



MUNICIPALITY OF ANCHORAGE

MEMORANDUM

August 30, 2019

TO: Anchorage Assembly

FROM: Mayor Ethan Berkowitz *EAB*

SUBJECT: 2020 Preliminary Data – 120 Day Memo

M.O.A.
2019 AUG 30 PM 3:12
CLEAN'S OFFICE

Anchorage Municipal Code 6.10.040 (A) requires the Administration to provide preliminary information regarding the 2020 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 2020 revenue estimate
- Preliminary 2020 tax limit calculation
- Administration's priorities including major departmental changes
- Preliminary 2020 CIB and 2020-2025 CIP for general government
- Preliminary Utility and Enterprise budget information

Preliminary 2020 Revenue Estimate

The preliminary non-property tax revenue estimates suggest 2020 revenues from existing revenue streams are likely to be similar, in total, to budgeted 2019 revenues. Final calculations for the 2020 revenues are still under way. The revenue calculations necessary for the development of the Administration's 2020 budget will be submitted on October 2. As in previous years, revenue calculations will likely be re-calculated before the 2020 budget is adopted and again before first quarter budget amendments are presented in April 2020.

Preliminary 2020 Tax Limit Calculation

Attachment A is the preliminary Tax Limit calculation.

- The calculation starts with the prior year amount of all taxes collected. That amount is then adjusted for population, inflation, new construction, voter approved ballot measures, debt, and other non-property tax revenues which contribute to the total amount of all taxes that can be collected.
- The calculation then continues to create the limit on property taxes by backing out the non-property taxes from the limit on all taxes, 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 2020 property tax rates will be set.

Administration's Priorities

We are continuing to evaluate the impact of the cost-shifting to municipalities caused by the State's retreat from its funding responsibilities at the local level. As we see the implications of fewer state dollars being invested in our community, my administration will assess the critical needs of our residents and work to mitigate the negative impacts to our city.

We will continue to focus on public safety and promote the well-being of our residents by seeking increased revenue opportunities and budget savings that will allow us to continue vital services in our city. We have added 100 new police officers at APD since 2015, and we recently aligned our patrol beats with Community Council boundaries, which means more familiar APD faces in our neighborhoods on a regular basis. We've advanced our work on housing and homelessness, including strengthening public-private partnerships in addressing the most significant gaps in community services and funding. We will also continue to invest in building a vibrant and welcoming downtown, encouraging business growth and development in Anchorage.

Preliminary 2020 CIB and 2020-2025 CIP for General Government

Attachment B is the preliminary 2020 Capital Improvement Budget (CIB).

Attachments C and D are the preliminary 2020-2025 Capital Improvement Program (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 or before October 2, 2019.

Preliminary Utility and Enterprise Budget Information

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

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

2020 Preliminary Data - 120 Day Memo Attachment A

Tax Limit Calculation

Anchorage Municipal Charter 14.03 and Anchorage Municipal Code 12.25.040

Line		2019 at Revised	2020 PRELIMINARY at 120 Day Memo	Line
1	<u>Step 1: Building Base with Taxes Collected the Prior Year</u>			1
2	Real/Personal Property Taxes to be Collected	283,527,018	287,778,391	2
3	Auto Tax	11,097,356	10,606,323	3
4	Tobacco Tax	22,000,000	21,200,000	4
5	Aircraft Tax	202,000	194,000	5
6	Marijuana Sales Tax	3,057,876	4,000,000	6
7	Motor Vehicle Rental Tax	6,500,000	7,100,000	7
8	Fuel Excise Tax	11,600,000	13,900,000	8
9	Payment in Lieu of Taxes (State & Federal)	900,000	986,000	9
10	MUSA/MESA	26,698,096	28,110,234	10
11	Step 1 Total	365,582,346	373,874,948	11
12				12
13	<u>Step 2: Back out Prior Year's Exclusions Not Subject to Tax Limit</u>			13
14	Judgments/Legal Settlements (One-Time)	(4,717,407)	(2,739,051)	14
15	Debt Service (One-Time)	(56,988,171)	(56,473,813)	15
16	Step 2 Total	(61,705,578)	(59,212,864)	16
17				17
18	Tax Limit Base (before Adjustment for Population and CPI)	303,876,768	314,662,084	18
19				19
20	<u>Step 3: Adjust for Population, Inflation</u>			20
21	Population 5 Year Average	-0.40% (1,215,510)	-0.40% (1,258,650)	21
22	Change in Consumer Price Index 5 Year Average	1.20% 3,646,520	1.40% 4,405,270	22
23	Step 3 Total	0.80% 2,431,010	1.00% 3,146,620	23
24				24
25	The Base for Calculating Following Year's Tax Limit	306,307,778	317,808,704	25
26				26
27	<u>Step 4: Add Taxes for Current Year Items Not Subject to Tax Limit</u>			27
28	New Construction	3,647,965	3,326,823	28
29	Taxes Authorized by Voter-Approved Ballot - O&M	896,000	148,000	29
30	Judgments/Legal Settlements (One-Time)	2,739,051	1,904,050	30
31	Debt Service (One-Time)	56,473,813	53,168,419	31
32	Step 4 Total	63,756,829	58,547,292	32
33				33
34	Limit on ALL Taxes that can be collected	370,064,607	376,355,996	34
35				35
36	<u>Step 5: To determine limit on property taxes, back out other taxes</u>			36
37	Automobile Tax	(10,606,323)	(10,557,220)	37
38	Tobacco Tax	(21,200,000)	(20,700,000)	38
39	Aircraft Tax	(194,000)	(185,000)	39
40	Marijuana Sales Tax	(4,000,000)	(3,980,000)	40
41	Motor Vehicle Rental Tax	(7,100,000)	(7,500,000)	41
42	Fuel Excise Tax	(13,900,000)	(13,730,000)	42
43	Payment in Lieu of Taxes (State & Federal)	(986,000)	(936,000)	43
44	MUSA/MESA	(28,110,234)	(29,461,075)	44
45	Step 5 Total	(86,096,557)	(87,049,295)	45
46				46
47	Limit on PROPERTY Taxes that can be collected	283,968,050	289,306,701	47
48				48
49	Add General Government use of tax capacity within the Tax Cap	3,810,341	726,395	49
50				50
51	Limit on PROPERTY Taxes that can be collected within the Tax Cap	287,778,391	290,033,096	51
52				52
53	<u>Step 6: Determine property taxes to be collected if different than Limit on Property Taxes that can be collected</u>			53
54	Property taxes to be collected based on spending decisions minus other available revenue.			54
55				55
56	Property taxes TO BE COLLECTED	287,778,391	TBD	56

2020 Preliminary Data - 120 Day Memo Attachment B

General Government 2020 Capital Improvement Budget Department Summary by Funding Source

(in thousands)

Department	Bonds	State	Federal	Other	Total
Fire	3,700	-	-	-	3,700
Information Technology	-	-	-	2,700	2,700
Library	1,200	-	-	-	1,200
Maintenance & Operations (General Government)	7,900	28,100	-	2,800	38,800
Parks & Recreation	4,000	-	-	1,100	5,100
Project Management & Engineering	40,000	-	-	600	40,600
Public Transportation	2,000	-	12,600	-	14,600
Traffic	1,300	-	-	-	1,300
Total	60,100	28,100	12,600	7,200	108,000
Maintenance & Operations (Girdwood)	2,200	-	-	-	2,200
Total	62,300	28,100	12,600	7,200	110,200

2020 Preliminary Data - 120 Day Memo Attachment C

General Government 2020 - 2025 Capital Improvement Program Department Summary by Year

(in thousands)

Department	2020	2021	2022	2023	2024	2025	Total
Fire	3,700	10,800	4,100	2,400	1,000	2,700	24,700
Information Technology	2,700	3,000	1,100	800	1,100	800	9,500
Library	1,200	2,500	3,300	4,000	10,000	10,000	31,000
Maintenance & Operations (GG)	38,800	24,600	17,300	13,600	17,300	11,600	123,200
Parks & Recreation	5,100	4,600	4,300	4,300	4,400	3,600	26,300
Police	-	13,500	-	-	-	-	13,500
Project Management & Engineering	40,600	78,000	207,300	104,800	277,300	126,300	834,300
Public Transportation	14,600	15,200	6,900	7,000	7,100	7,100	57,900
Traffic	1,300	2,700	2,700	2,200	2,200	2,200	13,300
Total	108,000	154,900	247,000	139,100	320,400	164,300	1,133,700
Maintenance & Operations (GW)	2,200	-	-	-	-	-	2,200
Total	110,200	154,900	247,000	139,100	320,400	164,300	1,135,900

GG - General Government
GW - Girdwood Service Area

2020 Preliminary Data - 120 Day Memo Attachment D

General Government 2020 - 2025 Capital Improvement Program Department Summary by Funding Source

(in thousands)

Department	Bonds	State	Federal	Other	Total
Fire	24,700	-	-	-	24,700
Information Technology	-	-	-	9,500	9,500
Library	8,200	17,800	-	5,000	31,000
Maintenance & Operations (GG)	7,800	76,000	-	39,400	123,200
Parks & Recreation	22,600	-	-	3,700	26,300
Police	13,500	-	-	-	13,500
Project Management & Engineering	366,700	363,000	101,000	3,600	834,300
Public Transportation	8,300	-	49,600	-	57,900
Traffic	13,300	-	-	-	13,300
Total	465,100	456,800	150,600	61,200	1,133,700
Maintenance & Operations (GW)	2,200	-	-	-	2,200
Total	467,300	456,800	150,600	61,200	1,135,900

GG - General Government
GW - Girdwood Service Area

Anchorage Water & Wastewater Utility Business Plan

Vision

Excellence through innovation.

Mission

Providing safe and reliable water and wastewater service today and into the future.

Message

Anchorage Water & Wastewater Utility (AWWU) is investing to ensure reliable service, safeguard public health, and protect the environment, long into the future.

Services

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

AWWU prepared an updated strategic plan in 2016. The plan includes the following goals:

- Be responsive to the needs of the community
- Be the model of innovation and efficiency in service to the public
- Be a responsible steward of ratepayer funds
- Be the employer of choice for existing and future staff

Commitments to Customers

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 quantifiable performance measures, including the following:

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 (of lost-time injuries and accidents).
5. Execution of capital improvement budget.
6. Debt to equity ratio.

**2020 Preliminary Data - 120 Day Memo
Attachment E-1**

**Anchorage Water Utility
2020 Capital Improvement Budget**
(in thousands)

Project Title	Debt*	State/ Fed Grants	Equity/ Operations*	Total
ADOT-MOA Emergency	-	-	1,000	1,000
IT Hardware/Software	-	-	1,925	1,925
Miscellaneous Equipment	-	-	450	450
Other Plant & Facilities	300	-	-	300
Plant	3,706	-	-	3,706
Transmission/Distribution System	10,450	-	6,625	17,075
Vehicles	-	-	1,000	1,000
Total	14,456	-	11,000	25,456

ADOT - State of Alaska Department of Transportation

* Debt and Equity/Operations funding amounts by project are estimates and are subject to change as actual loans are awarded by the State of Alaska.

2020 Preliminary Data - 120 Day Memo Attachment E-1

Anchorage Water Utility 2020 - 2025 Capital Improvement Program (in thousands)

Project Category	2020	2021	2022	2023	2024	2025	Total
ADOT-MOA Emergency	1,000	1,000	1,000	1,000	1,000	1,000	6,000
IT Hardware/Software	1,925	1,475	1,450	1,425	1,425	1,425	9,125
Miscellaneous Equipment	450	600	700	2,850	1,700	1,850	8,150
Other Plant & Facilities	300	-	250	250	2,000	3,800	6,600
Plant	3,706	10,039	6,408	2,873	3,199	3,650	29,875
Transmission/Distribution System	17,075	11,175	14,828	14,861	14,955	11,485	84,379
Vehicles	1,000	1,000	1,000	1,000	1,000	1,000	6,000
Total	25,456	25,289	25,636	24,259	25,279	24,210	150,129

Funding Source	2020	2021	2022	2023	2024	2025	Total
Debt	14,456	14,289	15,636	14,259	15,279	14,210	88,129
Equity/Operations	11,000	11,000	10,000	10,000	10,000	10,000	62,000
Total	25,456	25,289	25,636	24,259	25,279	24,210	150,129

ADOT - State of Alaska Department of Transportation

**2020 Preliminary Data - 120 Day Memo
Attachment E-1**

**Anchorage Wastewater Utility
2020 Capital Improvement Budget**
(in thousands)

Project Title	Debt*	State/ Fed Grants	Equity/ Operations*	Total
ADOT-MOA Emergency	900	-	100	1,000
Collection System	2,700	-	5,125	7,825
IT Hardware/Software	-	-	2,725	2,725
Miscellaneous Equipment	-	-	450	450
Other Plant and Facilities	10,400	-	-	10,400
Vehicles	-	-	1,600	1,600
Wastewater Plant	2,250	-	-	2,250
Total	16,250	-	10,000	26,250

ADOT - State of Alaska Department of Transportation

* Debt and Equity/Operations funding amounts by project are estimates and are subject to change as actual loans are awarded by the State of Alaska.

2020 Preliminary Data - 120 Day Memo Attachment E-1

Anchorage Wastewater Utility 2020 - 2025 Capital Improvement Program (in thousands)

Project Category	2020	2021	2022	2023	2024	2025	Total
ADOT-MOA Emergency	1,000	1,000	1,000	1,000	1,000	1,000	6,000
Collection System	7,825	4,525	12,275	8,025	6,525	6,025	45,200
IT Hardware/Software	2,725	1,475	1,450	1,425	1,425	1,425	9,925
Misc Equipment	450	600	700	2,850	1,700	1,850	8,150
Other Plant & Facilities	10,400	7,000	3,000	750	1,225	250	22,625
Vehicles	1,600	1,000	1,000	1,000	1,000	1,000	6,600
Wastewater Plant	2,250	9,050	5,000	10,700	12,000	13,500	52,500
Total	26,250	24,650	24,425	25,750	24,875	25,050	151,000

Funding Source	2020	2021	2022	2023	2024	2025	Total
Debt	16,250	14,650	14,425	15,750	14,875	15,050	91,000
Equity/Operations	10,000	10,000	10,000	10,000	10,000	10,000	60,000
Total	26,250	24,650	24,425	25,750	24,875	25,050	151,000

ADOT - State of Alaska Department of Transportation

Merrill Field Airport Business Plan

Background

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

Services

Merrill Field is a primary commercial service airport and serves as a general aviation reliever for Anchorage International Airport. Home base to ~8.8% of all aircraft registered in Alaska, Merrill Field was the 86th busiest airport in the nation in 2018. It was ranked 46th busiest airport of all general aviation (GA) airports with 151,400 annual operations. It is the second busiest airport in the state, second only to Ted Stevens.

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. New branding, 'Welcome to Merrill Field-The gateway to Alaska's Interior.'

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 and pricing that attracts aviation support services and related businesses to Merrill Field and encourages 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 technologies 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.
- Increase operating revenues through increased lease and parking rates, and the addition of new business enterprises.
- Decrease expenses caused leaseholder damage to airport infrastructure, i.e., \$3500 security gates.

Strategies to Achieve Goals

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

1. Maintain a pro-active anti-noise policy, asking pilots to follow established noise-reducing practice, including implementation of a late night 'Quiet Hours' protocol that restricts Touch & Go operations to one take-off and one landing per pilot *at MRI* between the hours of 10PM and 7AM (local). Maintain a close working relationship and coordinate with the MRI FAA ATCT (Tower).

2020 Preliminary Data - 120 Day Memo Attachment E-2

2. Maintain positive relations with neighboring Community Councils by encouraging their comments and actively addressing their concerns.
3. Work in close coordination with the Municipal Airports Aviation Advisory Commission, Fixed Based Operators, and Airport users.
4. Continue to aggressively seek and obtain FAA grant funding for the MRI Airport Capital Improvement Program.
5. Provide infrastructure to meet customer demand.
6. 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.
7. Minimize expenses by:
 - a. Reducing or eliminating 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 cost-efficient to do so and workloads permit.
8. Take advantage of new technology:
 - 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.
9. Maintain database and management reporting capabilities.
10. Maintain runways, taxiways, and tie-down aprons in a safe and secure condition.
11. Expeditiously and systematically remove snow from airport surfaces. Ensure NOTAMs (Notices to Airmen) and ATIS (Air Traffic Information Service) are both proactive, accurate and current.
12. Continue long term planning, development, and construction of quality airport facilities through the Airport Master Plan process.
13. Provide technical assistance to lessees on issues associated with federally mandated environmental programs.
14. Endeavor to reduce the number of runway incursions (Vehicle/Pedestrian Deviations or VPDs).
15. Manage and develop Orca St properties to maintain and maximize lease rental revenue.
16. Pursue development of new lease lots and encourage development of commercial aviation facilities on current leaseholds.
17. Perform asphalt crack sealing of runways/taxiways/apron areas to extend the life expectancy of these surfaces.
18. Fund pre-grant expenses for engineering services on grant-eligible projects.
19. Enhance the utility of existing tiedown aprons, taxiways, and roadways.
20. Expand aircraft aprons and taxiways as needed to meet demand.
21. Actively market Airport facilities and services.
22. Acquire planned acquisition of identified parcels southwest of the Runway 16/34 safety area to ensure compatible land use as listed on the master plan.
23. Identify high priority projects to be included in the FAA 5-Year Airport Capital Improvement Plan (ACIP), thereby helping 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.
25. Solicit bids for "Millionaire" style FBO (fixed based operator) with flight school, restaurant, pilot lounge, and flight planning facilities.

2020 Preliminary Data - 120 Day Memo Attachment E-2

26. Pursue increased landing weights to encourage small business jets to use MRI , thereby increasing our Jet A fuel sales.

Performance Measures to Track Progress in Achieving Goals

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

1. Number of Vehicle-Pedestrian Deviations (VPDs)
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

2020 Preliminary Data - 120 Day Memo
Attachment E-2

Merrill Field Airport
2020 Capital Improvement Budget
(in thousands)

Project Title	State Grants	Federal Grants	Equity/ Operations	Total
Merrill Field has no requests for 2020, previously approved funding sources will be managed toward achieving a healthy equity.				
Total	-	-	-	-

2020 Preliminary Data - 120 Day Memo Attachment E-2

Merrill Field Airport 2020 - 2025 Capital Improvement Program (in thousands)

Project Category	2020	2021	2022	2023	2024	2025	Total
Buildings and Equipment	-	-	-	-	1,000	-	1,000
Runways and Taxiways	-	-	-	-	-	3,000	3,000
Total	-	-	-	-	1,000	3,000	4,000

Funding Source	2020	2021	2022	2023	2024	2025	Total
Federal Grants	-	-	-	-	937	2,813	3,750
Equity/Operations	-	-	-	-	63	187	250
Total	-	-	-	-	1,000	3,000	4,000

Municipal Light & Power Business Plan

Mission

Provide energy that is safe and reliable at competitive rates.

Services

Municipal Light & Power's (ML&P) service area is roughly 20-square-miles. ML&P has approximately 31,000 residential and commercial customers. The utility provides service to the Municipality's economic drivers including: commercial, industrial (Ship Creek area and Port of Alaska), universities and major medical campuses (U-MED District), and the downtown and midtown business districts. ML&P also serves Joint Base Elmendorf-Richardson (JBER) and sells electricity to other Railbelt utilities. The utility has a 56.67 percent working interest in the Beluga River Unit gas field, making it one of the only vertically integrated utilities on the West Coast. ML&P is subject to economic regulation by the Regulatory Commission of Alaska.

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
- Maintain equity and earn net income at a level sufficient to continue to ensure the long-term financial stability of the utility.
- 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 equipment and technology.
- Provide educational programs to the community on electrical safety. Communicate factual information to customers and the public at large on issues affecting ML&P and the utility industry.
- Foster teamwork and an integrated approach to decision-making within the utility.

Strategies to Achieve Goals

- Attain the financial objectives established in the Equity Management Plan
- Implement industry best practices and streamline business processes to ensure the financial and operational integrity of the utility
- Cooperate with other Railbelt utilities to implement Economic Dispatch of generating resources
- Implement operational and financial procedures to maintain the highest bond rating
- Implement predictive maintenance program to reduce or eliminate outages and interruptions

Performance Measures to Track Progress in Achieving Goals

1. Maintain competitive residential and commercial rates as measured in revenue per kilowatt-hour (kWh) sold
2. Maintain Total Recordable Incident Rates (TRIR) below industry average
3. Maintain Days Away Restricted Transferred (DART) rate below industry standard
4. Achieve 80% of bills that go out within 1 day of meter read date

2020 Preliminary Data - 120 Day Memo Attachment E-3

5. Maintain positive Net Income
6. At a minimum, maintain an A bond rating
7. Maintain Customer Average Interruption Duration Index (CAIDI) below industry average
8. Maintain System Average Interruption Duration Index (SAIDI) below industry average
9. Maintain System Average Interruption Frequency Index (SAIFI) below industry average
10. Manage workers' compensation claims

2020 Preliminary Data - 120 Day Memo Attachment E-3

Municipal Light & Power 2020 Capital Improvement Budget (in thousands)

Project Title	Revenue Bonds/ Commercial Paper	Contribution in Aid of Construction	Beluga Contributed	Equity/ Operations	Total
Beluga River Gas Field	-	-	9,600	-	9,600
Communications	-	-	-	866	866
Distribution Equipment	-	-	-	6,550	6,550
Eklutna Power Plant	-	-	-	480	480
Land & Land Rights-Transmission & Distribution	-	-	-	90	90
Meters	-	-	-	2,000	2,000
Overhead Lines	-	-	-	1,530	1,530
Stores/Tools/Lab	-	-	-	175	175
Street Lighting	-	-	-	50	50
Structures & Improvements - General Plant	-	-	-	700	700
Structures & Improvements - Plant 1/Plant 2	-	-	-	550	550
Transformer Services	-	-	-	3,100	3,100
Transmission Lines	-	-	-	90	90
Transmission Stations	-	-	-	930	930
Transportation	-	-	-	1,000	1,000
Turbines & Generators	-	-	-	2,350	2,350
Underground Lines	-	2,300	-	3,930	6,230
Total	-	2,300	9,600	24,391	36,291

2020 Preliminary Data - 120 Day Memo Attachment E-3

Municipal Light & Power 2020 - 2025 Capital Improvement Program (in thousands)

Project Category	2020	2021	2022	2023	2024	2025	Total
Beluga River Gas Field	9,600	10,200	10,800	10,800	10,800	10,800	63,000
Distribution	19,540	17,990	18,280	19,870	19,420	18,410	113,510
General Plant	2,741	4,958	2,985	2,720	2,740	2,480	18,624
Production	3,380	373	50	50	800	50	4,703
Transmission	1,030	1,295	1,610	915	2,870	1,525	9,245
Total	36,291	34,816	33,725	34,355	36,630	33,265	209,082

Funding Source	2020	2021	2022	2023	2024	2025	Total
Contribution in Aid of Construction	2,300	2,300	2,300	2,300	2,300	2,300	13,800
Beluga Contributed	9,600	10,200	-	-	-	-	19,800
Equity/Operations	24,391	22,316	31,425	32,055	34,330	30,965	175,482
Total	36,291	34,816	33,725	34,355	36,630	33,265	209,082

Port of Alaska Business Plan

Mission

The Port of Alaska is committed to provide a modern, safe, and efficient facility to support the movement of goods throughout the State of Alaska.

Services

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

Business Goals

- Provide Port operating expertise and management to the Port of Alaska Modernization Program (PAMP) with the Port Engineer serving as Project Administrator.
- 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.
- Provide a safe work environment for both employees and tenants.
- Maintain financially sound operating ratios.
- Deliver accurate and timely billings to tenants and customers; demand timely payments from all users.
- Provide required level of Port security under U.S. Coast Guard/Homeland Security directives through a consortium of private tenants and the Port.

Strategies to Achieve Goals

1. Provide year-round access to suitable terminals and docks for movement of containers, dry bulk cargo, and liquid bulk cargo to include petroleum products.
2. Provide seasonal maintenance of and access to the Small Boat Launch.
3. Plan, develop, and operate facilities to accommodate market growth and modernization.
4. Schedule all vessels that call on the Port.
5. Provide centralized Port and tenant security services and emergency management leadership.
6. As a landlord port, manage short-term permits (revocable use permits) and long-term leases of land and buildings.
7. Maintain and ensure uninterrupted 24/7/365 availability of Port owned facilities.
8. Ensure environmental quality of the land within the Port boundaries
9. Assess and manage the collection of all tariffs and user fees associated with vessels calling on the Port and land tenant operations.
10. Manage the Foreign Trade Zone (FTZ) and all FTZ applicants.
11. Coordinate U.S. Army Corps of Engineers dredging of channel, turning basin, and dock face dredging to provide for safe commerce.
12. Host official U.S. Navy, U.S. Coast Guard, NOAA, foreign navy and Arctic research vessels on behalf of the Municipality of Anchorage, as needed.

2020 Preliminary Data - 120 Day Memo Attachment E-4

Performance Measures to Track Progress in Achieving Goals

Progress in achieving goals will be measured by:

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

**2020 Preliminary Data - 120 Day Memo
Attachment E-4**

**Port of Alaska
2020 Capital Improvement Budget**
(in thousands)

Project Title	Debt	State/ Fed Grants	Equity/ Operations	Total
Fender Pile Enhancements	-	4,000	1,500	5,500
Port Equipment	-	-	350	350
Storm Drain Enhancements	-	-	1,000	1,000
Wharf Pile Enhancements	-	-	750	750
Total	-	4,000	3,600	7,600

2020 Preliminary Data - 120 Day Memo Attachment E-4

Port of Alaska 2020 - 2025 Capital Improvement Program (in thousands)

Project Category	2020	2021	2022	2023	2024	2025	Total
Fender Pile Enhancements	5,500	1,500	1,500	1,500	1,500	1,500	13,000
Port Equipment	350	-	-	-	-	-	350
Storm Drain Enhancements	1,000	1,500	1,500	-	-	-	4,000
Wharf Pile Enhancements	750	1,750	1,750	1,750	1,750	1,500	9,250
Total	7,600	4,750	4,750	3,250	3,250	3,000	26,600

Funding Source	2020	2021	2022	2023	2024	2025	Total
State/Federal Grants	4,000	-	-	-	-	-	4,000
Port Equity	3,600	4,750	4,750	3,250	3,250	3,000	22,600
Total	7,600	4,750	4,750	3,250	3,250	3,000	26,600

Solid Waste Services Business Plan

Mission

Providing safe, efficient and innovative solid waste management for the Municipality of Anchorage (MOA).

Services

Solid Waste Services (SWS) is comprised of two utilities:

The Refuse Collection Utility (RCU) provides garbage and recycling collection to the former City of Anchorage service area, which is approximately 20% of the population of the MOA. Since at least 1952, there has been mandatory service for all customers of the RCU service area. The RCU provides six types of service: commercial dumpster; commercial recycling; automated garbage roll cart service; recycling roll cart service; residential organics and, limited can and bag service.

The Solid Waste Disposal Utility (SWDU) serves the entire MOA. The services include the disposal of solid waste, the collection of household hazardous waste, and the promotion of community recycling and sustainability. Municipal solid waste is received at three transfer stations located within the MOA. Waste generated in the community of Girdwood is transported from the Girdwood Transfer Station (GTS) to the Central Transfer Station (CTS) in Anchorage. All waste from the CTS is transported to the Anchorage Regional Landfill (ARL) for final disposal.

Business Goals

- Increase overall customer satisfaction rating.
- Reduce number of missed pick-ups by SWS.
- Reduce the average customer wait time.
- Maximize the usage of landfill gas collected for beneficial purposes.
- Decrease the per capita amount of trash disposed at ARL by increasing diversion.
- Expand the lifespan of ARL and maximize airspace utilization.
- Fully maximize existing collection and transfer truck routes through the leveraging of technology.
- Reduce time loss accidents and workman compensation claims.
- Create opportunities for employee development via training opportunities.
- Reduce greenhouse gas emissions across the MOA.

Strategies to Achieve Goals

- Invest in our business and community through the construction of a State-of-the-Art transfer facility on newly purchased property.
- Leverage SWS on-board vehicle computer systems.
- Streamline and improve CTS and ARL site traffic patterns. Invest in modernizing fleet and fuel technologies.
- Utilize alternative daily cover material and improve waste compaction.
- Communicate more effectively with employees about training opportunities and make them available.
- Work with Doyon Utilities to expand the landfill gas to energy facility or find another beneficial use for the gas.
- Promote the diversion of food waste, yard waste, metals, plastics, paper and cardboard.
- Improve recycling options for businesses and apartment buildings within the SWS service area.
- Standardize recycling outreach and labeling.

2020 Preliminary Data - 120 Day Memo Attachment E-5

- Monitor the MOA's performance with respect to achieving the goals identified within the climate action plan.

Performance Measures to Track Progress in Achieving Goals

- Monitor the remaining life span of ARL.
- Percentage of landfill gas used beneficially.
- Decreased SWS at fault missed stops.
- Reduced wait times at SWS disposal facilities.
- Track vehicle miles per gallon.
- Monitor landfill waste to cover waste ratio.
- Employee annual hours of training.
- Average per capita waste generation.
- SWS collection area recycling rate.
- Overall reduction in greenhouse gas emissions.

2020 Preliminary Data - 120 Day Memo Attachment E-5

Solid Waste Services - Disposal 2020 Capital Improvement Budget (in thousands)

Project Title	Debt	State/ Fed Grants	Equity/ Operations	Total
Annual Additional Gas Wells/Piping	-	-	300	300
Cell 9 - Construction	8,807	-	-	8,807
Cherry Pickers- Knuckleboom Cranes	-	-	800	800
D3 Caterpillar Dozer	-	-	175	175
Engineering Design Contract - Anchorage Regional Landfill	150	-	-	150
Mini Excavator	-	-	275	275
New Central Transfer Facility	3,337	-	-	3,337
Office Equipment (Administration)	-	-	30	30
Renewable Energy Project	-	-	50	50
Replace 2005 3/4 Ton Pickup	-	-	75	75
Replace 2005 Light Duty Pickups	-	-	130	130
Replace 2010 Cat Compactor/Dozer	-	-	1,600	1,600
Replace 2013 A35F Volvo 6WD Dump Truck	-	-	800	800
Replace 2014 Peterbilt Tractors (3)	-	-	570	570
Replace 2014 Wilkins Trailers (4)	-	-	560	560
Replace 988K Wheel Loader	-	-	1,200	1,200
Roll-off Containers	-	-	40	40
Shredder	-	-	1,100	1,100
Total	12,294	-	7,705	19,999

2020 Preliminary Data - 120 Day Memo Attachment E-5

Solid Waste Services - Disposal 2020 - 2025 Capital Improvement Program (in thousands)

Project Category	2020	2021	2022	2023	2024	2025	Total
Construction and Land Improvement	9,257	7,475	5,500	1,500	500	500	24,732
Heavy Equipment	5,950	2,650	1,800	-	900	3,300	14,600
Miscellaneous Light Equipment	120	280	80	215	80	80	855
New Central Transfer Station	3,337	15,612	14,775	6,627	4,569	-	44,920
Vehicles	1,335	2,020	1,315	1,550	1,400	1,065	8,685
Total	19,999	28,037	23,470	9,892	7,449	4,945	93,792

Funding Source	2020	2021	2022	2023	2024	2025	Total
Debt - Clean Water Loan	8,957	7,000	5,000	-	-	-	20,957
Debt - Bonds	3,337	15,612	14,775	6,627	4,569	-	44,920
Equity/Operations	7,705	5,425	3,695	3,265	2,880	4,945	27,915
Total	19,999	28,037	23,470	9,892	7,449	4,945	93,792

**2020 Preliminary Data - 120 Day Memo
Attachment E-5**

**Solid Waste Services - Refuse Collection
2020 Capital Improvement Budget**
(in thousands)

Project Title	Debt	State/ Fed Grants	Equity/ Operations	Total
Automated Sideloaders (2)	-	-	740	740
Dumpsters and Lids	-	-	350	350
Electric Collection Vehicle	-	-	600	600
Electric Vehicle Charging Station	-	-	200	200
New Transfer Station	2,225	-	-	2,225
Replace Data Processing Equipment	-	-	30	30
Replace Office Equipment	-	-	5	5
Residential Roll Carts	-	-	10	10
Straight Fork - Peterbilt (2)	-	-	670	670
Total	2,225	-	2,605	4,830

2020 Preliminary Data - 120 Day Memo Attachment E-5

Solid Waste Services - Refuse Collection 2020 - 2025 Capital Improvement Program (in thousands)

Project Category	2020	2021	2022	2023	2024	2025	Total
Construction and Land Improvements	200	-	-	-	-	-	200
Heavy Equipment	-	-	-	360	-	360	720
Misc Light Equipment and Containers	395	395	395	395	395	395	2,370
New Central Transfer Station	2,225	10,408	9,850	4,418	3,046	-	29,947
Vehicles	2,010	1,475	1,100	1,010	1,000	1,000	7,595
Total	4,830	12,278	11,345	6,183	4,441	1,755	40,832

Funding Source	2020	2021	2022	2023	2024	2025	Total
Debt - STBP/Revenue Bonds	2,225	1,475	11,000	6,183	4,441	1,755	27,079
Equity/Operations	2,605	10,803	345	-	-	-	13,753
Total	4,830	12,278	11,345	6,183	4,441	1,755	40,832

STBP - Short Term Borrowing Program is estimate amount to draw from borrowing program as approved by AO 2018-76, and subject to change to match acutal amount allowable under the plan.