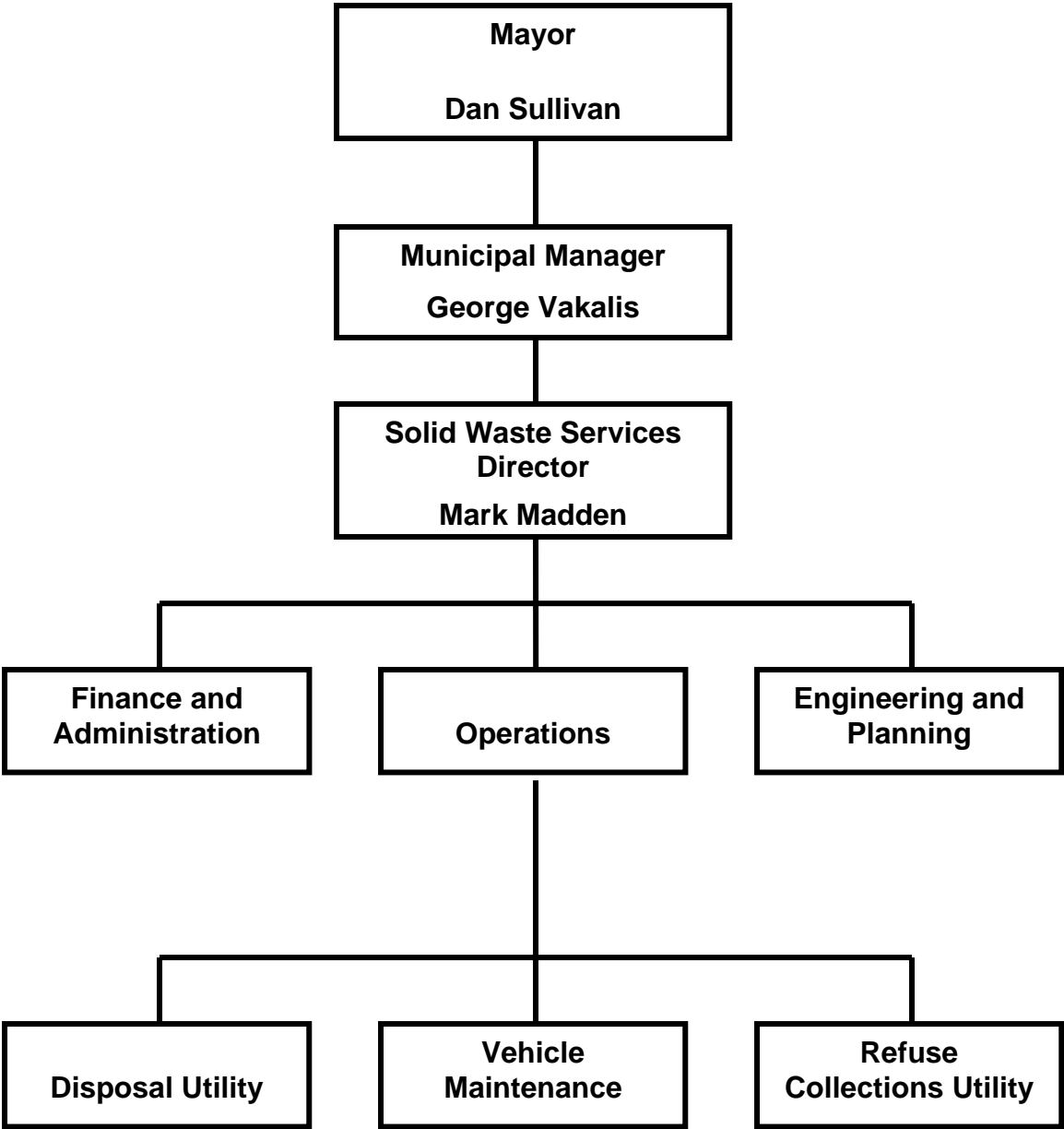


SOLID WASTE SERVICES
ORGANIZATION CHART
2012



SOLID WASTE SERVICES STRATEGIC BUSINESS PLAN 2012

VISION

Manage waste resources effectively for the future.

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.

GOALS

1. Provide exceptional customer service for an equitable cost to the customer.
2. Ensure facilities are safe for the customers and for Solid Waste Services (SWS) employees.
3. Provide proper disposal of hazardous waste for commercial and residential generators.
4. Promote community involvement through education and be responsive to the needs and concerns of municipal citizens.
5. Use technology to optimize operations.
6. Plan and prepare for current and future waste collection and disposal needs.
7. Create incentives and programs to promote source reduction first, then recycling, then treatment, and finally disposal as the preferred means to handle waste.

Values

Safe
Reliable
Responsive
Sustainable
Clean
Convenient
Equitable
Environmentally Responsible

BUSINESS/OPERATIONS

Goal: Promote utility sustainability through operations.

Definition: Utilize technology, training, business practices, and advertising techniques to promote growth of the utility services while at the same time maintaining reasonable rates for customers.

1. Improve equipment and purchasing practices to meet the needs of SWS.
2. Develop an IT plan that outlines investments that would improve operations.
3. Take the lead on interdepartmental and local solid waste issues related to the waste management system for the MOA.
4. Review ordinances and codes related to SWS.
5. Work with the Military to expand the Anchorage Regional Landfill (ARL) site and address other important issues.

HEALTH, ENVIRONMENT AND SAFETY

Goal: Use resources effectively to create a safe and environmentally sustainable waste system for MOA, SWS customers and employees.

Definition: Safe operations that protects the current users, and creates a waste system that minimizes the harmful affects of waste on the environment and health of residents into the future.

1. Promote continuous improvement to safety record by aggressive training and awareness
2. Use technology to improve safety of current operations.
3. Increase safety at the ARL.
4. Support the cleanliness of the MOA.
5. Continue to comply with Federal and State regulations.

CUSTOMER PERSPECTIVE

Goal: Provide courteous, responsive, fair, and convenient services that encourage the public to responsibly recycle and dispose of their waste.

Definition: Set hours of operation, rates, fees, policies and increase educational efforts that encourage people to recycle and dispose of waste that benefits our entire waste system.

1. Evaluate rates, fines, and fees to ensure adequate capital is available for needed improvements.
2. Improve the traffic flow for all customers at the Central Transfer Station and Anchorage Regional Landfill.
3. Improve customer relations
4. Increase public education on source reduction, recycling, diversion, and disposal operations and programs.

FINANCIAL PERSPECTIVE

Goal: Long term financial stability for the utilities.

Definition: Provide resources to sustain operations and support new initiatives that accomplish the mission and goals of SWS.

1. Define financial policies.
2. Plan for future operating and capital needs.
3. Review rates and fees.
4. Identify opportunities to generate new revenue sources.

SOLID WASTE SERVICES WORK FORCE PROJECTIONS

| Budget Unit | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|-----------------------------|------|------|------|------|------|------|------|
| Refuse Collection | | | | | | | |
| Full time | 23 | 23 | 23 | 23 | 23 | 23 | 23 |
| Part time | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Budgeted Positions Subtotal | 24 | 24 | 24 | 24 | 24 | 24 | 24 |
| Disposal | | | | | | | |
| Full time | 48 | 48 | 48 | 48 | 48 | 48 | 48 |
| Part time | 7 | 7 | 7 | 7 | 7 | 7 | 7 |
| Seasonal | 6 | 6 | 6 | 6 | 6 | 6 | 6 |
| Budgeted Positions Subtotal | 61 | 61 | 61 | 61 | 61 | 61 | 61 |
| Administration | | | | | | | |
| Full time | 21 | 21 | 22 | 22 | 22 | 22 | 22 |
| Part time | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Budgeted Positions Subtotal | 22 | 22 | 22 | 22 | 22 | 22 | 22 |
| Vehicle Maintenance | | | | | | | |
| Full time | 9 | 9 | 9 | 9 | 9 | 9 | 9 |
| TOTAL SOLID WASTE SERVICES | | | | | | | |
| Full time | 101 | 101 | 101 | 101 | 101 | 101 | 101 |
| Part time | 8 | 8 | 8 | 8 | 8 | 8 | 8 |
| Seasonal | 7 | 7 | 7 | 7 | 7 | 7 | 7 |
| TOTAL | 116 | 116 | 116 | 116 | 116 | 116 | 116 |
| EXECUTIVE | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| NON-REPRESENTED | 10 | 10 | 10 | 10 | 10 | 10 | 10 |
| AMEA | 24 | 24 | 24 | 24 | 24 | 24 | 24 |
| OPERATING ENGINEERS | 49 | 49 | 49 | 49 | 49 | 49 | 49 |
| IBEW MECHANICS | 6 | 6 | 6 | 6 | 6 | 6 | 6 |
| TEAMSTERS | 23 | 23 | 23 | 23 | 23 | 23 | 23 |
| TOTAL | 116 | 116 | 116 | 116 | 116 | 116 | 116 |

REFUSE COLLECTIONS

11-YEAR SUMMARY OPERATING BUDGET

| Financial Overview | Actual 2006 2006 | ACTUAL | | | | BUDGET 2011 | | PROFORMA 2011 | BUDGET 2012 | FORECAST | | | | |
|-------------------------------------|---------------------|----------|------------|-----------|----------|----------------|----------|------------------|----------------|----------|----------|----------|----------|--|
| | | 2007 | 2008 | 2009 | 2010 | 2013 | 2014 | | | 2015 | 2016 | 2017 | | |
| Revenues | 7,069 | 7,600 | 8,290 | 8,860 | 8,832 | 8,875 | 8,826 | 8,894 | 8,980 | 8,980 | 8,980 | 8,980 | 8,980 | |
| Expenses | 6,632 | 6,962 | 7,759 | 8,021 | 8,599 | 8,754 | 8,599 | 8,849 | 9,168 | 9,537 | 10,051 | 10,419 | 10,655 | |
| Net Income (Regulatory) | 437 | 638 | 531 | 839 | 233 | 121 | 233 | 45 | (188) | (557) | (1,071) | (1,439) | (1,675) | |
| Workforce Authorized per Budget FT* | 19 (104) | 19 (104) | 19 (111) | 23 (117) | 22 (117) | 22 (117) | 23 (116) | 23 (116) | 23 (116) | 23 (116) | 23 (116) | 23 (116) | 23 (116) | |
| Capital Improvement Program | 603 | 24 | 1,461 | 1,484 | 858 | 1,318 | 1,142 | 1,206 | 1,403 | 1,112 | 1,790 | 1,918 | 1,785 | |
| Bond Sales | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Net Plant (12/31) | 2,464 | 2,100 | 3,112 | 4,026 | 4,146 | 4,713 | 4,948 | 4,627 | 4,918 | 5,287 | 5,129 | 5,489 | 5,787 | |
| Utility Revenue Distribution | 323 | 351 | 376 | 201 | 159 | - | - | - | - | - | - | - | - | |
| Net Assets (12/31) | 7,219 | 7,857 | 8,388 | 9,227 | 9,805 | 9,930 | 10,038 | 10,080 | 9,890 | 9,330 | 8,260 | 6,820 | 5,150 | |
| General/Construction Cash Pool | 4,898 | 5,980 | 4,881 | 4,796 | 5,272 | 3,938 | 5,270 | 5,023 | 4,502 | 4,103 | 2,673 | 935 | (853) | |
| Total Cash (12/31) | 4,898 | 5,980 | 4,881 | 4,796 | 5,272 | 3,938 | 5,270 | 5,023 | 4,502 | 4,103 | 2,673 | 935 | (853) | |
| IGC's - General Government | 1,026 | 1,132 | 1,264 | 1,353 | 1,121 | 928 | 860 | 907 | 934 | 962 | 991 | 1,021 | 1,051 | |
| MUSA - 1.25% | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| MUSA - Regular | 36 | 36 | 31 | 45 | 61 | 71 | 64 | 69 | 74 | 79 | 77 | 82 | 87 | |
| Total Outstanding Debt | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Total Annual Debt Service | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Debt Service Coverage | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | |
| Debt/Equity Ratio | 0/100 | 0/100 | 0/100 | 0/100 | 0/100 | 0/100 | 0/100 | 0/100 | 0/100 | 0/100 | 0/100 | 0/100 | 0/100 | |
| Rate Change Percentage | | | 32.97% Com | 11.6% Res | | | | | | | | | | |
| Residential Rate per month** | \$16.35 | \$16.35 | \$16.35 | \$18.25 | \$18.25 | \$85.70 | \$85.70 | \$85.70 | \$85.70 | \$85.70 | \$85.70 | \$86.70 | \$87.70 | |
| Commercial Rate (3Yd-1 per wk) | \$64.45 | \$64.45 | \$85.70 | \$85.70 | \$85.70 | \$85.70 | \$85.70 | \$85.70 | \$85.70 | \$85.70 | \$85.70 | \$85.70 | \$87.70 | |
| Statistical/Performance Trends | | | | | | | | | | | | | | |
| Waste Collected (Tons) | 41,205 | 41,487 | 39,927 | 39,509 | 38,923 | 39,500 | 39,000 | 39,000 | 39,000 | 39,000 | 39,000 | 39,000 | 39,000 | |
| Average Residential Services | 11,751 | 11,753 | 12,120 | 12,120 | 12,120 | 12,120 | 12,120 | 12,120 | 12,120 | 12,120 | 12,120 | 12,120 | 12,120 | |
| Average Dumpsters Services | 4,455 | 4,178 | 4,423 | 4,423 | 4,226 | 4,423 | 4,423 | 4,423 | 4,423 | 4,423 | 4,423 | 4,423 | 4,423 | |

* Total number of Utility FT and (all SWS Employees). SWS total includes SWS Admin (22), Disposal (61) and Vehicle Maintenance (9)

**Phasing in automated collection: changing from flat rates to variable pay-as-you-throw rates eliminates the \$18.25 flat fee and allows choices for rates ranging from \$14.10 - \$36.50 per month, depending upon roll cart size selection. Final phase roll out in 2012.

REFUSE COLLECTIONS

STATEMENT OF REVENUES AND EXPENSES

| | Actual 2010 | Proforma 2011 | Budget 2012 |
|------------------------------------|------------------|------------------|------------------|
| OPERATING REVENUE | | | |
| Commercial Collections | 5,040,100 | 5,009,398 | 5,013,200 |
| Commercial Other Collection | 46,423 | 51,947 | 52,000 |
| Residential Collections | 3,112,746 | 3,219,266 | 3,288,109 |
| Residential Other Collection | 37,224 | 33,382 | 35,000 |
| Container Rental Fees | 464,029 | 462,639 | 463,000 |
| TOTAL OPERATING REVENUE | 8,700,523 | 8,776,632 | 8,851,309 |
| OPERATING EXPENSE | | | |
| Labor | 1,979,996 | 2,347,265 | 2,471,427 |
| Supplies | 49,049 | 44,671 | 53,150 |
| Contracted Services | 208,199 | 448,400 | 216,375 |
| Utilities | 103,148 | 100,000 | 105,000 |
| Other Expenses (1) | 183,896 | 99,930 | 127,150 |
| Depreciation | 719,319 | 906,806 | 914,305 |
| Transfers To Other Funds | 169,805 | 4,000 | 0 |
| MUSA | 61,102 | 64,147 | 69,402 |
| SWS Disposal Fees | 2,346,247 | 2,455,200 | 2,533,377 |
| Inter Governmental Charges | 2,531,330 | 2,128,298 | 2,358,906 |
| TOTAL OPERATING EXPENSE | 8,352,091 | 8,598,717 | 8,849,093 |
| OPERATING INCOME / (LOSS) | 348,432 | 177,915 | 2,216 |
| NON-OPERATING REVENUE | | | |
| Sale of Assets | 1,660 | 500 | 500 |
| Interest Income | 131,121 | 5,000 | 5,000 |
| Other Revenue | 97,333 | 44,215 | 37,600 |
| TOTAL NON-OPERATING REVENUE | 230,114 | 49,715 | 43,100 |
| NON-OPERATING EXPENSE | | | |
| Interest on Long-term Debt | - | - | - |
| TOTAL NON-OPERATING EXPENSE | - | - | - |
| NET INCOME (LOSS) | 578,546 | 227,630 | 45,316 |

1) Other Expenses include a \$25,000 donation to AEDC.

REFUSE COLLECTIONS

STATEMENT OF CASH SOURCES AND USES

| | Actual 2010 | Proforma 2011 | Budget 2012 |
|---|------------------|------------------|--------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Receipts from Customers | 8,744,241 | 8,776,632 | 8,851,309 |
| Payments to Employees | (1,956,985) | (2,347,265) | (2,471,427) |
| Payments to Vendors | (5,426,232) | (5,280,499) | (5,393,958) |
| NET CASH FROM OPERATING ACTIVITIES | 1,361,024 | 1,148,868 | 985,924 |
| CASH FLOWS FROM NON-CAPITAL AND RELATED FINANCING ACTIVITIES | | | |
| Intergovernmental Revenue | - | - | - |
| Transfers to Other Funds | (230,907) | (68,147) | (69,402) |
| Transfers from Other Funds | - | - | - |
| NET CASH FLOWS FROM NON-CAPITAL AND RELATED FINANCING ACTIVITIES | (230,907) | (68,147) | (69,402) |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | |
| Acquisition and Construction of Capital Assets | (841,485) | (988,000) | (1,205,900) |
| Proceeds from Disposition of Capital Assets | 1,660 | 500 | 500 |
| Principal Payments on Long-Term Obligations | - | - | - |
| Interest Payments on Long-Term Obligations | - | - | - |
| NET CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | (839,825) | (987,500) | (1,205,400) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Investment Income | 185,406 | 49,215 | 42,600 |
| Net Cash Provided by Investing Activities | 185,406 | 49,215 | 42,600 |
| Net Increase (Decrease) in Cash | 475,698 | 142,436 | (246,278) |
| Cash, Beginning of Year | 4,796,018 | 5,271,716 | 5,414,152 |
| Cash, End of Year | 5,271,716 | 5,414,152 | 5,167,874 |
| COMPONENTS OF CASH | | | |
| Cash and Cash Equivalents | 3,323,683 | 5,414,152 | 5,167,874 |
| Capital Acquisition and Construction Accounts | 1,948,033 | - | - |
| Cash and Cash Equivalents, End of Year | 5,271,716 | 5,414,152 | 5,167,874 |
| RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES | | | |
| Operating Income | 621,189 | 242,062 | 71,619 |
| Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities: | | | |
| Depreciation | 719,319 | 906,806 | 914,305 |
| Special Item-NPO/OPEB Write-off | - | - | - |
| Changes in Assets and Liabilities Which Increase (Decrease) Cash: | | | |
| Accounts Receivable | 4,355 | - | - |
| Prepaid Items and Deposits | 286 | - | - |
| Accounts Payable | (4,649) | - | - |
| Deferred Revenue | (2,487) | - | - |
| Compensated Absences Payable | 12,779 | - | - |
| Accrued Payroll Liabilities Payable | 10,232 | - | - |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | 1,361,024 | 1,148,868 | 985,924 |

REFUSE COLLECTIONS

2012 OPERATING BUDGET DETAIL

| | Actual 2010 | Proforma 2011 | Budget 2012 |
|-----------------------------------|------------------|------------------|------------------|
| LABOR | | | |
| Wages | 1,072,608 | 1,221,336 | 1,286,432 |
| Overtime | 101,059 | 108,042 | 111,759 |
| Benefits | 135,129 | 854,067 | 896,003 |
| Other | 671,200 | 163,821 | 177,232 |
| SUBTOTAL | 1,979,996 | 2,347,265 | 2,471,427 |
| SUPPLIES | | | |
| Office supplies | 1,860 | 1,500 | 2,000 |
| Operating Supplies | 44,991 | 39,336 | 44,000 |
| Repair and Maintenance Supplies | 2,198 | 3,835 | 7,150 |
| SUBTOTAL | 49,049 | 44,671 | 53,150 |
| OTHER EXPENSES | | | |
| Professional Services | 6,210 | 31,600 | 10,000 |
| Contractual Services | 201,989 | 416,800 | 206,375 |
| Utilities | 103,148 | 100,000 | 105,000 |
| Other Expenses 1) | 183,896 | 99,930 | 127,150 |
| Depreciation | 719,319 | 906,806 | 914,305 |
| Transfer to Other Funds | 169,805 | 4,000 | 0 |
| MUSA | 61,102 | 64,147 | 69,402 |
| SWS Disposal Charges | 2,346,247 | 2,455,200 | 2,533,377 |
| SUBTOTAL | 3,791,716 | 4,078,483 | 3,965,610 |
| INTERGOVERNMENTAL CHARGES | | | |
| Solid Waste Administration | 433,619 | 420,000 | 467,788 |
| Solid Waste Vehicle Maintenance | 960,598 | 837,000 | 971,217 |
| Solid Waste Disposal | 38,100 | 38,100 | 38,100 |
| General Government IGCs | 1,121,302 | 860,198 | 906,800 |
| Charges to Others | (22,288) | (27,000) | (25,000) |
| SUBTOTAL | 2,531,330 | 2,128,298 | 2,358,906 |
| INTEREST ON LONG TERM DEBT | - | - | - |
| TOTAL EXPENSES | 8,352,091 | 8,598,717 | 8,849,093 |

1) Other Expenses include \$25,000 donation to AEDC.

REFUSE COLLECTIONS
2012 - 2017 CAPITAL IMPROVEMENT PROGRAM

| PROJECT CATEGORY | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | Total |
|-----------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Vehicle Replacement | 683,400 | 892,500 | 601,800 | 1,280,100 | 1,407,600 | 1,275,000 | 6,140,400 |
| Containers | 450,000 | 450,000 | 450,000 | 450,000 | 450,000 | 450,000 | 2,700,000 |
| Equipment | 25,000 | 25,000 | 25,000 | 25,000 | 25,000 | 25,000 | 150,000 |
| Office Equipment | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 30,000 |
| Data Processing | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 | 180,000 |
| Building Improvements | 12,500 | - | - | - | - | - | 12,500 |
| TOTAL | 1,205,900 | 1,402,500 | 1,111,800 | 1,790,100 | 1,917,600 | 1,785,000 | 9,212,900 |

| FUNDING SOURCE | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | Total |
|-------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Equity/Operations | 1,205,900 | 1,402,500 | 1,111,800 | 1,790,100 | 1,917,600 | 1,785,000 | 9,212,900 |
| Total | 1,205,900 | 1,402,500 | 1,111,800 | 1,790,100 | 1,917,600 | 1,785,000 | 9,212,900 |

DISPOSAL UTILITY

11-YEAR SUMMARY OPERATING BUDGET

| | ACTUAL | | | | PROFORMA 2011 | BUDGET 2012 | FORECAST | | | | |
|--------------------------------------|----------|-----------|-----------|-----------|------------------|----------------|-----------|-----------|-----------|-----------|-----------|
| | 2007 | 2008 | 2009 | 2010 | | | 2013 | 2014 | 2015 | 2016 | 2017 |
| Financial Overview | | | | | | | | | | | |
| Revenues | 16,635 | 18,819 | 20,097 | 19,823 | 18,503 | 20,177 | 21,640 | 21,911 | 23,453 | 23,597 | 23,798 |
| Expenses | 19,063 | 17,447 | 21,246 | 16,902 | 18,785 | 20,203 | 21,179 | 21,701 | 22,339 | 22,901 | 23,685 |
| Net Income / (Loss) | (2,428) | 1,372 | (1,149) | 2,921 | (282) | (26) | 461 | 210 | 1,114 | 696 | 113 |
| Workforce Authorized per Budget FT* | 42 (104) | 46 (111) | 48(117) | 48(117) | 48(116) | 48(116) | 48(116) | 48(116) | 48(116) | 48(116) | 48(116) |
| Capital Improvement Program | 12,594 | 6,443 | 2,435 | 9,054 | 6,815 | 11,916 | 7,899 | 6,838 | 53,401 | 5,952 | 8,244 |
| Bond Sales/ New Debt | 1,561 | - | - | - | 3,963 | 5,000 | - | 4,165 | 4,185 | - | - |
| Net Plant (12/31) | 51,187 | 54,503 | 53,258 | 58,670 | 53,258 | 61,957 | 70,043 | 73,900 | 76,141 | 76,706 | 72,134 |
| Utility Revenue Distribution | 796 | 826 | 909 | - | - | - | - | - | - | - | - |
| Net Assets (12/31) | 39,357 | 40,729 | 39,580 | 42,501 | 42,219 | 42,193 | 42,680 | 42,403 | 43,794 | 43,099 | 43,907 |
| General/Construction Cash Pool | 1,331 | 2,256 | 476 | (1,071) | (1,874) | (6,705) | (12,069) | (11,903) | (9,137) | (11,672) | (16,486) |
| Future Landfill Closure Liability | 16,596 | 18,092 | 19,218 | 20,460 | 21,918 | 23,376 | 24,878 | 26,425 | 28,018 | 29,659 | 31,349 |
| Landfill Closure Cash Reserve** | | 1,383 | 2,920 | 4,597 | 6,055 | 7,513 | 9,015 | 10,562 | 12,155 | 13,796 | 15,486 |
| Bond Redemption Cash | 402 | 412 | - | - | - | - | - | - | - | - | - |
| Total Cash (12/31) | 18,329 | 18,553 | 16,685 | 14,792 | 13,989 | 9,158 | 3,794 | 3,960 | 6,726 | 4,191 | (623) |
| IGCs - General Government | 1,490 | 1,578 | 1,208 | 1,127 | 869 | 1,134 | 1,168 | 1,203 | 1,239 | 1,276 | 1,314 |
| MUSA - 1.25% | 188 | 188 | 216 | 220 | 218 | 233 | 260 | 263 | 282 | 284 | 286 |
| MUSA - Regular | 484 | 616 | 619 | 677 | 742 | 885 | 932 | 958 | 964 | 907 | 943 |
| Total Outstanding Debt | 21,165 | 19,378 | 17,571 | 16,119 | 18,914 | 21,844 | 19,875 | 17,907 | 20,104 | 22,113 | 20,186 |
| Total Annual Debt Service | 1,778 | 2,049 | 2,102 | 1,602 | 1,861 | 1,958 | 2,542 | 2,501 | 2,459 | 2,689 | 2,358 |
| Debt Coverage | 0.69 | 3.52 | 2.46 | 5.26 | 3.39 | 3.42 | 3.05 | 3.23 | 3.75 | 3.34 | 3.69 |
| Debt/Equity Ratio | 34/66 | 48/52 | 44/56 | 38/62 | 42/58 | 52/48 | 46/54 | 41/59 | 45/55 | 49/51 | 45/55 |
| Rate Percentage Change (CTS / ARL) | | 18% / 40% | | | | 8% / 10% | | | | | |
| Tipping Fee Rate per Ton (ARL / CTS) | \$45 | \$53/\$63 | \$53/\$63 | \$53/\$63 | \$53/\$63 | \$58/\$68 | \$58/\$68 | \$58/\$68 | \$58/\$68 | \$58/\$68 | \$58/\$68 |
| Pickup Rate per Load | \$10 | \$15 | \$16 | \$16 | \$16 | \$16 | \$16 | \$16 | \$16 | \$16 | \$16 |
| Car Rate per Load | \$5 | \$5 | \$6 | \$6 | \$6 | \$6 | \$6 | \$6 | \$6 | \$6 | \$6 |
| Statistical/Performance Trends | | | | | | | | | | | |
| Tons Disposed | 359,165 | 338,499 | 320,983 | 317,981 | 317,981 | 317,981 | 317,981 | 317,981 | 317,981 | 317,981 | 317,981 |
| Vehicle Count | 273,262 | 274,530 | 245,590 | 238,993 | 238,993 | 238,993 | 238,993 | 238,993 | 238,993 | 238,993 | 238,993 |

* Total FT Utility Workforce and (Total number of SWS Employees). SWS total includes SWS Admin (22), Refuse Collection (24) and Vehicle Maintenance (9).

**In 2008, a restricted account to fund landfill closure & post-closure was approved by the MOA Assembly. July 31, 2011 balance is \$4.6 million

Certain Actual financial figures above will not match the Comprehensive Annual Financial Report, as the CAFR combines Disposal with Administrative and Vehicle Maintenance figures.

DISPOSAL UTILITY

STATEMENT OF REVENUES AND EXPENSES

| | Actual 2010 | Proforma 2011 | Budget 2012 |
|------------------------------------|-------------------|-------------------|-------------------|
| OPERATING REVENUE | | | |
| Reimbursed Costs | 295,679 | 300,000 | 300,000 |
| Disposal Fees | 17,359,770 | 16,642,397 | 18,668,537 |
| Area wide Recycling Surcharges | 1,004,705 | 924,347 | 637,444 |
| Hazardous Waste Fees | 109,153 | 173,727 | 107,500 |
| Methane Gas Sales | - | - | - |
| Other | 96,853 | 93,663 | 96,050 |
| TOTAL OPERATING REVENUE | 18,866,160 | 18,134,134 | 19,809,531 |
| OPERATING EXPENSE | | | |
| Labor | 4,749,876 | 5,326,008 | 5,660,120 |
| Supplies | 124,430 | 122,000 | 130,000 |
| Contracted Services | 1,601,648 | 2,130,000 | 2,094,350 |
| Utilities | 554,128 | 650,000 | 700,000 |
| Other Expenses (1) | 263,702 | 824,950 | 836,908 |
| Depreciation | 3,488,989 | 3,953,041 | 3,829,521 |
| Transfer to Other Funds | 118,152 | 4,000 | - |
| MUSA | 896,468 | 960,047 | 1,118,367 |
| Landfill Closure Cost | 1,242,346 | 1,458,059 | 1,458,059 |
| Intergovernmental Charges | 3,613,086 | 3,128,775 | 4,063,416 |
| TOTAL OPERATING EXPENSE | 16,652,826 | 18,556,880 | 19,890,741 |
| OPERATING INCOME / (LOSS) | 2,213,335 | (422,746) | (81,210) |
| NON-OPERATING REVENUE | | | |
| Sale of Assets | (163,643) | 50,000 | 50,000 |
| Interest Income | 386,010 | 200,000 | 200,000 |
| Other Revenue | 734,837 | 118,759 | 117,290 |
| TOTAL NON-OPERATING REVENUE | 957,205 | 368,759 | 367,290 |
| NON-OPERATING EXPENSE | | | |
| Interest on Long-term Debt | 249,175 | 227,595 | 312,323 |
| TOTAL NON-OPERATING EXPENSE | 249,175 | 227,595 | 312,323 |
| NET INCOME / (LOSS) | 2,921,364 | (281,582) | (26,242) |

1) Includes community area-wide recycling expenses: public outreach, public space, school, drop-off and grant projects pursuant to AO 2008-62(s) funded by the \$3 recycling commercial or \$1 residential surcharges, which sunsets in August of 2012.

DISPOSAL UTILITY
STATEMENT OF CASH SOURCES AND USES

| | Actual 2010 | Proforma 2011 | Budget 2012 |
|--|--------------------|--------------------|---------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Receipts from Customers | 19,004,918 | 18,252,893 | 19,926,821 |
| Payments to Employees | (4,787,558) | (5,326,008) | (5,660,120) |
| Payments to Vendors | (6,288,386) | (6,859,725) | (7,824,674) |
| NET CASH FLOWS FROM OPERATING ACTIVITIES | 7,928,974 | 6,067,160 | 6,442,027 |
| CASH FLOWS FROM NON-CAPITAL AND RELATED FINANCING ACTIVITIES | | | |
| Intergovernmental Revenue | | | |
| Transfers to Other Funds | (1,014,620) | (964,047) | (1,118,367) |
| Transfers from Other Funds | 440,000 | - | - |
| NET CASH FLOWS USED BY NON-CAPITAL AND RELATED FIN | (574,620) | (964,047) | (1,118,367) |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | |
| Proceeds from Loans and Grants | - | 3,963,451 | 5,000,000 |
| Principal Payments on Long-Term Obligations | (1,451,545) | (1,619,596) | (1,718,267) |
| Interest Payments on Long-Term Obligations | (263,481) | (227,595) | (312,323) |
| Acquisition and Construction of Capital Assets | (6,706,261) | (6,814,532) | (11,916,020) |
| Landfill Post Closure Cash Reserve | (1,676,459) | (1,458,059) | (1,458,059) |
| Gain on Asset Impairment | - | - | - |
| Proceeds from Disposition of Capital Assets | 270,941 | 50,000 | 50,000 |
| NET CASH USED BY CAPITAL AND RELATED FINANCING ACT | (9,826,805) | (6,106,331) | (10,354,669) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Proceeds from Sale of Investments | - | - | - |
| INVESTMENT INCOME/(LOSS) | 579,652 | 200,000 | 200,000 |
| Net Cash Provided (Used) by Investing Activities | 579,652 | 200,000 | 200,000 |
| Net Increase in Cash | (1,892,799) | (803,218) | (4,831,009) |
| Cash, Beginning of Year | 16,684,697 | 14,791,898 | 13,988,680 |
| Cash, End of Year | 14,791,898 | 13,988,680 | 9,157,672 |
| COMPONENTS OF CASH | | | |
| Cash and Cash Equivalents | 8,189,862 | 13,988,180 | 9,157,172 |
| Capital Acquisition and Construction Accounts | 6,602,036 | 500 | 500 |
| CASH AND CASH EQUIVALENTS AND YEAR END | 14,791,898 | 13,988,680 | 9,157,672 |
| RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES | | | |
| Operating Income (Loss) | 3,335,952 | 660,061 | 1,154,447 |
| Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities: | | | |
| Depreciation | 3,488,989 | 3,953,041 | 3,829,521 |
| Special Item – NPO/OPEB Write-Off | - | - | - |
| Amortization of Landfill Closure Costs | 1,242,346 | 1,458,059 | 1,458,059 |
| Changes in Assets and Liabilities Which Increase (Decrease) Cash: | | | |
| Accounts Receivable | 30,761 | - | - |
| Prepaid Items and Deposits | 708 | - | - |
| Accounts Payable | (132,100) | - | - |
| Compensated Absences Payable | 30,829 | - | - |
| Accrued Payroll Liabilities Payable | (68,511) | - | - |
| Net Pension and Other Postemployment Benefits Obligation | - | - | - |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | 7,928,974 | 6,071,160 | 6,442,027 |
| NON-CASH INVESTING, CAPITAL AND FINANCING ACTIVITIES | | | |
| Capital Purchases on Account | 9,283 | - | - |
| Deferred Refunding Loss | - | - | - |

DISPOSAL UTILITY

2012 OPERATING BUDGET DETAIL

| | Actual 2010 | Proforma 2011 | Budget 2012 |
|-----------------------------------|-------------------|-------------------|-------------------|
| LABOR | | | |
| Wages | 2,620,685 | 2,948,326 | 2,986,899 |
| Overtime | 270,499 | 426,964 | 346,061 |
| Benefits | 1,478,664 | 1,537,142 | 1,906,524 |
| Other | 380,028 | 413,576 | 420,635 |
| SUBTOTAL | 4,749,876 | 5,326,008 | 5,660,120 |
| SUPPLIES | | | |
| Office Supplies | 1,079 | 500 | 1,500 |
| Operating Supplies | 104,999 | 100,000 | 106,000 |
| Petroleum, Oil & Lubricant | - | - | - |
| Repair and Maintenance Supplies | 18,351 | 21,500 | 22,500 |
| SUBTOTAL | 124,430 | 122,000 | 130,000 |
| OTHER EXPENSES | | | |
| Professional Services | 113,804 | 280,000 | 244,000 |
| Utilities | 554,128 | 650,000 | 700,000 |
| Contractual Services | 1,487,844 | 1,850,000 | 1,850,350 |
| Other (1) | 263,702 | 824,950 | 836,908 |
| Depreciation | 3,488,989 | 3,953,041 | 3,829,521 |
| Transfer to Other Funds | 118,152 | 4,000 | - |
| MUSA | 896,468 | 960,047 | 1,118,367 |
| Landfill Closure Costs | 1,242,346 | 1,458,059 | 1,458,059 |
| SUBTOTAL | 8,165,434 | 9,980,097 | 10,037,204 |
| INTEREST ON LONG TERM DEBT | 249,175 | 227,595 | 312,323 |
| INTERGOVERNMENTAL CHARGES | | | |
| Solid Waste Administration | 650,259 | 700,000 | 701,683 |
| Solid Waste Vehicle Maintenance | 1,887,783 | 1,602,600 | 2,266,174 |
| Solid Waste Refuse Collection | 22,288 | 27,000 | 25,000 |
| Other IGCs | 1,127,073 | 859,275 | 1,133,660 |
| Charges to Others | (74,318) | (60,100) | (63,100) |
| SUBTOTAL | 3,613,086 | 3,128,775 | 4,063,416 |
| TOTAL EXPENSES | 16,902,001 | 18,784,475 | 20,203,063 |

1) Includes community area-wide recycling expenses: public outreach, public space, school, drop-off and grant projects pursuant to AO 2008-62(s) funded by the \$3 recycling commercial or \$1 residential surcharges which sunsets in August of 2012.

DISPOSAL UTILITY
2012 - 2017 CAPITAL IMPROVEMENT PROGRAM

| PROJECT CATEGORY | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | Total |
|------------------------------|-------------------|------------------|------------------|------------------|------------------|------------------|-------------------|
| Equipment | 2,075,700 | 2,478,600 | 1,407,600 | 3,095,700 | 2,641,800 | 882,300 | 12,581,700 |
| ARL Landfill Cell Constructi | 7,823,930 | 4,165,467 | 4,185,059 | - | 2,484,781 | 6,536,546 | 25,195,783 |
| ARL & CTS Improvements | 1,991,390 | 1,229,533 | 1,219,941 | 2,220,000 | 800,219 | 800,454 | 8,261,537 |
| Office Equipment | 25,000 | 25,000 | 25,000 | 25,000 | 25,000 | 25,000 | 150,000 |
| Total | 11,916,020 | 7,898,600 | 6,837,600 | 5,340,700 | 5,951,800 | 8,244,300 | 46,189,020 |

| FUNDING SOURCE | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | Total |
|-------------------|-------------------|------------------|------------------|------------------|------------------|------------------|-------------------|
| Clean Water Loan | - | - | 4,165,467 | 4,185,059 | - | - | 8,350,526 |
| Commercial Loan | 5,000,000 | - | - | - | - | - | 5,000,000 |
| Equity/Operations | 6,916,020 | 7,898,600 | 2,672,133 | 1,155,641 | 5,951,800 | 8,244,300 | 32,838,494 |
| TOTAL | 11,916,020 | 7,898,600 | 6,837,600 | 5,340,700 | 5,951,800 | 8,244,300 | 46,189,020 |

Anchorage: Performance. Value. Results

Refuse Collections Utility Solid Waste Services

Anchorage: Performance. Value. Results.

Mission

Provide solid waste collection and disposal service to rate-paying customers within our defined service area.

Core Services

- Provide dumpster service to commercial and multifamily residential customers.
- Provide automated garbage and curbside recycle collection and disposal to residential customers.
- Provide manual garbage collection to residential customers not serviced by automated routes

Accomplishment Goals

- Reduce refuse disposal volumes by promoting waste reduction and increased curbside recycling diversion.
- Reduce injuries associated with residential refuse collection.

Performance Measures

Progress in achieving these goals will be measured by:

- Percent change in recyclable material diversion from the residential waste stream.
- Percent change in worker injuries

The following provides actual data from previous years which quantify these measures:

| |
|---|
| Measure: Improved safety for Refuse Collection Workers |
|---|

Workers Comp Losses 2008 - 2011**Municipal Refuse Collection Utility**

| Service Type | Injury Type | 2008 | | 2009 | | 2010 | | 2011 | |
|-----------------------|-------------|-----------|----------|-----------|-----------|-----------|-----------|-----------|----------|
| | | Incidents | Losses | Incidents | Losses | Incidents | Losses | Incidents | Losses |
| Manual Residential | TLI | 4 | \$29,800 | 2 | \$76,898 | 2 | \$52,820 | 1 | \$54,758 |
| | MO / RO | 5 | \$799 | 7 | \$4,565 | 5 | \$0 | 0 | \$0 |
| Automated Residential | TLI | 0 | \$0 | 1 | \$1,735 | 0 | \$0 | 0 | \$0 |
| | MO / RO | 0 | \$0 | 2 | \$0 | 3 | \$0 | 1 | \$0 |
| Commercial | TLI | 0 | \$0 | 2 | \$45,750 | 2 | \$104,878 | 0 | \$0 |
| | MO / RO | 0 | \$0 | 0 | \$0 | 2 | \$8,900 | 0 | \$0 |
| Vehicle Maintenance | TLI | 0 | \$0 | 0 | \$0 | 1 | \$83,339 | 0 | \$0 |
| | MO / RO | 0 | \$0 | 2 | \$717 | 1 | \$0 | 0 | \$0 |
| Other | TLI | 0 | \$0 | 1 | \$85,571 | 0 | \$0 | 0 | \$0 |
| | MO / RO | 0 | \$0 | 1 | \$0 | 0 | \$0 | 3 | \$2,618 |
| Total | TLI | 4 | \$29,800 | 6 | \$209,954 | 5 | \$241,037 | 1 | \$54,758 |
| | MO / RO | 5 | \$799 | 12 | \$5,282 | 11 | \$8,900 | 4 | \$2,618 |

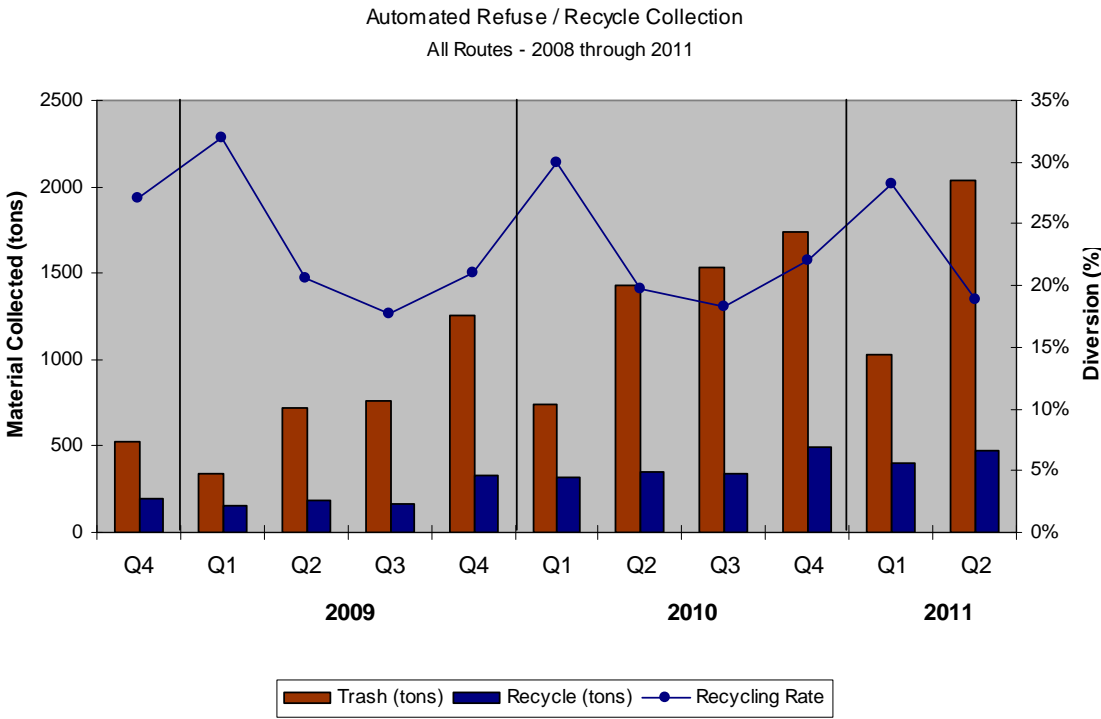
TLI = Time lost incident

MO = Incident required medical attention but no lost time

RO = Incident required no medical attention or lost time

Measure: Increase curbside recycle diversion

Waste and Recycle Tonnage



Disposal Utility Solid Waste Services

Anchorage: Performance. Value. Results.

Mission

Dispose of municipal solid waste generated within the Municipality in compliance with state and federal regulations.

Core Services

- Operate the Anchorage Regional Landfill (ARL)
- Operate the solid waste transfer stations and transfer fleet
- Operate the Household Hazardous Waste Program
- Promote community recycling efforts

Accomplishment Goals

Optimize solid waste transfer truck utilization

Performance Measures

Progress in achieving goals shall be measured by:

Measure: Average transfer payload rate

The following provides actual data from previous years which quantify these measures:

