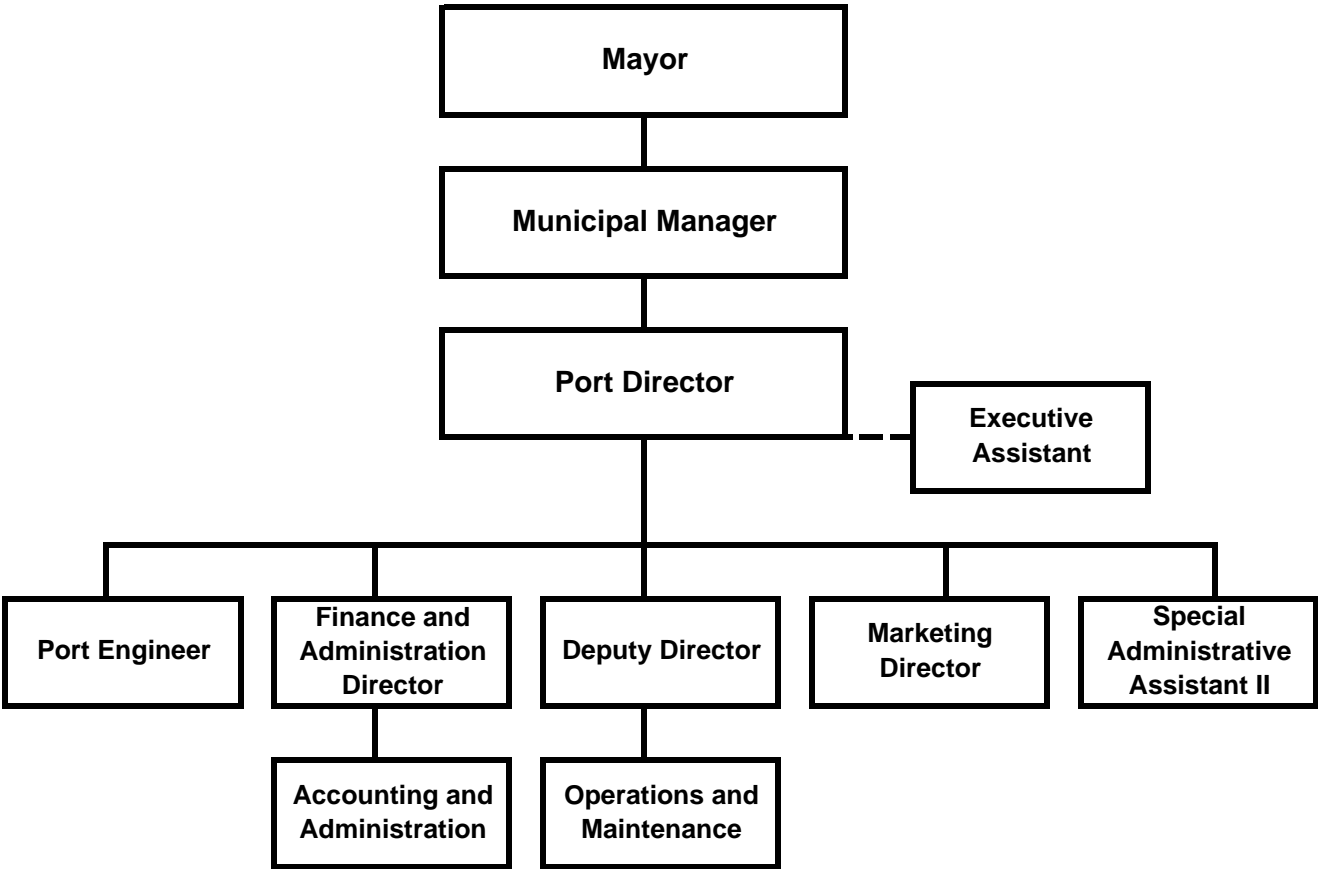


Port of Anchorage



Port of Anchorage Organizational Overview

The Port of Anchorage is organized into the following functional areas: Administration, Finance, Port Operations and Maintenance, Engineering, Marketing & Public Affairs. The head of each functional area reports directly to the Port Director. The Special Assistant for Grants and Special Projects (currently vacant) also reports to the Port Director.

Administration and Finance

Under the direction of the Finance and Administration Director, this responsibility entails day-to-day business functions and support to the Port Director and other Port staff. Functions carried out by the Administrative and Finance section include: telephone switchboard/receptionist duties, accounts payable & receivable, financial management and analysis of reports and budgets to Port staff, Commission, the Administration, Assembly, State Legislature and financial agencies. The finance section also is responsible for real estate management, grant management, financial forecasting and modeling, yearly operating and Capital Improvement Plan budget submissions and ensuring compliance, as well as other situational fiscal analysis as required.

Port Operations and Maintenance

Under the direction of the Deputy Port Director, Operations and Maintenance functions include management of vessel scheduling, movements and dockside activities, general upkeep and operation of the facilities, infrastructure, equipment and security. This includes the upkeep and day-to-day management of all municipally-owned infrastructure, roads, and docks. Maintenance is also responsible for the dredging and upkeep of the Ship Creek Boat Launch. Further, the Port's Operations Manager also serves in the role of Facility Security Officer, in which he oversees the contract for port security forces.

Engineering

Under the direction of the Port Engineer, Engineering is responsible for the capital improvement program, to include managing the Port's engineering services contract, and for execution of all FEMA port security grant program funds. Recently, the Port Engineer has been given responsibility to serve as the Port's technical representative for all matters related to the ongoing Intermodal expansion project.

Marketing & Public Affairs

The Marketing & Public Affairs Director is responsible for all media advertising, coordinating public outreach and media/press relations and any major events involving public participation. Functions include management of website and social media presence, coordinating all public speaking engagements, coordinating all port tours for both businesses and the public, and interfacing with the public and all media for information inquiries and public comments.

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 Port expertise on and management to the Port Intermodal Expansion Project (PIEP) as member of the PIEP Executive Committee.
- Plan for future facility and service needs of business and public entity customers.
- Expand the footprint to accommodate anticipated lay down backland area.
- Conduct periodic facility condition surveys to anticipate corrosion and other aging challenges and ensure operational safety.
- Maintain affordable and competitive tariff rates.
- Provide a safe work environment for both employees and tenants.
- Maintain financially sound operating ratios.
- Accurate and timely billing of tenants and customers.

Strategies to Achieve Goals

The Port's strategic plan provides a framework to achieve results for the customer.

1. Identify business facilities requirements.
2. Address pile corrosion.
3. Expand Port land area for growth.
4. Achieve highest possible net income.
5. Continually strive to maintain low employee incident rate.

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. A Business Plan detailing existing and prospective customer needs will be completed as part of the Master Plan. The Master Plan will develop a Facilities Development Plan including cost estimates and phasing
2. The Port plans to complete priority wharf pile structural repairs at double the rate of investment in the past years
3. The Port will pursue a lease of at least 100 acres of adjacent JBERR property on a mutual benefit basis to be secured in early 2014. Environmental Study and beginning lease negotiation will be completed in 2013.
4. Monthly and annual financial statement reporting
5. Employee incident reporting

Port of Anchorage

Anchorage: Performance. Value. Results.

Mission

Maintain the quality of the Port's infrastructure to meet the needs of container, petroleum and general cargo marine transportation companies to ensure the timely delivery of consumer goods and commercial cargo.

Core Services

- Provide Port users with a marine terminal and staging yards free of defects.
- Provide Port petroleum terminal operators with an operable and efficient valve yard and petroleum docks.
- Provide clean and safe roads and transfer yards for use by commercial and port-based vehicles.

Accomplishment Goals

- Repair and replace damaged fender panels and repair deteriorated dock piles.
- Periodically inspect valve yard valves and piping.
- Inspect dock surface and common areas to ensure cranes, equipment and personnel can operate with minimal threat of damage.
- Effectively oversee management of the cost and schedule associated with the Port of Anchorage Intermodal Expansion Project (PIEP).

Performance Measures

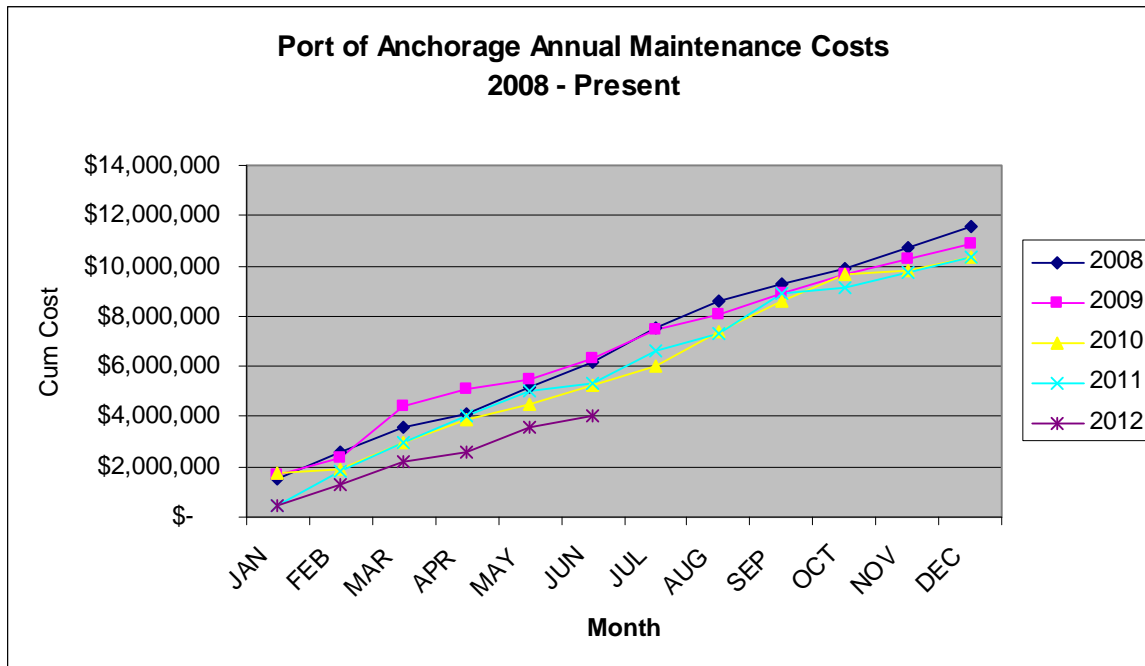
Progress in achieving goals will be measured by:

Measure #1: Solicit feedback from port users, vessel, tanker and barge Captains regarding dock and infrastructure condition or problems.

1. Issue raised by TOTE regarding alleged underwater obstructions in the vicinity of their berth. Side-scan sonar soundings were provided. We passed them to both the U.S. Army Corps of Engineers and the U.S. Coast Guard for analysis before any action can be taken. It is the responsibility of the Corps of Engineers to mitigate the situation as the federal agency responsible for ensuring the safety of charted navigable waterways. **Matter was resolved by the Corps of Engineers on 15 May. (CLOSED)**
2. Horizon Lines reports significant spauling (break up) of concrete around a 50-foot section of crane rail in their berthing area. Port personnel are assessing the damage and awaiting engineer's estimate for repair cost.
3. The trestle that supports TOTE's mid-ship ramp is in need of re-surfacing. Port personnel are coordinating a repair schedule with TOTE.

Measures #2 and #3: Maintain open communications with crane repair crews and operators for input on crane infrastructure condition. Constantly survey common and leased Port property for hazards or surface repairs. Periodically engage outside professionals to inspect the overall infrastructure.

Cranes remain operational and in good repair. Crane rail issues being addressed as noted under Measure #1. All other required facility and equipment inspections are up to date. Operations and maintenance expenditures are 14% below programmed through the end of the quarter.



Measure #4: Track actual PIEP cost and schedule execution against planned.

1. A copy of our latest quarterly report to the state legislature is attached.



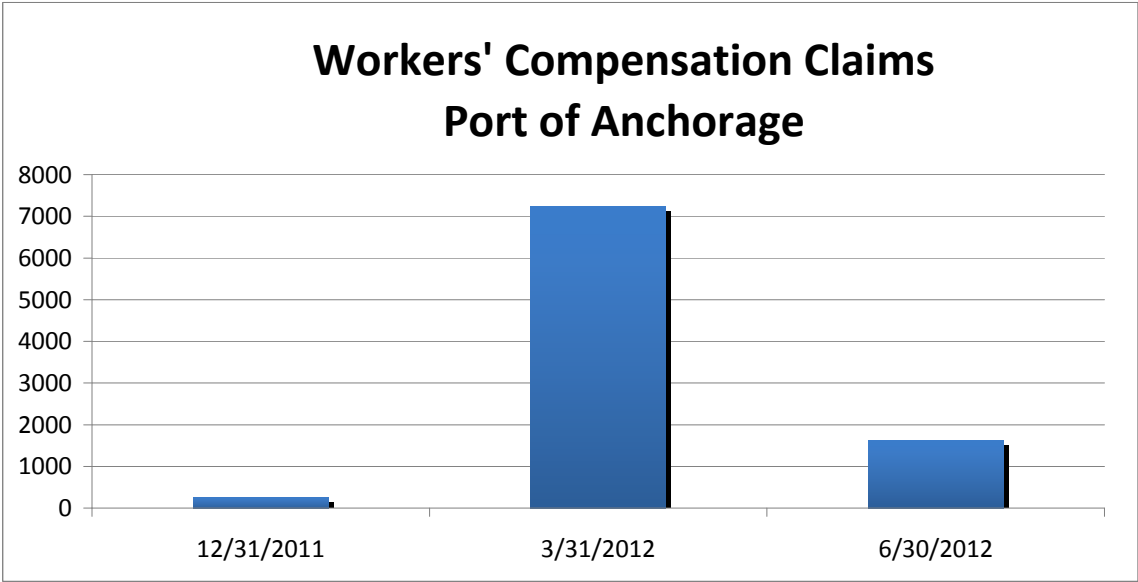
POA 2012 Q1
Legislative Update.pc

The second quarter report is in for review with the Municipal Manager.

PVR Measure WC: Managing Workers' Compensation Claims

Reducing job-related injuries is a priority for the Administration by ensuring safe work conditions and safe practices. By instilling safe work practices we ensure not only the safety of our employees but reduce the potential for injuries and property damage to the public. The Municipality is self-insured and every injury poses a financial burden on the public and the injured worker's family. It just makes good sense to WORK SAFE.

Results are tracked by monitoring monthly reports issued by the Risk Management Division.



Port of Anchorage Highlights and Future Events

Port Intermodal Expansion Program (PIEP)

The Port of Anchorage's Port Intermodal Expansion Project (PIEP) was started in 2003 to address the congestion and constraints that demand has placed on this important transportation and freight facility, and to replace the deteriorating dock structures that have reached their original design life and are not built to current engineering standards for operational and seismic performance.

The Project was revised to focus on the North Extension in 2011. The overarching goal of the PIEP is to cost effectively complete the expansion and construction of facilities to meet projected facility requirements and without interruption of commercial operations. Completion of the North Extension is critical to achieving this goal. Once completed, container ships, break bulk vessels, cruise ships, and barges will be able to use the North Extension facilities, which will allow the Port of Anchorage to replace or redevelop the current berthing facilities.

The Port of Anchorage Business Plan, as part of a 20 year Master Plan, will define and update forecasted business requirements for Port of Anchorage facilities. In 2013 the PIEP Executive Committee is scheduled to make final decisions on what PIEP facilities to design and build, and how project management is structured, based in part on results of Business Plan and the U. S. Army Corps of Engineers independent reviews.

It is the expectation of the PIEP Executive Committee Chairman (the Municipal Manager) that design will commence in 2013 and construction will resume in 2014.

To ensure the Port can meet its commitment to offer continued operational capacity for Port customers while new facilities are in design and construction, the Port's engineering analyses indicate the need to accelerate dock repair and preservation in 2013. Detailed analyses as part of the Master Plan will provide recommendations for optimal future investments in dock repairs.

Port Master Plan

A Port Master Plan, beginning with a Business Plan defining business requirements and opportunities as well as associated facilities needs, will comprehensively analyze what the Port has in place, facility condition and useful life, optimal land use and potential for footprint expansion and a facility development and phasing program. The Master Plan team will be tasked with identifying the comprehensive Port facility and land use needs to maximize economic potential. The Plan is scheduled to be completed in approximately 18 months.

USS Anchorage

The Port of Anchorage will be participating in the commissioning of the future USS Anchorage Naval vessel. The commissioning is tentatively scheduled to take place May 4, 2012 with the ship calling on the Port of Anchorage for approximately 10 days potentially spanning over two weekends. The Port of Anchorage will be the host of the commissioning ceremony and will also be working with the crew of the future USS Anchorage to allow the public access to the ship via public tours and the actual commissioning ceremony.

Port of Anchorage External Impacts

Port Intermodal Expansion Program (PIEP)

The Port has initiated a program of ongoing, extensive efforts to secure project funding through a combination of federal, state, and local government funding as well as public private financial partnerships. Started in 2003, this Port expansion will occur incrementally over several periods. The Capital Improvement project provides for flexibility in sequencing for the PIEP as funding becomes available for project development and construction activities.

The PIEP has four primary objectives: 1) replace or rehabilitate deteriorated infrastructure; 2) stimulate economic development for the Municipality and the region by providing new marine and landside transportation system improvements; 3) accommodate existing customer requirements without interruption; and 4), accommodate growth and demand for Port services, especially with respect to potential new customers and the new generation of vessels anticipated to call at the Port.

The PIEP has received the support of Congress in receiving funds through the Department of Defense, the Federal Highway Administration and the Federal Transportation Administration in the total amount of \$138.6 million dollars. In addition to federal funds the Port has received \$151.2 million in grant funds from the State of Alaska and has set aside or contributed \$72 million in Port earnings as contributory / matching funds for federal appropriations.

External Factors

1. Unpredictable petroleum activity from Alaskan refineries.
2. Increased jet fuel requirements from Ted Stevens Anchorage International Airport and increasing fuel deliveries by tanker from interstate and foreign sources.
3. Demand for newly developed Port industrial land.
4. Designation of the Port of Anchorage as one of 19 Department of Defense National Strategic Seaports, resulting in higher utilization of the Port for military deployments and logistics
5. Continued development and infrastructure replacement at North Slope and Cook Inlet oil and gas fields, including potential construction of a large diameter pipeline to tidewater for LNG export.
6. Utilization of a new wet barge berth and a new dry barge berth.
7. Landside and waterside access to the Port, including road access associated with the proposed Cook Inlet crossing.
8. Declining availability of Federal funding sources and availability of State funding.
9. Unpredictable terrorist events affecting implementation of Department of Homeland Security laws and regulations.
10. Climate change and the impacts from new polar shipping lanes.

Port of Anchorage Workforce Projections

Division	2011	2012	2013	2014	2015	2016	2017	2018
Administrative / Engineering	10	10	10	10	10	10	10	10
Operations / Maintenance	12	12	12	12	12	12	12	12
Total full time	22	22	22	22	22	22	22	22
Part Time / Temporary	1	1	1	1	1	1	1	1
Total FTE	23	23	23	23	23	23	23	23

Port of Anchorage 8 Year Summary

(\$ in thousands)

Financial Overview	2011 Actual	2012 Proforma	2013 Budget	2014	2015	2016	2017	2018
				Forecast				
Revenues	12,252	11,841	12,576	13,268	13,599	13,939	14,288	14,645
Expenses	11,086	11,918	12,541	12,855	13,176	13,505	13,843	14,189
Net Income (Loss) - Regulatory	1,166	(77)	35	413	423	434	445	456
Depreciation	4,336	4,707	4,707	4,707	4,607	5,250	7,350	7,450
Available to Service Debt	5,502	4,630	4,742	5,120	5,031	5,684	7,795	7,906
Budgeted Positions	23	23	23	23	23	23	23	23
Capital Program	40,633	56,800	306,050	5,680	5,514	5,654	5,801	5,953
Commercial Paper - Short Term Debt (**)	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000
(**) Commercial Paper - Short Term Loan funds will be used to help complete the Port expansion. Interest rate is projected at 1.00%.								
Net Plant (12/31)	25,296	24,596	25,796	25,296	24,796	24,296	23,796	23,296
MESA	537	516	521	523	520	517	514	511
Total Net Assets	78,169	79,019	79,200	80,241	81,303	82,386	83,490	84,617
General Cash Pool	11,503	12,036	10,071	10,000	10,000	10,000	10,000	10,000
Construction Cash Pool	4,381	6,414	8,414	6,000	6,000	6,000	6,000	6,000
Bond & Other Loan Reserve Cash	-	-	-	-	-	-	-	-
Total Cash (12/31)	15,884	18,450	18,485	16,000	16,000	16,000	16,000	16,000
IGCs - General Government	346	375	444	369	379	379	390	390
Total Outstanding Debt 12/31 - (Com'l Paper)	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000
Debt Service - Cm'l Paper Cost - Capitalized	919	930	920	920	920	920	920	920
Debt Service Coverage (Cm'l Paper Interest)	13.77	11.37	10.63	12.50	12.32	13.77	18.38	18.38
Debt/Equity Ratio (12/31)	0 / 100	0 / 100	0 / 100	0 / 100	0 / 100	0 / 100	0 / 100	0 / 100
Tariff Wharfage Rates (01/11)								
1250 Petroleum, Bulk / Barrel	\$0.135	\$0.135	\$0.135	\$0.135	\$0.135	\$0.149	\$0.149	\$0.149
1250 Cement, Bulk / Ton	\$1.37	\$1.37	\$1.37	\$1.37	\$1.37	\$1.51	\$1.51	\$1.51
Statistical/Performance Trends								
Tonnage (in thousands)	4,135	5,078	5,098	5,108	5,185	5,262	5,262	5,208
Revenue/Ton	\$2.63	\$2.70	\$2.56	\$2.32	\$2.36	\$2.40	\$2.20	\$2.20

Port of Anchorage

2013 Statement of Revenues and Expenses

	2011 Actuals	2012 Proforma	2012 Revised	2013 Proposed	13 v 12 % Change
Operating revenue					
Dock Revenue	5,734,011	5,541,875	6,906,550	6,004,603	-13.1%
Industrial Park Revenue	4,110,620	4,028,435	4,600,500	4,106,836	-10.7%
Other Operating Revenue	1,833,066	1,751,109	1,973,750	1,987,845	0.7%
Total Operating Revenue	11,677,697	11,321,420	13,480,800	12,099,284	-10.2%
Non Operating Revenue					
Interest Income	433,059	393,084	100,000	342,292	242.3%
Pipeline Right-of-Way Fee	141,378	126,900	170,000	134,000	-21.2%
Gain / Loss - Disposal of Property	-	-	-	-	0.0%
Miscellaneous Non-Operating Revenue	-	-	-	-	0.0%
Other Non-Operating Revenue	-	-	-	-	0.0%
Total Non Operating Revenue	574,437	519,984	270,000	476,292	76.4%
Total Revenue	12,252,134	11,841,404	13,750,800	12,575,576	-8.5%
Operating Expenses					
Labor					
Straight time	1,354,174	1,345,932	1,913,946	1,608,294	-16.0%
Overtime	66,340	99,313	98,040	68,040	-30.6%
Leave	174,479	151,920	136,780	167,760	22.6%
Benefits	750,883	785,124	1,085,700	896,562	-17.4%
Differentials/Premiums	10,671	11,990	13,070	13,070	0.0%
Vacancy Factor	-	-	-	(24,423)	100.0%
Total Labor	2,356,547	2,394,280	3,247,536	2,729,303	-16.0%
Non Labor					
Non Labor	3,360,345	3,798,481	3,969,098	4,300,049	8.3%
Travel	109,050	41,530	58,530	30,000	-48.7%
Transfers (MUSA and gross receipts)	537,498	516,409	510,310	521,222	2.1%
Depreciation and Amoritization	4,336,367	4,707,240	4,707,240	4,515,598	-4.1%
Total Non Labor	8,343,260	9,063,660	9,245,178	9,366,869	1.3%
Total Direct Cost	10,699,806	11,457,940	12,492,714	12,096,172	-3.2%
Charges from other departments	345,748	460,370	395,370	444,404	12.4%
Total Operating Expense	11,045,554	11,918,310	12,888,084	12,540,576	-2.7%
Non Operating Expense					
Interest on Long-Term Debt	-	-	-	-	0.0%
Other Non-operating Expense	40,500	-	-	-	0.0%
Total Non Operating Expense	40,500	-	-	-	0.0%
Total Expenses (Function Cost)	11,086,054	11,918,310	12,888,084	12,540,576	-2.7%
Net Income	1,166,080	(76,906)	862,716	35,000	-95.9%
Appropriation					
Total Expenses				12,540,576	
Less: Non Cash items					
Depreciation and Amortization				4,515,598	
Other Non-operating Expense				-	
Total Non-Cash				4,515,598	
Amount to be Appropriated (cash expenses)				8,024,978	

Port of Anchorage Reconciliation from 2012 Revised Budget to 2013 Proposed Budget

	Appropriation	Positions		
		FT	PT	T
2012 Revised Budget	12,888,084	23	-	-
2012 One-Time Requirements				
- None	-	-	-	-
Transfers (to)/from Other Agencies				
- Transfers MESA	10,912	-	-	-
Debt Service Charges				
- None	-	-	-	-
Changes in Existing Programs/Funding for 2013				
- Salary and benefits adjustments	(518,233)	-	-	-
- Increase to Doyons 2011-2012 contract ending July 31, 2012	7,600	-	-	-
- Dredging Ship Creek boat launch and dry barge berth	72,000	-	-	-
- Reduced depreciation budget	(191,642)	-	-	-
2013 Continuation Level	12,268,721	23	-	-
2013 One-Time Requirements				
- Master Plan	300,000	-	-	-
- USS Anchorage - Marketing & Public Relations	50,000	-	-	-
Transfers (to)/from Other Agencies				
- None	-	-	-	-
Changes to Non Cash				
- Depreciation budget	(4,515,958)	-	-	-
- Increase to IGCs	49,394	-	-	-
2013 Proposed Budget Changes				
- Reduction to fuel, professional & legal services, advertising and insurance	(162,839)	-	-	-
- Reduction to travel budget	(28,530)	-	-	-
- Reduction to equipment, computer hardware/software, building improvements, office furniture	(35,810)	-	-	-
- Contract snow removal	100,000	-	-	-
2013 Proposed Budget	8,024,978	23	-	-

Port Department Summary

	2011 Actuals	2012 Revised	2013 Proposed	13 v 12 % Chg
Direct Cost by Division				
Port Ops	10,722,690	12,512,724	12,096,171	<3.33%>
Direct Cost Total	10,722,690	12,512,724	12,096,171	<3.33%>
Intragovernmental Charges				
Charges by Other Departments	345,748	375,360	444,404	18.39%
Function Cost Total	11,068,437	12,888,084	12,540,575	<2.70%>
Program Generated Revenue	(20,677,747)	(13,750,790)	(12,575,575)	<8.55%>
Net Cost Total	(9,609,310)	(862,706)	(35,000)	<95.94%>
Direct Cost by Category				
Personnel	2,346,795	3,267,546	2,729,303	<16.47%>
Supplies	246,179	245,200	260,300	6.16%
Travel	29,248	58,530	30,000	<48.74%>
Contractual/Other Services	3,757,659	4,155,398	4,517,971	8.73%
Debt Service/Depreciation	4,331,748	4,707,240	4,515,597	<4.07%>
Equipment, Furnishings	11,060	78,810	43,000	<45.44%>
Direct Cost Total	10,722,690	12,512,724	12,096,171	<3.33%>
Position Summary as Budgeted				
Full-Time	-	-	23	
Part-Time	-	-	-	
Position Total	-	-	23	

Port
Division Summary
Port Ops
 (Dept ID # 8970)

	2011 Actuals	2012 Revised	2013 Proposed	13 v 12 % Chg
Direct Cost by Category				
Salaries and Benefits	2,346,795	3,267,546	2,729,303	<16.47%>
Supplies	246,179	245,200	260,300	6.16%
Travel	29,248	58,530	30,000	<48.74%>
Contractual/Other Services	3,757,659	4,155,398	4,517,971	8.73%
Equipment, Furnishings	11,060	78,810	43,000	<45.44%>
Manageable Direct Cost Total	6,390,941	7,805,484	7,580,574	<2.88%>
Debt Service, Depreciation	4,331,748	4,707,240	4,515,597	<4.07%>
Direct Cost Total	10,722,690	12,512,724	12,096,171	<3.33%>

Revenue by Fund				
Fund 570 - Port	20,677,747	13,750,790	12,575,575	<8.55%>
Revenue Total	20,677,747	13,750,790	12,575,575	<8.55%>

Positions as Budgeted

	2011 Revised		2012 Revised		2013 Proposed	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
Accounting Clerk III	-	-	-	-	1	-
Deputy Director II	-	-	-	-	2	-
Director	-	-	-	-	1	-
Executive Assistant I	-	-	-	-	1	-
General Laborer	-	-	-	-	1	-
Port Main I/II/Jrymn	-	-	-	-	10	-
Port Maintenance Supervisor	-	-	-	-	1	-
Safety Coordinator	-	-	-	-	1	-
Senior Office Associate	-	-	-	-	1	-
Special Admin Assistant II	-	-	-	-	3	-
Utility Division Mgr II	-	-	-	-	1	-
Positions as Budgeted Total	-	-	-	-	23	-

Port
Division Detail
Port Ops
(Dept ID # 8970)

	2011 Actuals	2012 Revised	2013 Proposed	13 v 12 % Chg
Direct Cost by Category				
Salaries and Benefits				
1101 - Straight Time Labor	1,354,174	1,933,956	1,608,294	<16.84%>
1201 - Overtime	66,340	98,040	68,040	<30.60%>
1301 - Leave/Holiday Accruals	164,727	136,780	167,760	22.65%
1401 - Benefits	750,883	1,085,700	896,562	<17.42%>
1501 - Allow Differentials/Premiums	10,671	13,070	13,070	-
1601 - Vacancy Factor	-	-	(24,423)	-
Salaries and Benefits Total	2,346,795	3,267,546	2,729,303	<16.47%>
Supplies	246,179	245,200	260,300	6.16%
Travel	29,248	58,530	30,000	<48.74%>
Contractual/Other Services	3,757,659	4,155,398	4,517,971	8.73%
Equipment, Furnishings	11,060	78,810	43,000	<45.44%>
Manageable Direct Cost Total	6,390,941	7,805,484	7,580,574	<2.88%>
Debt Service, Depreciation	4,331,748	4,707,240	4,515,597	<4.07%>
Direct Cost Total	10,722,690	12,512,724	12,096,171	<3.33%>
Intra-Governmental Charges				
Charges By Other Departments	345,748	375,360	444,404	18.39%
Program Generated Revenue				
9348 - Cruise Ship Head Tax	63,575	70,000	-	-
9499 - Reimbursed Cost	-	2,000	-	-
9551 - Dockage	991,289	984,910	1,090,418	10.71%
9552 - Wharfage, Bulk Dry	167,018	184,950	172,029	<6.99%>
9553 - Wharfage, Bulk Liquid	908,131	1,575,850	1,089,757	<30.85%>
9554 - Wharfage, General Cargo	3,428,694	3,926,850	3,428,694	<12.69%>
9556 - Storage	1,209	4,000	60,000	1400.00%
9557 - Miscellaneous	111,295	130,000	110,000	<15.38%>
9558 - Office Rental	40,864	27,500	36,000	30.91%
9559 - Utilities, Water	17,704	12,480	17,704	41.86%
9561 - Crane Rental	52,500	60,000	52,500	<12.50%>
9566 - Pipe ROW Fee	141,378	170,000	134,000	<21.18%>
9567 - POL Value Yard Fee	473,869	565,620	565,620	-
9569 - Security Fees	1,306,697	1,329,830	1,369,725	3.00%
9571 - Industrial Park Lease	4,104,284	4,600,500	4,100,500	<10.87%>
9572 - Ind Park Rental/Storage	6,336	6,300	6,336	0.57%
9615 - Const Investm Pool Int	155,627	100,000	155,627	55.63%
9672 - Prior Yr Expense Recovery	3,100	-	-	-
9743 - Gain/Loss Sale Property	-	-	-	-
9761 - Cash Pools Short-Term Int	248,887	-	186,665	-
9767 - Unrealized Gains & Losses	28,545	-	-	-
9795 - Sale Of Contractor Specs	144	-	-	-
9798 - Miscellaneous Revenues	987	-	-	-

Port
Division Detail
Port Ops
 (Dept ID # 8970)

	2011 Actuals	2012 Revised	2013 Proposed	13 v 12 % Chg
9861 - Capital Contributions	8,425,612	-	-	-
Program Generated Revenue Total	20,677,747	13,750,790	12,575,575	<8.55%>
Net Cost				
Manageable Direct Cost	6,390,941	7,805,484	7,580,574	<2.88%>
Debt Service, Depreciation	4,331,748	4,707,240	4,515,597	<4.07%>
Charges By Other Departments	345,748	375,360	444,404	18.39%
Program Generated Revenue	(20,677,747)	(13,750,790)	(12,575,575)	<8.55%>
Net Cost Total	(9,609,310)	(862,706)	(35,000)	<95.94%>

Port of Anchorage
2013 - 2018 Capital Improvement Program
(in thousands)

Project Category	2013	2014	2015	2016	2017	2018	Total
Wharf Pile Enhancements	3,050	3,172	3,298	3,430	3,568	3,710	20,228
Storm Drain Enhancements	200	208	216	224	233	243	1,324
Port Expansion	302,800	2,300	2,000	2,000	2,000	2,000	313,100
Total	306,050	5,680	5,514	5,654	5,801	5,953	334,652

Funding Source	2013	2014	2015	2016	2017	2018	Total
State/Fed Grant	302,800	-	-	-	-	-	302,800
Equity/Operations	3,250	5,680	5,514	5,654	5,801	5,953	31,852
Total	306,050	5,680	5,514	5,654	5,801	5,953	334,652

Port of Anchorage
2013 Capital Improvement Budget
(in thousands)

Project Title	Debt	State/Fed Grant	Equity/ Operations	Total
Wharf Pile Enhancements	-	-	3,050	3,050
Storm Drain Enhancements	-	-	200	200
Port Expansion	-	302,800	-	302,800
Total	-	302,800	3,250	306,050

Port of Anchorage Statement of Cash Sources and Uses

	2011 Actual	2012 Proforma	2013 Budget
Sources of Cash Funds			
Net Income GAAP	1,166,080	(77,000)	35,000
Depreciation / Amortization	4,331,748	4,707,239	4,515,598
Grants	-	-	-
Bonds and Commercial Paper	-	-	-
Principal Payments, Financing Leases	-	-	-
Total Sources of Cash Funds	5,555,945	4,630,239	4,550,598
Uses of Cash Funds			
Additions to Plant	1,191,657	1,310,823	4,310,823
Bond Principal Payments	-	-	-
Contributed Funds to MARAD (**)	4,000,000	-	-
Total Uses of Cash Funds	5,191,657	1,310,823	4,310,823
 Net Increase (Decrease) in Cash Funds	 364,288	 3,319,416	 239,775
 Cash Balance, January 1	 (1,789,871)	 (1,425,583)	 1,893,833
Cash Balance, December 31	(1,425,583)	1,893,833	2,133,609
Detail of Cash and Investment Funds			
Equity in General Cash Pool	11,503,130	12,036,133	10,071,133
Equity in Construction Cash Pool	4,381,336	6,414,485	8,414,485
Revenue Bond Maintenance Reserve	-	-	-
Cash Balance, December 31	15,884,466	18,450,618	18,485,618

(**) Disbursed to Maritime Administration (MARAD) - Port Intermodal Expansion Program Contribution & Mitigation Escrow

About Port of Anchorage

History

The Port of Anchorage commenced operation in September 1961, with a single berth. In its first year of operation, 38,000 tons of cargo crossed the Port's dock. On average, around four (4) million tons passes over the dock every year, equating to about 250,000 commercial truck trips through Port property. The Port of Anchorage is a major economic engine and one of the strongest links in the Alaska transportation chain. This chain enables residents statewide from Cordova to Barrow to take full advantage of the benefits of inexpensive waterborne commerce through this regional Port. The Port and its stakeholder's have maintained a notable safety record throughout the five (5) decades the Port has been in operation. The Port is one (1) of only 19 nationally designated Department of Defense strategic seaports.

The Port of Anchorage's Port Intermodal Expansion Project (PIEP) was started in 2003 to address the congestion and constraints that demand has placed on this important transportation and freight facility, and to replace the deteriorating dock structures that have reached their original design life and are not built to current engineering standards for operational and seismic performance.

The Project was revised to focus on the North Extension in 2011. The overarching goal of the PIEP is to cost effectively complete the expansion and construction of facilities to meet projected facility requirements and without interruption of commercial operations. Completion of the North Extension is critical to achieving this goal. Once completed, container ships, break bulk vessels, cruise ships, and barges will be able to use the North Extension facilities, which will allow the Port of Anchorage to replace or redevelop the current berthing facilities.

Physical Plant

Real Estate: 128 acres of developed uplands
 65 acres currently under construction
 48 acres of newly acquired land from JBER
 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
 1,641 total acres

Terminals:

- Three General Cargo Terminals, 2,109 ft. of dock face, container, roll on\roll off, bulk cement and break bulk capabilities
- Two Bulk Petroleum Product Terminals with 600 feet each of berthing space with four 2,000-bbl./hr.-product pipelines each
- Operating depth at all facilities: dredged to -35 feet 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
- One dry barge berth, available Spring through Fall, and 15 acres of uplands for any type commodity movement

Cargo Handling Equipment:

- Rail mounted, electric Container Cranes:

- (2) 30 ton and (1) 40 ton
- Portable Cranes to 150 tons available
- Forklifts to 30 tons available
- Bulk Petroleum Valve Yard capable of accommodating multiple simultaneous marine/shore and/or inter-user shore side transfers.

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

Services

Approximately 90% of the merchandise goods and foodstuffs sold within the Railbelt and beyond (85% of the State's population) move through the Port of Anchorage on an annual basis. Container service is available twice a week from the Port of Tacoma through two domestic ocean carriers. Bulk shipments, both domestic and foreign, involve imports of basic commodities such as cement, refined petroleum products and construction materials. The Port of Anchorage, due to its strategic global position and close proximity to neighboring military bases, Joint Base Elmendorf-Richardson and Fort Wainwright are key transportation nodes for Department of Defense concerning mobilization planning, shipping/transporting of jet fuel and other related petroleum products and bulk cargo for military use. The Port serves as the primary export facility for the largest petroleum refinery in Alaska, located in North Pole, and facilitates in the delivery of refined petroleum products from the State's other refineries.

The Municipality of Anchorage is the Grantee of Anchorage Foreign Trade Zone (FTZ) No. 160, the only activated FTZ in the State of Alaska. The Port of Anchorage is the Municipal department responsible for the administration of the FTZ program in Anchorage. At the present time FTZ No. 160 is comprised of seven (7) sites totaling some 1,000 acres located at the Port of Anchorage, Anchorage International Airport and at five (5) private sites throughout the Municipality. An application for subzone status for the Tesoro Petroleum refinery in Kenai was approved by the United States Department of Commerce, Foreign Trade Zones Board in May 2001.

Regulation

Dock revenue rates for the Port of Anchorage are established in the Port of Anchorage Terminal Tariff No. 7 and through contractual Terminal Preferential Usage Agreements. Changes to the tariff and adjustments to the five (5) year Preferential Usage Agreements' charges require initial approval by the Anchorage Port Commission, and are subject to final approval by the Anchorage Municipal Assembly.

Port Industrial Park Revenue is derived from long-term leases of properties in the 220-acre Port Industrial Park. The leases provide for five-year rate adjustments that are performed in accordance with Anchorage Municipal Code provisions. Leases and lease options are subject to Municipal Assembly approval.

Environmental Mandates

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

Port Safety Security and Emergency Preparedness

Because the Port is a lifeline to the state of Alaska, safety, security and emergency preparedness are key parts of Port operations. Threats of natural disasters, accidents, or terrorist potentially disrupting the commerce and fuel supplies for 85% of the state is not taken

lightly, the Port is continuing its efforts to prevent and minimize these threats as well as establishing recovery procedures. These efforts are done in conjunction with the Port Stakeholders, MOA, state and federal agencies. The Port is currently undergoing security upgrades via a federal port security grant, continues to work with its stakeholders on action plans and upgrades to reduce accident rates along with drilling for disasters with that could potentially shut down Port operations for a time.