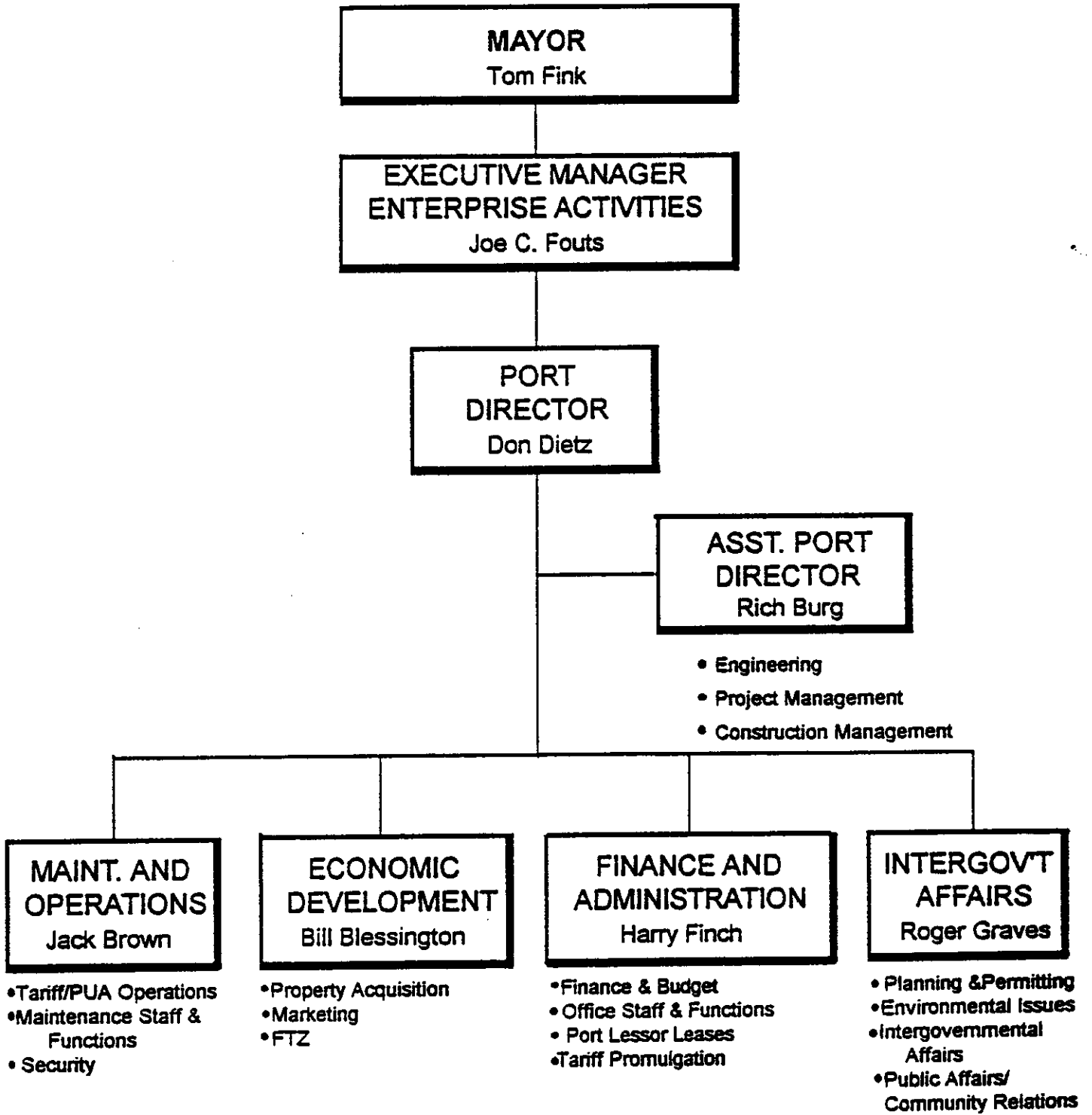


PORT OF ANCHORAGE

PORT OF ANCHORAGE
ORGANIZATION CHART



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PORT OF ANCHORAGE UTILITY PROFILE

ORGANIZATION

The Port of Anchorage is organized into three primary divisions: Administration, Port Development and Operations & Maintenance. The Administration Division is responsible for day-to-day business functions and management, construction management and engineering, and real estate management. The Port Development Division is involved with planning and permitting, marketing, Foreign Trade Zone management, environmental issues and public affairs tasks. The Operations & Maintenance Division is responsible for customer relations, management of vessel movements and dockside activities, general upkeep and operation of the facilities and equipment, and security.

HISTORY

The Port of Anchorage commenced operation in September 1961 with a single berth. 38,000 tons of cargo crossed the Port's dock that first year. 2,372,000 tons crossed the dock in 1992. Today this regional Port is a major economic factor and the strongest link in the transportation chain which enables Alaskan residents west of Yakutat to take full advantage of the benefits of inexpensive waterborne commerce.

SERVICES

Cargo handling services and facilities at the Port serve 80% of Alaska's population living west of Yakutat. Approximately 90% of the consumer goods and foodstuffs sold within the Railbelt move through this facility on a year-round basis. Container service is provided twice weekly from Puget Sound by two domestic ocean carriers and is augmented by seasonal barge activities. Bulk shipments are both domestic and international, involving imports of basic commodities such as cement, refined petroleum products, automobiles and construction materials. The Port serves as the primary export facility for the state's largest petroleum refinery in Fairbanks and as the major export terminal for frozen and canned seafood products that are packed in Valdez and on the Kenai Peninsula.

REGULATION

Port of Anchorage Dock Revenue Rates are established in the Port of Anchorage Terminal Tariff #2 and Preferential Use Agreements. Changes to the tariff and rate adjustments to the Preferential Usage Agreements require approval by the Anchorage Port Commission, the Anchorage Assembly and the Federal Maritime Commission.

Port Industrial Park Revenue is derived from long-term leases of properties in the Port Industrial Park. The leases provide for five-year rate adjustments. Leases and rate adjustments are subject to Port Commission and Assembly approval.

ENVIRONMENTAL MANDATES

The Port complies with a broad range of local, state and federal environmental standards, including all provisions of the Clean Water Act, Clean Air Act, National Pollution Discharge Elimination System (NPDES), Endangered Species Act and Coastal Zone Management Plan.

PHYSICAL PLANT

Real Estate:

- 103 acres of developed uplands
 - 400 acres of economically developable tidelands to the north and south of the existing Industrial Park and dock area
- 1,000 acres of submerged lands offshore from tidelands holdings
1,503 total acres

Terminals:

- Three general cargo terminals, 2,200 ft. of dock face, container, roll on\roll off, bulk cement and breakbulk capabilities
- Two Bulk Petroleum Product Terminals with 1,200 feet of berthing space and 2,000 bbl./hr. pipelines
- Operating depth at all facilities: -35' MLLW
Maximum vessel tonnage: 60,000 DWT
Maximum length and breadth: No limit
- On-dock Transit Shed with 27,000 square foot heated storage/office space

Cargo Handling Equipment:

- Rail mounted, electric Container Cranes:
30 ton (2)
40 ton (1)
- Rail mounted, diesel electric Gantry Cranes:
7.5 ton (1)
40 ton with 5-ton whip lines (2)
- Portable Cranes to 150 tons available
Forklifts to 30 tons available

U.S. Port of Entry: Foreign Trade Zone service available

**PORT OF ANCHORAGE
WORKFORCE PROJECTIONS**

| | <u>1993</u> | <u>1994</u> | <u>1995</u> | <u>1996</u> | <u>1997</u> | <u>1998</u> | <u>1999</u> |
|----------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| <u>DIVISION</u> | | | | | | | |
| Administration/Engineering | 7 | 7 | 7 | 7 | 7 | 7 | 7 |
| Operations/Maintenance | 12 | 12 | 12 | 12 | 12 | 12 | 12 |
| Port Development | <u>2</u> | <u>2</u> | <u>2</u> | <u>2</u> | <u>2</u> | <u>2</u> | <u>2</u> |
| Total | <u>21</u> | <u>21</u> | <u>21</u> | <u>21</u> | <u>21</u> | <u>21</u> | <u>21</u> |

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Port of Anchorage

1994

Operating Budget

**PORT OF ANCHORAGE
RECONCILIATION OF 1993 BUDGET TO 1993 PRO-FORMA (000)**

| | 1993 <u>BUDGET</u> | 1993 <u>PRO-FORMA</u> | <u>VARIANCE</u> | |
|--------------------------------|-----------------------|--------------------------|-------------------|----------|
| OPERATING REVENUE | 5,831 | 5,942 | 111 | A |
| OPERATING EXPENSE | | | | |
| Labor | 1,445 | 1,431 | (14) | B |
| Supplies | 88 | 88 | 0 | |
| Other Services & Charges | 1,058 | 1,057 | (1) | |
| IGC's | 288 | 213 | (75) | C |
| Depreciation/Amortization | 1,783 | 1,777 | (6) | |
| Subtotal | <u>4,662</u> | <u>4,566</u> | <u>(96)</u> | |
| NON-OPERATING REVENUE | 1,073 | 1,164 | 91 | D |
| NON-OPERATING EXPENSE | 1,486 | 1,489 | 3 | |
| NET INCOME (REGULATORY) | <u>756</u> | <u>1,051</u> | <u>295</u> | |
| ADJUSTMENTS FOR GAAP | 572 | 572 | 0 | |
| NET INCOME GAAP | <u><u>184</u></u> | <u><u>479</u></u> | <u><u>295</u></u> | |

Explanation of Significant Variances:

- A) Net effect in 1993 of tariff increases on Dockage and Wharfage items late in 1992 combined with rental/lease agreement changes and significant damage claim recoveries 1993.
- B) Personnel turnover, no wage increases in 1993 for any of the employee groups at the Port and an increase in benefit costs less than estimated.
- C) Costs associated with construction of new Terminal # 3 float IGCed to the capital project and significantly reduced total IGC expense in 1993 Pro-Forma.
- D) Interest income now anticipated to be higher than originally estimated.
Additional revenues from prior year expense recoveries.

**PORT OF ANCHORAGE
RECONCILIATION OF 1993 PRO-FORMA TO 1994 BUDGET (000)**

| | 1993 <u>PRO-FORMA</u> | 1994 <u>BUDGET</u> | <u>VARIANCE</u> | |
|--------------------------------|--------------------------|-----------------------|--------------------|---|
| OPERATING REVENUE | 5,942 | 6,022 | 80 | A |
| OPERATING EXPENSE | | | | |
| Labor | 1,431 | 1,429 | (2) | |
| Supplies | 88 | 92 | 4 | |
| Other Services & Charges | 1,057 | 1,125 | 68 | B |
| IGC's | 213 | 230 | 17 | |
| Depreciation/Amortization | 1,777 | 1,902 | 125 | C |
| Subtotal | <u>4,566</u> | <u>4,778</u> | 212 | |
| NON-OPERATING REVENUE | 1,164 | 1,116 | (48) | D |
| NON-OPERATING EXPENSE | 1,489 | 1,396 | (93) | E |
| NET INCOME (REGULATORY) | <u>1,051</u> | <u>964</u> | (87) | |
| ADJUSTMENTS FOR GAAP | 572 | 572 | 0 | |
| NET INCOME GAAP | <u><u>479</u></u> | <u><u>392</u></u> | <u><u>(87)</u></u> | |

Explanation of Significant Variances:

- A) Tonnage increases in General Cargo and Petroleum and mid 1993 rental/lease changes impacting 1994 revenues over an entire year.
- B) Full year lease payments on Tracts "A" & "EE".
- C) Increased depreciation due to projects being completed.
- D) Expenditure of funds previously on deposit for projects resulting in less interest income. No prior year expense recoveries anticipated in 1994.
- E) Reduction in interest portion of debt service payments.

**PORT OF ANCHORAGE
STATEMENT OF REVENUE AND EXPENSES**

| | 1992 <u>ACTUAL</u> | 1993 <u>PRO-FORMA</u> | 1994 <u>BUDGET</u> |
|------------------------------------|-----------------------|--------------------------|-----------------------|
| OPERATING REVENUE | | | |
| Dock Revenue | 3,938,134 | 4,273,000 | 4,380,000 |
| Industrial Park Revenue | 1,564,317 | 1,556,000 | 1,556,000 |
| Crane Lease/Rental Revenue | 113,323 | 78,000 | 78,000 |
| Other Operating Revenue | 21,743 | 35,000 | 8,000 |
| TOTAL OPERATING REVENUE | <u>5,637,517</u> | <u>5,942,000</u> | <u>6,022,000</u> |
| OPERATING EXPENSE | | | |
| Labor | 1,391,888 | 1,431,000 | 1,429,000 |
| Supplies | 81,519 | 88,000 | 92,000 |
| Other Services & Charges | 876,363 | 1,057,000 | 1,125,000 |
| IGC's | 280,852 | 213,000 | 230,000 |
| Depreciation/Amortization | 1,466,205 | 1,777,000 | 1,902,000 |
| TOTAL OPERATING EXPENSE | <u>4,096,827</u> | <u>4,566,000</u> | <u>4,778,000</u> |
| OPERATING INCOME | 1,540,690 | 1,376,000 | 1,244,000 |
| NON-OPERATING REVENUE | | | |
| Interest Income | 1,097,222 | 1,019,000 | 996,000 |
| AAPA Convention Revenue | 406,391 | 6,000 | 0 |
| Pipeline Right-Of-Way Fee | 126,861 | 120,000 | 120,000 |
| Other Non-Operating Revenue | 0 | 19,000 | 0 |
| TOTAL NON-OPERATING REVENUE | <u>1,630,474</u> | <u>1,164,000</u> | <u>1,116,000</u> |
| NON-OPERATING EXPENSE | | | |
| Interest on Long-Term Debt | 1,573,880 | 1,488,000 | 1,396,000 |
| AAPA Convention Expense | 355,740 | 1,000 | 0 |
| TOTAL NON-OPERATING EXPENSE | <u>1,929,620</u> | <u>1,489,000</u> | <u>1,396,000</u> |
| NON-OPERATING INCOME | (299,146) | (325,000) | (280,000) |
| NET INCOME (REGULATORY) | 1,241,544 | 1,051,000 | 964,000 |
| ADJUSTMENTS FOR GAAP | 571,769 | 572,000 | 572,000 |
| NET INCOME GAAP | <u><u>669,775</u></u> | <u><u>479,000</u></u> | <u><u>392,000</u></u> |

**PORT OF ANCHORAGE
STATEMENT OF SOURCES AND USES OF CASH FUNDS**

| | 1992 <u>ACTUAL</u> | 1993 <u>PRO-FORMA</u> | 1994 <u>BUDGET</u> |
|---|-----------------------|--------------------------|-----------------------|
| SOURCES OF CASH FUNDS: | | | |
| Net Income GAAP | 669,775 | 479,000 | 392,000 |
| Depreciation/Amortization | 2,037,974 | 2,349,000 | 2,474,000 |
| Grants | 0 | 1,630,000 | 5,869,000 |
| Bonds | 0 | 0 | 0 |
| Amortization of Debt Discount | 30,910 | 31,000 | 31,000 |
| Principal Payments, Financing Leases | 225,423 | 243,000 | 263,000 |
| Principal Payments, Interfund Receivable | 96,655 | 119,000 | 128,000 |
| Other | | | |
| TOTAL SOURCES OF FUNDS | 3,060,737 | 4,851,000 | 9,157,000 |
| USES OF FUNDS: | | | |
| Additions to Plant | 1,829,557 | 1,683,000 | 7,858,000 |
| Bond Principal Payments | 1,503,865 | 1,562,000 | 1,323,000 |
| Equity Transfer Out | 556,412 | 179,000 | 179,000 |
| Net Effect of Changes in Balance Sheet Which Affect Cash | 151,280 | 0 | 0 |
| TOTAL USES OF FUNDS | 4,041,114 | 3,424,000 | 9,360,000 |
| NET INCREASE/(DECREASE) IN CASH FUNDS | (980,377) | 1,427,000 | (203,000) |
| CASH BALANCE JANUARY 1, | 11,068,604 | 10,088,000 | 11,515,000 |
| CASH BALANCE DECEMBER 31, | 10,088,227 | 11,515,000 | 11,312,000 |
| DETAIL OF CASH BALANCE | | | |
| Equity In General Cash Pool | 3,421,718 | 1,906,000 | 3,365,000 |
| Equity In Construction Cash Pool | 3,751,624 | 6,694,000 | 5,032,000 |
| Revenue Bond Reserve | 2,914,885 | 2,915,000 | 2,915,000 |
| TOTAL CASH DECEMBER 31, | 10,088,227 | 11,515,000 | 11,312,000 |

**PORT OF ANCHORAGE
OPERATING BUDGET DETAIL**

| | 1992 <u>ACTUAL</u> | 1993 <u>PRO-FORMA</u> | 1994 <u>BUDGET</u> |
|----------------------------------|-------------------------|--------------------------|-------------------------|
| LABOR | | | |
| Wages | 900,039 | 917,000 | 914,000 |
| Overtime | 30,179 | 35,000 | 35,000 |
| Benefits | 455,197 | 472,000 | 471,000 |
| Other | 6,473 | 7,000 | 9,000 |
| Subtotal | <u>1,391,888</u> | <u>1,431,000</u> | <u>1,429,000</u> |
| SUPPLIES | | | |
| Office & Operating Supplies | 13,944 | 14,000 | 15,000 |
| Fuel | 6,197 | 7,500 | 7,500 |
| Repair & Maintenance Supplies | 53,070 | 58,000 | 60,000 |
| Other | 8,308 | 8,500 | 9,500 |
| Subtotal | <u>81,519</u> | <u>88,000</u> | <u>92,000</u> |
| INTRAGOVERNMENTAL CHARGES | | | |
| IGC's From Others | 283,351 | 288,000 | 260,000 |
| IGC's To Others | (2,499) | (75,000) | (30,000) |
| Subtotal | <u>280,852</u> | <u>213,000</u> | <u>230,000</u> |
| OTHER SERVICES | | | |
| Professional Services | 86,639 | 166,000 | 194,000 |
| Insurance | 34,514 | 36,000 | 40,000 |
| Repairs & Maintenance-Contracted | 88,012 | 107,000 | 113,000 |
| Advertising/Marketing | 52,507 | 81,000 | 67,000 |
| Contract Services | 195,138 | 191,000 | 185,000 |
| Rentals/Leases | 2,268 | 59,000 | 102,000 |
| Utilities | 309,911 | 320,000 | 325,000 |
| Other | 107,374 | 97,000 | 99,000 |
| Subtotal | <u>876,363</u> | <u>1,057,000</u> | <u>1,125,000</u> |
| OTHER EXPENSES | | | |
| Depreciation/Amortization | 2,037,974 | 2,349,000 | 2,474,000 |
| Interest on Long Term Debt | 1,573,880 | 1,488,000 | 1,396,000 |
| AAPA Convention | 355,740 | 1,000 | 0 |
| Subtotal | <u>3,967,594</u> | <u>3,838,000</u> | <u>3,870,000</u> |
| TOTAL EXPENSES | <u><u>6,598,216</u></u> | <u><u>6,627,000</u></u> | <u><u>6,746,000</u></u> |

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Port of Anchorage

1994 - 1999

**Capital Improvement
Budget/Program**

PORT OF ANCHORAGE
1994-1999 CAPITAL IMPROVEMENT BUDGETS FINANCIAL SUMMARY (000)

| <u>PROJECT CATEGORY</u> | <u>1994</u> | <u>1995</u> | <u>1996</u> | <u>1997</u> | <u>1998</u> | <u>1999</u> | <u>TOTAL</u> |
|-------------------------|----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|
| LAND DEVELOPMENT | 6,850 | 500 | 4,000 | 4,000 | 3,500 | | 18,850 |
| TERMINAL DEVELOPMENT | 2,250 | 200 | 1,000 | 2,000 | 3,000 | 3,000 | 11,450 |
| HARBOR DEVELOPMENT | 50 | 50 | | | | | 100 |
| REPAIRS & RENOVATIONS | 7,273 | 1,062 | | | | | 8,335 |
| EQUIPMENT | 185 | 152 | 132 | 160 | 20 | | 649 |
| TOTAL | <u>16,608</u> | <u>1,964</u> | <u>5,132</u> | <u>6,160</u> | <u>6,520</u> | <u>3,000</u> | <u>39,384</u> |

| <u>SOURCE OF FUNDING</u> | <u>1994</u> | <u>1995</u> | <u>1996</u> | <u>1997</u> | <u>1998</u> | <u>1999</u> | <u>TOTAL</u> |
|--------------------------|----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|
| G.O. BONDS | | | 2,000 | 1,000 | | | 3,000 |
| REVENUE BONDS | | | | | | | 0 |
| EQUITY/OPERATIONS | 3,212 | 1,764 | 2,232 | 3,360 | 3,820 | 300 | 14,688 |
| STATE GRANT | 13,146 | | | | | | 13,146 |
| FEDERAL GRANT | 250 | 200 | 900 | 1,800 | 2,700 | 2,700 | 8,550 |
| LOAN | | | | | | | 0 |
| DIRECT APPROPRIATION | | | | | | | 0 |
| TOTAL | <u>16,608</u> | <u>1,964</u> | <u>5,132</u> | <u>6,160</u> | <u>6,520</u> | <u>3,000</u> | <u>39,384</u> |