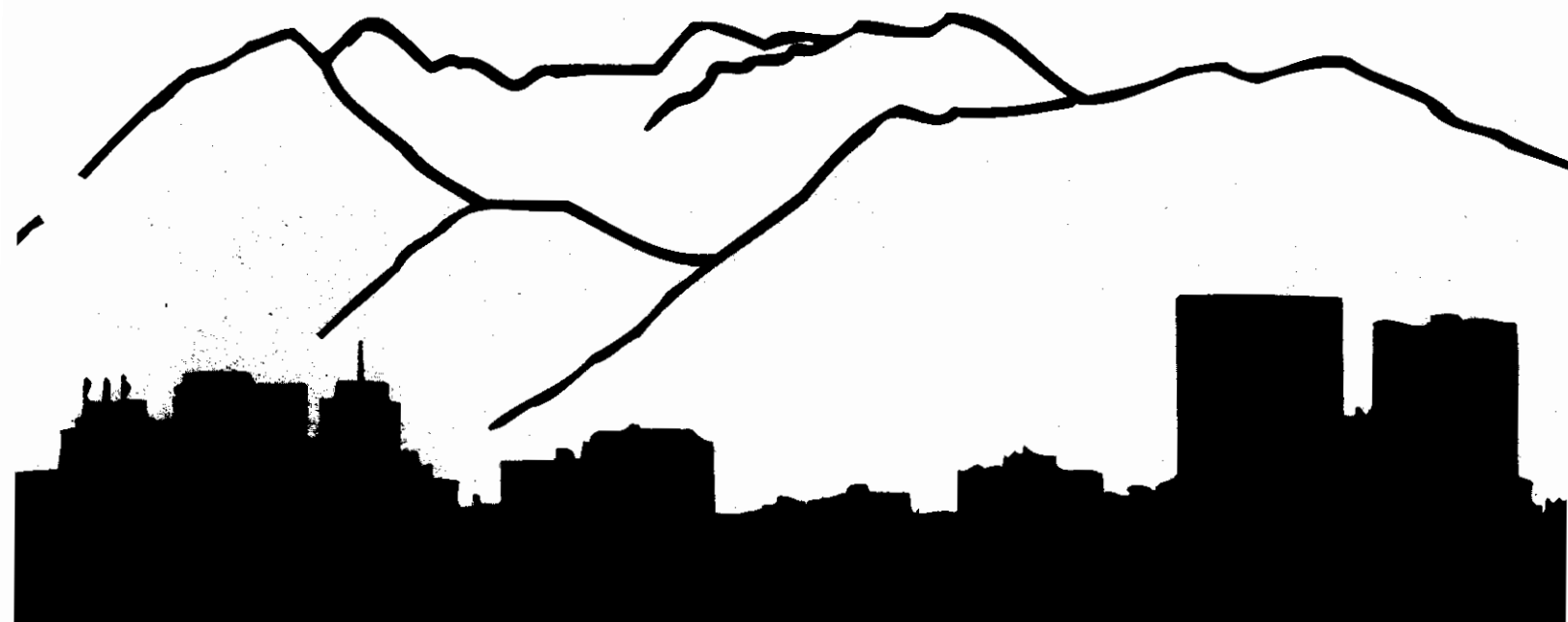


*Dan's
copy*

Municipality of Anchorage



Rick Mystrom
Mayor



1998 Proposed Public Utilities Operating and Capital Budgets

Municipality of Anchorage



P.O. Box 196650
Anchorage, Alaska 99519-6650
Telephone: (907) 343-4431
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Rick Mystrom, Mayor

OFFICE OF THE MAYOR

September 30, 1997

Dear Residents of Anchorage:

Enclosed herein is my Proposed 1998 Public Utilities' Operating Budget and 1998-2003 Capital Improvement Budget/Program (CIB/CIP), which includes seven municipally-owned utilities, not including the Anchorage Telephone Utility (ATU).

I am pleased to inform you that no rate increases are proposed for 1998. Furthermore, the seven utilities continue to exhibit solid financial performance and the 1998 budget document reflects a continued positive direction.

Each utility's budget was prepared following consistent planning assumptions and guidelines. The administration reviewed each of the Utilities Operating and Capital budgets concentrating on key areas such as revenues, expenses, net income, workforce projections, and rate increase projections.

The primary goal of our utilities is to provide quality service at reasonable rates. By offering competitive rates while maintaining and upgrading infrastructure, our utilities can encourage further economic development in Anchorage.

Our utilities will continue to meet debt service requirements, prudently increase equity, adequately maintain cash reserves and generate sufficient revenues to maintain their plant in good working condition.

Sincerely,

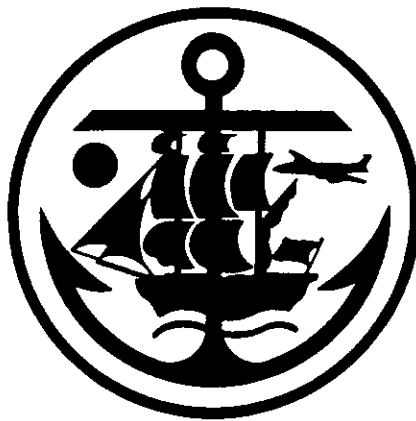
Rick Mystrom

"City of Lights and Flowers"

PUBLIC UTILITIES

1998 PROPOSED OPERATING AND CAPITAL IMPROVEMENT BUDGETS

1998-2003 PROPOSED CAPITAL IMPROVEMENT PROGRAM



**Municipality of Anchorage
Rick Mystrom, Mayor**

PUBLIC UTILITIES

1998 PROPOSED OPERATING AND CAPITAL IMPROVEMENT BUDGETS

1998 - 2003 PROPOSED CAPITAL IMPROVEMENT PROGRAM

Rick Mystrom, Mayor

ASSEMBLY

Pat Abney
Mark Begich, Chair
Bob Bell
Ted Carlson

Cheryl Clementson
Dan Kendall
Kevin Meyer
Joe Murdy

Fay Von Gemmingen
Charles Wohlforth
George Wuerch

ADMINISTRATION

Larry D. Crawford..... Municipal Manager
Mary K. HughesMunicipal Attorney
Thomas C. TierneyEmployee Relations Director
George J. Vakalis Operations Manager

**PUBLIC UTILITIES
PROPOSED
1998 OPERATING AND CAPITAL BUDGETS**

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