



MUNICIPALITY OF ANCHORAGE

MEMORANDUM

August 30, 2013

TO: Anchorage Assembly

FROM: Mayor Dan Sullivan *Dan Sullivan*

SUBJECT: 2014 Preliminary Data – 120 Day Memo



Anchorage Municipal Code 6.10.040 (A) requires the Administration to provide preliminary information regarding the 2014 budget for general government, utilities and enterprises at least 120 days prior to the end of the preceding fiscal year. The required information included in this memo is:

- Preliminary 2014 revenue estimate
- Preliminary 2014 tax limit calculation
- Administration's priorities
- Preliminary 2014 CIB and 2014-2019 CIP for general government
- Utility and Enterprise budget information

Preliminary 2014 Revenue Estimate

Attachment A is the preliminary revenue estimate for 2014. The estimate shows an overall reduction in revenues of \$.4M. The primary changes are in Program, Fees, Interest, Other revenues, and include a \$5.6M reduction in one-time funding of contributions to other funds and a \$.9M reduction in citation revenues. These reductions are offset by projected activity related revenue increases and also increases of \$.4M in Building Fees and \$1.5M in Ambulance Fees that will be introduced to the Assembly for approval. MUSA/MESA revenue, which is in the Tax Limitation, increased \$2.4M primarily due to the inclusion of SPP in ML&P's asset base.

Preliminary 2014 Tax Limit Calculation

Attachment B is the preliminary Tax Limit calculation. When compared to the 2013 Tax Limit, the preliminary 2014 calculation provides:

- Limit on all taxes that can be collected is up \$17.1M, primarily due to the base increase of \$16.7M. The items that the limit can be adjusted for (not subject to the Tax Limit) create a \$1.0M decrease due to the removal for recovery of the \$3.9M Rollins settlements offset by \$2.8M debt service increase.

- Limit on property taxes that can be collected is up \$14.6M. It is \$2.5M lower than the limit on all taxes that can be collected due to the increase in MUSA/MESA. Thus, every dollar increase in non-property tax translates into a dollar less in property taxes.

The Tax Limit will be finalized in April during the first quarter amendment process at which time 2014 property tax rates will be set.

Administration's Priorities

The Mayor's goal is to continue to manage spending in a manner that is sustainable and affordable to taxpayers both today and into the future. A key priority is to manage the growth of our largest expenditure category – employee compensation/benefits, to a level that is aligned with CPI and revenue growth. The Administration will continue to identify opportunities that will enable city government to be more efficient. Several initiatives are planned for implementation in 2014 that include a new Enterprise Resource Planning (ERP), electronic plan review, on-line Ombudsman Complaint Tracking System, retrofitting fixtures and bulbs to LED standards, enhancing our preventative maintenance for facilities and a Historical Property portal.

The MOA will continue its discussion with the Anchorage School District to implement shared services. The first department under evaluation is the Purchasing Department.

The Administration will continue its effort to keep debt to a minimum by issuing new debt in a manner that is lower than the principal amount that is paid off.

Preliminary 2014 CIB and 2014-2019 CIP for General Government

Attachment C is the preliminary 2014 Capital Improvement Budget (CIB).

Attachments D and E are the preliminary 2014-2019 Capital Improvement Plan (CIP) presented in summary by departments over the years and by funding source.

Project details of the CIB and CIP will be provided in the submittals to the Assembly on October 1st.

Utility and Enterprise Budget Information

Attachments F 1-5 are the updated strategic and business plans and preliminary CIB and CIP information for:

- F-1 Anchorage Water and Wastewater Utility
- F-2 Merrill Field Airport
- F-3 Municipal Light and Power
- F-4 Port of Anchorage
- F-5 Solid Waste Services

General Government Revenue

Description	2013 Revised	2014 Preliminary	Increase / (Decrease)
Taxes in Tax Limitation			
Payment in Lieu of Taxes (State & Federal)	794,746	800,290	5,544
Automobile Tax	11,300,053	11,300,053	-
Tobacco Tax	22,019,634	22,019,634	-
Aircraft Tax	210,000	210,000	-
Motor Vehicle Rental Tax	4,970,037	5,069,438	99,401
MUSA/MESA	20,556,995	22,950,555	2,393,560
Total Taxes in Tax Limitation	59,851,465	62,349,970	2,498,505
Room Tax	23,426,957	24,048,095	621,138
State Revenues	17,767,027	17,758,412	(8,615)
Federal Revenues	926,380	828,291	(98,089)
Program, Fees, Interest, Other	76,514,191	73,103,884	(3,410,307)
Total Non-Property Tax Revenue	178,486,020	178,088,652	(397,368)

Tax Limit Calculation

Anchorage Municipal Charter 14.03 and Anchorage Municipal Code 12.25.040

Line		2013		2014	
		Revised		Preliminary	
1	<u>Step 1: Building Base with Taxes Collected the Prior Year</u>				
2	Real/Personal Property Taxes to be Collected	225,224,575		237,750,950	
3	Payment in Lieu of Taxes (State & Federal)	780,000		794,746	
4	Automobile Tax	8,800,000		11,300,053	
5	Tobacco Tax	20,411,994		22,019,634	
6	Aircraft Tax	210,000		210,000	
7	Motor Vehicles Rental Tax	5,174,208		4,970,037	
8	MUSA/MESA	20,274,050		20,556,995	
9	Step 1 Total	280,874,827		297,602,415	
10					
11	<u>Step 2: Back out Prior Year's Exclusions Not Subject to Tax Limit</u>				
12	Taxes Authorized by Voter-Approved Ballot - O&M Reserves (One-Time)	(440,000)		(440,000)	
13	Judgments/Legal Settlements (One-Time)	(25,050)		(3,989,621)	
14	Debt Service (One-Time)	(55,513,494)		(50,264,138)	
15	Step 2 Total	(55,978,544)		(54,693,759)	
16					
17	Tax Limit Base (before Adjustment for Population and CPI)	224,896,283		242,908,656	
18					
19	<u>Step 3: Adjust for Population, Inflation</u>				
20	Population 5 Year Average	1.00%	2,248,960	1.20%	2,914,900
21	Change in Consumer Price Index 5 Year Average	2.60%	5,847,300	2.20%	5,343,990
22	Step 3 Total	3.60%	8,096,260	3.40%	8,258,890
23					
24	The Base for Calculating Following Year's Tax Limit	232,992,543		251,167,546	
25					
26	<u>Step 4: Add Taxes for Current Year Items Not Subject to Tax Limit</u>				
27	New Construction	2,146,169		2,205,007	
28	Taxes Authorized by Voter-Approved Ballot - O&M	701,500		818,000	
29	Taxes Authorized by Voter-Approved Ballot - O&M Reserves (One-Time)	440,000		440,000	
30	Judgments/Legal Settlements (One-Time)	3,989,621		25,050	
31	Debt Service (One-Time)	50,264,138		53,015,313	
32	Step 4 Total	57,541,428		56,503,370	
33					
34	Limit on ALL Taxes that can be collected	290,533,971		307,670,916	
35					
36	<u>Step 5: To determine limit on property taxes, back out other taxes</u>				
37	Payment in Lieu of Taxes (State & Federal)	(794,746)		(800,290)	
38	Automobile Tax	(11,300,053)		(11,300,053)	
39	Tobacco Tax	(22,019,634)		(22,019,634)	
40	Aircraft Tax	(210,000)		(210,000)	
41	Motor Vehicle Rental Tax	(4,970,037)		(5,069,438)	
42	MUSA/MESA	(20,556,995)		(22,950,555)	
43	Step 5 Total	(59,851,465)		(62,349,970)	
44					
45	Limit on PROPERTY Taxes that can be collected	230,682,506		245,320,946	
46					
47	Add MOA use of ASD 2013 Unusable Tax Capacity	7,068,444		-	
48					
49	Limit on PROPERTY Taxes that can be collected (with ASD capacity)	237,750,950		245,320,946	
50					
51	<u>Step 6: Determine property taxes to be collected if different than Limit on Property Taxes that can be collected</u>				
52	Property taxes to be collected based on spending decisions minus other available revenue.				
53					
54	Property taxes TO BE COLLECTED	237,750,950			

General Government 2014 Capital Improvement Budget

Department Summary by Sources of Funds (in thousands)

Department	Bonds	State Grants	Federal Grants	Other	Total
Anchorage Fire Department	2,470	-	-	-	2,470
Anchorage Police Department	-	15,200	-	-	15,200
Information Technology	-	-	-	1,625	1,625
Library	-	205	-	981	1,186
Parks & Recreation	3,000	27,401	-	-	30,401
Public Transportation	573	8,240	3,242	-	12,055
Public Works	25,950	302,264	-	4,540	332,754
Total	31,993	353,310	3,242	7,146	395,691

General Government 2014 - 2019 Capital Improvement Program

Summary by Department by Year (in thousands)

Department	2014	2015	2016	2017	2018	2019	Total
Anchorage Fire Department	2,470	3,640	770	9,280	8,620	780	25,560
Anchorage Police Department	15,200	600	600	600	-	-	17,000
Information Technology	1,625	2,040	2,295	1,700	1,835	-	9,495
Library	1,186	1,186	1,186	1,186	1,186	1,186	7,116
Parks & Recreation	30,401	7,365	5,865	5,160	4,740	4,100	57,631
Public Transportation	12,055	7,915	2,895	2,895	2,895	2,895	31,550
Public Works	332,754	192,352	244,671	159,714	127,969	118,897	1,176,357
Total	395,691	215,098	258,282	180,535	147,245	127,858	1,324,709

General Government 2014 - 2019 Capital Improvement Program

Department Summary by Sources of Funds

(in thousands)

Department	Bonds	State Grants	Federal Grants	Other	Total
Anchorage Fire Department	8,250	17,310	-	-	25,560
Anchorage Police Department	-	17,000	-	-	17,000
Information Technology	-	-	-	9,495	9,495
Library	-	1,230	-	5,886	7,116
Parks & Recreation	6,500	51,131	-	-	57,631
Public Transportation	2,932	11,840	16,778	-	31,550
Public Works	167,000	951,339	3,000	55,018	1,176,357
Total	184,682	1,049,850	19,778	70,399	1,324,709

Anchorage Water and Wastewater Utility Business Plan

Mission

Supporting the public health, safety and economic interests of the community by providing quality water and wastewater services in a responsible, efficient and sustainable manner.

Services

The Anchorage Water and Wastewater Utility (AWWU) is the largest water and wastewater utility in Alaska. AWWU currently serves the Municipality of Anchorage extending from Eklutna to as far south as Girdwood. Although they share one workforce, AWWU operates as two separate economic and regulated entities: the Anchorage Water Utility (AWU) and the Anchorage Wastewater Utility (ASU).

Business Goals

- Be an employer of choice; attract and retain quality staff at all levels of the Utility.
- Be a leader in providing exceptional customer service.
- Protect public health and be environmentally responsible.
- Sustain the long term financial health of the utility through growth, development, and efficiency of business practices.
- Optimize Utility processes to promote best business practices, sustainability, and improved efficiencies.

Strategies to Achieve Goals

AWWU's strategic plan provides a framework to achieve results for the customer. AWWU has identified the following customer commitments which represent the outcomes or accomplishments of the Utilities activities as viewed by the customer.

1. Provide safe drinking water that meets or exceeds all standards.
2. Protect the environment through appropriate wastewater collection, treatment, and disposal.
3. Provide reliable service.
4. Have timely, professional, and courteous interactions with customers.
5. Manage finances responsibly and transparently.
6. Set rates that fairly reflect the cost of providing service and maintaining infrastructure.
7. Deliver services affordably to promote a strong Anchorage economy.
8. Invest wisely to minimize risk and maintain service levels.
9. Continuously improve the efficiency of our operations.
10. Anticipate change and prepare for the future.

Performance Measures to Track Progress in Achieving Goals

AWWU measures progress in achieving these customer commitments using the set of quantifiable performance measures.

1. Compliance with all State and Federal drinking water, wastewater and air standards
2. Number of planned and unplanned water outages
3. Sanitary sewer overflows
4. Recordable incident rate (as compared to the standard incident rate for water and wastewater utilities)
5. Execution of capital improvement budget
6. Debt to equity ratio

Anchorage Water Utility
2014 Capital Improvement Budget
(in thousands)

Project Title	Debt	State/Fed Grant	Equity/ Operations	Total
22nd Ave from Wayne to Illian Water Rehab	-	-	1,939	1,939
347 Zone Conversion	473	-	-	473
430 Zone Conversion	534	-	-	534
458-424 Zone Merge	1,359	-	-	1,359
520_Res_Site_Acquisition	255	-	-	255
92nd Ave PRV	300	-	-	300
ADOT-MOA-Emerg-WTR	944	-	2,711	3,655
AMS-WTR	125	-	-	125
APU Purchase Private Service Line	100	-	-	100
ARRC Yard 12" Water Rehab	1,711	-	-	1,711
Asphalt Truck (94450)	-	-	250	250
Customer Service: CIS Enhancements	443	-	-	443
Customer Service: Customer Permit System	45	-	-	45
Denali Water Rehab N Lights to Fireweed	-	-	1,689	1,689
E Bluff Wtr Rehab PhII	500	-	-	500
Engr_Archives_Sys-WTR	50	-	-	50
ENGR_PM_Mgmt_Tools-WTR	75	-	-	75
FacEQUIP-OM-WTR	50	-	-	50
FacEQUIP-TR-WTR	50	-	-	50
FacPIPE-OM-WTR	170	-	-	170
FacPIPE-TR-WTR	100	-	-	100
FacPLANT-OM-WTR	100	-	-	100
FacPLANT-TR-WTR	900	-	-	900
Gas Detection Equipment	30	-	-	30
Geospatial Publish-ArcGIS	75	-	-	75
GIS Desktop Development	50	-	-	50
GIS Implementation	75	-	-	75
GIS Integration: GPS Vehicle Tracking	50	-	-	50
GIS Integration-Mobile Computing	50	-	-	50
Hyd Model Support	40	-	-	40
Installation of Pressure Transducers	250	-	-	250
IT Infrastructure	441	-	-	441
Misc IT Systems	440	-	-	440
North Point Drive Water Rehab	926	-	-	926
Plant Oversize Improvement-WTR	25	-	-	25
Res 3 & 4 Circulation Line	1,267	-	-	1,267
Reservoir Rehab	3,224	-	-	3,224
Resurrection Drive Water Rehab	811	-	-	811
San Roberto_Klevin to Hoyt Water Rehab	-	-	1,130	1,130
SAR-WTR	125	-	-	125
SCADA Equip	1,548	-	-	1,548
SCWTF Process Mechanical Operation	707	2,000	-	2,707
Transmission Main Ext	1,000	-	-	1,000
Upper Eagle River Zone Consolidation	153	-	-	153
Vehicles-WTR	-	-	281	281
Water Quality Mgt: Env Compliance Monitoring Reporting	55	-	-	55
Wesleyan Drive-Checkmate to Queen WTR Rehab	671	-	-	671

**Anchorage Water Utility
2014 Capital Improvement Budget**
(in thousands)

Project Title	Debt	State/Fed Grant	Equity/ Operations	Total
West Airpark Wtr Ext	2,287	-	-	2,287
WMS	200	-	-	200
Wtr Upgr Prelim Engr	150	-	-	150
Utilities Acquisition	465	-	-	465
Total	23,399	2,000	8,000	33,399

Anchorage Water Utility
2014 - 2019 Capital Improvement Program
(in thousands)

Project Category	2014	2015	2016	2017	2018	2019	Total
Equipment	4,548	4,082	4,178	2,812	2,708	2,050	20,378
Plant	8,723	2,420	1,270	4,198	4,760	2,235	23,606
Pipe	20,128	25,198	26,818	26,070	24,750	28,715	151,679
Total	33,399	31,700	32,266	33,080	32,218	33,000	195,663

Funding Source	2014	2015	2016	2017	2018	2019	Total
Debt	23,399	21,700	20,766	19,080	17,718	25,000	127,663
Grants	2,000	2,000	2,000	2,000	2,000	2,000	12,000
Equity/Operations	8,000	8,000	9,500	12,000	12,500	6,000	56,000
Total	33,399	31,700	32,266	33,080	32,218	33,000	195,663

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Anchorage Wastewater Utility
2014 Capital Improvement Budget
(in thousands)

Project Title	Debt	State/Fed Grant	Equity/ Operations	Total
ADOT-MOA-Emerg-SWR	262	-	1,014	1,276
AMS-SWR	125	-	-	125
Asplund Clarifiers	-	-	1,000	1,000
AWWTF Code Analysis and Upgrades with Fire Barriers and Sprinklers	-	-	300	300
AWWTF Gravity Thickener Rehab	400	-	-	400
AWWTF Headworks Hot Water System Upgrade	-	-	250	250
AWWTF Screen Rebuild & Automation	-	-	1,000	1,000
AWWTF Sludge Dewatering Replacement	-	-	1,000	1,000
Customer Service: CIS Enhancements	443	-	-	443
Customer Service: Customer Permit System	45	-	-	45
Engr_Archives_Sys-Swr	50	-	-	50
ENGR_PM_Mgmt_Tools-SWR	75	-	-	75
ERWWTF Alarm Sys Replacement	152	-	-	152
ERWWTF RAS Line Modification	585	-	-	585
ERWWTF-Screening_Headworks_Generator	515	-	-	515
FacEQUIP-OM-SWR	50	-	-	50
FacEQUIP-TR-SWR	50	-	-	50
FacPIPE-OM-SWR	170	-	-	170
FacPLANT-OM-SWR	100	-	-	100
FacPLANT-TR-SWR	200	-	-	200
Fish Creek Gravity Interceptor	3,500	-	-	3,500
Gas Detection Equipment	30	-	-	30
Geospatial Publish-ArcGIS	51	-	-	51
Girdwood I & I	-	-	350	350
Girdwood Outfall	3,250	2,000	-	5,250
Girdwood WWTF Upgrade & Replacement	6,985	-	-	6,985
GIS Desktop Development	50	-	-	50
GIS Implementation	75	-	-	75
GIS Integration: GPS Vehicle Tracking	50	-	-	50
GIS Integration: Mobile Computing	50	-	-	50
Hollywood Elm Swr Rehab	-	-	300	300
Hyd Model Support	40	-	-	40
Interceptor Upgrades	2,000	-	-	2,000
IT Infrastructure	441	-	-	441
Jet (94945) Jet (94946)	-	-	480	480
King St Warm Storage Roof	-	-	675	675
Misc IT Systems	440	-	-	440
Plant Oversize Improvement-SWR	25	-	-	25
PS 30 & 31 Upgr	-	-	550	550
SAR-SWR	125	-	-	125
SCADA Equip	874	-	-	874
Security Improv-SWR	250	-	-	250
Small Pipe Replacement	-	-	800	800
Swr Upgr Prelim Engr	150	-	-	150
Vehicles-SWR	-	-	281	281
Water Quality Mgt: Env Compliance Monitoring Reporting	55	-	-	55
WMS	200	-	-	200
Total	21,863	2,000	8,000	31,863

Anchorage Wastewater Utility
2014 - 2019 Capital Improvement Program
(in thousands)

Project Category	2014	2015	2016	2017	2018	2019	Total
Equipment	4,080	3,907	4,253	2,812	2,748	2,050	19,850
Plant	18,832	19,744	14,870	9,053	7,953	13,545	83,997
Pipe	8,951	9,694	15,077	23,285	25,299	21,405	103,711
Total	31,863	33,345	34,200	35,150	36,000	37,000	207,558

Funding Source	2014	2015	2016	2017	2018	2019	Total
Debt	21,863	24,845	25,700	29,650	27,500	27,500	157,058
Grants	2,000	2,000	2,000	2,000	2,000	2,000	12,000
Equity/Operations	8,000	6,500	6,500	3,500	6,500	7,500	38,500
Total	31,863	33,345	34,200	35,150	36,000	37,000	207,558

Merrill Field Airport Business Plan

Background

Merrill Field Airport (MRI) is a municipally owned and operated enterprise. It is operated as a city department under the direction of the Municipal Manager.

Mission

Merrill Field Airport is committed to operating and maintaining a safe and efficient airport that meets the aviation and business needs of the community.

Services

Merrill Field is a primary commercial service airport and serves as a general aviation reliever for Anchorage International Airport. Home base to 8.4% of all aircraft registered in Alaska, Merrill Field was the 105th busiest airport in the nation in 2012.

Business Goals

- Enhance the Airport's role as the major general aviation transportation facility serving Anchorage and outlying areas within Alaska by providing services that promote and encourage use of the Airport by the general aviation community.
- Develop an overall Airport strategy, including leasing policies that attract aviation support services and related businesses to Merrill Field and encourage long and short term private sector investments.
- Practice sound fiscal management to enable Merrill Field to increase its value, both to its customers and to its owner, the Municipality of Anchorage.
- Take advantage of new technology to maximize the use and efficiency of available resources.
- Understand and be responsive to our customers to better meet their needs by providing the services and facilities they desire. This includes maintaining those facilities in a fully functional, efficient and safe condition by continually improving their utility, quality, and appearance.
- Maximize the use of Federal Airport Improvement Program (AIP) grants to provide facilities that will safely and adequately meet the needs of general aviation.
- Meet requisite FAA sponsor assurances resultant from AIP grant acceptance.

Strategies to Achieve Goals

Merrill Field's strategic plan provides a framework to achieve results for the customer.

1. Actively market Airport facilities and services.
2. Provide infrastructure to meet customer demand
3. Maintain revenues at a level adequate to cover inflation, fund MOA and FAA mandated costs, and meet airport objectives by:
 - a. increasing facility productivity
 - b. adjusting user fees and/or lease rates annually.
4. Minimize expenses by:
 - a. Reducing services where the impact is minimal
 - b. Employing economies of scale whenever possible
 - c. Deferring expenses, within practical limits
 - d. Performing functions in-house when workloads permit.
5. Take advantage of new technology

Attachment F - 2

- a. Continue refinement and enhancement of existing programs to facilitate better data resource management, including enabling fiber optic cabling and surveillance cameras airport-wide.
 - b. Continue replacing computer hardware, as required, to ensure the efficient processing of data.
6. Maintenance of database and management reporting capabilities.
 7. Maintain runways, taxiways, and tie-down aprons in a safe and secure condition.
 8. Expediently and systematically remove snow from all surfaces. Ensure NOTAMs (Notices to Airmen) and ATIS (Air Traffic Information Service) are current.
 9. Continue long term planning, development, and construction of quality airport facilities through the Airport Master Plan process.
 10. Provide technical assistance to lessees on issues associated with federally mandated environmental programs.
 11. Endeavor to reduce the number of runway incursions (Vehicle/Pedestrian Deviations or VPDs).
 12. Manage and develop Orca Street properties to provide lease space for aircraft hangar development.
 13. Pursue development of new lease lots to expand or develop commercial aviation facilities.
 14. Work in close coordination with the Municipal Airports Aviation Advisory Commission, Fixed Based Operators, and Airport users.
 15. Perform asphaltic crack sealing of runways/taxiways to extend the life expectancy of these surfaces.
 16. Fund pre-grant expenses for engineering services on grant-eligible projects.
 17. Enhance the utility of existing tiedown aprons, taxiways and roadways.
 18. Expand aircraft aprons and taxiways as needed to meet demand.
 19. Maintain positive relations with neighboring Community Councils by encouraging their comments and actively addressing their concerns.
 20. Maintain a pro-active anti-noise policy, asking pilots to follow established noise-reducing practice.
 21. Continue to aggressively seek and obtain both FAA and State grant funding for the Airport Capital Improvement Program.
 22. Acquire additional land west of the Runway 16/34 safety area to ensure compatible land use.
 23. Identify high priority projects to be included in the FAA 5-Year Airport Capital Improvement Plan (ACIP) allowing Merrill Field to more effectively compete nationally for AIP grant funds.
 24. Secure engineering services for project preliminary design, final design, contract specifications, bid award, and construction supervision.

Performance Measures to Track Progress in Achieving Goals

Merrill Field measures progress in achieving these customer commitments using the set of quantifiable performance measures.

1. Number of surface incidents
2. Number of unfulfilled requests for aircraft parking space – Electrical Drive Through
3. Percentage of lease spaces currently leased
4. Percent of runway pavement above the minimum PCI value of 70
5. Percent of apron pavement above the minimum PCI value of 60
6. Percent of taxiway pavement above the minimum PCI value of 60

Merrill Field Airport
2014 Capital Improvement Budget
(in thousands)

Project Title	Debt	State/Fed Grant	Equity/ Operations	Total
Rehab TWY Quebec and Apron Ph 4	-	2,519	81	2,600
Acquire Snow Removal Equipment	-	969	31	1,000
Update Airport Master Plan Study Ph 2	-	535	17	552
Acquire Avigation Easement	-	388	13	400
Building Upgrades	-	-	100	100
Miscellaneous Equipment	-	-	50	50
Total	-	4,410	292	4,702

Merrill Field Airport
2014 - 2019 Capital Improvement Program
(in thousands)

Project Category	2014	2015	2016	2017	2018	2019	Total
Runways and Taxiways	2,600	2,688	4,416	4,416	4,416	2,688	21,224
Buildings and Equipment	1,150	1,492	1,200	822	-	150	4,814
Land Improvements	552	-	-	1,600	1,600	1,600	5,352
Land Acquisition	400	400	-	-	-	-	800
Total	4,702	4,580	5,616	6,838	6,016	4,438	32,190

Source of Funding	2014	2015	2016	2017	2018	2019	Total
Federal Grants	4,268	4,200	5,265	6,270	5,640	4,020	29,663
State Grants	142	140	176	209	188	134	989
Equity/Operations	292	240	175	359	188	284	1,538
Total	4,702	4,580	5,616	6,838	6,016	4,438	32,190

Municipal Light and Power Business Plan

Mission

Provide Service with competitive, safe, reliable energy.

Services

ML&P service area encompasses 19.9 contiguous square miles including a large portion of the commercial and high-density residential areas of the Municipality. In 2011, the average number of residential and commercial customers was 24,302 and 6,297 respectively. Commercial customers account for approximately eighteen percent of ML&P's customer billings, yet consume sixty-seven percent of its retail output. ML&P also has agreements to supply Fort Richardson Army Base and Elmendorf Air Force Base with firm electrical service.

Business Goals

- Provide electricity on demand to ML&P customers 24 hours a day 365 days a year
- Meet the needs and expectations of our customers by providing:
 - Competitive rates and reliable service for all customer classes
 - Prompt, reliable and courteous customer assistance
 - Support and assistance to the military bases
 - Support and assistance to wholesale power customers
- Replace old turbines with more efficient, state-of-the-art turbines capable of achieving over 25% fuel savings
- Operate the electrical system with optimum economic efficiency and strict adherence to environmental standards
- Provide for the safety of both the public and our employees in the operation of the electrical system
- Recruit and retain a highly skilled, diverse workforce dedicated to serving the Anchorage community
- Improve system reliability by incorporating new components, technologies, and methods of cooperation with interconnected utilities
- Maintain competitive rates by incorporating cost cutting technologies and streamlining business processes without jeopardizing the financial and operational integrity of the utility
- Attain the financial objectives established in the Equity Management Plan
- Promote efficient use of electrical energy
- Continue to provide educational programs to school children and the community on electrical safety. Communicate factual information to customers and the public at large on issues affecting ML&P and the utility industry, including means by which the customer may undertake on their own volition measures to install cost-effective energy efficient technologies and promote energy conservation
- Foster teamwork and an integrated approach to decision-making within the utility
- Maintain equity and earn net income at a level sufficient to continue to pay annual dividends to the Municipality of Anchorage

Strategies to Achieve Goals

1. Affordable and competitive rates
2. Low employee incident rate
3. Low number of lost work days
4. Highest possible bond rating
5. Highest possible net income
6. Low customer outages and interruptions

Performance Measures to Track Progress in Achieving Goals

1. Quarterly report on Residential Service Rates in Cents per Kilowatt Hour
2. Employee Incident reporting
3. Number of Lost Work Days report
4. Monthly Bond Rating Review
5. Monthly Net Income Statements
6. Annual report on Revenue per Kilowatt Hour Sold
7. As needed performance reporting on customer interruptions and outages

Municipal Light and Power
2014 Capital Improvement Budget
(in thousands)

Project Title	Equity/ Operations	Revenue Bond/ Commercial Paper	Contribution in Aid of Construction	Beluga Contributed	Total
Eklutna Power Plant	430	-	-	-	430
Structures & Improvements - Plant 1/Plant 2	100	-	-	-	100
Unit 3	100	-	-	-	100
Unit 5	300	-	-	-	300
Unit 6	400	-	-	-	400
Unit 7	1,300	-	-	-	1,300
Unit 8	500	-	-	-	500
Plant 2A	-	11,000	-	-	11,000
Plant 1 - Projects	205	-	-	-	205
Plant 2 - Projects	400	-	3,750	-	4,150
Land & Land Rights - Transmission	20	-	-	-	20
Transmission Lines	570	-	-	-	570
Transmission Stations	1,086	-	-	-	1,086
Distribution Equipment	2,450	-	-	-	2,450
Land & Land Rights - Distribution	32	-	-	-	32
Meters	800	-	-	-	800
Overhead Lines	790	-	371	-	1,161
Street Lighting	44	-	-	-	44
Transformer Services	2,284	-	-	-	2,284
Underground Lines	2,800	-	2,229	-	5,029
Communications	2,178	-	-	-	2,178
Misc Equipment	300	-	-	-	300
Stores/Tools/Lab	875	-	-	-	875
Structures & Improvements - General Plant	200	-	-	-	200
Transportation	350	-	-	-	350
Beluga River Gas Field	-	-	-	26,412	26,412
Total	18,514	11,000	6,350	26,412	62,276

Municipal Light and Power
2014 - 2019 Capital Improvement Program
(in thousands)

Project Category	2014	2015	2016	2017	2018	2019	Total
Production	18,485	14,605	11,085	3,605	7,905	2,355	58,040
Transmission	1,676	1,715	2,090	1,730	1,765	4,630	13,606
Distribution	11,800	10,927	10,665	10,915	10,540	10,641	65,488
General Plant	3,903	2,538	2,963	3,125	2,065	2,543	17,137
Beluga River Gas Field	26,412	27,362	19,805	12,860	5,479	5,777	97,695
Total	62,276	57,147	46,608	32,235	27,754	25,946	251,966

Source of Funding	2014	2015	2016	2017	2018	2019	Total
Equity/Operations	18,514	15,790	16,290	14,748	17,624	15,950	98,916
Revenue Bond/Commercial Pay	11,000	11,000	7,500	1,000	1,000	1,000	32,500
Contribution in Aid of Constructi	6,350	2,995	3,013	3,627	3,651	3,219	22,855
Beluga Contributed	26,412	27,362	19,805	12,860	5,479	5,777	97,695
Total	62,276	57,147	46,608	32,235	27,754	25,946	251,966

Port of Anchorage Business Plan

Mission

Provide a modern, safe and efficient facility to support the movement of goods throughout the State of Alaska.

Services

The Port of Anchorage is a landlord port committed to providing safe, efficient, and dependable facilities and support services to our private and public sector customers. We are responsible for maintaining and operating all of the land, docks and municipal buildings that encompass the Port of Anchorage.

Business Goals

- Provide a safe work environment for both employees and tenants.
- In support of the Port Expansion Project, contribute policy, operational, administrative, and financial expertise to the Mayor and Municipal Manager to achieve on time and on budget completion
- Plan for future facility and service needs of business and public entity customers.
- Conduct periodic facility condition surveys to anticipate age-related challenges and to ensure uninterrupted operations and safety.
- Maintain affordable and competitive tariff rates sufficient to cover operating and capital requirements.
- Maintain financially sound operating ratios.
- Deliver accurate and timely billing of tenants and customers.
- Provide required level of Port Security under US Coast Guard/Homeland Security directives through a consortium of private tenants and the Port.
- Perform Port functions in an environmentally responsible way.

Strategies to Achieve Goals

- Assist in managing the Expansion Project by:
 - the Port Director serving on the Project Executive Committee,
 - the Port Engineer serving as Project Administrator, and
 - the Port Finance Director serving as Project Financial Manager.
- Participate in Executive and Management team efforts to plan, design, permit, finance, and construct the PIEP to ultimately complete the Project on schedule and on budget.
- Continue open dialog with tenants and port users to ensure we remain current on their needs and concerns
- Implement the recommendations of the 2013 Port Business Plan
- Continue quarterly financial reports
- Keep executives and clerical staff current on Municipal financial software applications
- Perform the scheduled 2014 tariff update analysis; publish rate update in 2015
- Continue open dialog with US Coast Guard sector personnel
- Keep in compliance with environmental regulations
- Keep the public informed about the Port's activities and role in the local, statewide and national economy

Performance Measures to Track Progress in Achieving Goals

The Port measures progress in achieving these customer commitments using the set of quantifiable performance measures.

1. Overtime hours and pay compared to base compensation for current vs prior year.
2. Operating Net Income year to date for current vs prior year.
3. Reportable incidents for current vs prior year (# of incidents, loss of time, and cost).

Port of Anchorage
2014 Capital Improvement Budget
(in thousands)

Project Title	Debt	State/Fed Grant	Equity/ Operations	Total
Port Expansion	-	251,500	-	251,500
Port Security	-	500	-	500
Wharf Pile Enhancements	-	-	3,172	3,172
Total	-	252,000	3,172	255,172

Port of Anchorage
2014 - 2019 Capital Improvement Program
(in thousands)

Project Category	2014	2015	2016	2017	2018	2019	Total
Port Expansion	251,500	2,000	2,000	2,000	2,000	2,000	261,500
Port Security	500	-	-	-	-	-	500
Wharf Pile Enhancements	3,172	3,298	3,430	3,568	3,710	3,858	21,036
Total	255,172	5,298	5,430	5,568	5,710	5,858	283,036

Funding Source	2014	2015	2016	2017	2018	2019	Total
State/Fed Grants	252,000	2,000	2,000	2,000	2,000	2,000	262,000
Equity/Operations	3,172	3,298	3,430	3,568	3,710	3,858	21,036
Total	255,172	5,298	5,430	5,568	5,710	5,858	283,036

Solid Waste Services Business Plan

Mission

Provide management of our solid waste resources to create a safe and sustainable waste system for the Municipality of Anchorage (MOA) in a way that is economical and environmentally responsible.

Services

The Refuse Collection Utility provides garbage collection to the service area of the former City of Anchorage, which is approximately 20% of the population of the MOA. Since at least 1952 there has been mandatory service for all occupants of the Refuse Collections Utility service area. The Refuse Collections Utility provides three types of service: commercial dumpster, automated roll cart service, and can and 3 - 4 yard bagster service.

The Solid Waste Disposal Utility serves the entire MOA. The services include the disposal of solid waste, the collection of household hazardous waste, and the promotion of community recycling. Municipal solid waste is received at three transfer stations located within MOA. The waste is then transported by the Utility to the Anchorage Regional Landfill for final disposal.

Business Goals

- Provide exceptional customer service for an equitable cost to the customer.
- Evaluate current supervisor staffing needs, maximize and distribute work loads
- Develop education center to provide waste reduction and hazardous waste alternatives
- Ensure facilities are safe for the customers and for Solid Waste Services employees
- Provide proper disposal of hazardous waste for commercial and residential generators.
- Promote community involvement through education and be responsive to the needs and concerns of municipal citizens.
- Use technology to optimize operations.
- Plan and prepare for current and future waste collection and disposal needs.
- Create incentives and programs to promote source reduction first, then recycling, then treatment, and finally disposal as the preferred means to handle waste.
- Increase routing efficiency.
- Investigate new revenue opportunities (sale of Recyclables, Scrap metal sales, roll-off service, and or bagster service)
- Re-evaluate success of A-Z Recycling guide

Strategies to Achieve Goals

Solid Waste Services strategic plan provides a framework to achieve results for customers.

Refuse Collection Utility

1. Reduce refuse volumes by promoting waste reduction and increased curbside recycling diversion.
2. Provide fulltime recycling program coordinator to develop and implement new public awareness program and provide information for both utilities.
3. Provide activities to the general public to increase and promote.
4. Reduce injuries associated with residential refuse collection.
5. Improve routing balance.
6. Complete automation routes.

Disposal Utility

1. Optimize solid waste transfer truck utilization.
2. Setting rates that reflect the cost of services while maintaining infrastructure.
3. Develop and implement user education programs, provide educational tours of landfill and transfer station operations.

Performance Measures to Track Progress in Achieving Goals

Solid Waste Services measures progress in achieving these goals using sets of quantifiable performance measures.

Refuse Collections Utility

1. Percent change in recyclable material diverted from the residential waste stream.
2. Percent change in worker injuries.

Disposal Utility

1. Solid waste transfer truck payload weight.
2. Maintain positive revenue stream.
3. Continue to improve

Solid Waste Services - Disposal
2014 Capital Improvement Budget
(in thousands)

Project Title	State/Fed		Equity/	Total
	Debt	Grant	Operations	
Tractors	-	-	653	653
Trailers	-	-	449	449
Cover Trucks	-	-	663	663
Misc Trucks	-	-	20	20
Pickup Trucks	-	-	102	102
Light Plant	-	-	51	51
ARL DESIGN CONTRACT	-	-	100	100
ARL Gas system expansion contingency	-	-	50	50
Cell 12 Lining	-	-	4,185	4,185
Cell 8B Lining	-	-	2,500	2,500
Leachate pipeline JBBER	-	-	150	150
CTS Ramp Heating System	-	-	200	200
CTS Recycling Ed Center	-	-	100	100
CTS Haz Waste Expansion	-	-	25	25
PC Replacement	-	-	25	25
Total	-	-	9,273	9,273

Solid Waste Services - Disposal
2014 - 2019 Capital Improvement Program
(in thousands)

Project Category	2014	2015	2016	2017	2018	2019	Total
Equipment	1,938	4,952	4,192	1,739	3,927	2,989	19,737
ARL Improvements	6,985	3,220	2,640	6,707	3,170	5,500	28,222
CTS Improvements	325	280	200	80	-	80	965
Office Equipment	25	25	25	25	25	25	150
Total	9,273	8,477	7,057	8,551	7,122	8,594	49,074

Source of Funding	2014	2015	2016	2017	2018	2019	Total
Clean Water Loan	6,835	4,185	2,800	6,537	2,000	3,614	25,971
Commercial Loan	-	-	-	-	-	-	-
Equity/Operations	2,438	4,292	4,257	2,014	5,122	4,980	23,103
Total	9,273	8,477	7,057	8,551	7,122	8,594	49,074

Solid Waste Services - Refuse Collection
2014 Capital Improvement Budget
(in thousands)

Project Title	Debt	State/Fed Grant	Equity/ Operations	Total
Frontloaders	-	-	612	612
Lids	-	-	75	75
Dumpsters	-	-	275	275
Replace Office Equipment	-	-	5	5
Replace Data Processing Equipment	-	-	30	30
Total	-	-	997	997

Solid Waste Services - Refuse Collection
2014 - 2019 Capital Improvement Program
(in thousands)

Project Category	2014	2015	2016	2017	2018	2019	Total
Vehicle Replacement	612	1,234	1,127	1,265	612	816	5,666
Containers	350	350	350	350	350	350	2,100
Office Equipment	5	5	5	5	5	5	30
Data Processing	30	30	30	30	30	30	180
Total	997	1,619	1,512	1,650	997	1,201	7,976

Source of Funding	2014	2015	2016	2017	2018	2019	Total
Equity/Operations	997	1,619	1,512	1,650	997	1,201	7,976
Total	997	1,619	1,512	1,650	997	1,201	7,976