

Municipal Clerk's Office

**Approved**

Date: 4/25/2017

Submitted By: Chairman of the Assembly at  
the Request of the Mayor

Prepared By: Office of Management &  
Budget

For Reading: April 25, 2017

**ANCHORAGE, ALASKA**

**AO 2017 - 72 (S)**

**AN ORDINANCE REVISING AND APPROPRIATING FUNDS FOR THE 2017 MUNICIPAL UTILITIES/ENTERPRISE ACTIVITIES OPERATING AND CAPITAL BUDGETS, MUNICIPAL LIGHT & POWER (ML&P) AND ANCHORAGE WATER & WASTEWATER UTILITY (AWWU) REIMBURSABLE PROJECTS, ML&P BRU GAS FIELD FUND, ML&P CONTRIBUTED PLANT, AND REVISING AND APPROVING THE 2017-2022 MUNICIPAL UTILITIES/ENTERPRISE ACTIVITIES CAPITAL IMPROVEMENT PROGRAMS.**

WHEREAS, the 2017 operating and capital budgets for the Municipal Utilities/Enterprises were approved per AO 2016-103 (S) and effective on January 1, 2017; and

WHEREAS, due to Municipal code requirements and in order to increase reporting transparency and consistency along with SAP functionality requirements, it is necessary to appropriate funds for AWWU and ML&P Reimbursable Projects, ML&P BRU Gas Field Fund, and ML&P Contributed Plant; and

WHEREAS, in accordance with Anchorage Municipal Code section 6.10.045, the Assembly may alter the Utilities/Enterprise Capital Improvement Budgets and Capital Improvement Programs by majority vote; and

WHEREAS, the 2017-2022 Capital Improvement Programs for the Municipal Utilities/Enterprises were approved by passage of AR 2016-236 on 11/15/16; and

WHEREAS, the Mayor has recommended revisions to the municipal utility/enterprise activity departments and fund appropriations for 2017; now, therefore,

**THE ANCHORAGE ASSEMBLY ORDAINS:**

**Section 1.** The amounts set forth for the 2017 fiscal year are hereby revised and appropriated:

<b>Fund</b>	<b>Utility/Enterprise</b>	<b>Approved Budget</b>	<b>Revision</b>	<b>Revised Budget</b>
			<b>(6,531,656)</b>	<b>155,754,802</b>
530000	ML&P - Electric Fund	162,286,458	<del>(6,611,656)</del>	<del>155,674,802</del>
530300	ML&P - Reimbursable Fund	-	23,200,000	23,200,000
			<b>23,966,040</b>	<b>23,966,040</b>
532000	ML&P - BRU Gas Field Fund	-	<del>24,046,040</del>	<del>24,046,040</del>
532300	ML&P - BRU Reimbursable Fund	-	800,000	800,000
			<b>1,399</b>	<b>43,558,195</b>
540000	Anchorage Water Utility (AWU)	43,556,796	<del>(252,105)</del>	<del>43,304,691</del>
540300	AWU - Reimbursable Fund	-	3,000,000	3,000,000
			<b>(46,851)</b>	<b>42,313,477</b>
550000	Anchorage Wastewater Utility (ASU)	42,360,328	<del>(264,441)</del>	<del>42,095,887</del>
550300	ASU - Reimbursable	-	1,500,000	1,500,000
560000	Solid Waste Refuse Collections	9,789,707	(99,300)	9,690,407
562000	Solid Waste Disposal	17,653,429	480,898	18,134,327

			(26,490)	14,190,984
570000	Port of Anchorage	14,217,474	<del>(39,398)</del>	<del>14,178,076</del>
			137,240	1,469,901
580000	Merrill Field Airport	1,332,661	<del>(134,684)</del>	<del>1,197,977</del>
			46,381,280	337,578,133
	<b>Utility/Enterprise Operating Funds</b>	<b>291,196,853</b>	<b><del>45,625,354</del></b>	<b><del>336,822,207</del></b>

**Section 2.** That the Approved 2017 Municipal Utilities/Enterprise Capital Improvement Budgets and 2017-2022 Capital Improvement Programs are revised to include capital project adjustments described in the attached Assembly Memorandum.

**Section 3.** That the amounts set forth for the 2017 Municipal Utilities/Enterprise Activities Capital Improvement Budget are hereby revised and appropriated for the 2017 fiscal year:

Fund	Utility/Enterprise	Approved Budget	Revision	Revised Budget
530200	ML&P Capital Fund	34,263,000	5,400,000	39,663,000
532200	ML&P Capital Fund	8,501,000	-	8,501,000
540200	AWU Capital Fund	11,000,000	-	11,000,000
550200	ASU Capital Fund	10,000,000	-	10,000,000
560200	SWS Refuse Capital Fund	2,180,000	-	2,180,000
562200	SWS Disposal Capital Fund	5,440,000	-	5,440,000
570200	Port of Anchorage Capital Fund	5,100,000	-	5,100,000
580200	Merrill Field Airport Capital Fund	299,000	-	299,000
	<b>Utility/Enterprise Operating Funds</b>	<b>76,783,000</b>	<b>5,400,000</b>	<b>82,183,000</b>

**Section 4.** This ordinance shall take effect immediately upon passage and approval by the Assembly.

PASSED AND APPROVED by the Anchorage Assembly this 25 day of April, 2017

Dale Treen  
Chair of the Assembly

ATTEST:

Barbara A. Jones  
Municipal Clerk



# MUNICIPALITY OF ANCHORAGE

## ASSEMBLY MEMORANDUM

**No. AM 304 – 2017 (A)**

**Meeting Date:** April 25, 2017

**FROM: MAYOR**

**SUBJECT: AN ORDINANCE REVISING AND APPROPRIATING FUNDS FOR THE 2017 MUNICIPAL UTILITIES/ENTERPRISE ACTIVITIES OPERATING AND CAPITAL BUDGETS, MUNICIPAL LIGHT & POWER (ML&P) AND ANCHORAGE WATER & WASTEWATER UTILITY (AWWU) REIMBURSABLE PROJECTS, ML&P BRU GAS FIELD FUND, ML&P CONTRIBUTED PLANT, AND REVISING AND APPROVING THE 2017-2022 MUNICIPAL UTILITIES/ENTERPRISE ACTIVITIES CAPITAL IMPROVEMENT PROGRAMS.**

The accompanying Assembly Ordinance revises and appropriates the Municipal Utilities/Enterprises Activities 2017 Operating and Capital Budgets and Capital Improvement Programs.

Due to Municipal code requirements and in order to increase reporting transparency and consistency and with SAP functionality requirements it is necessary to appropriate additional funds of \$1,500,000 in Anchorage Wastewater Utility Reimbursable Fund and \$3,000,000 in Anchorage Water Utility Reimbursable Fund and \$23,200,000 in ML&P Reimbursable Fund and \$800,000 in ML&P Beluga Gas Reimbursable Fund for Reimbursable Projects. Reimbursable projects have historically not been appropriated as they have been recorded as a Receivable on the Balance Sheet. In SAP, these projects will be set up in a separate fund with an appropriation based on historical reimbursable project charges.

Prior to the SAP implementation, the appropriations for ML&P Electric and BRU Gas Field were combined. BRU Revenue for internal sales of gas for ML&P Electric Fund turbine use was eliminated via journal entry as was the associated Electric Fund Fuel Expense. Due to SAP software functionality requirements and in order to increase reporting transparency and consistency, separate appropriation for ML&P BRU Gas Field Fund of \$24,044,000 is requested.

ML&P is undergoing undergrounding and installation of new services under Title 21 and required to increase its Contributed Plant aka Contribution-In-Aid-Of-Construction (CIAC) of CIP by \$4,400,000. This is necessary due to Municipal code and SAP functionality requirements.

ML&P is requesting appropriation of \$1,000,000 for LED Streetlight Installation. Installation and conversion of LED streetlights expected to generate more that 40% in energy and maintenance cost savings. This initiative meets the Mayor's vision of having

1 all streetlights in Anchorage converted to controllable LEDs in order to reduce energy and  
2 Streetlight maintenance costs.

3  
4 ML&P MUSA was reduced because actual construction costs of Plant 2A and actual  
5 Electric Plant in Service were less than budgeted.

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7 **The S Version** includes accounting adjustment to properly reflect budget impact of IGCs.

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9 **THE ADMINISTRATION RECOMMENDS APPROVAL.**

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11 Prepared by: Office of Management & Budget  
12 Recommended by: Lance Wilber, Director, Office of Management & Budget  
13 Concur: Robert E. Harris, CFO  
14 Concur: Michael K. Abbott, Municipal Manager  
15 Respectfully submitted: Ethan A. Berkowitz, Mayor