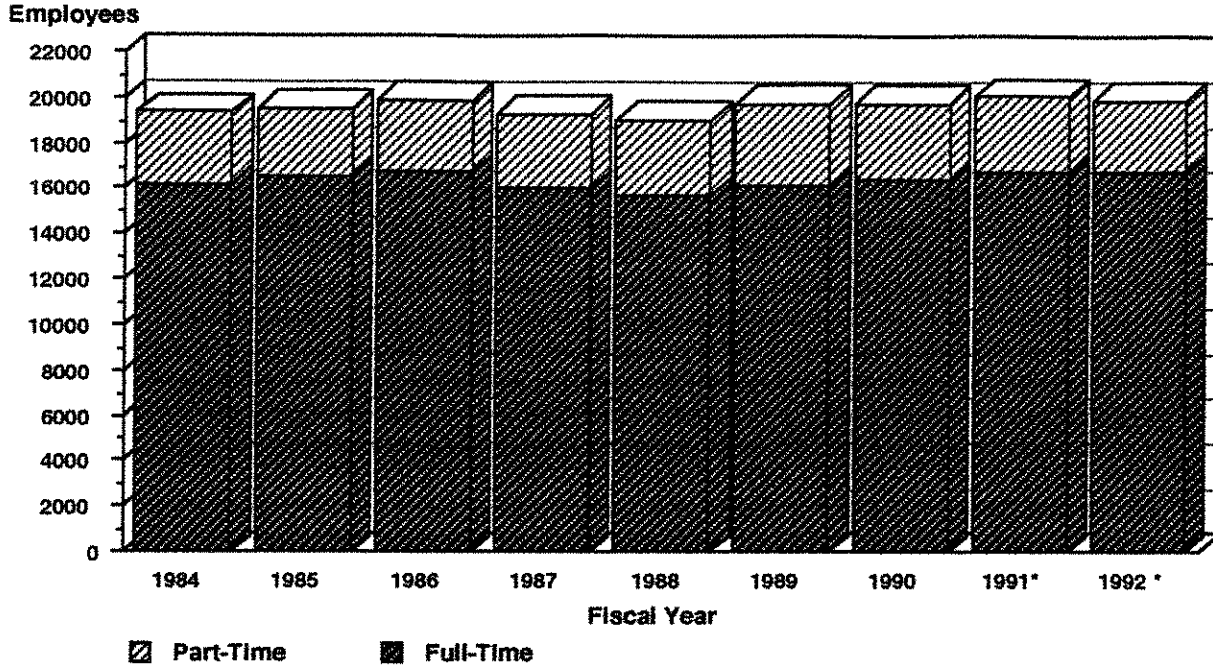


* Estimate

NOTE: Part-time Noon Duty positions are included on a full-time-equivalency basis. Student Nutrition personnel and grant-funded personnel are not included.

SOURCE: Budgeting Department, Anchorage School District

STATE OF ALASKA EMPLOYEES 1984 - 1992



* Estimate

SOURCE: Office of Management and Budget, State of Alaska

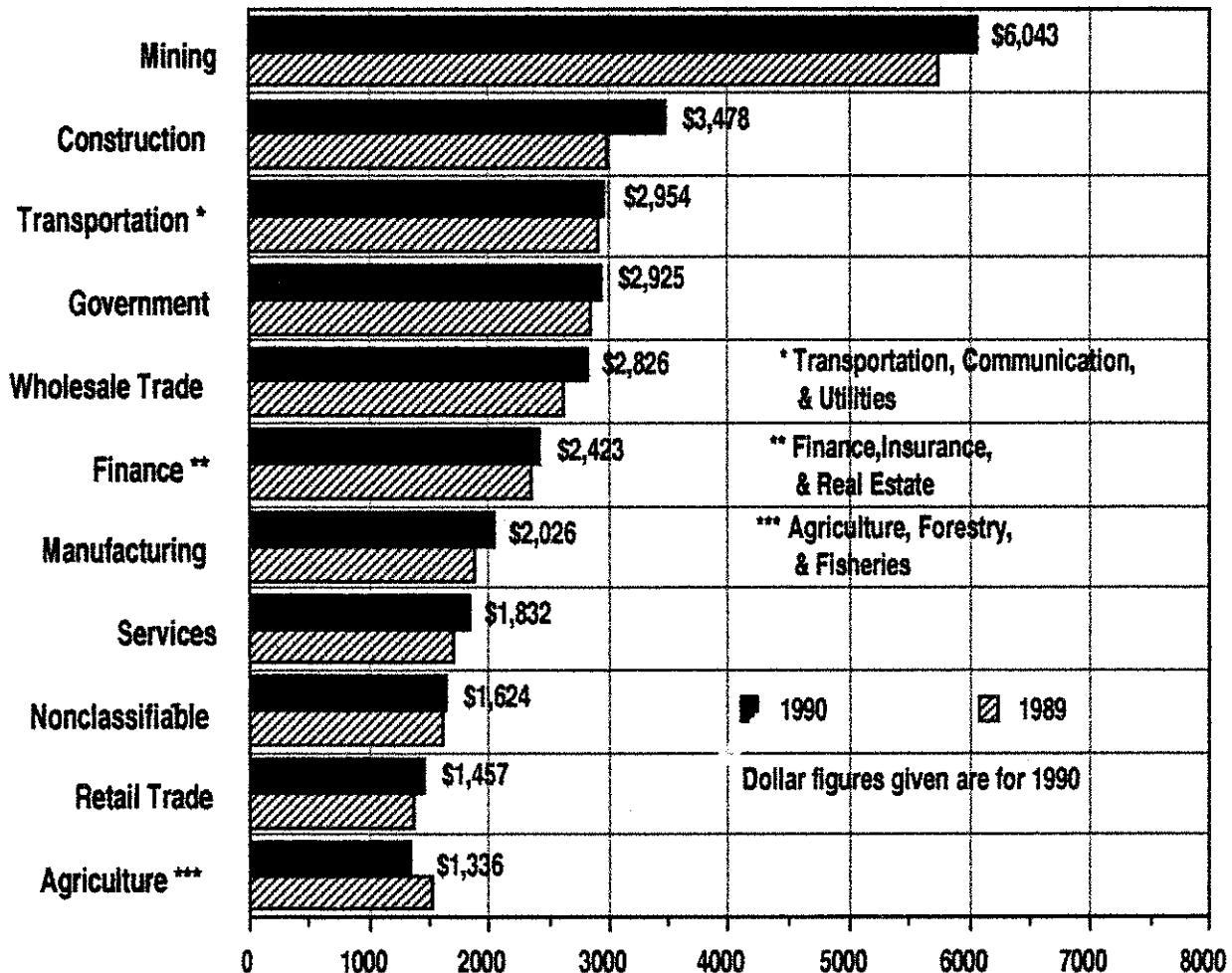
EMPLOYEE STATISTICS			
		Full-Time	Part-Time
Municipality of Anchorage	1984	2,141	82
	1985	3,638	101
	1986	3,560	89
	1987	3,391	119
	1988	2,738	439
	1989	2,926	134
	1990	2,946	140
	1991	2,965	137
	1992	2,970	169
Anchorage School District	1984/85	3,866	
	1985/86	4,019	
	1986/87	3,806	
	1987/88	3,742	
	1988/89	3,875	
	1989/90	3,986	
	1990/91	3,968	
1991/92	4,184		
State of Alaska	1984	16,262	3,097
	1985	16,577	3,030
	1986	16,763	3,083
	1987	16,038	3,194
	1988	15,788	3,247
	1989	16,245	3,506
	1990	16,451	3,296
	1991	16,849	3,218
	1992	16,776	3,129

ANCHORAGE EMPLOYMENT NON-AGRICULTURAL WAGE AND SALARY

1991	.....	113,800
1990	.....	111,000
1989	.....	99,100
1988	.....	98,200
1987	.....	101,100
1986	.....	108,500
1985	.....	114,500
1984	.....	111,750
1983	.....	105,200
1982	.....	98,000
1981	.....	88,600
1980	.....	80,050

SOURCE: Alaska Department of Labor

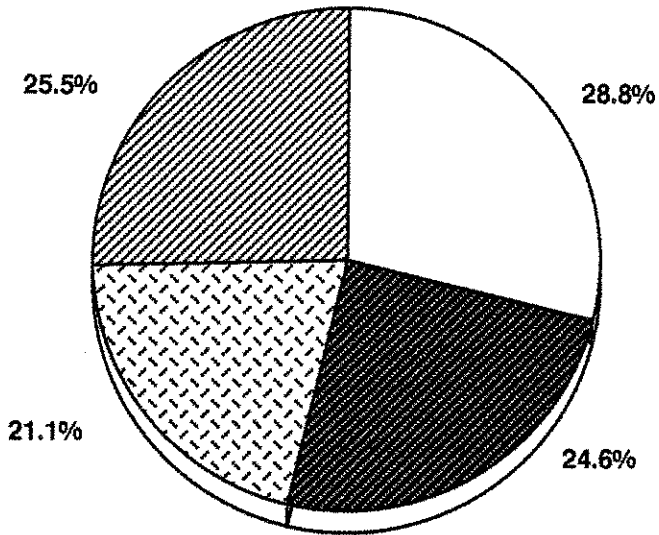
AVERAGE MONTHLY WAGE ANCHORAGE LABOR DIVISION Third Quarter, 1989 and 1990



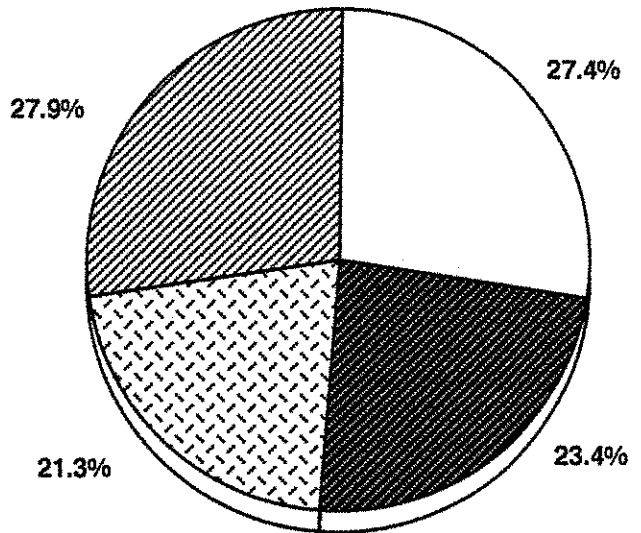
SOURCE: Alaska Department of Labor, Statistical Quarterly, 1st Quarter, 1990

ANCHORAGE EMPLOYMENT DISTRIBUTION

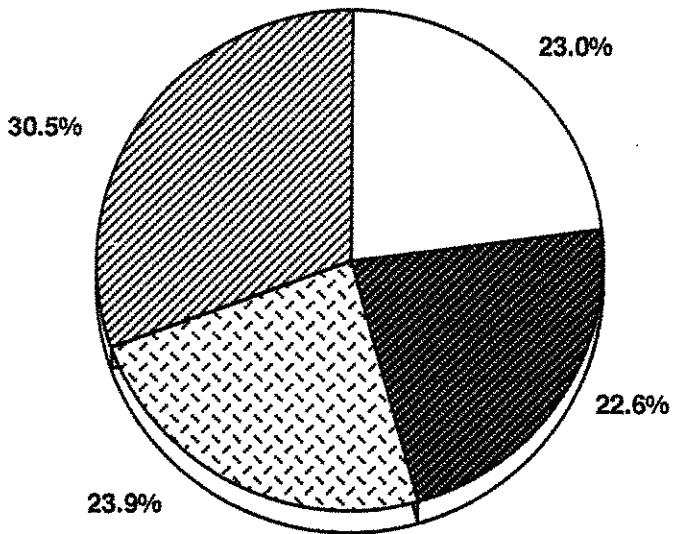
Third Quarter, 1975



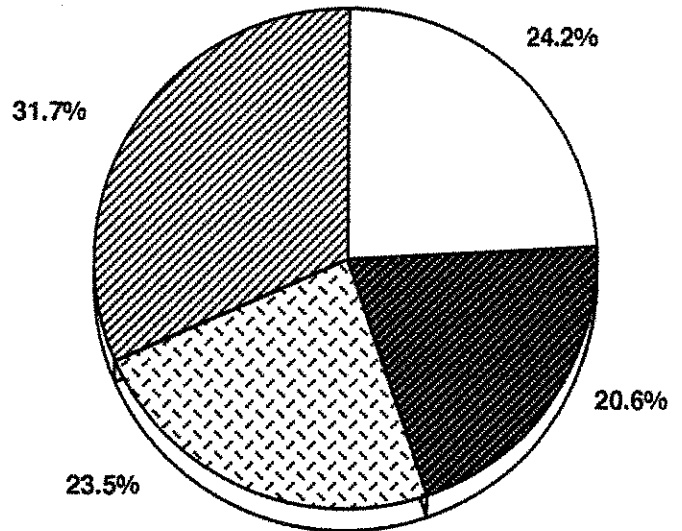
Third Quarter, 1980



Third Quarter, 1985



Third Quarter, 1990



Government



Construction, Transportation,
Manufacturing, Mining



Trade

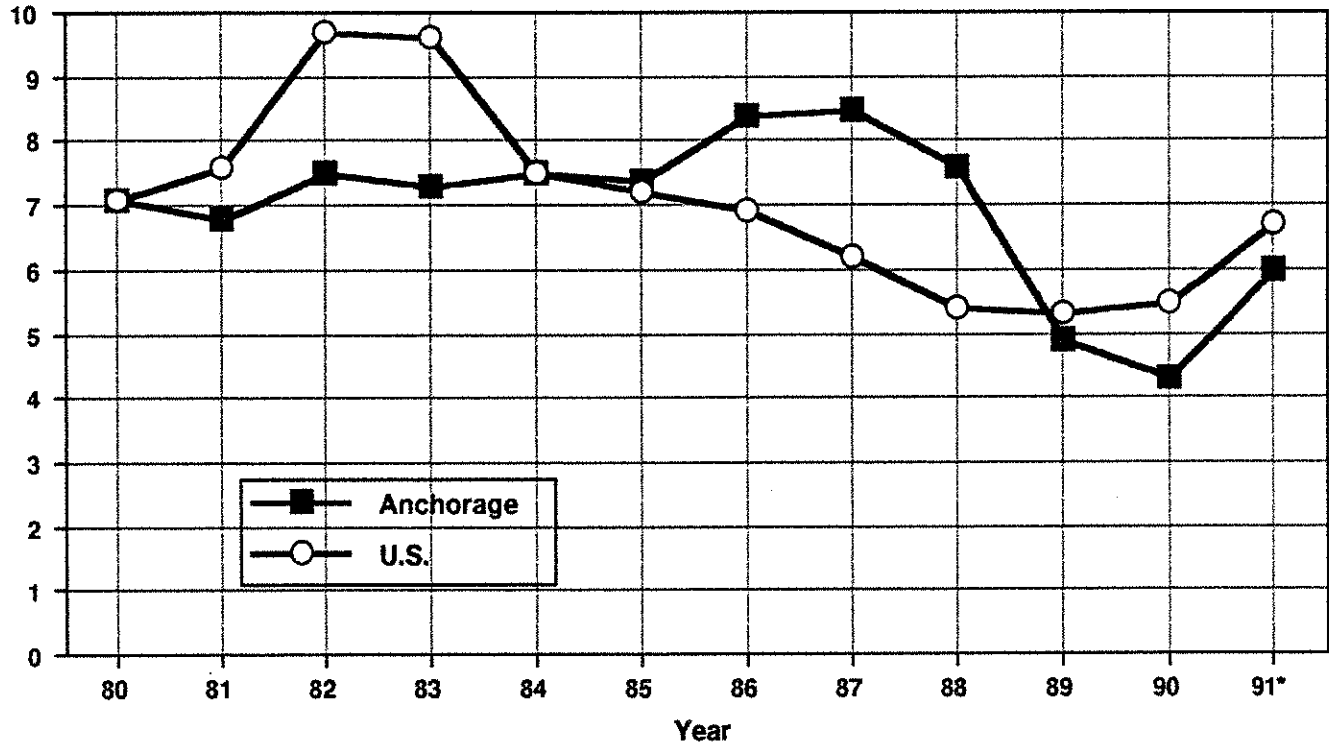


Services, Finance,
Insurance, Real Estate

SOURCE: Alaska Department of Labor

AVERAGE ANNUAL UNEMPLOYMENT RATES

Percent

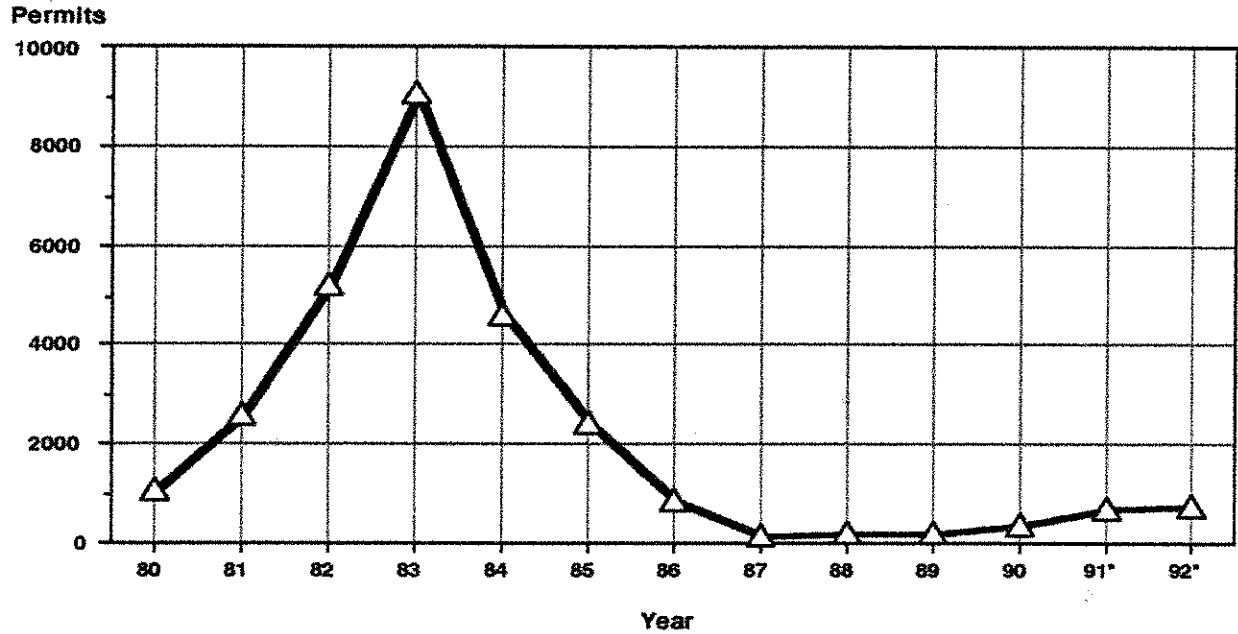


* The 1991 figure is an average of January through July.

SOURCE: Alaska Department of Labor

LAND AND HOUSING

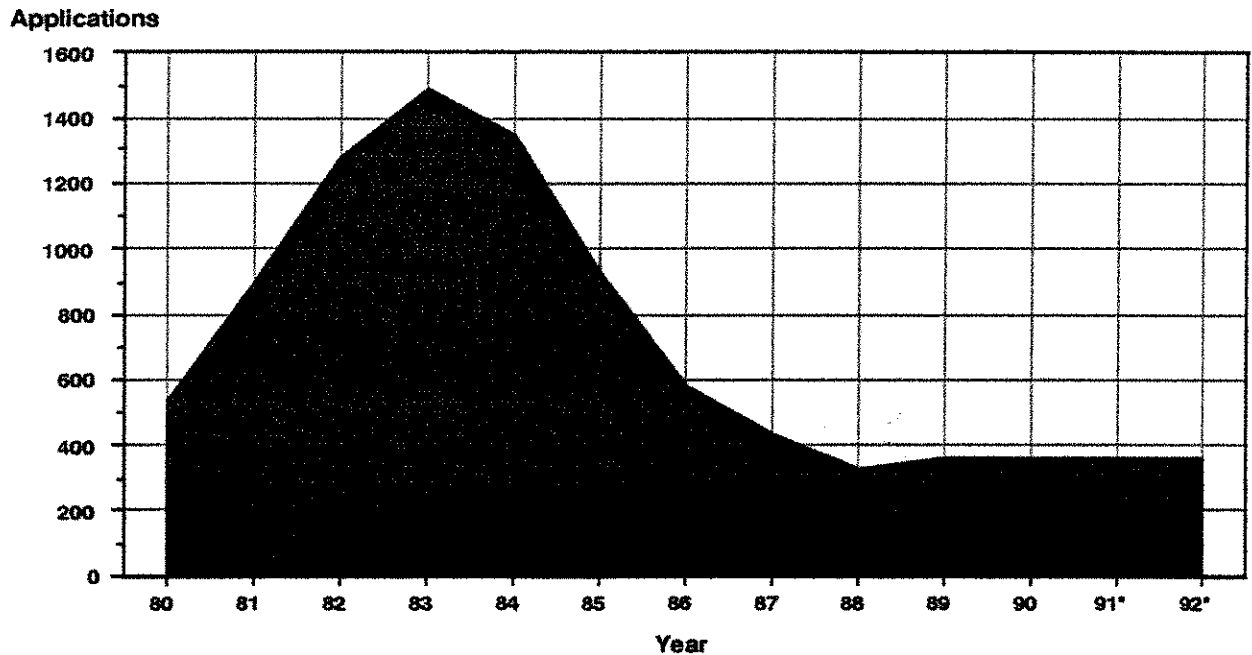
TOTAL NEW HOUSING UNITS AUTHORIZED BY PERMITS



* Estimate

Source: Public Works Department, MOA

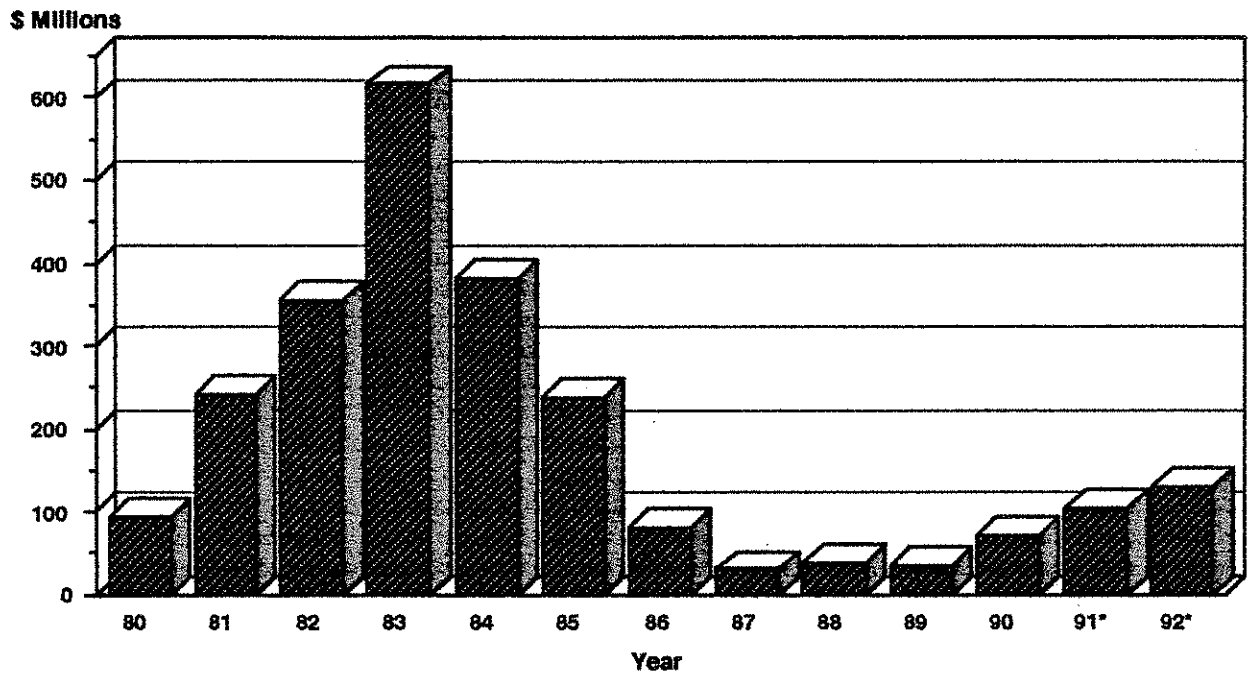
ZONING CONDITIONAL USE AND SUBDIVISION APPLICATIONS PROCESSED



* Estimate

SOURCE: Economic Development and Planning Department, MOA

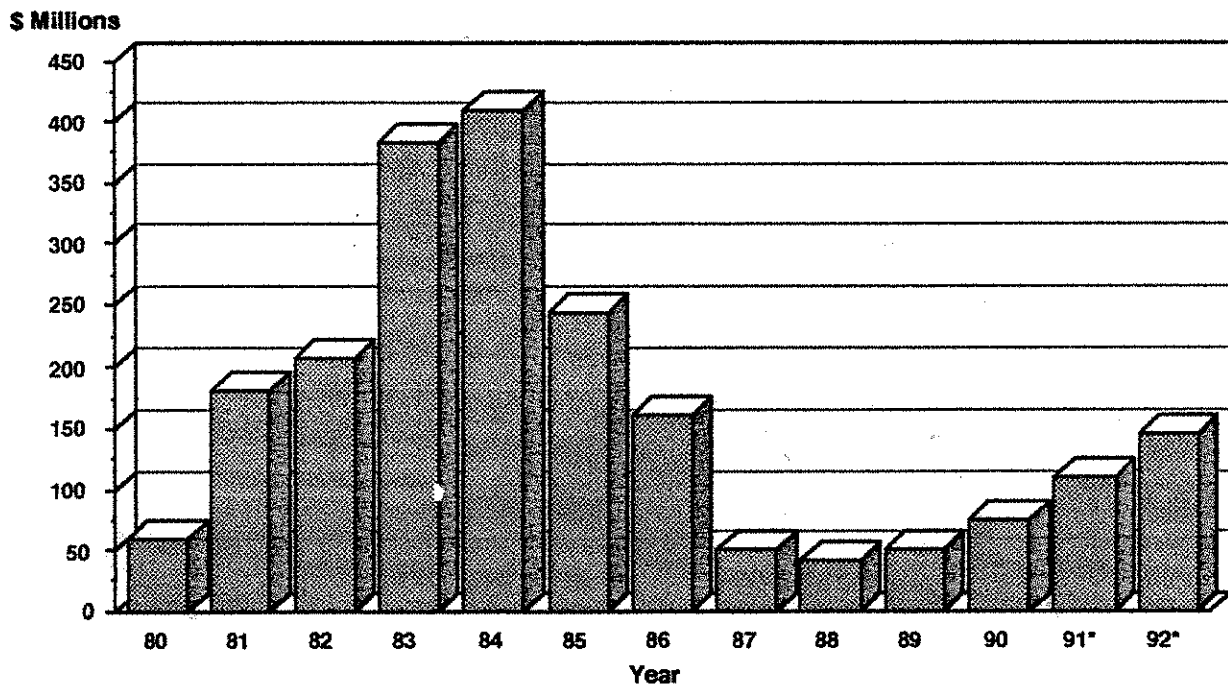
CONSTRUCTION SPENDING IN ANCHORAGE RESIDENTIAL



* Estimate

SOURCE: Public Works Department, MOA

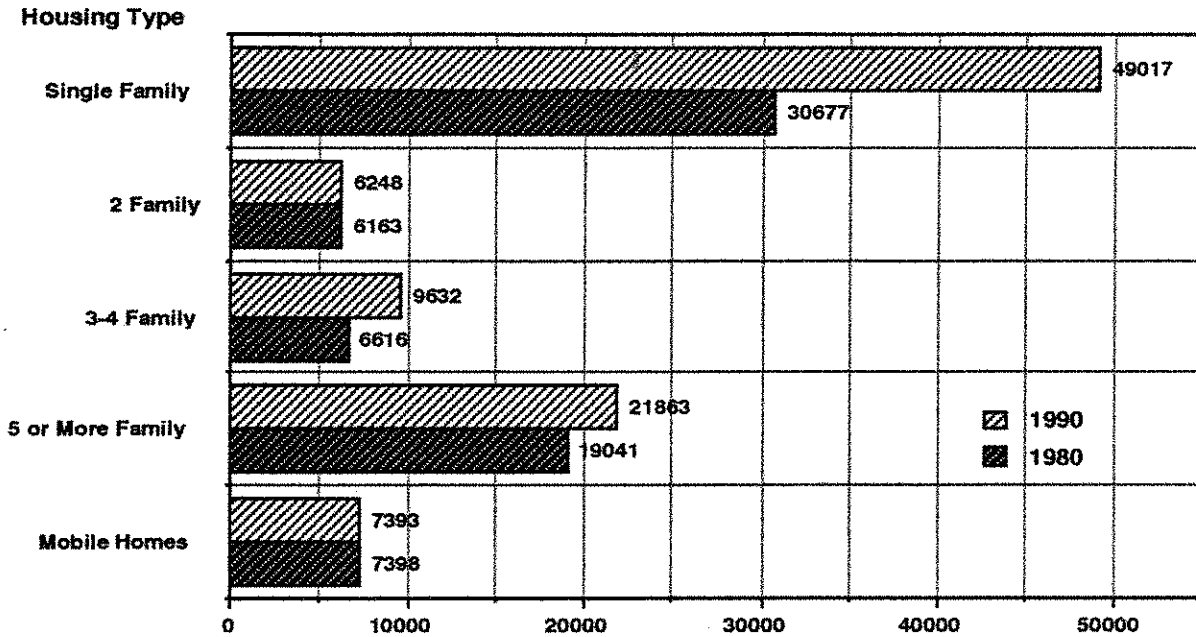
CONSTRUCTION SPENDING IN ANCHORAGE NON-RESIDENTIAL



* Estimate

SOURCE: Public Works Department, MOA

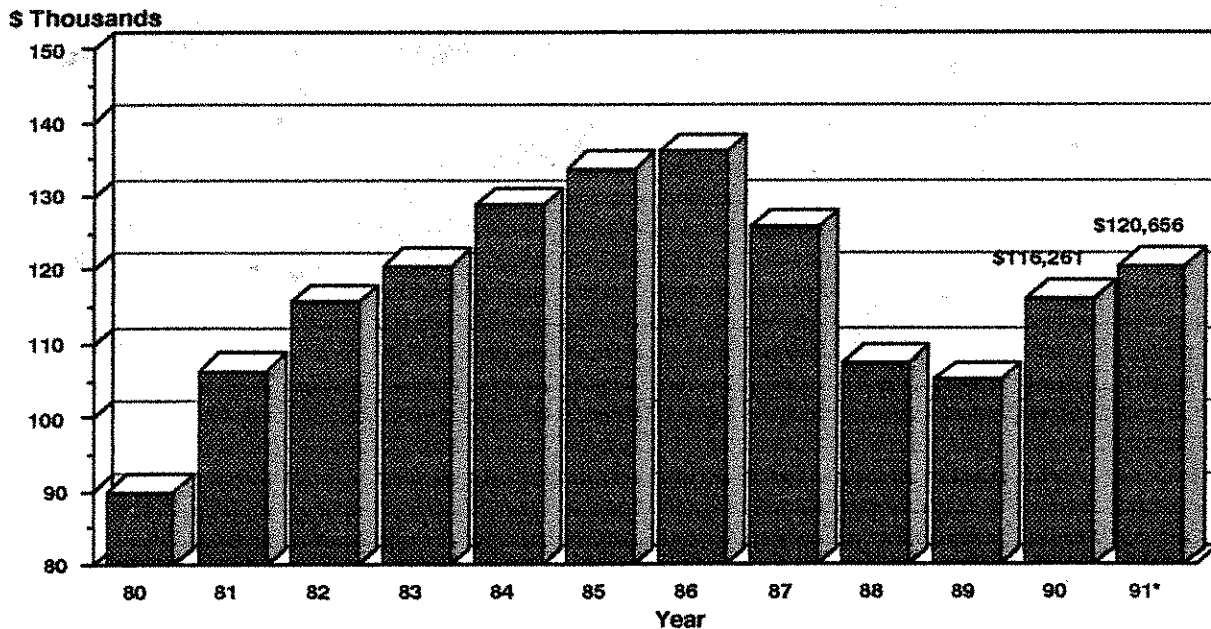
CHANGE IN HOUSING UNITS BY STRUCTURE TYPE 1980 to 1990



* Estimate

SOURCE: U.S. Bureau of the Census

AVERAGE SELLING PRICE OF A HOME IN THE MUNICIPALITY OF ANCHORAGE



* Estimate

NOTE: Figures show only homes listed through the Multiple Listing Service. Includes single-family dwellings, townhouses, zero-lot lines but not condominiums or income properties.

SOURCE: Multiple Listing Services.

REAL PROPERTY PARCELS APPRAISED

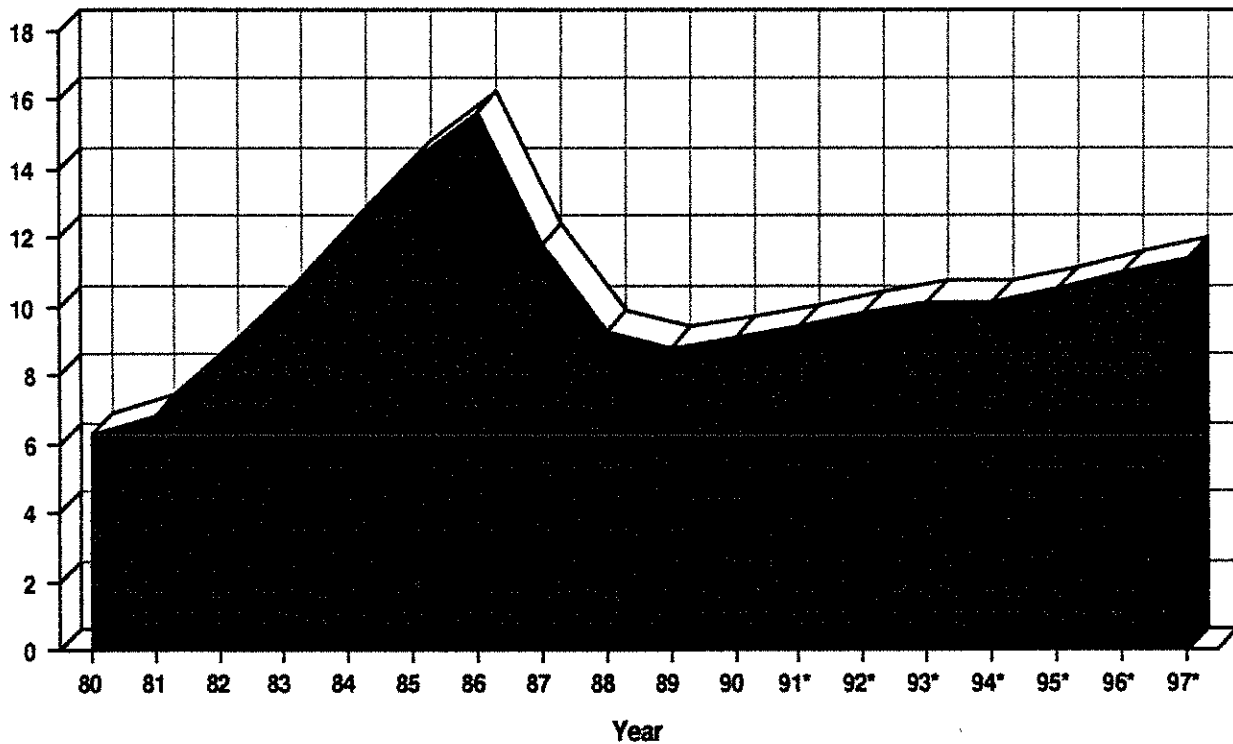
1980	1982	1984	1986	1988	1990	1991*	1992*
63,090	67,009	80,132	84,147	84,801	85,015	85,000	86,800

* Estimate

SOURCE: Property Appraisal Division, MOA

ASSESSED VALUATION OF REAL AND PERSONAL TAXABLE PROPERTY

\$ Billions



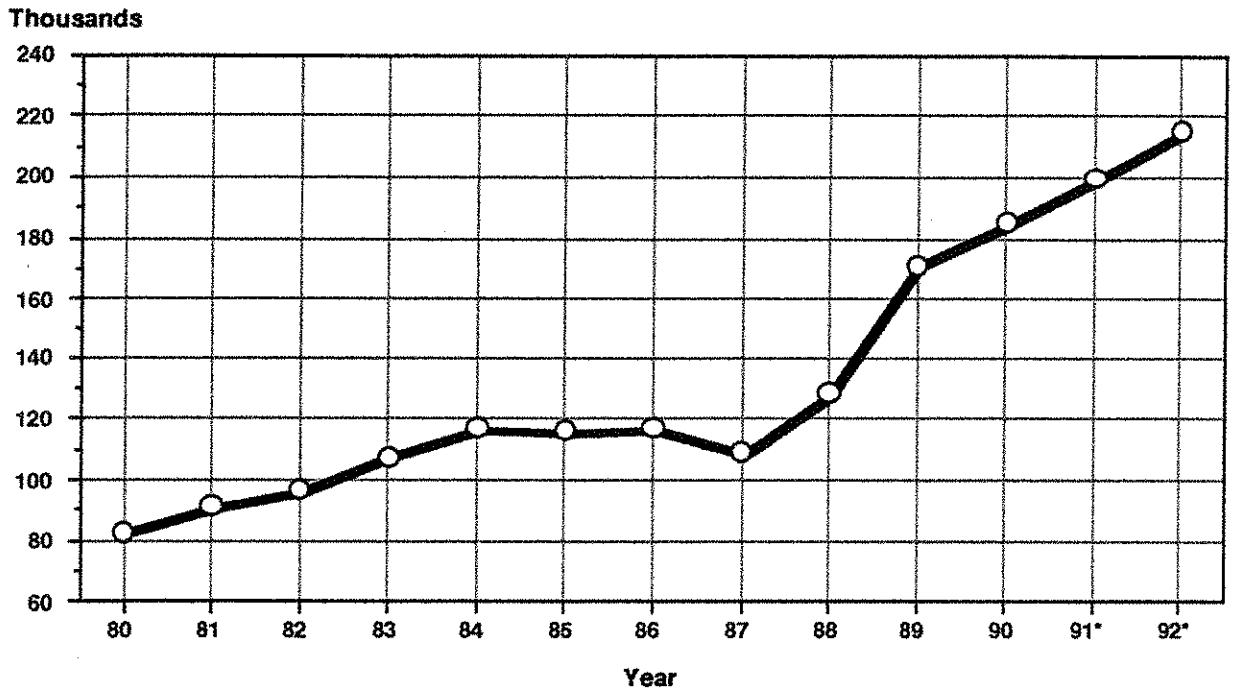
* Estimate

Note: Data is derived from "Annual Report on Assessment and Taxation" plus calculation for Municipal Utility Service Assessment.

SOURCE: Property Appraisal Division, MOA

PUBLIC SAFETY

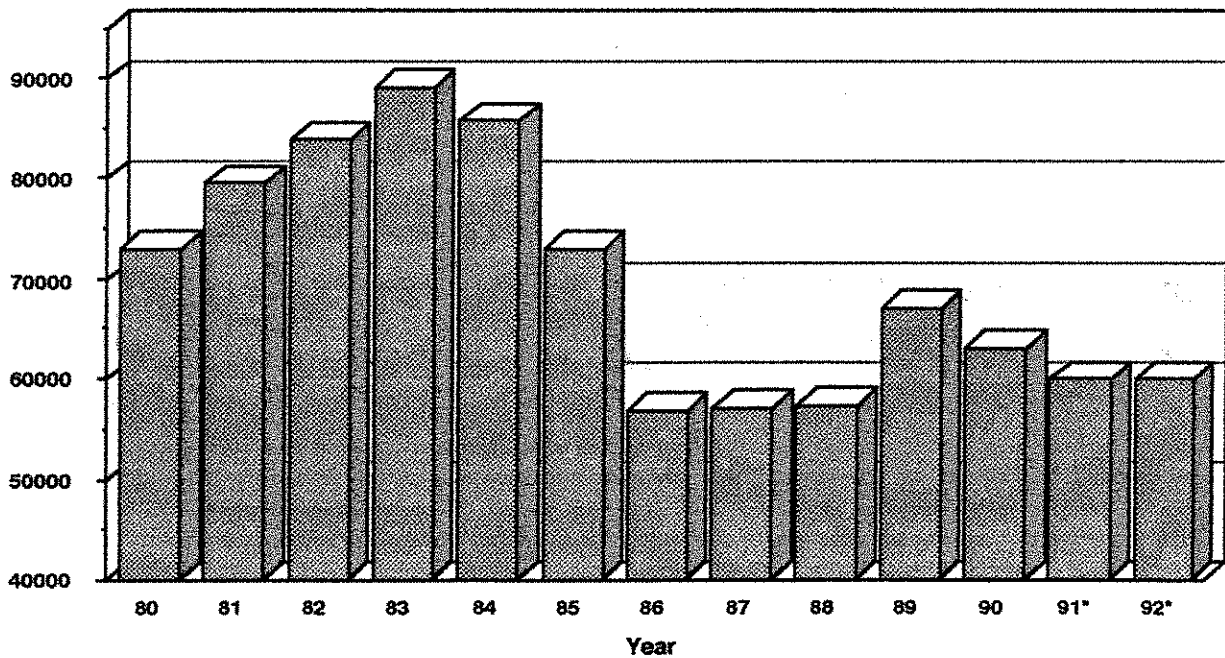
POLICE DEPARTMENT REQUESTS FOR SERVICE



* Estimate

NOTE: More accurate method of computer tracking of incidents began in 1989.
SOURCE: Police Department, MOA

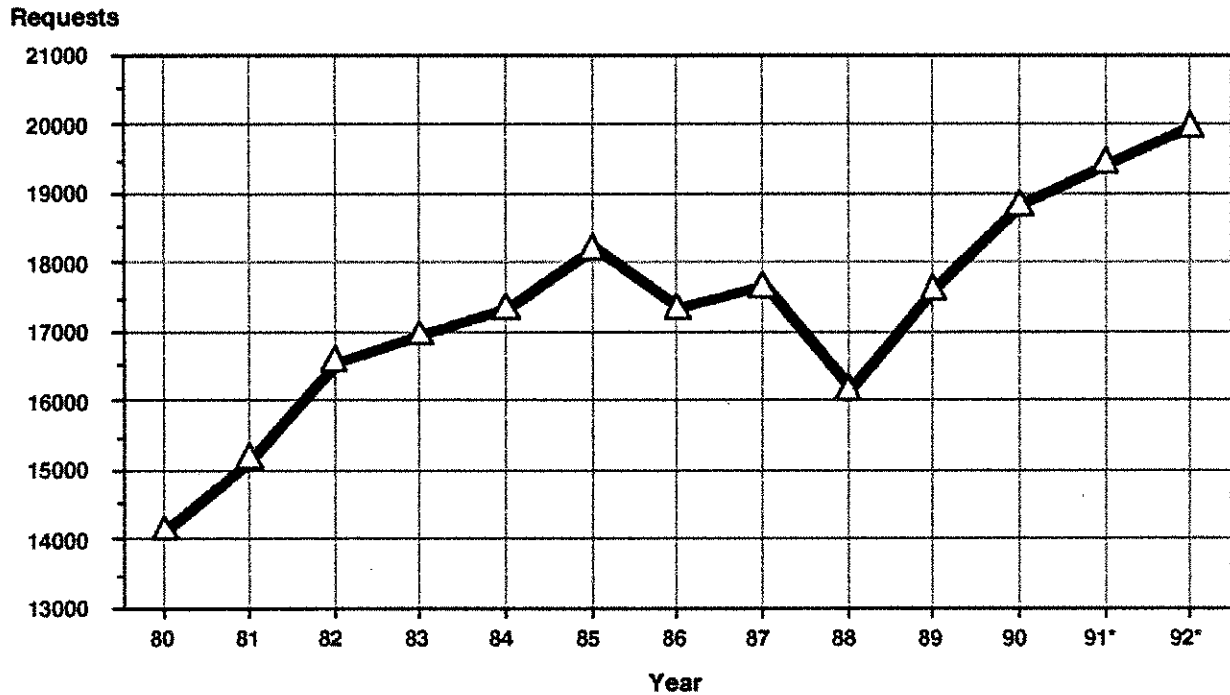
HEALTH CLINIC VISITS



* Estimate

SOURCE: Health and Human Services Department, MOA

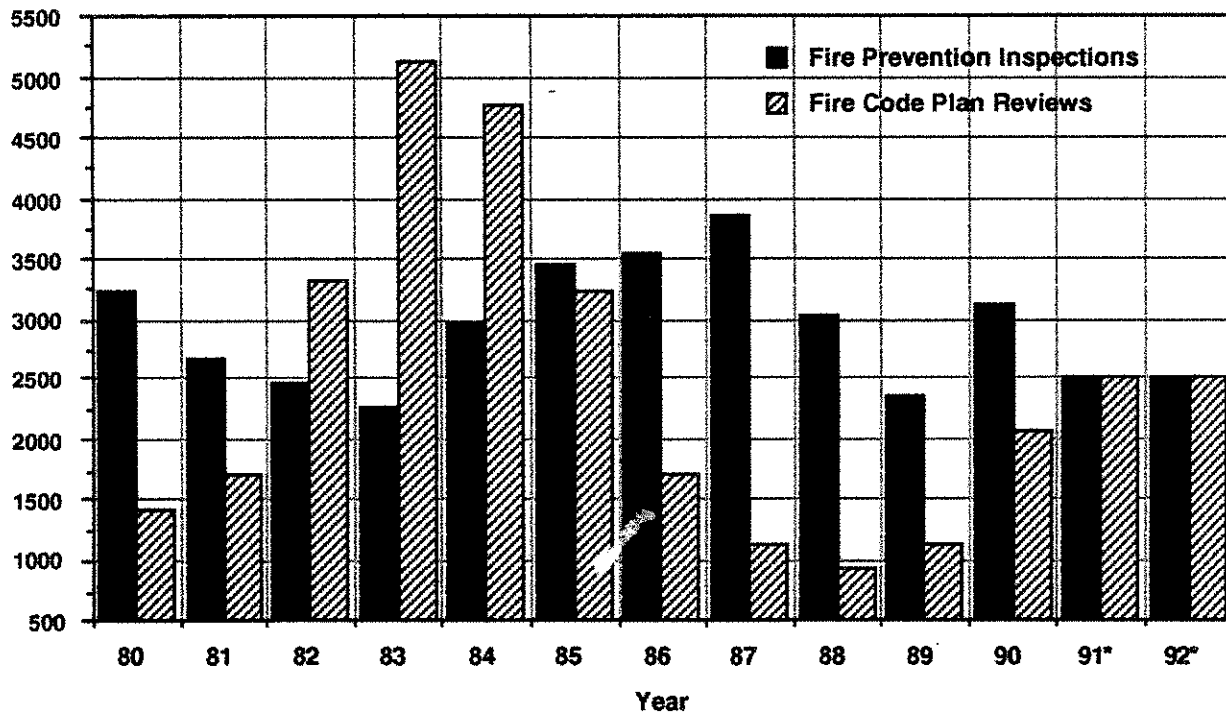
FIRE/EMS ALARMS



* Estimate

NOTE: Private ambulance service started in Anchorage in 1988.
SOURCE: Fire Department, MOA

FIRE PREVENTION ACTIVITIES

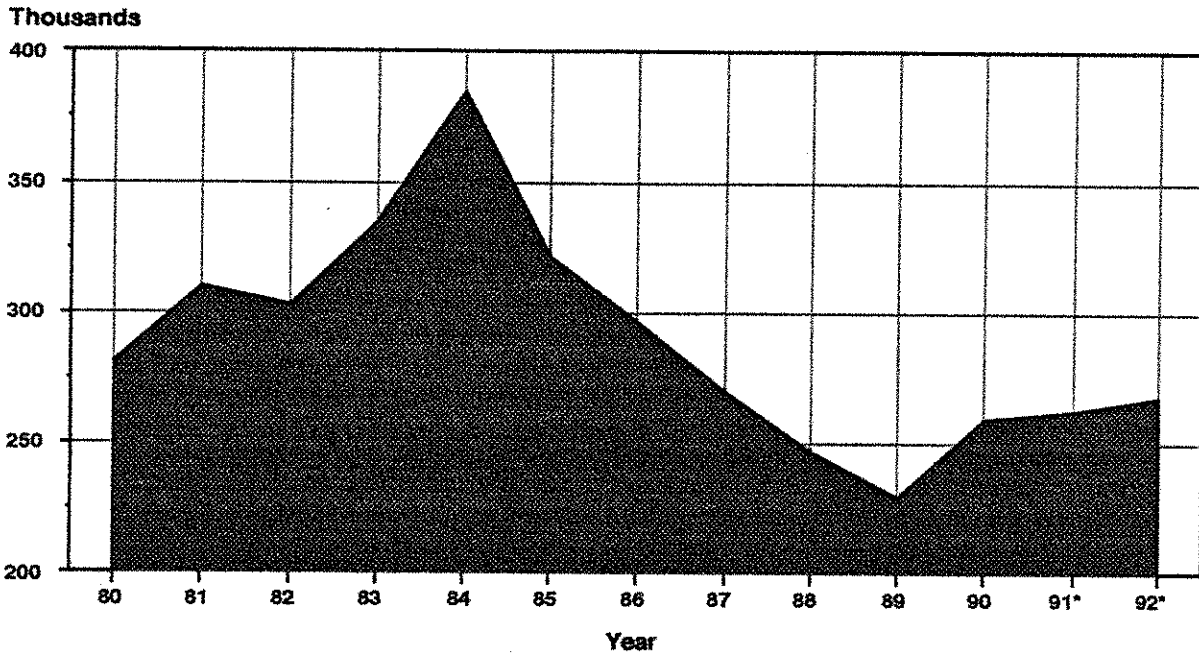


* Estimate

SOURCE: Fire Department, MOA

TRANSPORTATION

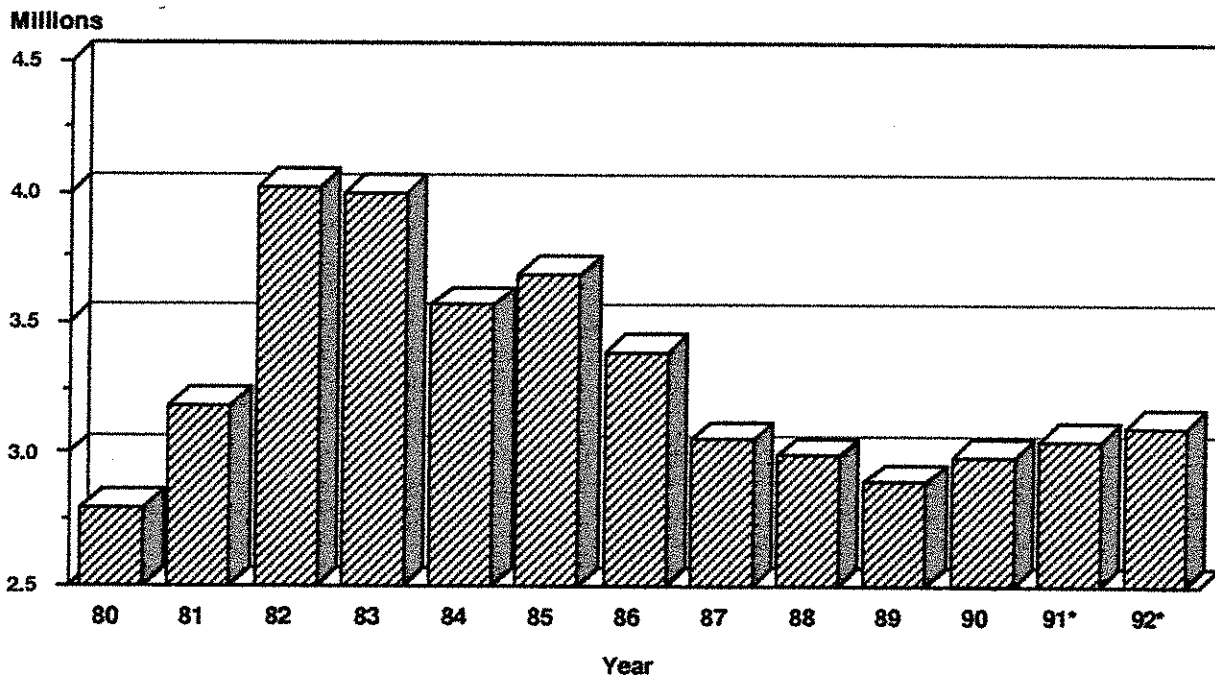
MERRILL FIELD TOTAL LANDINGS AND TAKEOFFS



* Estimate

SOURCE: Merrill Field Airport, MOA

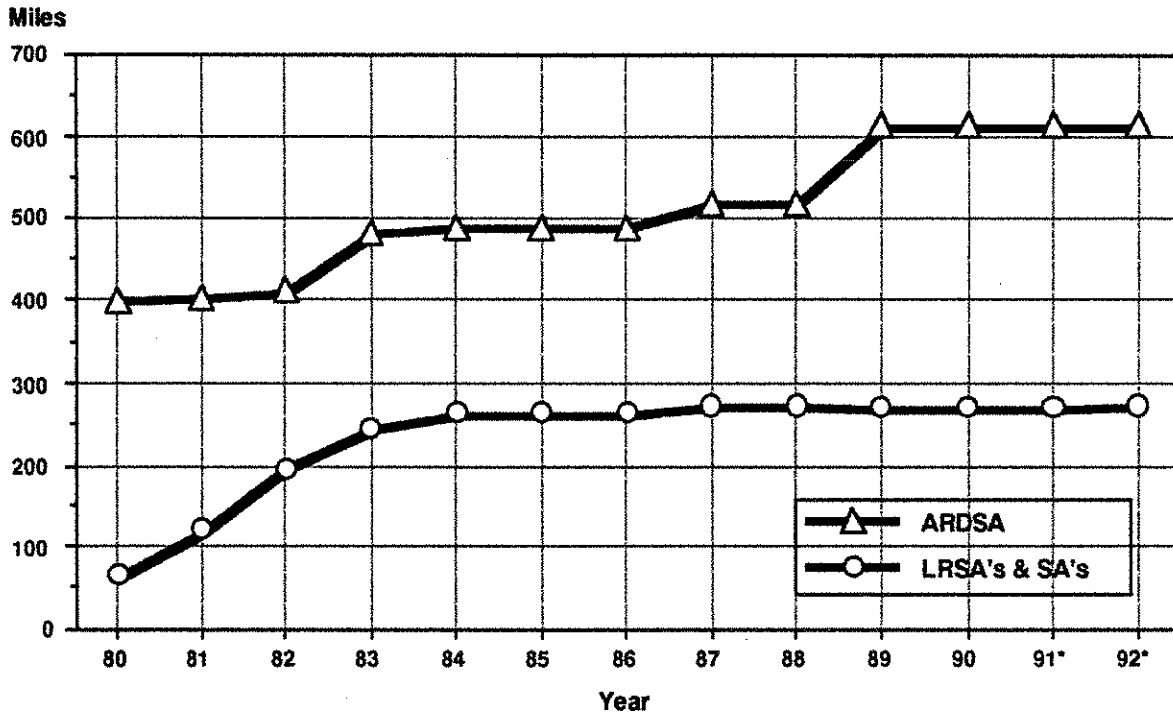
PEOPLE MOVER RIDERSHIP



* Estimate

SOURCE: Transit Department, MOA

MILES OF ROAD MAINTAINED BY THE MUNICIPALITY



* Estimate

SOURCE: Public Works Department, MOA

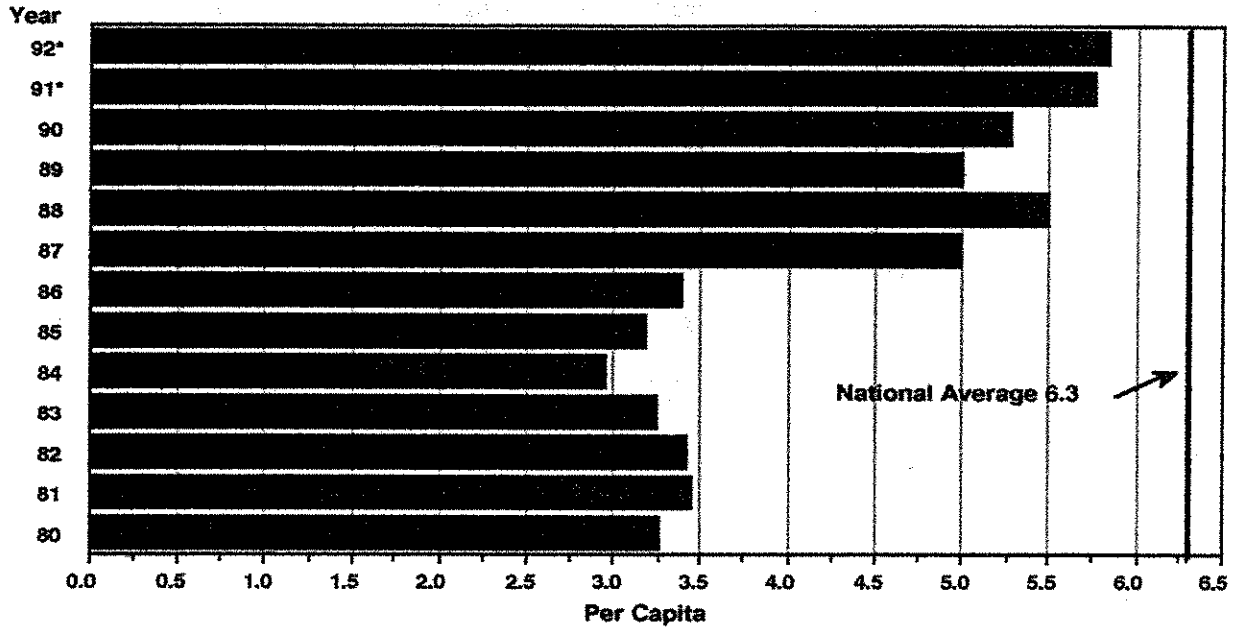
VEHICLE REGISTRATION IN ANCHORAGE

	Passenger Vehicles	Motor Cycles	Commercial Trailers	Trailers	Commercial Trucks	Pickups	Buses	Total
1985	130,445	5,453	6,627	17,204	12,779	43,409	609	216,526
1986	135,573	5,684	6,326	20,753	11,327	45,274	609	225,546
1987	126,697	5,132	5,823	20,222	9,643	41,224	609	209,350
1988	124,403	4,710	5,330	19,991	8,545	39,409	592	202,980
1989	128,237	4,413	5,141	20,212	8,290	40,224	501	207,018
1990	133,750	4,230	5,593	20,840	8,672	42,462	484	216,031
<hr/>								
% Change 1989 - 1990	4.3%	(4.1%)	8.8%	3.1%	4.6%	5.6%	(3.4%)	4.4%

SOURCE: Alaska Department of Public Safety

LEISURE

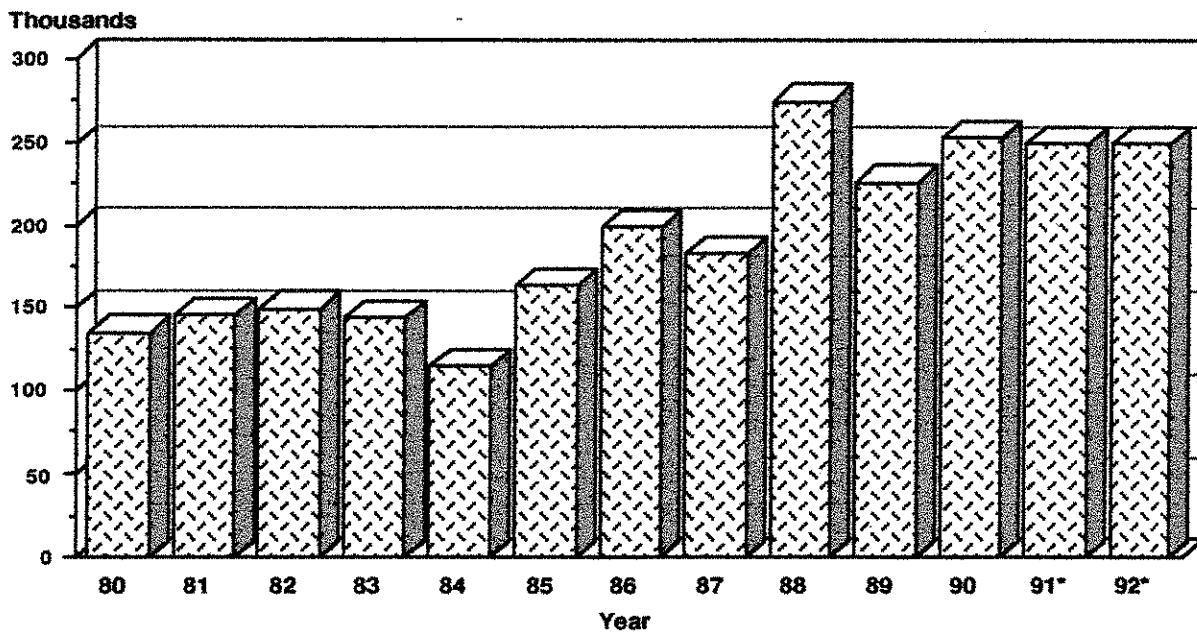
LIBRARY BOOKS/MATERIALS CIRCULATED PER CAPITA



* Estimate

NOTE: National average is for libraries serving populations of 100,000 to 249,999.
SOURCE: Anchorage Municipal Library, MOA

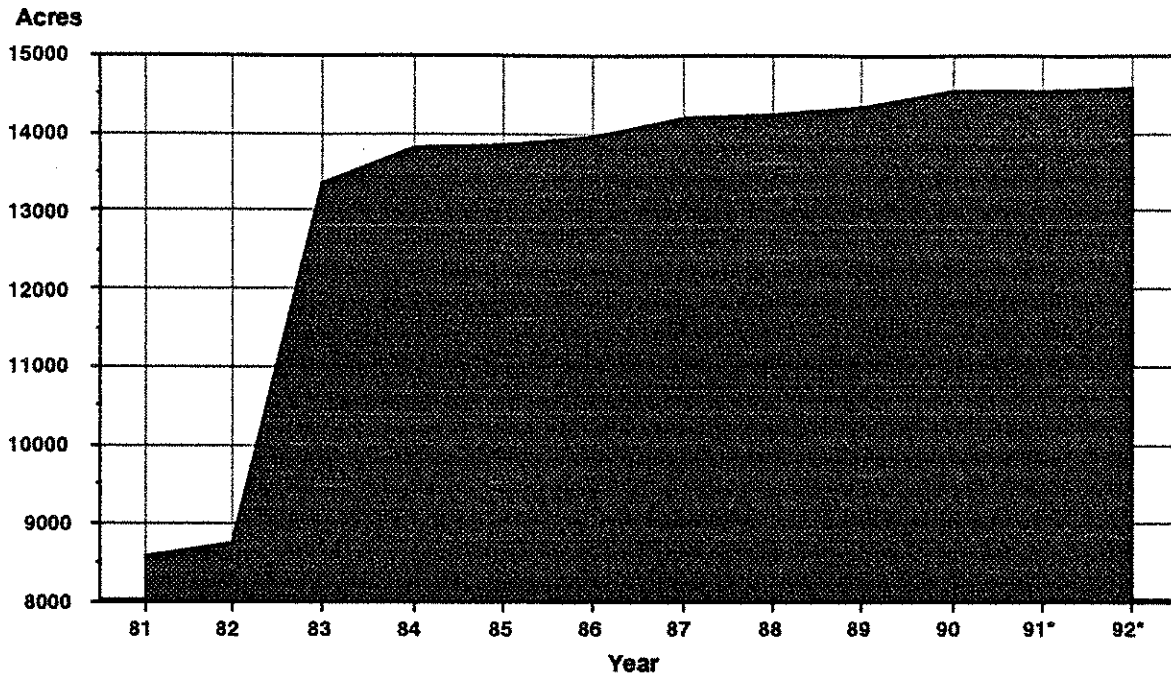
ANCHORAGE MUSEUM OF HISTORY AND ART VISITORS



* Estimate

NOTE: Special dinosaur exhibit drew attendance of over 70,000 in 1988.
SOURCE: Anchorage Museum of History and Art, MOA

MUNICIPAL ACREAGE MANAGED OR MAINTAINED AS PARK LAND



* Estimate

NOTE: Totals include acreage in the Anchorage Bowl, Eagle River, Chugiak, and Girdwood.

SOURCE: Parks and Recreation Division, MOA

MUNICIPAL PARKS/TRAILS/RECREATION AREAS - 1992

Bike Trails (Municipally Maintained)	93 Miles
Playgrounds	72
Ski Trails	132.5 KM
Tennis Courts	64
Ball Fields/Recreation Fields	82
Ice Skating Areas	5
Fitness Trails/Clusters	13
Community Recreation Centers	3
Swimming Pools	6
Lakes	15
Campgrounds	1
Golf Courses	1
Track and Field Area	1

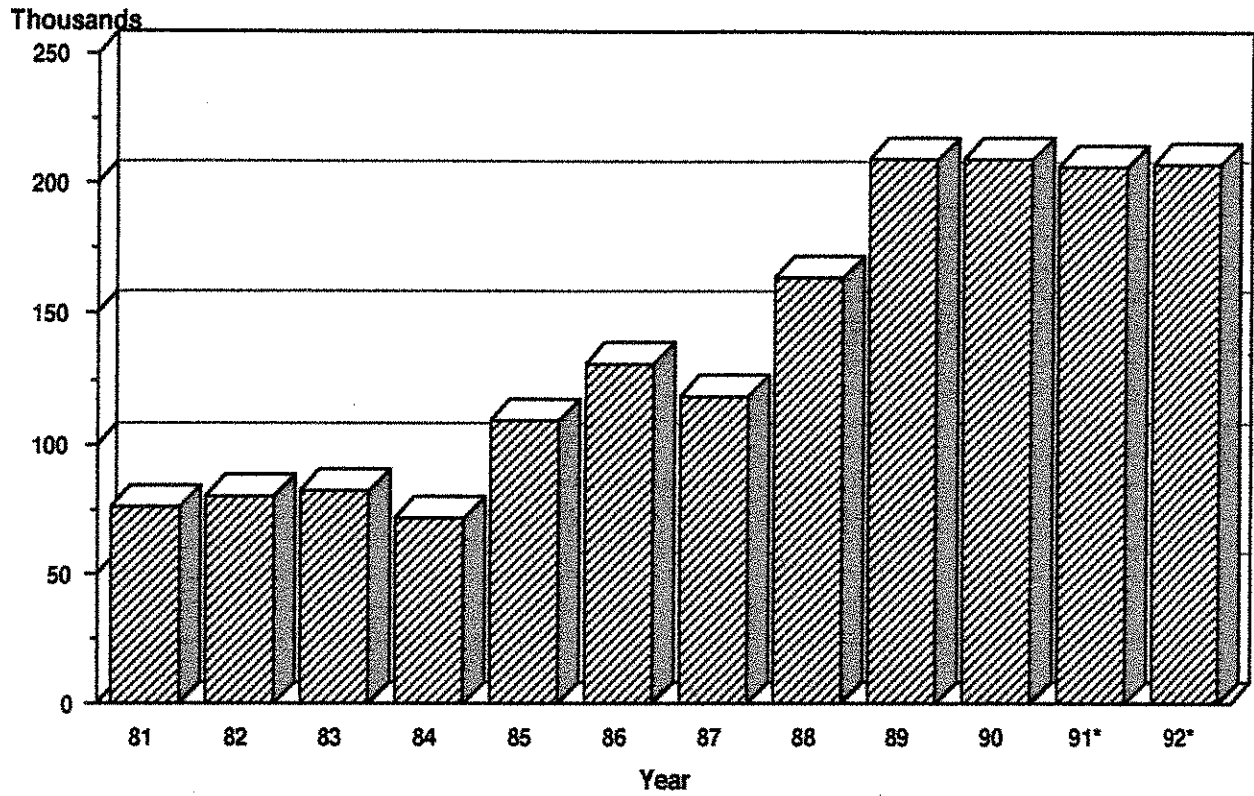
	1980	1982	1986	1990	1991*
Municipal Parks	103	123	170	194	198

* Estimate

NOTE: Totals include facilities in the Anchorage Bowl, Eagle River, Chugiak and Girdwood.

SOURCE: Parks and Recreation Division, MOA

COMMUNITY SCHOOLS PROGRAM Activity Registrants



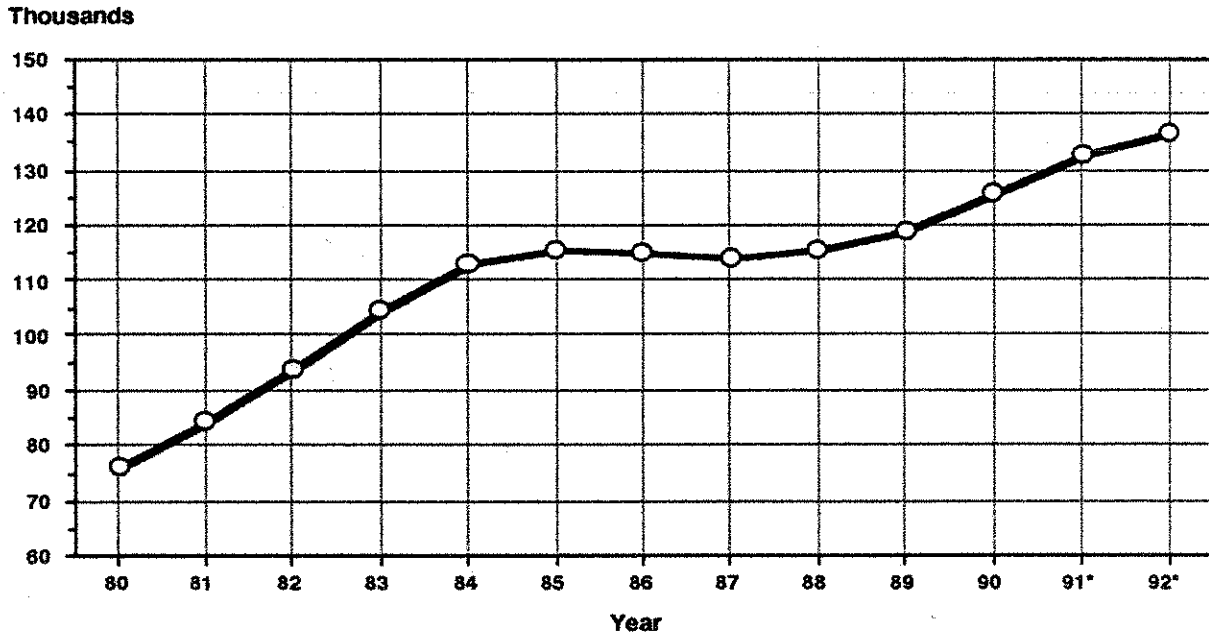
* Estimate

NOTE: Large increase from 1984 to 1985 due to the addition of one community school and revised method of counting registrants.

SOURCE: Anchorage School District

PUBLIC UTILITIES

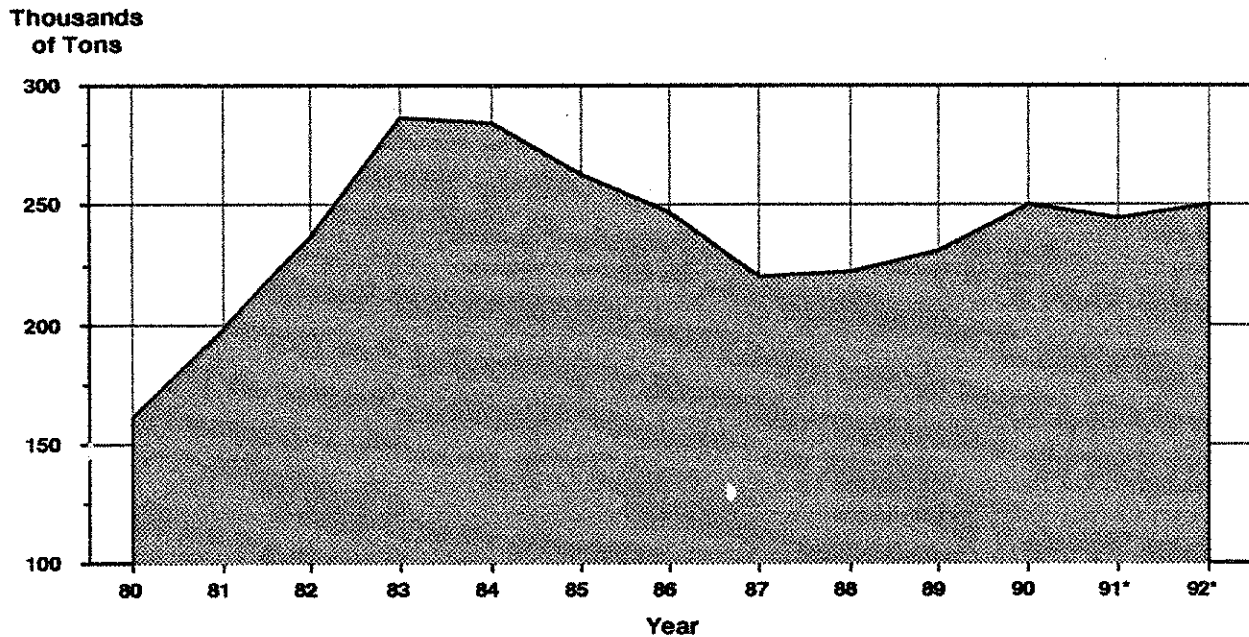
ANCHORAGE TELEPHONE UTILITY Access Lines



* Estimate

SOURCE: Anchorage Telephone Utility, MOA

SOLID WASTE SERVICES Total Tons Disposed

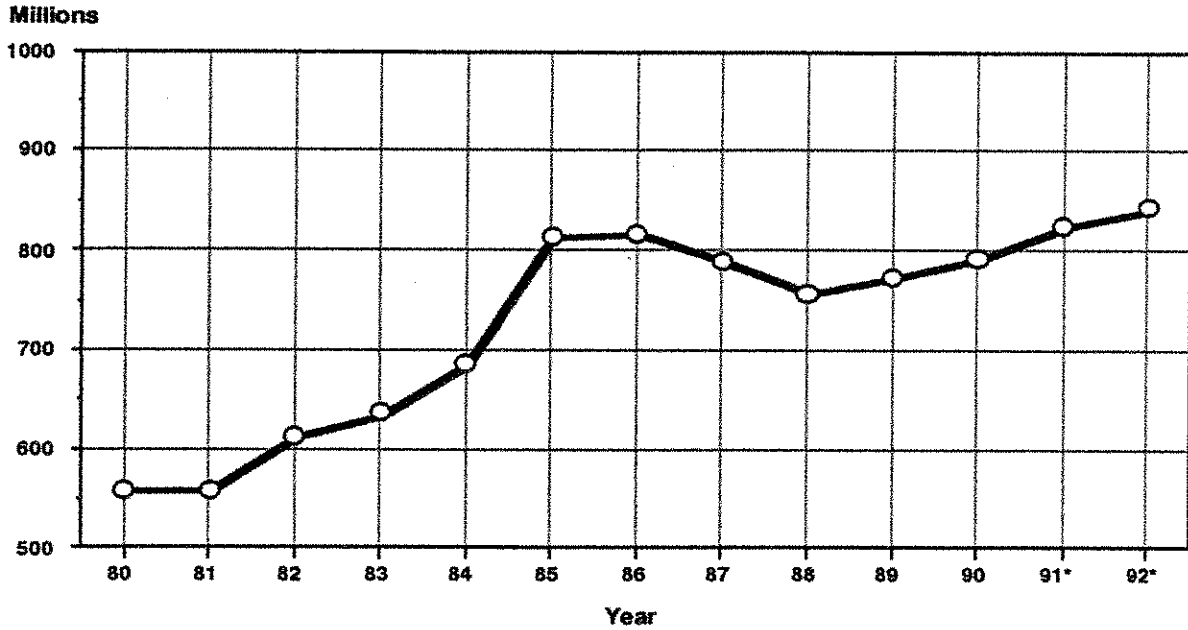


* Estimate

NOTE: New facilities located at the intersection of Glenn Highway and Hiland Road and at 111 East 56th Avenue opened November, 1987.

SOURCE: Solid Waste Services Department, MOA

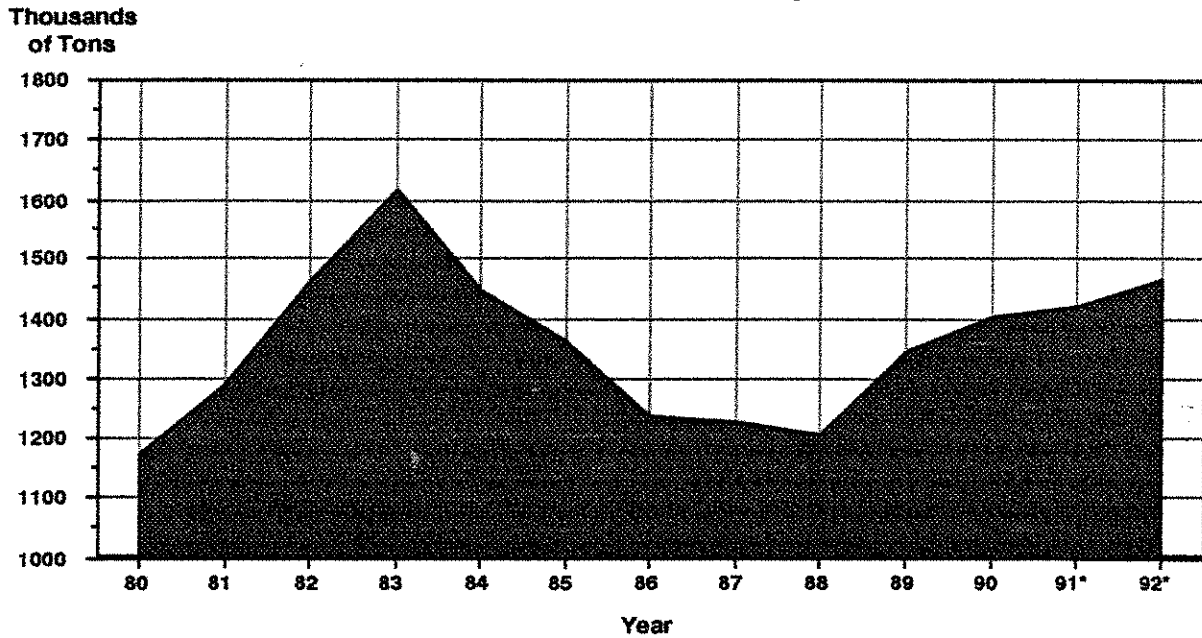
MUNICIPAL LIGHT & POWER Retail Kilowatt Hour Sales



* Estimate

SOURCE: Municipal Light & Power Utility, MOA

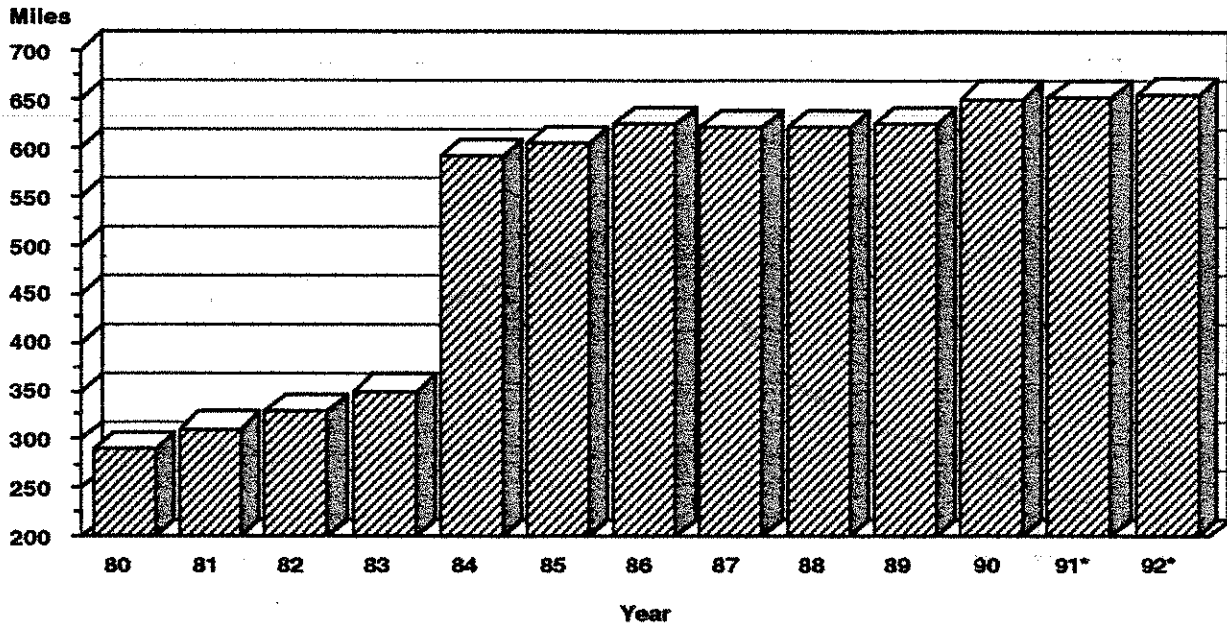
PORT OF ANCHORAGE Tons of General Cargo



* Estimate

SOURCE: Port of Anchorage, MOA

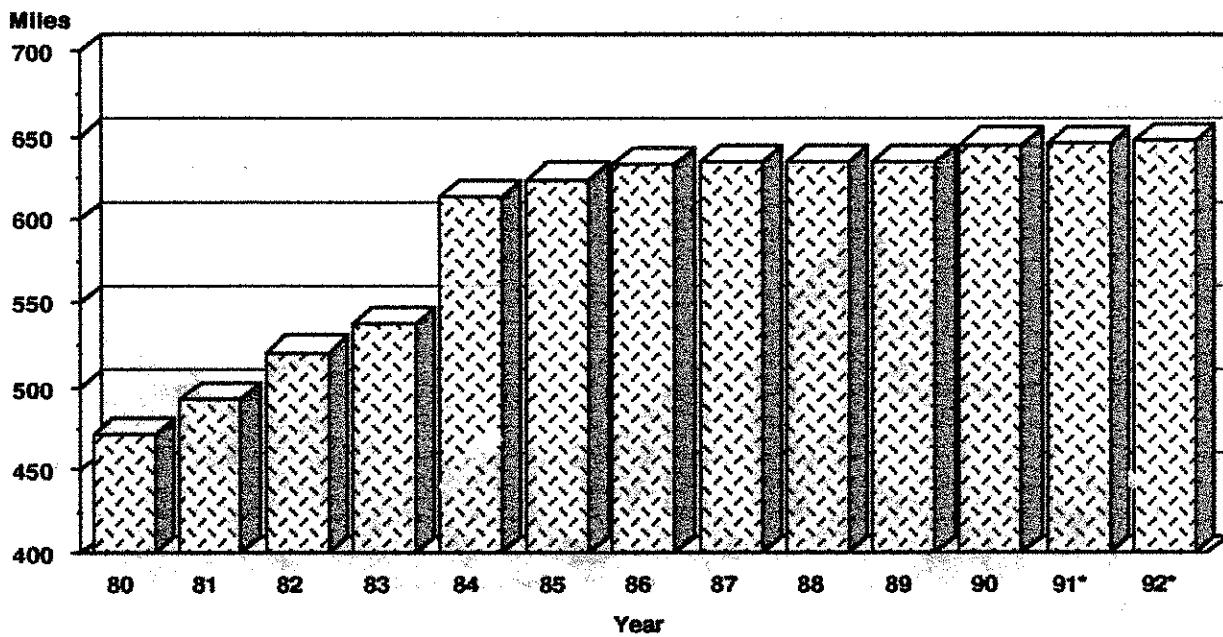
ANCHORAGE WATER UTILITY Miles of Installed Water Mains



* Estimate

SOURCE: Anchorage Water & Wastewater Utility, MOA

ANCHORAGE WASTEWATER UTILITY Miles of Installed Wastewater Lines



* Estimate

SOURCE: Anchorage Water & Wastewater Utility, MOA

APPENDIX

STATISTICAL INFORMATION FOR SELECTED COMMUNITY PROFILE CHARTS

ANCHORAGE POPULATION ESTIMATES

1977	182,920
1978	180,246
1979	174,594
1980	174,431
1981	187,761
1982	204,216
1983	230,846
1984	244,030
1985	248,263
1986	246,139
1987	229,117
1988	218,979
1989	221,870
1990	230,185
1991 *	234,915
1992 *	242,415
1993 *	248,421
1994 *	252,128
1995 *	251,523
1996 *	252,345
1997 *	255,644

FIVE-YEAR POPULATION AVERAGE

<u>Five-Year Period Ending</u>	<u>Percentage Change</u>
1985	+ 7.01
1986	+ 7.38
1987	+ 5.68
1988	+ 2.54
1989	- 0.95
1990	- 1.83
1991	- 1.43
1992 *	- 0.84
1993 *	+ 1.18
1994 *	+ 2.56
1995 *	+ 2.59
1996 *	+ 1.80
1997 *	+ 1.45

PERCENTAGE CHANGE IN ANCHORAGE POPULATION 1978 - 1997

<u>Year</u>	<u>Percentage Change</u>	<u>Year</u>	<u>Percentage Change</u>
1978	- 1.5%	1988	- 4.4%
1979	- 3.1%	1989	+ 1.3%
1980	- 0.1%	1990	+ 3.8%
1981	+ 7.6%	1991	+ 2.1%
1982	+ 8.8%	1992 *	+ 3.2%
1983	+ 13.0%	1993 *	+ 2.5%
1984	+ 5.7%	1994 *	+ 1.5%
1985	+ 1.7%	1995 *	- 0.2%
1986	- 0.9%	1996 *	+ 0.3%
1987	- 6.9%	1997 *	+ 1.3%

* Estimate

**ANCHORAGE SCHOOL DISTRICT
STUDENT ENROLLMENT
School Years 1981-82 Through 1991-92**

<u>School Year</u>	<u>Students</u>	<u>School Year</u>	<u>Students</u>
1981/82	37,357	1987/88	40,907
1982/83	39,291	1988/89	40,320
1983/84	40,427	1989/90	40,819
1984/85	42,063	1990/91	42,222
1985/86	42,426	1991/92 *	44,700
1986/87	41,997		

**ASSETS AND LIABILITIES OF ALASKA BANKS
as of December 31, 1990**

<u>Bank</u>	<u>Assets</u>	<u>Liabilities</u>
Northrim Bank	\$ 13,336,000	\$ 5,840,000
First Interstate Bank of Alaska	29,224,000	26,399,000
Denali State Bank	68,545,000	62,088,000
Mt. McKinley Mutual Savings Bank	101,917,000	91,834,000
First Bank	188,692,000	173,387,000
Security Pacific Bank Alaska	197,086,000	181,941,000
Key Bank of Alaska	761,167,000	705,195,000
First National Bank of Anchorage	1,138,659,000	945,425,000
National Bank of Alaska	2,053,370,000	1,851,199,000

**INFLATION IN ANCHORAGE
Annual Average Percent Change
in Consumer Price Index**

1980	10.2%	1986	1.9%
1981	8.1%	1987	0.4%
1982	5.4%	1988	0.4%
1983	1.8%	1989	2.9%
1984	4.1%	1990	6.2%
1985	2.4%	1991 *	4.0%

* Estimate

**AVERAGE MONTHLY WAGE
ANCHORAGE LABOR DIVISION
Third Quarter, 1989 and 1990**

<u>Classification</u>	<u>1989</u>	<u>1990</u>
Mining	\$5,736	\$6,043
Construction	2,992	3,478
Transportation, Communication and Utilities	2,899	2,954
Government	2,834	2,925
Wholesale Trade	2,622	2,826
Finance, Insurance and Real Estate	2,336	2,423
Manufacturing	1,867	2,026
Services	1,699	1,832
Nonclassifiable Establishments	1,612	1,624
Retail Trade	1,355	1,457
Agriculture, Forestry, and Fisheries	1,526	1,336

AVERAGE ANNUAL UNEMPLOYMENT RATES

	<u>Anchorage</u>	<u>U.S.</u>		<u>Anchorage</u>	<u>U.S.</u>
1980	7.1%	7.1%	1986	8.4%	6.9%
1981	6.8%	7.6%	1987	8.5%	6.2%
1982	7.5%	9.7%	1988	7.6%	5.4%
1983	7.3%	9.6%	1989	4.9%	5.3%
1984	7.5%	7.5%	1990	4.3%	5.5%
1985	7.4%	7.2%	1991 *	6.0%	6.7%

**TOTAL NEW HOUSING UNITS
AUTHORIZED BY PERMITS**

1980	1,071	1987	182
1981	2,601	1988	208
1982	5,257	1989	198
1983	9,082	1990	395
1984	4,609	1991 *	700
1985	2,434	1992 *	800
1986	891		

* Estimate

**ZONING CONDITIONAL USE
AND SUBDIVISION APPLICATIONS PROCESSED**

1980	532	1987	442
1981	900	1988	330
1982	1,281	1989	356
1983	1,482	1990	355
1984	1,351	1991 *	360
1985	928	1992 *	360
1986	583		

**CONSTRUCTION SPENDING IN ANCHORAGE
RESIDENTIAL**

1980	\$ 95,099,614	1987	\$ 30,875,386
1981	242,738,030	1988	39,208,421
1982	355,655,784	1989	36,708,914
1983	617,054,722	1990	71,693,700
1984	383,141,394	1991 *	105,000,000
1985	238,711,974	1992 *	130,000,000
1986	80,227,309		

**CONSTRUCTION SPENDING IN ANCHORAGE
NON-RESIDENTIAL**

1980	\$ 59,338,820	1987	\$ 49,302,101
1981	180,014,096	1988	41,320,929
1982	207,040,322	1989	49,963,746
1983	383,232,475	1990	75,319,125
1984	409,371,453	1991 *	110,000,000
1985	242,789,387	1992 *	145,000,000
1986	160,084,372		

* Estimate

**AVERAGE SELLING PRICE OF A HOME
IN THE MUNICIPALITY OF ANCHORAGE**

1980	\$ 89,817	1986	\$136,200
1981	106,451	1987	126,027
1982	115,655	1988	107,407
1983	120,854	1989	105,109
1984	128,998	1990	116,261
1985	133,920	1991 *	120,656

**ASSESSED VALUATION OF REAL AND
PERSONAL TAXABLE PROPERTY**

1980	\$ 6,269,398,847	1989	\$ 8,810,431,622
1981	6,856,916,555	1990	9,108,478,033
1982	8,523,530,799	1991 *	9,439,009,057
1983	10,225,631,571	1992 *	9,798,569,419
1984	12,236,757,000	1993 *	10,172,512,196
1985	14,242,118,528	1994 *	10,172,512,196
1986	15,603,882,386	1995 *	10,561,412,683
1987	11,814,534,957	1996 *	10,965,869,191
1988	9,253,471,394	1997 *	11,386,503,959

**POLICE DEPARTMENT
REQUESTS FOR SERVICE**

1980	83,338	1987	109,083
1981	91,349	1988	128,375
1982	96,968	1989	171,168
1983	108,009	1990	184,841
1984	117,427	1991 *	199,606
1985	116,335	1992 *	215,551
1986	117,399		

* Estimate

HEALTH CLINIC VISITS

1980	73,016	1987	57,199
1981	79,558	1988	57,273
1982	83,832	1989	67,009
1983	89,005	1990	63,080
1984	85,816	1991 *	60,000
1985	73,078	1992 *	60,000
1986	56,900		

FIRE/EMS ALARMS

1980	14,186	1987	17,687
1981	15,200	1988	16,190
1982	16,609	1989	17,665
1983	16,986	1990	18,870
1984	17,369	1991 *	19,470
1985	18,232	1992 *	20,000
1986	17,380		

FIRE PREVENTION ACTIVITIES

	<u>Fire Prevention Inspections</u>	<u>Fire Code Plan Reviews</u>
1980	3,240	1,416
1981	2,664	1,702
1982	2,460	3,307
1983	2,276	5,130
1984	2,970	4,780
1985	3,458	3,235
1986	3,545	1,699
1987	3,856	1,147
1988	3,027	913
1989	2,377	1,120
1990	3,111	2,076
1991 *	2,500	2,500
1992 *	2,500	2,500

* Estimate

**MERRILL FIELD
TOTAL LANDINGS AND TAKEOFFS**

1980	281,115	1987	269,536
1981	310,227	1988	246,853
1982	302,755	1989	229,831
1983	335,559	1990	259,632
1984	384,314	1991 *	263,000
1985	321,955	1992 *	267,000
1986	296,395		

PEOPLE MOVER RIDERSHIP

1980	2,794,583	1987	3,054,000
1981	3,190,178	1988	2,995,669
1982	4,011,139	1989	2,891,689
1983	4,000,101	1990	2,990,326
1984	3,570,418	1991 *	3,050,000
1985	3,683,986	1992 *	3,100,000
1986	3,391,222		

MILES OF ROAD MAINTAINED BY THE MUNICIPALITY

	<u>Anchorage Roads and Drainage Service Area</u>	<u>Limited Road Service Areas and Service Areas</u>
1980	401	66
1981	403	122
1982	412	196
1983	482	247
1984	488	263
1985	488	263
1986	488	263
1987	518	274
1988	518	274
1989	615	269
1990	615	269
1991 *	615	270
1992 *	615	272

* Estimate

LIBRARY BOOKS/MATERIALS CIRCULATED PER CAPITA

1980	3.25	1987	4.99
1981	3.44	1988	5.50
1982	3.42	1989	5.00
1983	3.24	1990	5.27
1984	2.95	1991 *	5.76
1985	3.19	1992 *	5.84
1986	3.39		

ANCHORAGE MUSEUM OF HISTORY AND ART VISITORS

1980	135,559	1987	182,761
1981	146,072	1988	273,639
1982	149,398	1989	225,720
1983	144,702	1990	252,447
1984	113,884	1991 *	250,000
1985	162,988	1992 *	250,000
1986	199,165		

MUNICIPAL ACREAGE MANAGED OR MAINTAINED AS PARK LAND

1981	8,548	1987	14,180
1982	8,721	1988	14,229
1983	13,341	1989	14,321
1984	13,821	1990	14,527
1985	13,840	1991 *	14,527
1986	13,945	1992 *	14,597

COMMUNITY SCHOOLS PROGRAM ACTIVITY REGISTRANTS

1981	75,513	1987	117,900
1982	80,000	1988	163,745
1983	82,000	1989	209,244
1984	71,804	1990	209,100
1985	109,000	1991 *	206,700
1986	130,800	1992 *	207,000

* Estimate

**ANCHORAGE TELEPHONE UTILITY
ACCESS LINES**

1980	76,222	1987	113,852
1981	84,460	1988	115,264
1982	93,913	1989	118,881
1983	104,668	1990	125,785
1984	112,996	1991 *	132,590
1985	115,524	1992 *	136,483
1986	114,976		

**SOLID WASTE SERVICES
TOTAL TONS DISPOSED**

1980	161,041	1987	220,697
1981	198,521	1988	222,222
1982	236,667	1989	230,936
1983	286,733	1990	250,419
1984	283,519	1991 *	245,000
1985	262,963	1992 *	250,000
1986	246,729		

**MUNICIPAL LIGHT AND POWER
RETAIL KILOWATT HOUR SALES**

1980	559,145	1987	789,231
1981	559,109	1988	756,978
1982	611,017	1989	774,719
1983	636,818	1990	792,397
1984	685,938	1991 *	826,236
1985	813,894	1992 *	842,248
1986	817,214		

* Estimate

**PORT OF ANCHORAGE
TONS OF GENERAL CARGO**

1980	1,174,000	1987	1,228,000
1981	1,290,000	1988	1,204,000
1982	1,462,000	1989	1,344,000
1983	1,612,000	1990	1,404,000
1984	1,448,000	1991 *	1,421,000
1985	1,364,000	1992 *	1,466,000
1986	1,234,000		

**ANCHORAGE WATER UTILITY
MILES OF INSTALLED WATER MAINS**

1980	289.6	1987	620.8
1981	309.9	1988	622.1
1982	327.2	1989	624.5
1983	350.4	1990	650.0
1984	592.0	1991 *	651.7
1985	604.5	1992 *	653.5
1986	624.3		

**ANCHORAGE WASTEWATER UTILITY
MILES OF INSTALLED WASTEWATER LINES**

1980	470.9	1987	633.8
1981	491.8	1988	633.5
1982	520.5	1989	634.3
1983	536.5	1990	644.0
1984	612.8	1991 *	645.7
1985	623.5	1992 *	647.5
1986	632.9		

* Estimate