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Anchorage Port Commission Meeting Agenda

Date: August 10, 2022

Time: 12pm – 2pm

- I. Call to Order and Roll Call**
- II. Pledge of Allegiance**
- III. Port Safety Minute**
- IV. Approval of Agenda**
- V. Approval of Meeting Minutes from April 20, 2022; June 8, 2022; and July 22, 2022**
- VI. Port Director's Comments**
- VII. Informational Items**
 - A. Operations and Maintenance – Ronnie Poole
 - B. Engineering Matters – Brian Weigand
 - C. Port Modernization Program – David Ames (Jacobs)
 - D. Finance Matters – Cheryl Beckham
 - E. Security and Business Development – Jim Jager
- VIII. Old Business – PAMP Surcharge Discussion (continued) – Mr. Ross Risvold, MOA Acting CFO; Mr. Steve Kantor, Advisor to the MOA; Ms. Cynthia Weed and Mr. John Longstreth, Bond Counsel to the MOA**
- IX. New Business – Port Commission Resolution on Net Zero Emissions**
- X. Commission Actions for Introduction and Consideration**
- XI. Public Comments**
- XII. Port Director's Closing Comments**
- XIII. Commissioner Comments**
- XIV. Meeting Schedule**
- XV. Adjourn**

Port of Alaska
Budget to YTD Actual Comparison - Unaudited
@ 6/30/2022



	2022 Budget	2022 Actuals	2022 Budget vs Actual % Target 50%
Revenues			
Cruise Ship Head Tax	-	66,755.00	-
Reimbursed Cost	20,000.00	15,949.46	80%
Dockage	1,110,413.00	646,468.12	58%
Wharfage, Bulk Dry	109,709.62	95,968.68	87%
Wharfage, Bulk Dry - Debt Service	62,319.38	54,436.19	87%
Wharfage, Bulk Liquid	1,893,143.00	1,284,866.65	68%
Wharfage Bulk Liquid - Debt Service	791,924.00	726,359.24	92%
Wharfage, General Cargo	4,031,278.00	2,301,514.96	57%
Miscellaneous	233,025.00	72,866.31	31%
Office Rental	40,000.00	29,362.11	73%
Utilities, Water	44,704.00	18,146.50	41%
Crane Rental	56,500.00	58,095.60	103%
Pipe ROW Fee	173,000.00	105,048.22	61%
POL Value Yard Fee	291,696.00	177,190.97	61%
Security Fees	1,477,975.00	757,085.82	51%
Industrial Park Lease	4,273,135.00	2,760,961.17	65%
Ind Park Rental/Storage	697,781.00	147,157.35	21%
Gains & Losses on Investments	100,000.00	21,595.26	22%
Cash Pools Short-Term Int	(6,000.00)	(320,637.69)	5344%
Total Operating/Non-Operating Revenue:	15,400,603.00	9,019,189.92	59%
Extraordinary Item:	-	-	-
MOA Property Sales	-	-	-
Total Revenue (Operating/NonOperating) @ 6/30/2022:	15,400,603.00	9,019,189.92	59%
Expenses			
Personnel Services	2,933,524.00	1,289,029.99	44%
Non-Labor	4,798,165.00	1,898,460.04	40%
Total Operating Expenses:	7,731,689.00	3,187,490.03	41%
Legal Services - General (PIEP Litigation)	1,617,462.00	21,544.33	1%
MESA & Dividend payments	2,126,920.00	-	0%
Debt Service	2,675,000.00	1,370,083.10	51%
Depreciation and Amortization	7,937,791.00	3,968,895.50	50%
Total Non-Operating Expenses:	14,357,173.00	5,360,522.93	37%
Charges from Depts (IGC)	1,426,255.00	713,127.50	50%
Total Expenses:	23,515,117.00	9,261,140.46	39%
*Net Income:		(241,950.54)	
Depreciation - Non Cash Item (Add back):		3,968,895.50	
*Available Cash Flow @ 6/30/22		3,726,944.96	
(* Unaudited)			

**TONNAGE REPORT - Annual
Commodity Classification**

Commodity Classification	2022 - YTD	2021	2020	2019
Freight NOS	182	36	689	1,167
Dry Bulk Goods	51,864	87,692	101,853	109,956
Petroleum, NOS (vessel fueling)	11,625	47,888	58,728	222,536
Vans/Flats/Containers	837,339	1,638,486	1,642,547	1,655,612
Petroleum, Shoreside	591,887	1,061,821	902,712	802,099
Petroleum, Bulk - Dockside	951,629	2,151,883	1,997,845	1,474,399
Total Tonnage @ 6/30/22:	2,444,526	4,987,806	4,704,374	4,265,763

Miscellaneous Revenue Detail

Equipment Rental (Crane, Yokohama Fenders, Manbasket, Dumpster):	21,006
Water & Water Truck:	10,449
Sanding & Snow Removal Services:	30,300
Annual Fees (ORL Agreement Fee):	10,000
Ship Creek Boat Launch Fees:	1,111
	<u>72,866</u>



Municipality of Anchorage

Office of the Chief Fiscal Officer

Date: August 4, 2022

To: Mr. Ron Ward, Anchorage Port Commission Chair

From: Ross Risvold, Public Finance Manager, Acting CFO
Cheryl Beckham, Finance Director, Port of Alaska
Steve Ribuffo, Port Director, Port of Alaska

Regarding: Responses to Additional Questions from the Commissioners

Mr. Ward –

Thank you for your excellent and thoughtful questions. Please find attached our responses to the questions you posed and delivered to Steve R on August 1, 2022. In the case of a couple questions, the responses are identical.

Respectfully,
Ross Risvold
Cheryl Beckham
Steve Ribuffo

1 Is the proposed surcharge based on the \$1.8 billion PAMP cost with no subtractions of the grant money already received?

No. The proposed Surcharge will provide the required revenue for the 2020 Series A Bonds and provide the required revenue for the proposed 2022 Bonds, not yet issued. The required revenue for the 2020 Series B Bonds is provided for by a component in the Baseline Tariff. These amounts take into account the grant money received.

2 For cargo and petroleum, aren't we collecting a surcharge, years in advance of the need because nothing has been borrowed yet for those phases?

No. The PAMP is one construction Program. When a grant is received the entire construction Program receives the benefit of the grant. The actual funds from the grant have been and will be used fully consistently with the intent of the award. The grant benefit allocated to a particular User is based upon the cost allocated to that User in relation to the entire cost of the Program. The benefit of the grant reduces the debt necessary to be issued for the Program, and such debt is allocated to the Users under the same concept that the grant benefit is allocated. There is currently debt outstanding and more may be issued, potentially in the next twelve months.



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If so, what do we/will we do with the collected money?

Money collected by the Surcharge will belong to the Port, only. These funds will be restricted for use by the Port for three purposes. The purposes will be i) payment of debt service on the bonds, ii) any surplus will eventually be set aside in an Investment Fund for the purpose of rebuilding the Port in 50 – 75 years or iii) used in the event there is a disaster, prior to the time the Port requires rebuilding, which results in the need for capital repairs to the Port.

3 Are you counting again in your surcharge the \$40 million line of credit (AKA “existing port debt”) that’s already been accounted for in the existing tariff rates?

No. The 2020 Series B Bonds refunded the \$40 million Short Term Borrowing Program (STBP) into long term revenue bonds. The required revenue for these Bonds is being provided for in the Baseline Tariff for all Users. Interest expenses related to the STBP, of which there is currently a balance outstanding, is paid for by the Port’s operating budget.

If so, shouldn’t that be backed out, so no one is double-paying?

There is no need to do so, as no one is paying double.

4 Have you credited against the PCT debt at least those State and federal grants that were awarded in support of the PCT construction?

The state and federal grant money received has been and will be used fully consistently with the intent of the award. How we generate required revenue for the long term revenue bonds is a separate matter. Also, see the response to the first part of question two.

If not, why not and doesn’t that put us in a situation where if the State and DOT find out we are not using those awards for their intended purpose they can demand the grant awards back?

The state and federal grant money received has been and will be used fully consistently with the intent of the award. How we generate required revenue for the long term revenue bonds is a separate matter. Also, see the response to the first part of question two.

5 Over the long haul, how will grants awards be treated in the surcharge calculations?

The PAMP is one construction Program. When a grant is received the entire construction Program receives the benefit of the grant. The actual funds from the grant have been and will be used fully consistently with the intent of the award. The grant benefit allocated to a particular User is based upon the cost allocated to that User in relation to the entire cost of the Program. The benefit of the grant reduces the debt necessary to be issued for the Program, and such debt is allocated to the Users under the same concept that the grant



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benefit is allocated. There is currently debt outstanding and more may be issued, potentially in the next twelve months.

6 Since the PCT is in the rearview mirror, why can't we just leave those tariff arrangements alone and move forward with the surcharge calculations based on the remainder of the program?

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And if we do that, do we really need to have anything in place by January 1, 2023, because there hasn't been any borrowing for those phases yet that needs re-paying?

The PAMP is one construction Program. When a grant is received the entire construction Program receives the benefit of the grant. The actual funds from the grant have been and will be used fully consistently with the intent of the award. The grant benefit allocated to a particular User is based upon the cost allocated to that User in relation to the entire cost of the Program. The benefit of the grant reduces the debt necessary to be issued for the Program, and such debt is allocated to the Users under the same concept that the grant benefit is allocated. There is currently debt outstanding and more may be issued, potentially in the next twelve months.

7 Steve R mentioned that Ron also reminded him that he didn't think the Commission would be ready to vote on August 10th.

We fully expect the Commissioners to diligently review our Surcharge Concept proposal and not rule until all of their questions have been addressed.

Additionally, representatives of the Municipality's Bond Counsel firm and the Municipal Advisor firm will attend the August 10th Commission Meeting via TEAMS.

Bond Counsel K&L Gates LLP

Cynthia Weed

John Longstreth

Municipal Advisor Masterson Advisors

Steve Kantor

Kayla MacEwen

Brendan Cooney