

CLERK'S OFFICE

APPROVED

Date:

4-28-14

Submitted By: Chairman of the Assembly at
the Request of the MayorPrepared By: Office of Management and
Budget

For Reading: April 8, 2014

ANCHORAGE, ALASKA

AR 2014-95

1 A RESOLUTION OF THE MUNICIPALITY OF ANCHORAGE REVISING AND APPROPRIATING
2 FUNDS FOR THE 2014 MUNICIPAL UTILITIES/ENTERPRISE ACTIVITIES OPERATING
3 BUDGETS

4
5 WHEREAS, the approved 2014 budget for the Municipal Utilities was effective on January 1, 2014,
6 per AO 2013 - 102 (S) as Amended;

7
8 WHEREAS, the Mayor has recommended revisions to the municipal utility/enterprise activity
9 departments and fund appropriations for 2014; now, therefore,


11
12 THE ANCHORAGE ASSEMBLY RESOLVES:

13
14 **Section 1.** The amounts set forth for the 2014 fiscal year for the following utilities are hereby revised
15 and appropriated:

	2014 Approved Budget	Revision	2014 Revised Budget
16 Fund Utility/Enterprise			
17 530 Municipal Light and Power	101,607,297	(1,622,408)	99,984,889
18 540 Anchorage Water Utility	41,329,224	(1,027,978)	40,301,246
19 550 Anchorage Wastewater Utility	37,356,264	(710,444)	36,645,820
20 560 Solid Waste Refuse Collections	8,284,431	78,395	8,362,826
21 562 Solid Waste Disposal	16,333,630	(1,064,466)	15,269,164
22 570 Port of Anchorage	9,988,574	(214,346)	9,774,228
23 580 Merrill Field Airport	1,732,336	(11,929)	1,720,407
24 Utility/Enterprise Activities Operating Funds Total	216,631,756	(4,573,176)	212,058,580

25
26 **Section 2.** This resolution shall take effect immediately upon passage and approval by the
27 Assembly.

28
29 PASSED AND APPROVED by the Anchorage Assembly this 28th day of April,
30 2014

31
32
33 
Chair of the Assembly

34 ATTEST:

35
36 
37
38 Municipal Clerk



MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

No. AM 211-2014

Meeting Date: April 8, 2014

1 FROM: MAYOR

2
3 SUBJECT: A RESOLUTION OF THE MUNICIPALITY OF ANCHORAGE
4 REVISING AND APPROPRIATING FUNDS FOR THE 2014
5 MUNICIPAL UTILITIES/ENTERPRISE ACTIVITIES OPERATING
6 BUDGETS.
7

8 The accompanying Assembly Resolution revises and appropriates the Municipal
9 Utilities/Enterprises Activities 2014 Operating Budgets for the following reasons:

- 10
11 - Align medical costs, wages, and benefits to actual costs,
12 - Adjusts the Municipal Utility/Enterprise Service Assessment,
13 - Adjusts IGC's (charges to/from others).
14

15 Additionally, the budget for Solid Waste Services Disposal Utility includes an
16 increase due to legal fees and a decrease to non labor to appropriately categorize
17 the appropriation.
18

19 THE ADMINISTRATION RECOMMENDS APPROVAL.
20

21 Prepared by: Office of Management and Budget
22 Recommended by: Marilyn Banzhaf, Acting Director, Office of Management
23 and Budget
24 Concur: Lucinda Mahoney, CFO
25 Concur: George J. Vakalis, Municipal Manager
26 Respectfully submitted: Daniel A. Sullivan, Mayor
27

Municipal Light & Power

2014 Statement of Revenues and Expenses

	2012 Actual	2013 Actual	2014 Approved	2014 Revised	2014 Approved v Revised
Operating Revenue					
Residential	17,221,156	18,480,248	21,045,000	21,045,000	-
Commercial & Industrial	70,690,478	80,954,769	92,611,000	92,611,000	-
Public Highway & Street Lighting	1,220,224	1,348,286	1,435,000	1,435,000	-
Military	11,827,304	11,814,277	15,356,000	15,356,000	-
Sales for Resale	16,408,646	3,652,081	4,524,000	4,524,000	-
Miscellaneous Service Revenue	2,011,282	718,699	1,411,000	1,411,000	-
Total Operating Revenue	119,379,090	116,968,360	136,382,000	136,382,000	-
Non Operating Revenue					
Interest from Bond Redemption Cash	113,780	(75,199)	156,000	156,000	-
Interest from General Cash Pool	868,529	(490,387)	127,000	127,000	-
Miscellaneous Non-Operating Revenue	2,612,297	2,413,829	2,605,000	2,605,000	-
Total Non Operating Revenue	3,594,606	1,848,243	2,888,000	2,888,000	-
Total Revenue	122,973,696	118,816,603	139,270,000	139,270,000	-
Operating Expense					
Labor					
Labor and Benefits	24,993,136	25,504,775	28,298,000	27,154,798	(1,143,202)
Overtime	2,418,108	1,803,383	2,000,000	2,000,000	-
Total Labor	27,411,244	27,308,158	30,298,000	29,154,798	(1,143,202)
Non-Labor:					
Material & Supplies	9,773,213	9,330,747	9,813,000	9,813,000	-
Travel	91,171	99,579	100,000	100,000	-
Natural Gas Purchases & Transportation	12,799,686	12,698,105	14,413,000	14,413,000	-
Gas Production Expense	12,381,515	11,103,646	13,835,000	13,835,000	-
SPP		3,022,421	3,620,000	3,620,000	-
Purchased Power	3,914,909	4,227,730	4,369,000	4,369,000	-
Regulatory Debit/Credit	(1,342,817)	(5,733,359)	(2,359,000)	(2,359,000)	-
Transfers (MUSA and Gross Receipts)	5,549,734	5,539,711	7,588,000	7,387,559	(200,441)
Depreciation, Depletion & Amortization	26,877,295	30,087,312	30,584,000	30,584,000	-
Total Non-Labor	70,044,706	70,375,892	81,963,000	81,762,559	(200,441)
Total Direct Cost	97,455,950	97,684,050	112,261,000	110,917,357	(1,343,643)
Intragovernmental Expenses	3,274,987	3,479,829	3,985,297	3,706,532	(278,765)
Total Operating Expense	100,730,937	101,163,879	116,246,297	114,623,889	(1,622,408)
Non Operating Expense					
Misc. Non-Operating Expense	269,056	523,002	300,000	300,000	-
Interest on Bonded Debt	13,953,484	13,065,422	12,322,000	12,322,000	-
Amortization of Bonds	447,987	380,875	287,000	287,000	-
Other Interest Expense	992,624	1,017,058	964,000	964,000	-
Allowance for Funds Used During Construction	(8,682,299)	(3,154,014)	(8,500,000)	(8,500,000)	-
Total Non-Operating Expense	6,980,852	11,832,343	5,373,000	5,373,000	-
Total Expenses (Function Cost)	107,711,789	112,996,222	121,619,297	119,996,889	(1,622,408)
Net Income	15,261,907	5,820,381	17,650,703	19,273,111	1,622,408
Appropriation					
Total Expenses		112,996,222	121,619,297	119,996,889	
Less: Non-Cash items					
Depreciation, Depletion & Amortization		30,087,312	30,584,000	30,584,000	
Regulatory Debits/Credits		(5,733,359)	(2,359,000)	(2,359,000)	
Allowance for Funds Used During Construction		(3,154,014)	(8,500,000)	(8,500,000)	
Amortization of Bonds		380,875	287,000	287,000	
Total Non-Cash		21,580,814	20,012,000	20,012,000	
Amount to be Appropriated (Cash Expenses)		\$91,415,408	\$101,607,297	\$99,984,889	

Anchorage Water Utility

2014 Statement of Revenues and Expenses

	2012 Actuals	2013 Actuals	2014 Approved	2014 Revised	2014 Approved v Revised
Operating Revenue					
Charges for services	53,631,892	57,977,202	59,800,000	59,800,000	-
Miscellaneous	1,367,638	942,701	981,000	981,000	-
Total Operating Revenue	54,999,530	58,919,903	60,781,000	60,781,000	-
Non Operating Revenue					
Investment Income	747,654	49,725	190,000	190,000	-
Other Income	153,581	154,463	130,000	130,000	-
Total Non Operating Revenue	901,235	204,188	320,000	320,000	-
Total Revenue	55,900,765	59,124,091	61,101,000	61,101,000	-
Operating Expenses					
Labor					
Labor and Benefits	14,441,149	13,565,977	15,783,090	14,812,336	(970,754)
Benefits and Leave	6,992,944		6,816,141	6,454,126	(362,015)
Vacancy	-	-	(1,006,564)	(817,617)	188,947
Overtime	408,994	417,895	362,500	362,500	-
Total Labor	14,850,143	13,983,872	16,145,590	15,174,836	(970,754)
Non Labor					
Non Labor	8,157,137	7,305,805	7,887,400	8,425,525	538,125
Travel	51,928	34,134	68,000	68,000	-
Transfers (MUSA and gross receipts)	7,367,771	7,439,549	7,640,000	7,155,477	(484,523)
Depreciation and Amortization	9,387,673	9,835,700	10,500,000	10,500,000	-
Total Non Labor	24,964,509	24,615,188	26,095,400	26,149,002	53,602
Total Direct Cost	39,814,652	38,599,060	42,240,990	41,323,838	(917,152)
Charges from other departments	935,023	1,158,723	1,558,234	1,447,408	(110,826)
Charges to other departments	-	-	(180,000)	(180,000)	-
Total Operating Expense	40,749,675	39,757,783	43,619,224	42,591,246	42,771,246
Non Operating Expense					
Interest on bonded debt	5,953,855	5,760,309	6,225,000	6,225,000	-
Amortization of debt expense	348,094	311,039	350,000	350,000	-
Other interest expense	1,178,825	1,731,060	1,985,000	1,985,000	-
Interest during construction	(522,984)	(494,524)	(280,000)	(280,000)	-
Total Non Operating Expense	6,957,790	7,307,884	8,280,000	8,280,000	-
Total Expenses (Function Cost)	47,707,465	47,065,667	51,899,224	50,871,246	(1,027,978)
Net Income	8,193,300	12,058,424	9,201,776	10,229,754	1,027,978
Appropriation:					
Total Expenses	47,707,465	47,065,667	51,899,224	50,871,246	(1,027,978)
Less: Non Cash items					
Depreciation and amortization	-	9,835,700	10,500,000	10,500,000	-
Amortization of debt expense	-	311,039	350,000	350,000	-
Interest during construction	-	(494,524)	(280,000)	(280,000)	-
Total Non-Cash	-	9,652,215	10,570,000	10,570,000	-
Amount to be Appropriated (Cash Expenses)	47,707,465	37,413,452	41,329,224	40,301,246	(1,027,978)

Anchorage Wastewater Utility

2014 Statement of Revenues and Expenses

	2012 Actuals	2013 Actuals	2014 Approved	2014 Revised	2014 Approved v Revised
Operating Revenue					
Charges for Services	45,778,399	48,681,220	50,500,000	50,500,000	-
Miscellaneous	1,522,985	940,108	970,000	970,000	-
Total Operating Revenue	47,301,384	49,621,328	51,470,000	51,470,000	-
Non Operating Revenue					
Investment Income	53,078	(17,448)	30,000	30,000	-
Other Income	19,111	2,991	15,000	15,000	-
Total Non Operating Revenue	72,189	(14,457)	45,000	45,000	-
Total Revenue	47,373,573	49,606,871	51,515,000	51,515,000	-
Operating Expenses					
Labor					
Labor and Benefits	14,338,093	14,110,221	16,165,292	15,273,225	(892,067)
Benefits and Leave	6,923,892		7,425,843	6,742,703	(683,140)
Vacancy	-	-	(798,420)	(798,420)	-
Overtime	340,864	466,867	378,000	378,000	-
Total Labor	14,678,957	14,577,088	16,543,292	15,651,225	(892,067)
Non Labor					
Non Labor	8,380,271	8,758,206	8,354,557	8,946,757	592,200
Travel	59,271	32,910	68,000	68,000	-
Transfers (MUSA and gross receipts)	5,342,405	5,376,225	5,530,000	5,397,958	(132,042)
Depreciation and Amortization	7,018,513	7,798,747	8,200,000	8,200,000	-
Total Non Labor	20,800,460	21,966,088	22,152,557	22,612,715	460,158
Total Direct Cost	35,479,417	36,543,176	38,695,849	38,263,940	(431,909)
Charges from other departments	922,669	1,112,140	1,720,415	1,441,880	(278,535)
Total Operating Expense	36,402,086	37,655,316	40,416,264	39,705,820	(710,444)
Non Operating Expense					
Interest on bonded debt	3,123,131	3,095,017	3,640,000	3,640,000	-
Amortization of debt expense	39,696	36,518	40,000	40,000	-
Other interest expense	1,111,136	1,522,629	1,500,000	1,500,000	-
Interest during construction	(814,830)	(841,487)	(680,000)	(680,000)	-
Total Non Operating Expense	3,459,133	3,812,677	4,500,000	4,500,000	-
Total Expenses (Function Cost)	39,861,219	41,467,993	44,916,264	44,205,820	(710,444)
Net Income	7,512,354	8,138,878	6,598,736	7,309,180	710,444
Appropriation					
Total Expenses	39,861,219	41,467,993	44,916,264	44,205,820	(710,444)
Less: Non Cash items					
Depreciation and amortization	-	7,798,747	8,200,000	8,200,000	-
Amortization of debt expense	-	36,518	40,000	40,000	-
Interest during construction	-	(841,487)	(680,000)	(680,000)	-
Total Non-Cash	-	6,993,778	7,560,000	7,560,000	-
Amount to be Appropriated (Cash Expenses)	39,861,219	34,474,215	37,356,264	36,645,820	(710,444)

Solid Waste Services Refuse

Account	2012 Actuals	2013 Actuals	2014 Approved Budget	2014 Revised Budget - IGC	2014 Approved v Revised
Revenue	\$ 8,950,828	\$ 8,814,180	\$ 11,721,575	\$ 11,721,575	\$ -
Expenses					
Labor	2,139,554	2,697,054	2,775,707	2,690,651	(85,056)
Non Labor	3,204,041	3,552,844	3,765,773	3,750,965	(14,808)
Debt Service	-	-	-	-	-
IGC	2,622,855	1,649,819	1,742,951	1,921,210	178,259
Total Expenses (Appropriation)	7,966,450	7,899,717	8,284,431	8,362,826	78,395
Operating Income	984,377	914,463	3,437,144	3,358,749	(78,395)
Depreciation	775,924	889,752	949,166	949,166	-
Net Income	\$ 208,453	\$ 24,711	\$ 2,487,978	\$ 2,409,583	\$ (78,395)

Solid Waste Services Disposal

Account	2012 Actuals	2013 Actuals	2014 Approved Budget	2014 Revised Budget - IGC	2014 Approved v Revised
Revenue	\$ 22,467,351	\$ 24,782,239	\$ 22,664,477	\$ 22,664,477	\$ -
Expenses					
Labor	5,148,263	5,656,489	6,149,219	6,116,845	(32,374)
Non Labor	6,216,599	7,907,907	8,007,543	6,665,024	(1,342,519)
Debt Service	237,671	233,631	233,671	233,671	-
IGC	2,622,855	2,325,725	1,943,197	2,253,624	310,427
Total Expenses (Appropriation)	14,225,389	16,123,751	16,333,630	15,269,164	(1,064,466)
Operating Income	8,241,962	8,658,487	6,330,847	7,395,313	1,064,466
Depreciation	3,776,699	3,260,936	4,053,302	4,053,302	-
Net Income	\$ 4,465,264	\$ 5,397,551	\$ 2,277,545	\$ 3,342,011	\$ 1,064,466

Port

Account	2012 Actuals	2013 Actuals	2014 Approved Budget	2014 Revised Budget - IGC	2014 Approved v Revised
Revenue	\$ 12,062,773	\$ 11,633,620	\$ 12,288,338	\$ 12,288,338	\$ -
Expenses					
Labor	2,439,965	2,543,727	2,801,664	2,763,276	(38,388)
Non Labor	4,280,450	66,642,095	5,937,023	5,790,293	(146,730)
Debt Service	744,704	-	456,400	456,400	-
IGC	398,176	518,417	793,488	764,259	(29,229)
Total Expenses (Appropriation)	7,863,295	69,704,239	9,988,575	9,774,228	(214,347)
Operating Income	4,199,478	(58,070,619)	2,299,763	2,514,110	214,347
Depreciation	3,994,110	4,060,256	4,515,597	4,515,597	-
Net Income	\$ 205,368	\$ (62,130,875)	\$ (2,215,834)	\$ (2,001,487)	\$ 214,347

2013 non-labor actuals include \$61.6M of asset impairment related to MARAD

Merrill Field

Account	2012 Actuals	2013 Actuals	2014 Approved Budget	2014 Revised Budget - IGC	2014 Approved v Revised
Revenue	\$ 3,404,403	\$ 1,560,982	\$ 6,813,000	\$ 6,813,000	\$ -
Expenses					
Labor	1,068,971	1,055,442	1,132,122	1,118,621	(13,501)
Non Labor	522,883	492,859	903,789	903,465	(324)
Debt Service	-	-	-	-	-
IGC	(343,994)	(465,309)	(303,574)	(301,679)	1,895
Total Expenses (Appropriation)	1,247,860	1,082,992	1,732,337	1,720,407	(11,930)
Operating Income	2,156,543	477,990	5,080,663	5,092,593	11,930
Depreciation	2,642,361	2,353,402	2,348,000	2,348,000	-
Net Income	\$ (485,819)	\$ (1,875,412)	\$ 2,732,663	\$ 2,744,593	\$ 11,930